



Utility.  
Reimagined.



2017 Integrated Report

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Entergy is on a journey to be a world-class utility that prospers by delivering sustainable value for all stakeholders. In this report, the following icons indicate examples of economic, environmental or social performance, or recognition we've earned that validates the progress we've made on our journey.



ECONOMIC



ENVIRONMENTAL



SOCIAL



RECOGNITION

## To Our Stakeholders

Imagine a utility company that makes life better. A utility that moves from basic power delivery to helping people and businesses achieve their full potential. Imagine a utility that creates innovative, tailored solutions to delight customers – regardless of income levels – by addressing even their smallest wants and needs. Imagine a utility that offers employees a pathway to the skills of tomorrow. A utility that helps communities prosper, protects the environment and delivers to its owners solid financial returns while providing the lowest possible cost of service to customers. This is the utility company reimagined – a company with greater usefulness and purpose for its stakeholders.

### Our Journey

Our stakeholders – our customers, employees, communities and owners – are bound by one common expectation: sustainable value. Years ago we set on a path to become a world-class utility that prospers by pursuing sustainable value for all stakeholders. And we are well along on this journey. We have taken steps to reduce risk by exiting our merchant business and we have strengthened our core utility business by investing to modernize our aging infrastructure. As a result, we are a simpler and stronger company. Among our strengths:

- We provide our customers some of the lowest electricity prices in the country and have among the most progressive regulatory frameworks.
- We have one of the cleanest generating fleets in the United States and are well positioned to operate in a carbon-constrained economy.
- We are nationally recognized as an environmentally and socially responsible utility.
- We are an economic growth engine for the communities we serve.
- We are actively engaged with our stakeholders and deliver strong performance on multiple dimensions.

All of this means we have a solid foundation in place to grow, innovate and expand our usefulness and purpose in a changing world. We are well positioned to take advantage of opportunities as they arise and leverage new technologies to transform how we deliver sustainable value to our stakeholders tomorrow.



“We have a solid foundation in place to grow, innovate and expand our usefulness and purpose in a changing world.”

Leo P. Denault  
Chairman of the Board and Chief Executive Officer

### What's Next: Solutions for a Changing World

Innovations are continually changing our world and improving our everyday lives. Smartphones, for example, have given us better ways to order a pizza, hail a ride, buy a cup of coffee and perform a multitude of other tasks. Technology and data analytics are bringing the same type of promising change to the service we provide our customers. Today, people aren't excited to buy electricity, yet they rely on it every minute of every day. In the future, we want to delight our customers with innovative solutions that address needs they might not even know they have.

Change is nothing new to Entergy or our industry. From burning sawdust to oil, from coal to natural gas and nuclear power and now solar energy, battery storage and digital technologies, we have always taken advantage of industrial breakthroughs to improve – and at times transform – the very nature of the service we provide. Our stakeholders expect Entergy to evolve, innovate and transform, and they should. It's what we've always done. We welcome the change and we are eager to lead the way.

### Strategic Investments to Further Our Journey

We are investing today to ensure we are well prepared to seize this next wave of opportunity. For example:

- We are working to begin deploying advanced meters in 2019. AMI and its related technology will serve as a foundational element for the Entergy of tomorrow, creating the potential for new investments and new revenue streams. We currently are implementing the required IT infrastructure, communications network and meter data management systems.
- Over the next three years, we will place into service new generation plants, powered by some of the latest technologies, which offer better fuel efficiency, lower carbon emissions and require less water than the older units they replace. We currently have three combined-cycle gas turbine plants underway.
- Nuclear generation is an important source of large-scale, clean, reliable, stable and affordable baseload power. These assets also contribute to the financial well-being of our communities by providing good-paying

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We are working today to begin deploying advanced meters in 2019.

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jobs and significant tax revenues. Investing in our non-emitting nuclear resources – for example, by upgrading our analog systems to modern digital control systems – will preserve the long-term benefits of these assets and is an important part of our commitment to deliver sustainable value for our stakeholders.

- Technology advances are making renewable energy increasingly cost-competitive. We are in the process of selecting and implementing renewable energy projects in Arkansas, Louisiana and New Orleans.
- Finally, we also are investing in our transmission infrastructure. In 2017, major new transmission lines were under construction in Arkansas, Louisiana, Mississippi and Texas. Our largest transmission project to date, the Lake Charles transmission project in Louisiana, is on track for completion in 2018. We continue to operate within the Midcontinent Independent System Operator, Inc., a regional transmission organization, which helps inform our capital planning and delivers significant cost benefits for our customers.

All of these investments provide significant benefits *today* – namely they enable us to meet our customers' demand for reliable, affordable power. These investments are also enablers for *tomorrow* – supporting the development of tailored, higher value-added customer solutions and moving delivery of accessible, affordable, reliable and sustainable energy into the digital age.

### Steady, Predictable Growth

In 2017, we exceeded our expectations for adjusted earnings at our core utility business but fell short of our objective to achieve top-quartile total shareholder return. On an adjusted basis, excluding special items and normalizing for weather and income taxes, Utility, Parent & Other (non-GAAP) contributed \$4.57 to 2017 consolidated earnings per share, compared to \$4.38 in 2016. Entergy's total shareholder return for 2017 was 15.9 percent, which ranked 11<sup>th</sup> out of the 20 companies in our peer group and placed us in the third quartile. However, we are confident in our strategy and we remain committed to our goal of delivering top-quartile returns for our owners over the long term.

Our economic, environmental and social performance was recognized again in 2017 by the Dow Jones Sustainability North America Index and Corporate Responsibility Magazine's 100 Best Corporate Citizens list. We achieved perfect scores from DJSI in labor practice indicators, biodiversity, climate strategy and water-related risks. And Entergy was ranked fifth on the 100 Best Corporate Citizens list in the category of philanthropy and community support. We believe this recognition is meaningful validation of our approach to delivering sustainable value for all stakeholders.

Ultimately, our employees' commitment to our values, mission and vision drives our performance. I thank all our employees for their hard work, innovative spirit and unrelenting drive to make Entergy a world-class utility.

### A Time to Reimagine

We are in the early days of our industry's transformation. Innovation is changing how we generate and deliver power. And more importantly, technology is changing how we view our business. The prospects and possibilities for how we power life feel limitless. And that makes it an incredibly exciting time to be at Entergy, because this is what we do – we power life.

Now is the time to reimagine everything. To give our customers something more – solutions that meet their needs with accessible, affordable, reliable and sustainable energy. To enhance the careers available to our employees and to be an even more powerful environmentally and socially responsible growth engine for our communities. To invest in new technologies and new revenue streams that offer promising returns for our owners.

Years ago, we embarked on a journey to pursue sustainable value for the benefit of our customers, employees, communities and owners – a commitment that many investors are recognizing is essential to success over the long term.

At Entergy, our path is clear. And our journey continues.



Leo P. Denault  
Chairman of the Board and Chief Executive Officer

March 23, 2018

# Our Leadership



Entergy Board of Directors (left to right): Donald C. Hintz, Blanche Lambert Lincoln, Stuart L. Levenick, Karen A. Puckett, Philip L. Frederickson, Leo P. Denault, Maureen Scannell Bateman, W. J. "Billy" Tausin, Admiral Kirkland H. Donald, USN (Ret.), Alexis M. Herman, Patrick J. Condon

## Board of Directors (as of Dec. 31, 2017)

### **Maureen Scannell Bateman**

Attorney, Former Executive Vice President and General Counsel, State Street Corporation  
New York, New York  
*An Entergy director since 2000. Age 74*

### **Patrick J. Condon**

Retired Audit Partner, Deloitte & Touche LLP  
Frankfort, Illinois  
*An Entergy director since 2015. Age 68*

### **Leo P. Denault**

Chairman of the Board and Chief Executive Officer, Entergy Corporation  
New Orleans, Louisiana  
*Chairman and Chief Executive Officer since 2013. Age 58*

### **Admiral Kirkland H. Donald, USN (Ret.)**

Former President and Chief Executive Officer, Systems Planning and Analysis, Inc.  
Alexandria, Virginia  
*An Entergy director since 2013. Age 64*

### **Philip L. Frederickson**

Former Executive Vice President, ConocoPhillips  
Horseshoe Bay, Texas  
*An Entergy director since 2015. Age 61*

### **Alexis M. Herman**

Chair and Chief Executive Officer, New Ventures, LLC  
McLean, Virginia  
*An Entergy director since 2003. Age 70*

### **Donald C. Hintz**

Former President, Entergy Corporation and Entergy Services, Inc.  
Punta Gorda, Florida  
*An Entergy director since 2004. Age 74*

### **Stuart L. Levenick**

Former Group President and Executive Office Member, Caterpillar Inc.  
Peoria, Illinois  
*Lead director of Entergy.  
An Entergy director since 2005. Age 64*

### **Blanche Lambert Lincoln**

Founder and Principal, Lincoln Policy Group  
Arlington, Virginia  
*An Entergy director since 2011. Age 57*

### **Karen A. Puckett**

President and Chief Executive Officer, Harte Hanks, Inc.  
Houston, Texas  
*An Entergy director since 2015. Age 57*

### **W. J. "Billy" Tausin**

Owner, Tausin Strategic Networks  
Washington, D.C.  
*An Entergy director since 2005. Age 74*



## Changes to Our Board

**In 2018, three long-time members will retire from the Entergy board of directors upon reaching mandatory retirement age. Their thoughtful insights and valuable perspectives helped set Entergy on a path years ago to become a world-class utility that prospers by pursuing sustainable value for all stakeholders. Their sound counsel has helped us progress on our journey.**



**Maureen Bateman**, a board member since 2000 and chair of the Personnel Committee, brought deep legal knowledge acquired through her experience as an accomplished corporate attorney, as well as expertise in financial and business matters gained through her extensive experience in the banking and financial services industries. Maureen’s civic involvement as an officer, director or trustee of various charitable organizations also provided valuable insight into issues of importance to the communities we serve.



**Donald Hintz**, a board member since 2004, previously served as president of Entergy Corporation from 1999 to 2004. He joined Entergy in 1989 and was group president and chief nuclear officer before being appointed president. In addition to his leadership skills and extensive knowledge of Entergy and our nuclear business, Don brought valuable regulatory and risk management expertise to our board that he gained through his experience in the nuclear industry. His many contributions to Entergy over his 29-year career will have a lasting impact on our company.



**W. J. “Billy” Tausin**, a board member since 2005, is a former member of the U.S. House of Representatives. His many years of governmental, public policy and legislative affairs experience enabled him to provide critical insights into many of the most important issues facing Entergy. Billy also brought governance and risk management skills gained through his experience as the president of a leading trade industry association and his experience as trustee or director of public and private companies and organizations, including his service as lead director of another public company. His strong ties to the state of Louisiana also enabled him to provide insight into the issues and concerns of our service territories.









**In anticipation of these retirements, John Burbank, president, corporate development and strategy at Nielsen Holdings plc, joined the Entergy board in early 2018. John brings strong experience in developing and executing strategies for consumer-facing businesses undergoing transformational change. His knowledge and understanding of digital technology, customer data analytics and product development are uniquely suited to help Entergy leverage new technologies for the benefit of all stakeholders.**



## Board Composition

Our board of directors provides oversight with respect to our overall performance, strategic direction and key corporate policies. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters.

Our board includes a diverse group of leaders in their respective fields. We believe their varied backgrounds, skills and experiences contribute to an effective and well-balanced board that is able to provide valuable insight to, and effective oversight of, our senior executive team. Each of the following key qualifications is well-represented on our board:

Key Qualification	Why It's Important
 <p><b>Leadership and Senior Management Experience</b></p>	<p>Directors who hold or have held significant leadership positions provide Entergy with unique insights. These individuals generally possess extraordinary leadership qualities as well as the ability to identify and develop those qualities in others. Their experiences developing talent and solving problems in large, complex organizations prepare them well for the responsibilities of board service.</p>
 <p><b>Finance and Accounting</b></p>	<p>Accurate financial reporting and robust auditing are critical to our success. We seek to have at least one director who qualifies as an audit committee financial expert, and we expect all of our directors to be literate in finance and financial reporting processes.</p>
 <p><b>Government, Legal, Public Policy</b></p>	<p>Our businesses are heavily regulated and are directly affected by governmental actions. As such, we seek directors with experience in government, law and public policy to provide insight and understanding of effective strategies in these areas.</p>
 <p><b>Risk Management</b></p>	<p>Managing risk in a rapidly changing environment is critical to our success. Directors should have a sound understanding of the most significant risks facing Entergy and the experience and leadership to provide effective oversight of risk management processes.</p>
 <p><b>Regulated Utility/Nuclear</b></p>	<p>Due to the complexity of our business, we believe it is important to have directors with experience in the utility industry or in nuclear power operations to enable the board to provide effective oversight of our operations.</p>
 <p><b>Consumer/Transformation/Technology</b></p>	<p>Our industry is undergoing transformational change as a result of advances in technology and changing customer expectations about the products and services they want and need to power their lives. This creates opportunities for companies whose leadership is able to understand those changes and what they mean for their customers and other stakeholders. Directors with deep strategic experience managing consumer-facing businesses and operations that have been impacted by disruptive technological change can provide the board with critical insights and perspective on these issues and challenges.</p>

## Board Composition

(as of March 23, 2018)

**65** AVERAGE AGE

**8** YEARS AVERAGE TENURE

**4** OF 12 DIRECTORS DIVERSE  
BY RACE OR GENDER

**11** OF 12 ARE INDEPENDENT

We believe having a combined chairman and chief executive officer, independent chairs for each of our board committees and an independent lead director provides the right form of board leadership structure for Entergy. This leadership structure, which is commonly utilized by other public companies, helps facilitate swift and effective decision making and ensures that the company speaks with one voice, while at the same time encouraging open and constructive dialogue among board members. We also believe the independent leadership provided by our independent lead director and the independent chairs of each of our board committees, combined with the fact that all of the directors other than our chairman and chief executive officer are independent, assures that the board will act in an independent manner and free of any undue or inappropriate influence by management. Our independent lead director is appointed by a majority of the independent members of the board for a three-year term.

Our board and management team’s commitment to understanding the interests and perspectives of our shareholders is a key component of our corporate governance strategy. We approach shareholder engagement as an integrated, year-round process involving senior management, our investor relations team, subject matter experts and our corporate governance team. Shareholder feedback is thoughtfully considered and has led over the past several years to modifications in our executive compensation programs, governance practices and disclosures. For example, in 2017 we amended our corporate governance guidelines to limit the number of public company boards on which our directors may serve.

## Board Committees

During 2017, our board held 14 meetings. Members of the board attended on average approximately 94 percent of the total number of meetings of the board and the committees on which he or she served. Board responsibility for sustainable economic, environmental and social practices is maintained by various committees as part of their charters. The board’s six standing committees (and their meeting frequency in 2017) are: audit (11), corporate governance (7), personnel (12), finance (8), nuclear (5) and executive (0).

Name	Audit	Corporate Governance	Personnel	Finance	Nuclear	Executive
Maureen S. Bateman	✓		✓ <sup>(c)</sup>		✓	
Patrick J. Condon	✓ <sup>(c)</sup>				✓	
Leo P. Denault						✓ <sup>(c)</sup>
Kirkland H. Donald				✓	✓ <sup>(c)</sup>	
Philip L. Frederickson	✓	✓		✓ <sup>(c)</sup>		
Alexis M. Herman		✓	✓			
Donald C. Hintz				✓	✓	✓
Stuart L. Levenick		✓		✓		✓
Blanche L. Lincoln	✓	✓ <sup>(c)</sup>				
Karen A. Puckett	✓		✓			
W. J. “Billy” Tauzin		✓	✓	✓		✓

<sup>(c)</sup> Chair



Entergy Executive Officers (left to right): A. Christopher Bakken, III, Andrew S. Marsh, Andrea Coughlin Rowley, Roderick K. West, Leo P. Denault, Alyson M. Mount, Donald W. Vinci, Marcus V. Brown, Paul D. Hinnenkamp

## Entergy Corporation Executive Officers (as of Dec. 31, 2017)

### **Leo P. Denault**

#### **Chairman and Chief Executive Officer**

Joined Entergy in 1999. Became chairman and chief executive officer in 2013, after serving as executive vice president and chief financial officer. Age 58

### **Roderick K. West**

#### **Group President, Utility Operations**

Joined Entergy in 1999. Became group president, utility operations in 2017, after serving as executive vice president and chief administrative officer. Age 49

### **A. Christopher Bakken, III**

#### **Executive Vice President and Chief Nuclear Officer**

Joined Entergy in 2016. Former project director, Hinkley Point C of EDF Energy. Age 56

### **Marcus V. Brown**

#### **Executive Vice President and General Counsel**

Joined Entergy in 1995. Became executive vice president and general counsel in 2013, after serving as senior vice president and general counsel. Age 56

### **Paul D. Hinnenkamp**

#### **Executive Vice President and Chief Operating Officer**

Joined Entergy in 2001. Became executive vice president and chief operating officer in 2017, after serving as senior vice president and chief operating officer. Age 56

### **Andrew S. Marsh**

#### **Executive Vice President and Chief Financial Officer**

Joined Entergy in 1998. Became executive vice president and chief financial officer in 2013, after serving as vice president of system planning. Age 46

### **Donald W. Vinci**

#### **Executive Vice President and Chief Administrative Officer**

Joined Entergy in 1985. Became executive vice president and chief administrative officer in 2016, after serving as senior vice president, human resources and chief diversity officer. Age 59

### **Alyson M. Mount**

#### **Senior Vice President and Chief Accounting Officer**

Joined Entergy in 2002. Became senior vice president and chief accounting officer in 2012, after serving as vice president and corporate controller. Age 47

### **Andrea Coughlin Rowley**

#### **Senior Vice President, Human Resources**

Joined Entergy in 2016. Former president and chief executive officer of Advance/Evolve LLC. Age 52

# Our Company



## How We Create Sustainable Value

Entergy has a clear purpose, well-defined strategy and plan for execution of that strategy along with strong governance policies and practices. This is how we create sustainable value. We strive to communicate clearly with our stakeholders to build understanding and support for our objectives and enable our long-term success.

### Vision, Mission and Stakeholder Objectives

We power life. This is our vision. It goes much further than powering the grid. Together, we help improve lives, build businesses and create prosperity. “We power life” is Entergy’s promise to create a better future for us all.

We exist to operate a world-class energy business that creates sustainable value for our four stakeholders – customers, employees, communities and owners. This is our mission.

- For our customers, we create value by delivering top-quartile customer satisfaction through anticipating customer needs and exceeding their expectations while keeping rates reasonable.



### RECOGNITION



Entergy was included on Corporate Responsibility Magazine’s 2017 list of the 100 Best Corporate Citizens, validating our mission to operate a world-class energy business. This year marks the eighth time Entergy has been included on this important business ranking that recognizes the most successful, transparent companies on the Russell 1000 Index.



- For our employees, we create value by earning top-quartile organizational health scores and top-decile safety performance and by providing a rewarding, engaging, diverse and inclusive work environment with fair compensation and benefits and opportunities for career advancement.
- For our communities, we create value by achieving top-decile corporate social responsibility performance through economic development, philanthropy, volunteerism and advocacy and by operating our business safely and in a socially and environmentally responsible way.
- For our owners, we create value by delivering top-quartile returns through the relentless pursuit of opportunities to optimize our business.

## Business Strategy

Our strategy to achieve our stakeholder objectives has two key areas of focus. First, we invest in the utility for the benefit of our customers, which supports steady, predictable growth in earnings and dividends. Second, we manage risk by ensuring our utility investments are customer-centric and supported by progressive regulatory constructs, and by exiting our merchant business.

## Operations

Entergy Corporation (NYSE: ETR) is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nearly 9,000 megawatts of nuclear power. Entergy delivers electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of approximately \$11 billion and more than 13,000 employees.

### Utility

Entergy provides electric retail and wholesale power to customers in four states through five utility operating companies: Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Mississippi, Inc.; Entergy New Orleans, LLC; and Entergy Texas, Inc. We also deliver natural gas services to 199,000 customers in New Orleans and parts of Baton Rouge, Louisiana, through two of our utility companies.

### Wholesale Generation

Entergy provides power to wholesale customers primarily from four nuclear units located in the northern United States. We also provide services to other nuclear power plant owners. We have announced the sale or closure of each of our remaining merchant nuclear assets, completing our plan to exit the merchant power business and transition to a pure-play utility.



## RECOGNITION

Entergy was named to the Dow Jones Sustainability North America Index in 2017, our 16th consecutive year to appear on the World or North America Index or both. We achieved perfect scores of 100 in the focus areas of labor practice indicators, climate strategy, biodiversity and water-related risks.

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM





## Entergy by the Numbers 2017

GAAP Revenues	<b>\$11.1 billion</b>
GAAP Net Income	<b>\$425.4 million</b>
GAAP Earnings Per Share	<b>\$2.28</b>
Dividends Declared Per Share	<b>\$3.50</b>
Total Assets	<b>\$46.7 billion</b>
Employees at Year-end	<b>13,504</b>
Utility Retail Electric Customers	<b>2.9 million</b>
Utility Billed Retail Electric Energy Sales	<b>112,859 GWh</b>
Interconnected High-Voltage Transmission Lines	<b>15,700 circuit miles</b>
EWC Billed Electric Energy Sales	<b>30,501 GWh</b>
Total Owned and Leased Generating Capability by Fuel Source in MW:	
Nuclear	<b>8,796</b>
Gas/Oil	<b>14,452</b>
Coal	<b>2,410</b>
Hydro	<b>71</b>
Solar	<b>2</b>

## Recognition

### The Civic 50

Entergy was named for the second consecutive year to The Civic 50, a list recognizing the most community-minded companies in the nation by Points of Light, the world's largest organization dedicated to volunteer service.

### Corporate Equality Index

Entergy earned an 85 percent rating on the 2017 Corporate Equality Index released by the Human Rights Campaign Foundation, which places Entergy in the top 20 of energy and utility companies that participated in the survey. The index rates companies on their nondiscrimination policies on sexual orientation and gender identity.

### 100 Best Corporate Citizens

For the eighth time, Entergy was included on Corporate Responsibility Magazine's list of the most successful, most transparent companies on the Russell 1000 index. The list measures performance in the categories of environment, climate change, employee relations, human rights, corporate governance, financial performance and philanthropy and community support.

### Dow Jones Sustainability North America Index

Entergy was named to the Dow Jones North America index, which measures performance in economic, environmental and social dimensions against industry peers. We achieved perfect scores in the focus areas of labor practice indicators, biodiversity, climate strategy and water-related risks.

### Disability Equality Index

Entergy earned a score of 90 on the DEI, a joint initiative of the American Association of People with Disabilities and the U.S. Business Leadership Network, which classifies the company as one of the best places to work for people with disabilities.

### Emergency Recovery and Assistance Awards

Edison Electric Institute awarded Entergy an Emergency Recovery Award for power restoration efforts following Hurricane Harvey, and an Emergency Assistance Award for helping other utilities recover following Hurricane Irma. This was the 20th consecutive year Entergy has earned an EEI national storm restoration award.

### ERG & Council Honors Award

Entergy's Employee Resource Groups ranked 15th among the Association of ERGs & Councils' 2017 top 25 U.S. employee and business resource groups and diversity councils, out of more than 1,300 applicants.

### Sustainability Yearbook Member – RobecoSAM

Entergy was named a Sustainability Yearbook Member, which means we were ranked within the top 15 percent of our industry and achieved a score within 30 percent of the industry leader's score on RobecoSAM's annual corporate sustainability assessment.

### Top Corporations for Women's Business Enterprises

For the second consecutive year, Entergy was named to the list of America's Top Corporations for Women's Business Enterprises by the Women's Business Enterprise National Council. In addition to offering equal access to business opportunities, Top Corporations generate and conduct a high volume of business with WBEs.

### Top 100 Green Utilities

Entergy ranked number 43 in the 2017 list of the Top 100 Green Utilities. The global rankings, issued by EI New Energy, are based on carbon intensity, or CO<sub>2</sub> per MWh generated, and nonhydro renewable capacity.

### Top 10 Utilities in Economic Development

Entergy was named by Site Selection magazine as one of the nation's Top 10 utilities in economic development – for the 10th consecutive year – for its role resulting in nearly \$27.5 billion of capital investment and the creation of more than 5,750 new jobs in 2016.

### Top Workplaces in New Orleans

The Times-Picayune awarded Entergy the 2017 Top Workplaces honor based on results of an employee feedback survey conducted in the greater New Orleans area. Leo Denault was recognized as a Top Leader in the Large Company category.

### Tree Line USA

The Arbor Day Foundation named Entergy a Tree Line USA utility for the 12th consecutive year, recognizing our commitment to providing safe and reliable electricity while maintaining healthy community forests.



# Utility

Our Core Business

# Solutions for a Changing World

Our utilities provide power at some of the lowest rates in the country to residential, commercial, industrial and governmental customers in Arkansas, Louisiana, Mississippi and Texas. We also deliver natural gas to customers in New Orleans and parts of Baton Rouge, Louisiana.

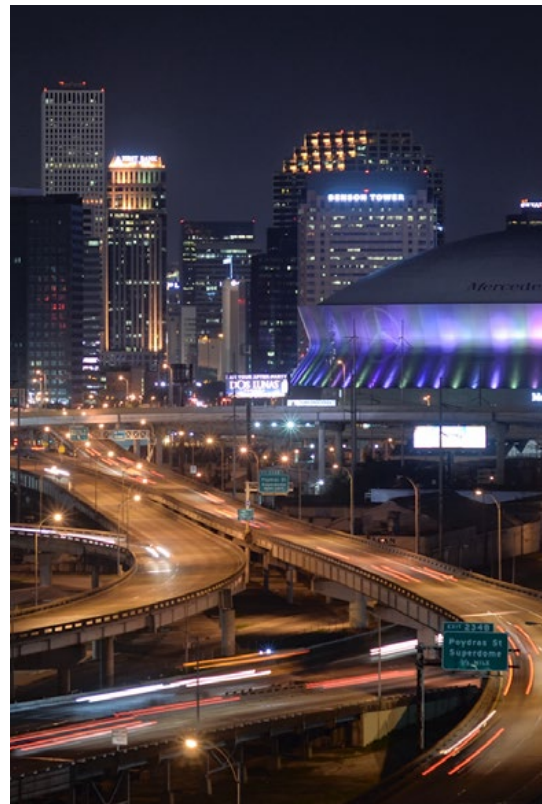
Generating and delivering power – our core business – is undergoing transformational change driven by new technologies, advanced analytics and evolving customer expectations. In 2017, as we provided power and natural gas safely, reliably and efficiently to customers, we also

made significant customer-centric investments in our generation, transmission and distribution infrastructure. These investments in new technologies and capabilities lay the foundation for delivering tailored customer solutions in the future.



## ECONOMIC/RECOGNITION

Excellent service that meets our customers' expectations is the basis of our business success. Entergy Corporation achieved a top-quartile ranking on the Overall Customer Satisfaction Index in the J.D. Power 2017 Electric Utility Residential Customer Satisfaction syndicated study, validating our corporate goal for customer satisfaction. We also track our performance through proprietary studies with Bellomy Research. In a customer perception survey, we monitor the percentage of randomly selected residential customers who respond with a score of 8, 9 or 10 when asked how satisfied they are with Entergy as a utility company on a 10-point scale, with 10 being most satisfied. For the past five years, Entergy has achieved more than a 74 percent positive response.



## ENVIRONMENTAL

Entergy's commitment to the environment is detailed within the [Environmental, Social and Governance section](#) of this report. Within that section is Entergy's new ESG/sustainability reporting template developed by Edison Electric Institute and a working group of institutional investors and electric company officials including Entergy representatives. The goal of the reporting template is to provide investors and other stakeholders with more uniformity and consistency across sustainability metrics.



Entergy executives and government officials gathered in Westlake, Louisiana, on Jan. 22, 2018, to break ground for the Lake Charles Power Station.

## Generation

In 2002, we established our portfolio transformation strategy to replace older, less efficient generation units with a cleaner, more efficient portfolio. Our resource decisions are informed by many factors such as the age of assets, prospective environmental regulations, including CO<sub>2</sub> regulation, energy efficiency and demand-side management programs, as well as the preferences and expectations of our customers. Since establishing this strategy, we have replaced nearly 30 percent of our generation resources with cleaner, more efficient resources.

### 2017 Portfolio Transformation Highlights

In 2017, we continued to execute our portfolio transformation strategy and enhance our infrastructure with a fuel-diverse mix of natural gas and renewable resources.

- In Arkansas, construction of the 81 MW Stuttgart Solar Energy Center was completed and synchronized to the transmission grid. The project, which features more than 350,000 photovoltaic solar panels, will supply capacity and associated energy to Entergy Arkansas customers under a 20-year power purchase agreement that begins June 2018. Entergy Arkansas also finalized selections for solar proposals under its 2016 Request for Proposals for Long-Term Renewable Generation Resources; it is seeking approval from the Arkansas Public Service Commission of a power purchase agreement for the Chicot Solar project, a planned 100 MW solar photovoltaic project near Lake Village, Arkansas.
- Entergy Louisiana began construction of the St. Charles Power Station, a 980 MW combined-cycle gas turbine unit in Montz, Louisiana, with a targeted in-service date of

June 2019, and received approval from the Louisiana Public Service Commission to build the Lake Charles Power Station, a 994 MW CCGT with an estimated in-service date of 2020. Entergy Louisiana also requested LPSC approval of a 361 MW simple cycle combustion turbine plant in Bogalusa, Louisiana, called the Washington Parish Energy Center, with an in-service date of 2021, pending timely approval. In 2017, Entergy Louisiana finalized selections under its 2016 Request for Proposals for Long-Term Renewable Generation Resources of up to 200 MW and is working toward definitive agreements on the selected proposals.

- Entergy New Orleans filed a supplemental and amended application seeking approval from the New Orleans City Council to build a 226 MW combustion turbine unit, or alternatively a 128 MW unit composed of natural gas-fired reciprocating engines, called the New Orleans Power Station located at the deactivated Michoud plant site with estimated in-service dates of 2021 and 2020, respectively. In March 2018, the New Orleans City Council approved construction of the 128 MW unit. In addition, in January 2018 Entergy New Orleans selected a portfolio of updated proposals from its renewables request for proposals with an anticipated total of approximately 90 MW. The updated proposals are in addition to a project to construct approximately 5 MW of commercial-scale rooftop solar systems on existing buildings and properties in land-constrained Orleans Parish, which is presently being reviewed by the New Orleans City Council. The total portfolio of approximately 95 MW represents a significant step toward pursuing a full 100 MW of renewable generation.





## ENVIRONMENTAL

Our investments in portfolio transformation have significantly reduced our environmental footprint. While our annual electric generation has increased by 18 percent since 2000, our investments in clean energy have resulted over the same period in a 70 percent reduction in NOx emissions, a 62 percent reduction in SO<sub>2</sub> emissions and a 32 percent reduction in CO<sub>2</sub> emissions.



Entergy New Orleans' utility-scale solar plant is one of only a few in the U.S. to integrate state-of-the-art battery-storage technology.

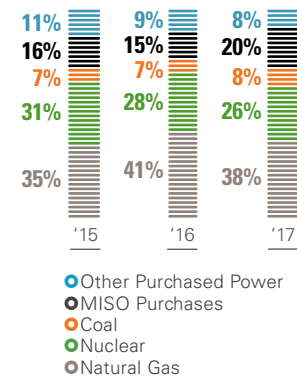
- Entergy Texas received approval from the Public Utility Commission of Texas to build the Montgomery County Power Station, a 993 MW CCGT located next to our existing Lewis Creek power units, with an estimated in-service date of 2021.

### Our Energy Mix

As a result of our portfolio transformation strategy, natural gas represents 38 percent of our existing utility generation sources. Our new-build natural gas-fired units, in operation, proposed or under construction, represent nearly 4,000 MW of new generation. Replacing older generation with new natural gas-fired units offers several advantages. These units will improve system reliability, increase environmental efficiency and reduce costs for our customers by using less fuel and improving fleet efficiency. New units also have lower maintenance costs, produce up to 40 percent fewer carbon emissions and require less water.

Newer, more efficient generation resources that provide baseload power generation also support a larger renewable buildout. Our energy mix includes approximately 2 million MWh of renewable energy, which consists of hydro, solar, biomass, landfill gas, waste heat recovery and wind renewable energy credits. This represents nearly 2 percent of our generation sources used to meet utility demand in 2017. While still a small portion of our utility generation, technological advances are making renewable energy as well as certain distributed energy resources increasingly cost-competitive. We continue to explore utility-scale renewable opportunities as well as potential applications for distributed energy resources as part of our ongoing modernization efforts. We have solar generation projects underway that will assist us in assessing geographic differences and operational performance while providing our customers access to a renewable energy source.

### Generation Sources Used to Meet Utility Demand

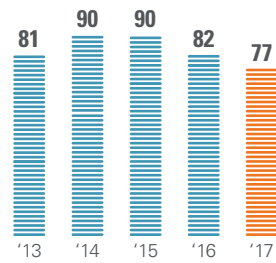




ENVIRONMENTAL

Over the next three years we expect to contract for more than 800 MW of renewable resources. Two power purchase agreements in Arkansas represent approximately 180 MW, and of the remainder, approximately half represent ownership opportunities.

Utility Nuclear Fleet Capability Factor



Capability factor: percentage of the maximum energy generation a plant is capable of supplying to the grid, limited only by factors within control of plant management.

Plant performance based on 18/24-month operating cycle.

Depending on the circumstances, we believe utility-scale renewables offer better operational performance and significantly lower energy production costs than smaller-scale distributed renewable generation alternatives. That said, as of Dec. 31, 2017, our utilities have approximately 17,600 customers with self-generation equipment, virtually all of which are rooftop solar photovoltaic systems. Over the years, we have made numerous process improvements and added dedicated resources so that customers who choose to self-generate have access to clear and timely information and resources. We also continue to engage with our regulators and stakeholders on policy matters as well as possible avenues to expand renewable energy alternatives.

Nuclear generation remains a key component of our clean generation portfolio. We operate five utility nuclear units: Arkansas Nuclear One Units 1 and 2, Grand Gulf Nuclear Station, River Bend Station and Waterford 3 Steam Electric Station. Our nuclear assets provide significant benefits to our stakeholders through low-cost and reliable baseload power generation with virtually no emissions, valuable fuel diversity and reduced fuel price volatility, as well as positive economic impact on local communities. An important goal for 2018 is for ANO to return to normal oversight by the Nuclear Regulatory Commission after being placed in Column 4 of the NRC’s Reactor Oversight Process Action Matrix in 2015. Over the past few years, we have worked with the NRC as well as our peers to systematically complete corrective actions outlined in our Confirmatory Action Letter. As a result, we are on track for ANO to exit Column 4 and return to normal oversight in 2018. Also, as part of our nuclear investment strategy, we kept Grand Gulf offline to complete a deliberate, thorough and conservative review of processes, procedures and protocols to improve performance. During that time, we completed a significant number of maintenance projects and provided more than 3,100 hours of training in operations, maintenance and technical fields. While this extended outage contributed to an overall lower utility nuclear fleet capability factor, Grand Gulf is a good illustration of our commitment to restore our fleet to excellent performance.



## High-Tech Tools Improve Grid Reliability

Entergy employees use an array of high-tech tools to design and maintain a reliable electric grid. Innovative devices include infrared cameras, corona cameras and stick-mounted ohmmeters used to inspect critical infrastructure and detect issues from either the ground or from helicopter platforms. We also use advanced software proactively to detect and analyze the impact of lightning on our system. Employing new technologies in the design and maintenance of our transmission system helps us maintain service reliability, control costs and preserve the environment.



In 2017, we invested approximately \$1 billion in transmission projects in Arkansas, Louisiana, Mississippi and Texas.

## Transmission

The utility generation assets we own are operated within MISO – a regional transmission organization. MISO’s real-time and day-ahead energy markets use centralized economic dispatch and security-constrained unit commitment to optimize all resources within the region and across its vast footprint based on bids, offers and schedules provided by market participants. The shift to a regional commitment and dispatch

of generation results in a more efficient use of the electrical system, which lowers costs for customers and creates significant benefits for our business.

Operating within MISO also enhances reliability by informing all market participants on the state of grid conditions and market operations through the public posting of wholesale electricity prices at locations across the grid and other key system information. MISO mitigates congestion,

in significant part, through price signals, allowing for more timely and more efficient congestion management. Participation in MISO also provides a wealth of useful information to transmission planners about new transmission facilities and upgrades that are likely to provide economic savings to customers, and MISO also provides the mechanisms to allocate the costs of those new facilities and upgrades to those who benefit from them.



ENVIRONMENTAL

As part of our efforts to limit our operational impact on biodiversity, we used our integrated mapping systems to twice reroute a proposed 25-mile transmission line in Madison County, Mississippi, to avoid three identified eagle nests.



In 2017, we invested approximately \$1 billion and placed more than \$900 million of transmission capital projects into service to connect our generation portfolio, support economic development by serving new customers and enhance system reliability, efficiency and resiliency. In Arkansas, the second stage in the construction of a new 230 kV transmission line was placed in service in 2017 with the final stage scheduled to be completed in 2018. The three-stage project, an approximately \$78 million investment, addresses future load growth and reliability needs in southeastern Arkansas. In Louisiana, we are on schedule to deliver by June 2018 the Lake Charles transmission project, a \$180 million investment designed to maintain reliability in this region as significant industrial load growth occurs. In addition, construction of a new storm-hardened, 36-mile, 230 kV transmission line in southeast Louisiana is underway in a joint effort between Entergy Louisiana and Cleco Power. Entergy Louisiana also began construction in early 2018 on a new \$100 million technological upgrade to its transmission grid in Jefferson Davis Parish. In Mississippi, we are on track to complete the \$132 million Southwest Mississippi improvement project in 2018. In Texas, we energized 11 new transmission projects in 2017 and began construction on several upgrades. We received certification to construct the \$67 million China to Stowell 230 kV project and the \$70 million Port Arthur 230 kV project, in 2017 and 2018, respectively. These investments will enhance reliability and load serving capability in southeast Texas.



ENVIRONMENTAL

Entergy is participating in the Department of Energy's Partnership for Energy Sector Climate Resilience, a voluntary partnership program to establish a 21st-century energy system resilient to extreme weather and climate change. The program provides an avenue for utilities to advance climate resilience efforts and address shared priorities and challenges. More information on the partnership is available at [energy.gov/policy/partnership-description](http://energy.gov/policy/partnership-description).



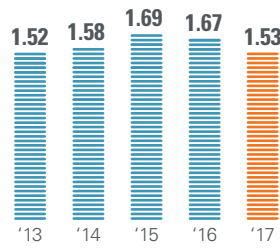
## Electric Distribution

We are exploring new grid technologies to improve resilience, enhance reliability, lower cost and improve customer service. We are moving forward with steps toward the installation of advanced meters to benefit our customers. We received regulatory approval in Arkansas, Louisiana, Mississippi, New Orleans and Texas for advanced meter deployment beginning in early 2019.

Advanced meters facilitate operational efficiencies, enable faster outage response and empower customers with information to better understand and manage their electricity usage. Ahead of advanced meter deployment beginning in 2019, we are focused on constructing and implementing new meter data management systems, new distribution and outage management systems and new communication infrastructure that will support the greater functionality of advanced meters. We plan to deploy advanced meters across our entire system to approximately 3 million customers, which represents an investment of about \$900 million.

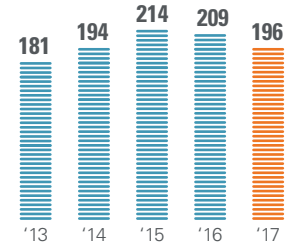
Advanced meters lay the foundation for the next generation of grid technologies on our system. We are evaluating broader grid modernization initiatives, engaging with our stakeholders and bringing forward further proposals as appropriate. We are also exploring technologies to improve grid reliability and resiliency through automation and grid hardening, as well as technologies and devices that enable deployment of distributed energy resources and micro grids. Our goal is to enhance our infrastructure, deploy new technologies and advanced analytics, and develop tailored solutions that anticipate customers' expectations while at the same time managing the required investments to maintain our reliability and low rates.

Outage Frequency



System average interruption frequency index: average number per customer per year, excluding the impact of major storm activity.

Outage Duration



System average interruption duration index: average minutes per customer per year, excluding the impact of major storm activity.



## Gas Distribution

Our gas distribution business delivers natural gas to about 199,000 retail customers in New Orleans and Baton Rouge, Louisiana. We are exploring new ways of leveraging technology to enhance safety and reliability and improve customer service in gas distribution. We are moving forward with steps toward the installation of advanced meters to benefit our customers, including our gas customers. And working with other gas utilities and research partners at the Gas Technology Institute, we continue to support and influence the development of new technologies to improve the safety and reliability of the gas distribution system.

We also continue gas infrastructure replacement programs in both New Orleans and Baton Rouge to modernize the system and accelerate the replacement of certain vintage piping materials. In 2017, approximately 12 miles of pipe were replaced in Baton Rouge, including the abandonment and conversion of the more than 100-year-old, low-pressure, cast iron distribution system to a high-pressure system. The LPSC-approved program for Baton Rouge operations commenced in 2015 and is scheduled to continue through 2024, replacing approximately 10 miles of pipe per year at a total program cost of approximately \$48 million. In New Orleans, the gas rebuild program and the replacement of almost 400 miles of flooded pipe following Hurricane Katrina concluded in early 2017. In January 2017, we received initial authorization from the New Orleans City Council to begin the annual replacement of 25 miles of certain vintage piping materials through 2018 at a cost of approximately \$13 million per year. In 2017, nearly 26 miles of vintage piping was replaced with modern piping materials that are more reliable and less susceptible to flood damage.

We support the use of natural gas as a transportation fuel. Its advantages include cleaner burn, domestic availability, widespread distribution infrastructure and reduced greenhouse gas emissions compared to conventional gasoline and diesel fuels. For the past two years, we have worked with the Louisiana Clean Fuels Coalition and others to open an alternative fuel vehicle training center in Louisiana to promote the use of alternative fuel vehicles such as electric and compressed natural gas. The nationally certified Automotive Technology Center at Baton Rouge Community College is a \$25 million state-of-the-art training facility that now offers an alternative fuel certification for students in its automotive technology and diesel heavy-truck technology programs.

## Customer Solutions

Our customers expect Entergy to anticipate their needs with tailored solutions that are delivered seamlessly and efficiently. As new technologies, data and analytics continue to improve, so too will our ability to deliver tailored solutions that better meet our evolving customer expectations through a dynamic integrated energy network and new products and services beyond basic power delivery. We are working today to address customer needs, with the goals of providing uninterrupted service, helping customers save money, being more environmentally responsible and making our services easier to use.

### Uninterrupted Service

Our investments in grid modernization are expected to improve system reliability and minimize customer service interruptions. For example, Entergy New Orleans plans to spend



Storm hardening work includes pole replacements, circuit reconfigurations and other targeted measures.

approximately \$16 million in 2018 on pole replacements, circuit reconfigurations and other measures to add flexibility and reduce the number of customers affected by a power outage. Circuit reconfigurations will increase the number of automated switches on power lines to detect and prevent potential problems and restore and reroute power when necessary to reduce the number of customers affected by an outage. This storm hardening work reconfigures electric feeders into smaller sections so that fewer customers are served by each circuit. As a result, fewer customers are affected by an outage, and we have greater flexibility to switch customers to alternate sources of power, reducing outage duration.



Digital technologies are changing how people manage their energy use.


In the future, advanced metering infrastructure will allow us to identify outages to homes and businesses more quickly and in certain circumstances even potentially spot problems before they occur. The new distribution management system and outage management system will also provide faster outage detection and improved outage communication. The new systems will recommend switching for service restoration and improve visualization of the power system.

We also facilitate customer-owned distributed generation and provide relevant technical standards, policies, application forms and related information online. We work directly with customers who have questions on how to

safely connect to the grid. Nearly all customer-owned distributed generation is currently rooftop solar systems, some with battery backup.

**Save Money**

For many years we have offered energy efficiency programs in all of our jurisdictions, as well as tools and technical assistance to help our customers reduce their energy bills. Currently we offer more than 30 energy efficiency and demand-side management programs with a stated goal of 990 MW of peak load reduction through 2031. The objectives of Entergy’s demand-side management and energy-efficiency programs for residential and commercial customers are to reduce the



**SOCIAL**

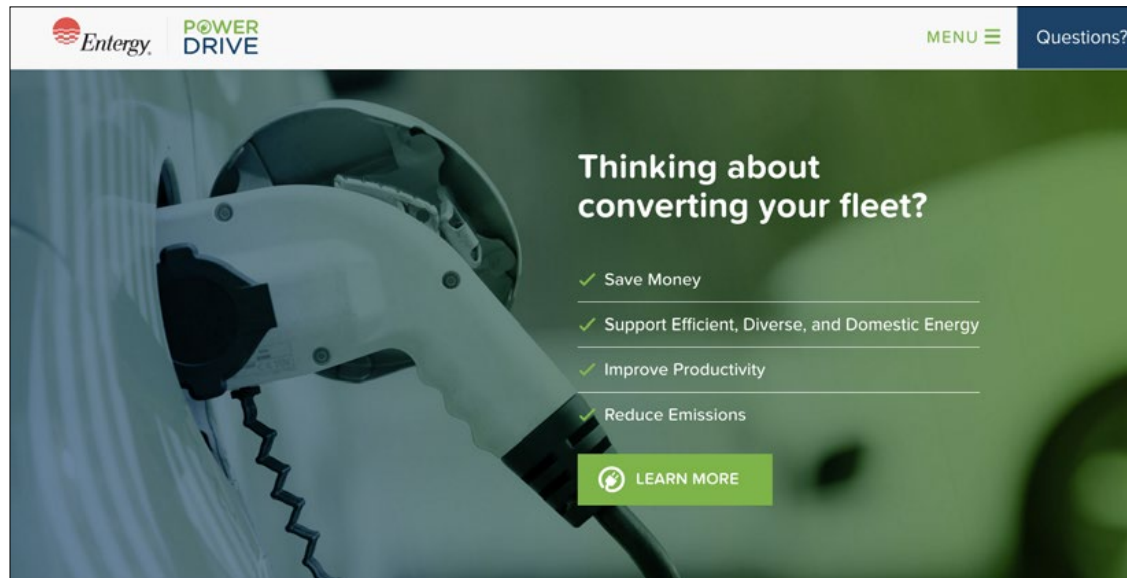
The Energy Smart energy-efficiency program, developed by the New Orleans City Council and administered by Entergy New Orleans, was ranked first in the nation in savings among low-income program participants. Low-income customers in New Orleans saved more than 6,000 kWh of electricity per participant in 2015 versus an average savings of 1,378 kWh among all utilities.

overall cost of meeting energy resource needs, provide customers with attractive options to reduce their energy consumption, educate customers on the value of energy efficiency, and support low-income and sustainability initiatives. For industrial customers, objectives of Entergy’s programs include reducing energy-related costs and maximizing energy reliability.

Advanced meters will enable further energy savings and serve as the customer portal to manage energy use. Prior to advanced meter deployment, we are exploring new energy-efficiency programs to take advantage of savings opportunities created by the introduction of smart appliances and digital technologies.

For example, multiple pilot programs have been offered through Energy Smart, an energy-efficiency program developed by the New Orleans City Council and administered by Entergy New Orleans. In one pilot, enrolled customers can access an online scorecard to monitor their home energy usage and make informed choices on energy-saving measures. In another pilot, approximately 1,000 Nest smart thermostats were installed in low-income, multi-family housing units in a specific neighborhood of New Orleans to test smart thermostat technology and consumer acceptance, and determine the level of potential energy savings that can be achieved. Entergy New Orleans also initiated a direct load control pilot in 2016 for residential customers, which allows the company to cycle off a participant’s home air conditioner during peak events, similar to the Residential Direct Load Control program that Entergy Arkansas has offered to its customers since conducting a pilot program in 2011.

We offer a variety of energy efficiency tools to all classes of customers based on their needs. For residential customers, these include resources such as do-it-yourself videos, online advisors and home energy calculators that offer online energy audits. We promote these tools through a monthly customer e-newsletter. A webpage, myResources, serves as a starting point for customers to research and identify actions to reduce consumption and lower their utility bills. Approximately 140,000 customers visited Entergy’s website in 2017 where online energy audits and energy efficiency information can be accessed. Since 2002, our utilities have invested approximately \$430 million to deliver approximately 473 MW of load reduction and 1.82 million MWh of cumulative energy savings.



**Be Environmentally Responsible**

Entergy operates one of the cleanest generation fleets in the country and is nationally recognized as an environmentally responsible utility. More detail on our environmental performance is available in the [ESG section](#) of this report.

In addition to improving the environmental efficiency and sustainability of our power generation portfolio and overall business, we support our customers in their efforts to be more environmentally responsible in their lives and businesses. For example, electric vehicles account for a growing percentage of the nation’s transportation portfolio. In 2017, we launched our Power Drive initiative to ensure we’re prepared to meet our customers’ needs for power to supply EVs safely and reliably.

As part of Power Drive, we are studying technological advancements, monitoring market trends and collaborating with industry experts. We deployed seven plug-in EVs across our utilities and installed seven dual-port, level-two charging stations at Entergy sites. We plan to collect data from the vehicles and chargers, and feedback from employees using the vehicles, to gain a better understanding of operating profiles and user experiences. We also launched the Power Drive website at [entergypowerdrive.com](http://entergypowerdrive.com), which includes information on choosing the right EVs, tax credits and incentives, a savings calculator and location map for charging stations. We have participated in EV-related programs since 2011, and our efforts align with the U.S. Department of Energy’s EV Everywhere initiative that aims to increase the adoption and use of EVs nationwide.





## Planning for the Long-Term Future of Our Company

Consistent with our strategy of building sustainable value for all of our stakeholders, we are committed to providing our owners with strong financial results; our employees with tools, resources and opportunities to develop, grow and innovate; our communities with platforms to develop and prosper in an environmentally and socially responsible manner; and our customers with some of the lowest rates in the country. In this report, we discuss steps we are taking now to build the utility of the future, such as replacing aging infrastructure with new, efficient generation and the deployment of advanced meters to lay the foundation for the next generation of grid technologies on our system. We view these grid modernization efforts as the gateway to a future of customer-centered solutions that will enable our customers to do the things they do today, better.

To further enhance our focus on a sustainable future for the benefit of all of our stakeholders, our senior executives have assembled a cross-functional team of employees, led by a newly created position within our office of chief executive, reporting directly to our CEO, dedicated to developing ideas, evaluating opportunities and implementing action plans to meet the challenges of our rapidly evolving industry. This team is utilizing its diverse knowledge, skills and talents to identify ways for us to deliver energy solutions that consider customer needs first and foremost, including the impact on our most impoverished customers, that continue to reduce our impact on the environment, and that leverage new technologies, such as data analytics, automation, distributed generation, utility- and community-scale solar, micro-grids, battery storage, electric vehicles and other emerging technologies.

We are also developing the mindset and agility required to be successful in meeting this challenge. As the world and our industry continue to change at an exponential rate, our focus on evaluating and integrating new technologies within this framework will enable us to provide our customers and communities with accessible, affordable, reliable and sustainable energy and energy solutions well into the future.

### Easier to Use

We are changing how we interact with customers, investing in a smart, integrated voice response system and a customer relationship management tool. These technologies will help us anticipate customer needs in order to serve them more efficiently.

We are benefiting our customers and our local communities with online, self-service tools. Self-serve transactions via web, text message and interactive voice response now represent nearly 50 percent of our customers' transactions. In 2017, we met our target goal of approximately 765,000 customers, or 27 percent of total customers, opting for paper-free electronic billing, meeting customers' needs, reducing environmental impact and representing more than \$8 million in annual operational savings versus providing paper bills.

We are also updating our web, mobile and app experiences for our customers. In early 2018, we implemented the first phase of our customer digital initiative, which improves customer engagement through the increased use of digital channels including a new myAccount online, mobile web and an interactive voice response unit. In addition, we expect to gain greater information and real-time feedback from customers through the new platform. Future phases, which will be implemented in sync with advanced meter deployment, will focus on developing value-added services for customers and making data-driven and analytics-driven improvements to make our services easier to use.





Entergy Texas President and CEO Sallie Rainer greets Entergy employees during the Hurricane Harvey recovery effort.

## Emergency Preparedness and Response

Emergency preparedness and response are key components of delivering power safely, reliably and efficiently at Entergy. We take an integrated approach in preparing for extreme weather events that includes year-round robust emergency response drills and business continuity planning, asset-hardening investments to improve resilience and reduce the time it takes to restore service, and community and customer engagement to prioritize our investments and minimize business disruptions. We also invest in wetlands restoration efforts to promote greater resiliency in our service territory, enhance biodiversity and local ecosystems, and support our communities with grants to aid in recovery.

Last year was a busy year at Entergy for restoring service following extreme weather events. In February, we restored power in New Orleans in less than one week after the strongest tornado ever recorded in the city. In early May and again in late May, crews in Arkansas quickly restored power after severe storms. In September, Entergy workers assisted in power restoration in Florida following Hurricane Irma. But it was in August that the biggest storm-related challenge occurred.

Hurricane Harvey made landfall on the Texas coast on August 25 and dropped torrential rain in areas of southeast Texas over the next six days. Neighborhoods and businesses were flooded, and more than 192,000 of our customers lost power. In the Entergy Texas system, 17 substations and miles of transmission lines were damaged.

## Getting Creative in Response to Hurricane Harvey

Seventeen Entergy Texas substations were impacted by Hurricane Harvey; several severely damaged. Building on training and planning that occur year-round, a team of Entergy transmission engineers began implementing, within five days of damage assessment, a multidimensional strategy to restore power. The team surveyed other utilities for available auxiliary equipment, procured and helped install four mobile substations, and facilitated the installation of a new power transformer. Helicopters, airboats and high-water vehicles were used to navigate to the affected stations and accomplish the installations. Working collaboratively with Entergy Texas transmission and distribution employees in the field, the team helped meet or beat every power restoration timeline commitment Entergy made to affected customers.



### SOCIAL

Entergy employees came to the aid of their neighbors after Hurricane Harvey by volunteering in the cleanup of flooded homes. Entergy employees in Arkansas, Louisiana, Michigan and Mississippi collected food items, pet food and cleaning supplies that were then donated to local community food bank partners for distribution.



Entergy volunteers collected food, cleaning supplies and other items following Hurricane Harvey.

At the peak of restoration activity, more than 3,000 workers from across Entergy utilities assisted in the efforts to get power restored. Four mobile substations were brought in to bypass damaged substations, and additional equipment was brought in to working substations to aid in power restoration. Crews worked with customers, local officials, emergency responders and partnering utilities. Workers walked through neighborhoods, going door-to-door to inspect meters and electrical equipment, and energizing lines where safe to do so. In 14 days, power was

restored to all customers who could safely receive it.

Entergy, its employees and stakeholders made donations to help communities rebuild and recover from Hurricane Harvey. Collectively, Entergy employees, shareholders and vendors raised more than \$530,000 to provide assistance for those impacted by Harvey. Grant funds benefited the American Red Cross, Salvation Army in Beaumont, the Salvation Army in Port Arthur, Salvation Army in Orange, Southeast

Texas Food Bank, United Way of Beaumont and North Jefferson County, Montgomery County Community Foundation, Montgomery County Food Bank, The Mission Northeast, Covenant with Christ International, United Way of Greater Houston and the Community Impact Center. As a supporter of the American Red Cross National Disaster Responder program, Entergy made a financial commitment in 2017 to help the organization prepare for and respond to large-scale emergencies. A portion of that commitment was allocated to Hurricane Harvey response.

## Rate Advantage

According to a study by S&P Global Market Intelligence, in 2016 Entergy utilities had the lowest average retail rates in the U.S. We believe having competitive rates creates several advantages for Entergy and its stakeholders. Low rates attract economic development to our region, which helps our communities prosper. In addition, having a low-rate position gives Entergy more flexibility to innovate, deploy new technologies and develop tailored solutions for customers.

We strive to maintain our rate advantage in a number of ways:

- We are modernizing our grid by replacing aging infrastructure with new, more efficient assets and by optimizing our cost structure.

- We are investing in advanced metering and related technologies that will offer many opportunities for consumers to control their energy usage and bills while enabling Entergy to operate in a more efficient, effective and reliable way.
- Our actions to promote economic development in our communities help to add to our customer base, which also helps us maintain favorable rates. We enable economic growth by maintaining competitive rates and reliable service, investing in our local communities and meeting regularly with local and state leaders and with existing and prospective customers. We continued our extensive outreach efforts, including Power Lunches that bring local business leaders together to discuss economic development opportunities. We enhanced our online Site Selection Center in 2017 to enable sophisticated property search options and new features such as creating and saving search alerts and the ability to create private listings. In 2017, our industrial sales grew 4 percent over 2016, helped by our long-standing commitment to economic development.
- The utility generation assets we own are operated within MISO – an evolution of our operating model that is delivering even greater efficiencies, lower operating and fuel costs, lower electricity costs for customers and significant benefits in deferred generation costs for our business.
- In addition, securitization bonds primarily for storm restoration following hurricanes Katrina, Rita, Gustav, Ike and other storms, which amount to approximately \$3.3 billion, have begun rolling off some customers’ bills and will continue to do so through 2024. By using low-interest bonds to cover the restoration costs and build storm reserve funds, we are able to spread restoration costs over a longer time period and avoid spikes in customer bills. In Mississippi, the \$55 million charge related to Hurricane Katrina storm restoration rolled off customer bills in 2016. In Louisiana, approximately \$980 million will roll off in 2018. This will help offset the impact of the investments we are making to modernize our infrastructure and maintain our bill advantage.



Having the lowest average retail rates in the country attracts economic development to the regions we serve, which helps our communities prosper.



Entergy’s utility service region includes the Gulf Coast, home to a leading concentration of petrochemical companies in the United States.





Entergy Utility Operations Group President Rod West addresses utility leaders.

## Stakeholder Engagement

We engage with our stakeholders to better understand their needs. Aligning our objectives with the expectations of our customers, employees, communities and owners helps us make better business decisions. Through regular communications with our stakeholders, we share our strategies and plans, gather feedback and gain support to help us achieve our goals. We communicate face-to-face at stakeholder events and through numerous other channels, including e-newsletters, social media and bill inserts.

We work to understand and address the needs and concerns of our stakeholders when we propose and execute projects related to our generation, transmission and distribution infrastructure. For example, Entergy New Orleans held a series of public meetings throughout New Orleans on its proposal to build a 226 MW combustion turbine in New Orleans East. After receiving initial public feedback, and a slightly lower peak demand forecast, Entergy New Orleans decided to offer an alternative option that is a smaller 128 MW natural gas-fired unit to address some stakeholders' concerns over emissions and groundwater use. Public meetings were held in each of the city's council districts from July to September 2017 to present the original and alternative options, their environmental impact



### ECONOMIC

We measure the effectiveness of our engagement with key stakeholder groups and use stakeholder feedback to improve our performance. Among the key performance indicators for stakeholder engagement that we track internally on an annual, quarterly or monthly basis are customer satisfaction measures, stakeholder relationship and key initiative status reporting, organizational health indices and community investment levels.

and their role in maintaining a safe, reliable and stable grid for New Orleans. In transmission and distribution projects, we develop and implement detailed communication plans to keep customers, communities, businesses, institutions and government agencies up to date on our progress.

Through our outreach efforts, we also are able to make our perspectives known to and understood by policymakers. For example, Entergy Arkansas is working with the Arkansas Department of Environmental Quality in support of an alternative state plan to replace the current federal plan for



Entergy New Orleans President and CEO Charles Rice addresses stakeholders.

the regional haze program. We are engaged with key stakeholder groups, including federal and state regulators, elected officials, customers, environmental groups, employees and others, as we work to ensure the proposed state plan aligns with our long-term portfolio transformation strategy and supports our ability to economically provide safe, clean and reliable power to our customers.

We also work closely with the Nuclear Regulatory Commission to help align continued safe and secure operation of our nuclear fleet. Our nuclear plants and their employees maintain a strong presence in their communities by engaging with local companies as suppliers, and through charitable contributions and volunteerism. We also engage with stakeholders on an ongoing basis in areas such as public safety and emergency preparedness.

On state and local levels, we work constructively with our regulators to secure regulatory frameworks that support our ability to make productive investments to benefit our customers. In Arkansas and Mississippi, we have forward-looking rate mechanisms that enable us to work with regulators to establish reasonable rates to serve customers as we are incurring these costs. In Arkansas, Louisiana and Mississippi, we have formula rate plans that reduce administrative burdens, allow for

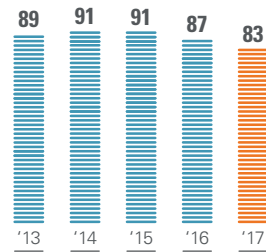
more timely alignment of rates with costs and reduce financing costs. In all jurisdictions we have rider mechanisms that enable the recovery of certain costs outside of traditional rate cases. For example, the Public Utility Commission of Texas allows rider mechanisms to facilitate cost recovery of investments in transmission and distribution infrastructure. Positive regulatory frameworks that support investments through timely recovery make Entergy a financially stronger company.

Each year we also conduct a shareholder outreach program to share our approach to corporate governance and obtain shareholder insights and feedback on matters of mutual interest. During 2017, we contacted shareholders owning approximately 47 percent of our outstanding shares, resulting in substantive engagements with the holders of approximately 19 percent of our outstanding shares. In these engagements, we discussed topics that included industry and business developments, corporate strategy, executive compensation, director refreshment and other corporate governance issues, environmental and social issues, and proxy statement disclosures. The perspectives provided by our shareholders inform our decision making, help guide our actions and enhance our disclosures in our proxy statement and Integrated Report.

# Wholesale Generation

## Our Exit Strategy

**EWC Nuclear Fleet Capacity Factor**



Capacity factor: normalized percentage of the period that the nuclear plants generate power.



We plan to operate Palisades Power Plant until May 31, 2022, under its existing power purchase agreement.

## Planned and Orderly Wind-Down

Like many merchant generators, we have been challenged by very low commodity prices in our Entergy Wholesale Commodities business. We believe commodity prices are likely to remain low for some time. As a result, our strategy for several years has been to reduce our merchant footprint. We have announced the sale or closure of each of our remaining merchant nuclear assets, completing our plan to exit the merchant power business and transition to a pure-play utility by year-end 2022.

Our 2017 announcements were as follows:

- In January, we announced our decision to close Indian Point Energy Center Unit 2 in 2020 and Unit 3 in 2021. We submitted our deactivation notice to the New York Independent System Operator, and the ISO concluded that there will be no reliability issues resulting from IPEC’s retirement. We will continue to pursue license renewal from the Nuclear Regulatory Commission for both units for the remaining operating years.

- In March, we completed the sale of the James A. FitzPatrick Nuclear Power Plant to Exelon Generation.
- In September, we announced our plans to operate Palisades Power Plant until May 31, 2022, under the existing power purchase agreement with Consumers Energy.





We announced in 2017 our decision to close Indian Point Energy Center Unit 2 in 2020 and Unit 3 in 2021.



SOCIAL/ENVIRONMENTAL

We maintain our commitments to community stakeholders and environmental stewardship as part of the early and orderly shutdown of our EWC nuclear plants. For example, under the settlement agreement between Entergy and the state of New York to retire the two operating units at Indian Point, we agreed to establish a \$15 million community fund to benefit the Hudson River, support the local community and provide environmental protection and other public benefits. In connection with the Vermont Yankee Nuclear Power Station retirement in 2014, Entergy is providing \$10 million in community support through economic development funding.

While we have completed plans to sell or close each of our merchant nuclear assets, we will continue to operate many of these assets over the near term. We are focused on the safe, secure and reliable operation of these assets until the completion of the deliberate, planned and orderly wind-down of EWC.

Planned Exit Timeline

	2017	2018	2019	2020	2021	2022
FitzPatrick	Sale					
Vermont Yankee <sup>1</sup>		Sale <sup>2</sup>				
Pilgrim			Shutdown			
Indian Point 2				Shutdown		
Indian Point 3					Shutdown	
Palisades						Shutdown

<sup>1</sup>2014 Shutdown

<sup>2</sup>Subject to closing conditions

# Workplace

## Our Organizational Transformation



We are building an aligned, engaged culture to meet our company objectives and help our employees grow and develop.

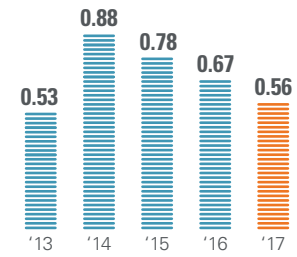
# A Pathway to the Workplace of Tomorrow

Our people and our culture are critical to enable us achieve our objectives for our stakeholders. Acquiring, retaining and developing the talent we need to address today’s business needs are important components of our human resources strategy. We are focused on a holistic approach that includes workforce safety and wellness, organizational health, effective and forward-looking talent management, and competitive compensation and benefits.

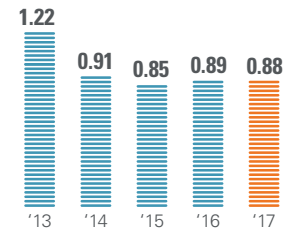
## Workforce Safety and Wellness

There is nothing more important at Entergy than working safely and going home safely every day after work. In addition to protecting our employees’ well-being, strong operational safety and top-tier safety practices are fundamental drivers of our business performance. We continue to evaluate our approach to safety and make ongoing improvements to achieve our goal of top-decile safety performance.

Employee Year-Ending Recordable Accident Index



Contractor Year-Ending Recordable Accident Index



Recordable accident index: number of recordable accidents per 100 full-time equivalents. Recordable accidents include fatalities, lost-time accidents, restricted duty accidents and medical attentions.

Entergy employees achieved a recordable accident index of 0.56 in 2017 compared to 0.67 in 2016 and 0.78 in 2015. There were no employee fatalities. This steady improvement is the result of our employees’ commitment to achieving an accident-free work environment and their diligence in reporting safety concerns to our safety observation program – Close Call/ Good Catch – which launched in 2016. Our employee safety performance in 2017 led to Entergy’s ranking in the top decile of the Edison Electric Institute benchmark survey, our stated goal.

Entergy contractors achieved a recordable accident index of 0.88 in 2017 compared to 0.89 in 2016. However, three contractor fatalities occurred, one from electrical contact and two in a single incident involving a fall from elevation. We are deeply saddened and concerned that these fatalities occurred. We are fully committed to raising safety awareness and reducing identified risks for our employees and contractors.

In 2017, we continued to drive uniformity in safety practices across our organization by encouraging sharing and engagement among leaders and employees. At our annual safety conference, employees reached across organizational lines to share best practices and resources to improve processes and systems. Employees continue to submit observations through our Close Call/Good Catch program. These observations have increased overall identification and sharing of issues, which helps lead to the elimination of hazards across all business functions.

Improving workforce wellness benefits our employees and helps Entergy better control health care costs. Our HealthStrides long-term health care strategy has yielded savings for both employees and the company by holding medical plan cost increases to less than the national average. Factors that have helped slow the increase in costs include intentional consumerism by employees in making health care choices, greater participation in Entergy’s ENSHAPE wellness program and preventive health care and vendor improvements. Participating employees use the ENSHAPE program to monitor health through health screenings, health risk assessments and participation in walking, health maintenance, nutritional and other informational, educational and peer support programs. Every fall Entergy sponsors a flu shot campaign, and every spring we hold our campaign for employees to receive free onsite health screening for cholesterol, glucose, blood pressure, body composition and body mass. Positive results of wellness are far-reaching and include stronger teamwork and engagement from participating in group wellness events as well as improved fitness, which facilitates working safely and productively.

### Organizational Health

Our focus on organizational health fosters the right culture at Entergy and positions the organization to deliver sustainable value to stakeholders. Healthy organizations are ones in which the organization:

- has a clear mission, vision and objectives and every employee is fully engaged in supporting those and understands how they contribute;



### ECONOMIC/SOCIAL

Our employee surveys indicate that employees who participate in corporate volunteer programs are more engaged in the workplace. We encourage employee volunteerism through our Community Connectors program, which lets Entergy employees earn grants for their favorite nonprofit organizations by volunteering 20 hours of their time. Our paid time off volunteer benefit, introduced in 2016, allows eligible employees to take up to 16 hours a year of paid time off during regular working hours to support company-approved activities at qualified nonprofit organizations. In 2017, employees and retirees logged more than 103,000 hours of volunteer service valued at more than \$2.9 million.

- is able to quickly adapt to the changing needs of the business and
- leverages the power of diversity to identify new and better ways to create value for our stakeholders and achieve better business results.

Our focus on organizational health starts with creating a common understanding around how we can better work together on a daily basis and how we can better engage with our customers and our communities. Our new employee orientation, employee and leadership development programs, and





ENVIRONMENTAL/SOCIAL

Entergy continually encourages our employees to adopt healthy lifestyles such as cycling for fitness as a foundation to working more safely. In 2017, the annual Entergy Bike the Big Easy event attracted approximately 1,200 cycling enthusiasts, promoting a healthier, eco-friendly lifestyle and helping to boost local tourism. Riders cycled 20-mile and 32-mile courses along some of the more than 100 miles of urban bike paths built through Entergy’s partnership with the City of New Orleans and the Louisiana Public Health Institute. More than 150 Entergy employees rode or volunteered. Over the past two years, the event has raised almost \$17,000 for The Power to Care customer assistance fund.

performance management processes all help to create common alignment around the core set of behaviors every employee at Entergy must exhibit to enable our success. We measure how we’re doing through our annual organizational health survey.

We launched an employee-driven excellence initiative in 2016 to gather employees’ best ideas to make Entergy a more agile, effective and financially stronger company. Not only has this resulted in process improvements and

financial savings, it has also had a significant positive impact on helping us to foster a culture of continuous improvement driven from the “bottom up.” And a significant portion of the savings identified through this initiative is being reinvested in our employees through training, development and employee recognition events.

We believe healthy organizations value and use the full power of employees’ experiences and perspectives and actively work to create avenues to do so. Entergy’s employee resource

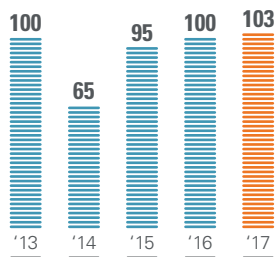
groups are a key piece of how we are providing all employees an avenue to engage in the business, network, and grow and develop together. ERGs are employee-led groups that provide opportunities to connect with others who share similar interests and backgrounds. We have five ERGs: Generational, Pride, Shift, Veterans, and Multicultural & Women’s, with more than 1,200 members. Input from our ERGs helps inform decisions on recruiting, onboarding, retention, work/life balance, technology, policies, and employee and leadership development.





Entergy volunteers support the New Orleans Women and Children's Shelter, which serves homeless women and children in New Orleans.

**Employee and Retiree Volunteerism**  
(hours in thousands)

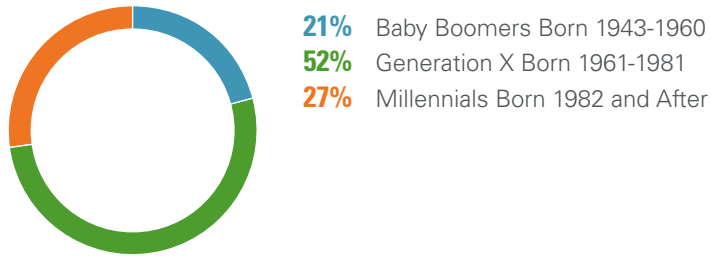


We continually evaluate and enhance our approach to diversity and inclusion in the context of an evolving business environment. In 2017, Entergy Chairman and CEO Leo Denault joined with hundreds of CEOs across the nation in the CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace in the U.S. In a message to Entergy employees, Denault explained he was inspired to sign the CEO Action for Diversity & Inclusion pledge on behalf of Entergy employees to reinforce our company's commitment to fostering a diverse, inclusive and engaged culture. We also support more than 20 diversity and inclusion councils at various locations across our company to positively impact our organization and the communities we serve.

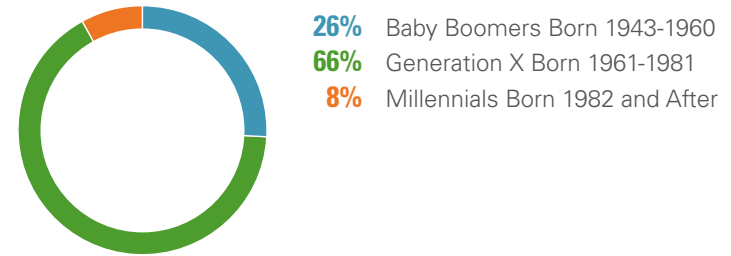
Entergy also continued its longstanding support for the No Place for Hate schools program, which it offers in partnership with the Anti-Defamation League, and provided opportunities for employees to participate. Our diversity councils and ERGs continued to participate in our \$100,000 internal competitive grant program that challenges the councils and ERGs to submit their best ideas for championing the principles of inclusion in the workplace and in our communities.

## Our Diverse Workforce

### 2017 Entergy Workforce by Age

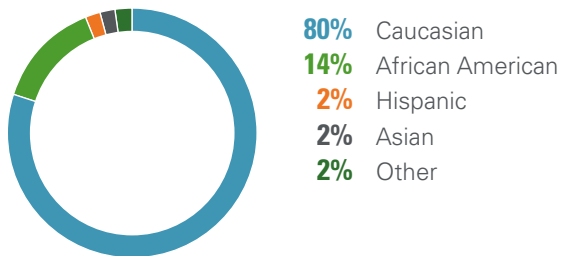


### 2017 Entergy Management Workforce by Age

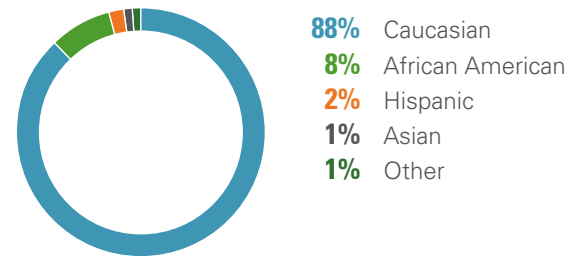


Based on EEO-1 classification

### 2017 Entergy Workforce by Ethnicity



### 2017 Entergy Management Workforce by Ethnicity



Based on EEO-1 classification

### 2017 Entergy Workforce by Gender

**19%** Female **81%** Male

U.S. Bureau of Labor Statistics 2017 average for U.S. utilities: Female 21% / Male 79%

### 2017 Entergy Management Workforce by Gender

**17%** Female **83%** Male

Based on EEO-1 classification

# OUR VALUES



Create and Sustain a Safe and Healthy Life



Cultivate a Diverse and Inclusive Work Culture



Possess a Winning Spirit



Focus on Our Customers



Grow the Business



Be Active Team Players



Treat People with Respect



Aggressively Look for Better Ways



Take Actions to Achieve Results

## ABOVE ALL, ACT WITH INTEGRITY



SOCIAL

More than 120 interns gathered in downtown New Orleans as part of the 2017 JumpStart Internship and Co-op Program. Students of different backgrounds had the opportunity to learn from Entergy's senior leaders and network with each other and Entergy employees.



Entergy Mississippi President and CEO Haley Fisackerly (right), Entergy Vice President, Transmission Jim Schott (second from left) and members of the Barfield family at the "Dub Sub" opening.



SOCIAL/ECONOMIC

The Arthur "Dub" Barfield Training Substation in Clinton, Mississippi, opened in 2017. Employees from across Entergy's four-state service territory are learning to operate, maintain and test equipment at the innovative "Dub Sub," which is named for the late Dub Barfield – who was Entergy's director of transmission grids and a champion of safe work and training practices.

## Talent Management

The employees of Entergy are our key resource. Our talent management and total rewards practices support the employee life cycle – from workforce planning and talent acquisition through employee development and knowledge management. Entergy is deepening its efforts to understand and plan for the workforce needed to support our business strategy. We continue to partner with the agencies within our geographic footprint to identify and develop our future talent. Once individuals become employees, they begin to learn the culture of Entergy and begin their journey of development

by participating in Entergy's multipart new employee orientation program. In this orientation, employees have the opportunity to meet senior leaders from across the organization, to learn about all of Entergy's key businesses and to network with other new employees. They also have the opportunity to visit many tour sites within the New Orleans area. Tour sites include Ninemile Point Unit 6, Waterford 1 and 2 and Little Gypsy generation facilities, the Waterford 3 nuclear plant, the New Orleans solar plant, the Snakefarm substation, the Magnolia office in gas distribution, the Bushnell Utility Training Center, the Entergy Customer Care Center and various departments within the corporate headquarters.

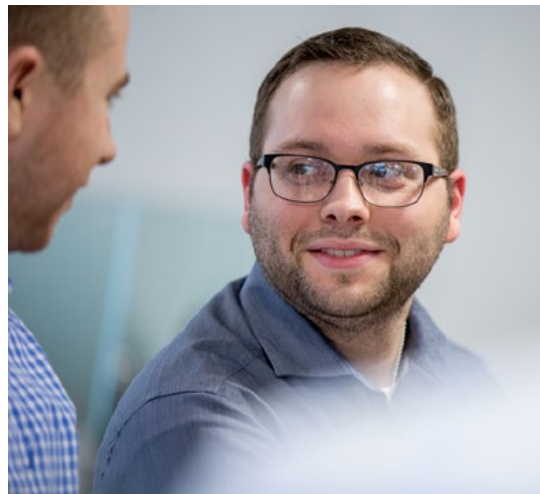
Employee development is the responsibility of every employee of Entergy. All employees are encouraged to create an individual development plan which outlines the development goals for the employee to discuss with their manager. Development goals may derive from performance opportunities as well as career interests. Regular conversations with managers to discuss progress on performance goals as well as the accomplishment of development goals are the responsibility of both the manager and the employee. Training on goal setting, performance conversations and giving feedback are just a few of the opportunities available to support these important efforts.



Entergy continues to invest in the development of its leaders through targeted leadership development programs and processes. Entergy's leadership programs are strategically linked with a common set of leadership concepts, language and approaches to help leaders have greater understanding of self and the skills required for leading others and leading in the business. This includes possessing the knowledge and skills to create an enabling environment for others to reach higher performance. Participants receive training on goal setting, performance and development conversations and giving and receiving feedback.

**Competitive Compensation and Benefits**

Competitive total compensation programs are also important to recruiting and retaining employees. In addition to salary and benefits, our comprehensive Total Rewards package gives eligible employees access to a defined contribution savings plan, with company matching and numerous investment options. Retirement plans allow employees to plan for their future. Health and welfare benefits include medical, dental and vision coverage options, as well as employee assistance, including work-life balance programs. Through our annual incentive pay plan, we reinforce high levels of individual and company performance through bonus programs for eligible employees, in addition to annual merit pay increases.





# Environmental, Social and Governance



ENVIRONMENTAL

Entergy’s mix of highly efficient natural gas, renewables and nuclear generation sources results in low emissions rates. In 2016, the most recent benchmarking data available, Entergy’s emission rate was 590 pounds per MWh, much lower than the national average of 1,041 pounds per MWh.

## Sustainable Value for All Stakeholders

Entergy’s stated mission is to create sustainable value for its customers, employees, communities and owners. Our pursuit of sustainability began more than 15 years ago. Since then, we have set clear economic, environmental and social goals and implemented strategies to achieve them. We continually work to improve our sustainability performance, which has earned Entergy recognition as an environmentally and socially responsible utility.

Entergy’s board provides oversight with respect to overall sustainability performance, strategic direction and corporate policies. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters, especially those requiring a balance of risks and priorities that cross committee areas of responsibility. Within Entergy’s senior management, our executive vice president and general counsel has primary

responsibility for our overall sustainability performance and ensuring the sustainability of business practices across the company. Certain members of the office of the chief executive – the chief financial officer, chief administrative officer, group president, utility operations and chief nuclear officer – are responsible for internal coordination of our sustainability performance.

### Environmental

Led by our board, Entergy has been a long-time advocate for policy action and societal investments to address climate change and to adapt to physical environmental risks. As early as the late 1990s, we acknowledged the risk posed by climate change not only to our assets, but also to our customers and the communities we serve. Demonstrating its

stewardship, our board adopted a forward-looking environmental policy that extended beyond a dedication to environmental compliance. This policy committed us, among other things, to practice sustainability in all that we do, not only through our environmentally responsible behavior but also through our support of initiatives that promote local and global prosperity.

Today, our board and senior management continue to provide environmental and sustainability oversight. Our audit committee receives annual reports from the Corporate Environmental Strategy & Policy Group on Entergy’s environmental programs, performance and initiatives, and management regularly reports to the board or its committees on other significant aspects of our sustainability commitment, including philanthropic and community involvement efforts. Our executive



## ENVIRONMENTAL

Entergy has considered climate risk and the risk of carbon regulation in its business planning for well over a decade. Entergy has long advocated for market-based solutions to climate risk, in the form of support for federal legislation that would incentivize lower carbon emissions on an economy-wide basis and actions at all levels of government that would mitigate climate risk. For Entergy, many of these actions focused on coastal wetlands restoration. Entergy was a founding contributor to the Center for Climate and Energy Solutions, one of the top-ranked global environmental think-tanks. Entergy continues to serve on the board of this group whose mission is to advocate in a nonpartisan manner for market-based climate solutions. Entergy also works annually with the America's WETLAND Foundation to encourage funding of the Louisiana Coastal Master Plan for wetlands restoration and on similar projects.

vice president and general counsel provides oversight in implementation of our environmental policies and procedures, including our Environmental Management System as discussed in the [Environmental Compliance section of this report](#).

### Leadership in a Carbon-Constrained Economy

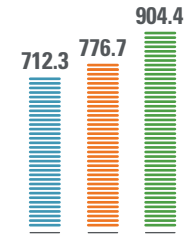
In addition to providing a more reliable service and lowering production costs for our customers, the investments we continue to make in our core business further reduce our environmental footprint. We have one of the cleanest generating fleets in the United States, and one of our principal objectives is to remain an environmentally sustainable fleet for the communities we serve.

In 2001, we were the first U.S. utility to commit voluntarily to stabilizing CO<sub>2</sub> emissions. We extended this commitment twice. Our latest commitment, part of our Environment<sup>2020</sup> strategy, is a voluntary pledge to maintain our CO<sub>2</sub> emissions at 20 percent below year 2000 levels through the year 2020. More information on this commitment and other elements of our Environment<sup>2020</sup> strategy are available online at [entergy.com](http://entergy.com).

Through 2017, our cumulative CO<sub>2</sub> emissions were approximately 8 percent below our target. We expect that our current planned investments in portfolio transformation and grid modernization will continue to increase our overall environmental efficiency. For example:

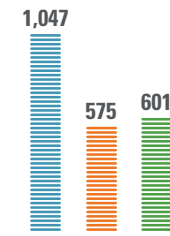
- Highly efficient combined-cycle power stations such as St. Charles Power Station, Lake Charles Power Station and Montgomery County Power Station will produce up to 40 percent fewer carbon emissions than the facilities they replace.

Cumulative CO<sub>2</sub> Emissions from Entergy-Owned Plants and Controllable Purchases (million tons)



● Cumulative Emissions 2001-2017  
 ● Cumulative Goal 2001-2017  
 ● Cumulative Goal 2001-2020

Average CO<sub>2</sub> Emission Rate from Entergy-Owned Plants (pounds per MWh)



● 2000  
 ● 2013-2017 Average  
 ● 2017



## ENVIRONMENTAL

We are partnering with Tierra Resources to help restore and preserve more of Louisiana’s wetlands through aerial planting of mangroves. Wetlands play a crucial role in storm protection and economic prosperity for many of our communities, and they help protect Entergy assets.

- Nuclear generation is also an important source of clean, reliable baseload power. Prudently investing to preserve these valuable nonemitting resources for our stakeholders is an important part of our strategy to deliver sustainable value.
- Our planned investments in new technologies to modernize our grid, such as advanced meters, will further improve efficiency and reliability and energy conservation.
- We are actively working to develop and incorporate cost-effective opportunities to expand our use of renewables, including both utility scale and distributed energy resources. These will allow us to further reduce emissions as the economics, performance and reliability of these resources continue to improve.

These are just a few of the many investments that we are making today to ensure our electric generating and delivery system is well-positioned for operations in a carbon-constrained economy. For further information, visit [entergy.com/environment](http://entergy.com/environment).

### Climate Change Mitigation

In 2001, we established the [Entergy Environmental Initiatives Fund](#) to support environmentally beneficial projects with an emphasis on climate change mitigation and solutions. Since 2001, we have funded a variety of creative and innovative projects through the EIF, including CO<sub>2</sub> capture/sequestration, habitat restoration, wetland restoration, water quality, efficiency and reuse, voluntary CO<sub>2</sub> offset purchases, community development for environmental outreach/education/demonstration, and creative environmental/energy efficiency commercialization.

We continue to support various efforts and collaborations on climate change and adaptation issues to identify the most effective solutions that policymakers can undertake now. In 2010, Entergy sponsored a study regarding adaptation investments and their cost-benefit ratio with regard to avoiding damage from extreme weather. During 2017, we engaged with The Lowlander Center to revisit the 2010 study and the recommendations of community forums

that were conducted in 2011 and 2012 in partnership with the America’s WETLAND Foundation. Recent reports and data on businesses in coastal communities are being reviewed to ascertain the impacts of previous efforts, as well as to identify additional opportunities to promote resilience.

We account for risks related to greenhouse gas emissions in our business planning process, using our expectations on future carbon prices and compliance costs for other potential environmental requirements to test business planning decisions. As previously noted, Entergy operates one of the cleanest generation fleets in the country, according to the 2017 Benchmarking Air Emissions Report, an annual analysis of the 100 largest U.S. electric power producers. Entergy ranks 80th in CO<sub>2</sub> emissions rate, which means we produce fewer CO<sub>2</sub> emissions per MWh than 79 of the top 100 power producers. At the same time, Entergy produces the seventh-largest amount of electricity.



### Clean Generation

Entergy's investments in fleet transformation and nuclear uprates have greatly reduced both absolute air emissions and emission rates since 2000. Over the past 12 years, we have added approximately 6,000 MW of clean, highly efficient combined-cycle gas turbine generation.

CCGT plants are highly efficient at reducing the amount of fuel burned per kilowatt hour of energy produced, thus greatly reducing emissions. Entergy's strategy has allowed the deactivation of over 5,200 MW of older, less efficient gas or oil units. Since 2000, while our annual electric generation grew by 18 percent, our investments in clean energy capacity have resulted in:

- 70 percent reduction in absolute NO<sub>x</sub> emissions and 75 percent reduction in NO<sub>x</sub> emission rates;
- 32 percent reduction in absolute CO<sub>2</sub> emissions and 43 percent reduction in CO<sub>2</sub> emission rates; and
- 62 percent reduction in SO<sub>2</sub> emissions and 68 percent reduction SO<sub>2</sub> emission rates.

### Water Use Reduction and Conservation

Fleet modernization minimizes our impact on water. These cleaner, more efficient generating sources use significantly less water than our legacy units.

We are engaged with stakeholders in our local communities to find innovative new solutions related to water. We support Water Challenge 2017, an initiative presented by Propeller, a New Orleans-based nonprofit organization, which is focused on solving New Orleans' most pressing water issues through entrepreneurship.

The Lewis Creek Power Plant located in Willis, Texas, is the only Entergy power plant that operates in a water-stressed area. By working with the water conservation district to optimize water use and leveraging best practices that help us use water wisely throughout our operations, Lewis Creek was able to exceed its water conservation goal of 30 percent water withdrawal by 2016. This reduced water usage level was also maintained during 2017. Across our operations, we protect water resources by maintaining a compliance rate with state and federal permit requirements of at least 99 percent from year to year.





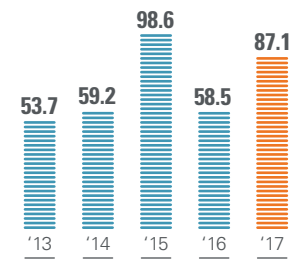
**Waste Reduction**

Entergy has a waste management and minimization standard that outlines our basic philosophy and expectations regarding waste management issues and minimization. Entergy reduces waste by repurposing or recycling unused or obsolete material such as scrap wire and metal that is recycled, on-road and off-road vehicles and trailers sold through auctions, and miscellaneous stored materials deemed obsolete such as pumps, valves, electronic parts, office equipment and more through investment recovery sales. Entergy also managed 87 percent of its coal ash for beneficial use in 2017, which is significantly higher than the industry average.

**Resiliency**

Our utilities own and lease 22 GW of generation, 15,700 circuit miles of transmission lines and 100,000 circuit miles of distribution lines in the southeastern United States – an area susceptible to storms potentially made worse by coastal wetlands loss. Entergy takes into consideration the resiliency of its assets from design and construction to operations and maintenance. Activities include infrastructure investments and upgrades, participation in the Department of Energy’s Partnership for Energy Sector Climate Resilience, advanced metering infrastructure, support of and participation in several community and consumer resiliency initiatives, and continued support of adaptation research and projects through Entergy’s Environmental Initiatives Fund.

Percent of Coal Combustion By-Product Managed for Beneficial Use



**Habitat Preservation and Restoration**

We use integrated mapping systems to anticipate potential impact on habitats, threatened and endangered species, avian species and wetlands from our transmission and distribution projects, which helps limit our operational impact on biodiversity. In addition, we actively participate in avian monitoring programs such as those for eagles. We have an avian and wildlife protection standard and an avian protection plan that promotes compliance with wildlife conservation and avian protection laws. Reducing electrical system impacts on wildlife also contributes to improved service reliability.



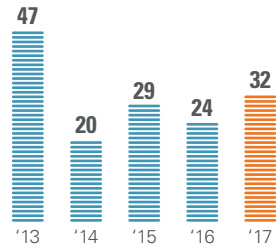
## ENVIRONMENTAL

Entergy has invested more than \$1.5 million through the Restore the Earth Foundation in a landscape-scale reforestation project in the Tensas River National Wildlife Refuge in Louisiana.

Every \$1 invested is estimated to generate more than \$36 in environmental, social and economic value including cleaner air and water, soil stabilization, storm protection and flood control, enhanced recreational opportunities and job creation.



Number of Water Permit Exceedances



Represents a compliance rate of 99.9 percent each year.

We support through grants and volunteerism a groundbreaking 4,000-acre restoration project in Louisiana’s Pointe-aux-Chenes Bald Cypress Forest Wetland. The first stage of Restore the Earth’s 15-year initiative to restore 1 million acres of “North America’s Amazon” will sequester carbon while protecting people and economic infrastructure in the Gulf Coast from the threat of increasingly harsh storms and floods. The restoration benefits the environment, the community and the local economy by:

- Enhancing coastal wetland and watershed systems
- Protecting local communities and indigenous nations from storm and flood risks
- Restoring native wildlife and fisheries
- Improving water quality and trapping carbon dioxide

- Expanding recreational areas and supporting sustainable hunting, fishing, camping and wildlife-watching
- Creating local jobs through project implementation

### Environmental Compliance

Environmental compliance is a basic tenet of our comprehensive environmental strategy and our environmental management system. Our EMS connects overall company objectives to all operating sites through a common policy and strategy, identification of compliance requirements, a risk assessment, clear objectives, programs and procedures as well as training and an annual senior management review. We validate our EMS and our environmental performance through annual third-party audits and provide transparency to our stakeholders through extensive environmental performance reporting.

## Partnering With the Edison Electric Institute on Sustainability Reporting

In partnership with the Edison Electric Institute, Entergy is voluntarily reporting 2017 sustainability performance, actions and goals, including environmental, social and governance measurements, using a new reporting mechanism. This new template helps EEI member companies provide more uniform, consistent metrics for investors. The information provided here meets the qualitative guidelines of the template. Quantitative information can be accessed on [Entergy's sustainability webpage](#).

Entergy is already an established industry leader in sharing key performance indicators on greenhouse gas emissions, environmental performance and sustainable business practices with our stakeholders. The company was one of the first U.S. utilities to publish an annual integrated report, incorporating sustainability strategies and actions together with financial results.

Our 2017 Integrated Report provides a single integrated source of information for all stakeholders. Integrated reporting better reflects how we measure and manage our overall performance with a combination of financial, environmental, community and employee measures. Most importantly, it reflects our central belief that the interests of all of our stakeholders are inextricably linked.

Entergy's commitment to sustainability is demonstrated by recognition in the Dow Jones Sustainability Index, Corporate Responsibility Magazine's 100 Best Corporate Citizens list and The Civic 50.

### OUR SUSTAINABILITY GOVERNANCE

To achieve our mission of creating sustainable value for our four key stakeholders we regularly analyze material economic, environmental and social issues that impact our ability to create value for our customers, employees, communities and owners.

- Our governance structure and material issues determination are available on [Entergy's sustainability webpage](#).
- [Our board provides environmental and sustainability oversight of our company and its performance](#).
- Our senior management is responsible for implementing our company's [environmental vision](#) through our [Environmental Management System Policy and Procedure](#).
- [Our Enterprise Risk Management processes identify, capture and mitigate material economic, environmental and social risks](#).
- Our 2017 Integrated Report provides one source of sustainability information for all stakeholders.
- In addition, we employ the [Global Reporting Initiative standards](#) to ensure transparency and provide key metrics for stakeholders through our [performance data table](#) and [EEI's ESG template](#).

### OUR SUSTAINABILITY STRATEGY

Entergy is adapting to a changing business environment by implementing a number of internal measures, including:

- Assembling a cross-functional team of leaders who will identify growth opportunities and map out a business strategy that leverages our strength in providing service at some of the lowest rates in the country. Focused on the future and technology advancements, this team is charged with identifying customer solutions and innovations through investments in key technologies, data analytics and, most importantly, through continued collaborative relationships with our customers.
- Modernizing our energy grid with advanced technologies, including a planned investment of \$900 million to introduce advanced meters for our nearly 3 million customers.
- Improving customer service through options like self-serve transactions, electronic billing and improved mobile, web and interactive voice-response capabilities.
- Developing and incorporating cost-effective opportunities to expand our use of renewables, including distributed energy resources, as a means to further reduce emissions.

Entergy is identifying, assessing and managing sustainability risks and realizing opportunities using an integrated risk management framework. Actions include:

- Transforming our generation portfolio by adding approximately 6,000 MW of clean, highly efficient combined-cycle gas turbine generation.
- Enhancing the reliability and resiliency of our transmission facilities with approximately \$1 billion invested in 2017 for upgrades.
- Further improving reliability and realizing \$600 million in customer savings for the period 2014-2016 through participation in the regional transmission organization, Midcontinent Independent System Operator.
- Managing a sustainable supply chain through a defined supplier code of conduct, supplier diversity and a new supplier sustainability council measuring progress toward strategic objectives.
- Engaging with stakeholders for positive regulatory outcomes – including those that help us maintain low retail rates – and advocacy on key ESG and other policy issues that impact our business.
- Responsibly winding down Entergy Wholesale Commodities, our merchant business.

## Partnering With the Edison Electric Institute on Sustainability Reporting (cont.)

- Ensuring the safety and security of all Entergy assets and operations, including implementing targeted employee and contractor safety programs that lead to top-decile employee safety performance and mitigating risks through hardening of assets, storm response preparation, stakeholder outreach and cybersecurity management.
- Helping customers reduce their energy bills by making available more than 30 energy efficiency and demand-side management programs, tools and technical assistance with a stated goal of 990 MW of peak load reduction through 2031. Links to these resources are shared through a variety of communication channels, including a monthly [newsletter](#).
- Working with our communities to restore and maintain barrier islands and coastal wetlands that serve as natural protection in severe weather situations. These investments help address physical changes in our Gulf Coast service territory that impact our assets and threaten our communities. Entergy is investing \$1 million annually in [environmental improvement projects](#) while partnering with governmental and other environmental management organizations.

Entergy is implementing sustainability plans and progress to generate power with lower carbon intensity and ensure a sustainable energy future. Actions include:

- Leading in clean generation; more than half of the energy we supply to meet utility demand comes from efficient natural gas-fired generation (38 percent) and clean nuclear generation (26 percent).
- Helping customers improve energy efficiency continues to play an important role in addressing CO<sub>2</sub> emissions while reducing energy bills. Entergy's comprehensive strategy involves customer education and outreach, technology and facility improvements and customer incentive programs.
- Operating under voluntary commitments since 2001 to stabilize our CO<sub>2</sub> emissions to help reduce our environmental footprint and prepare for potential federal regulation of carbon emissions.
- Results from a recent air emissions [benchmarking study](#) confirm that Entergy's strategy is producing positive results. In 2017, our cumulative CO<sub>2</sub> emissions were approximately 32 percent below our year 2000 emissions.
- Verifying our greenhouse gas inventory using a third party; see the inventory and verification report [here](#).

- Partnering with the [American Carbon Registry](#) and Tierra Resources on innovative new methodologies for measuring and verifying carbon credits from restored and protected wetlands.
- Enhancing water optimization and waste minimization as outlined on the [environmental section of entergy.com](#).

Entergy is engaging with and impacting our local communities by:

- Enabling economic development through enhanced reliability, low rates, a five-year \$5 million investment supporting workforce training and education initiatives.
- Contributing more than \$16 million annually to programs of nonprofit organizations that strengthen our communities, including local environmental improvements like reforestation, wetlands restoration and wildlife management. Examples of these programs are available online [here](#).
- Partnering with our [communities](#) to understand and address resiliency issues.
- Contributing to poverty solutions that address the needs of the estimated 25 percent of Entergy customers who live at or below the poverty level.
- Providing [volunteer opportunities](#) for employees, resulting in more than 100,000 volunteer hours contributed annually in our communities.

For our employees, Entergy is transforming our organization by:

- Engaging our employees through organizational health surveys, training and educational opportunities and volunteerism.
- Fostering diversity and inclusion and encouraging employee resource groups that focus on special interests: Veterans, Women & Multicultural, Generational, Shift and Pride.
- Providing [compensation benefits](#) that help attract and retain high performers.
- Creating a culture of integrity that exceeds laws and regulations and engenders a trusting work environment.





## Social

As a regulated utility, Entergy’s success is inextricably linked to the health and vitality of the communities we serve. We invest in our communities through our corporate social responsibility strategy, which is fully aligned with our business strategies. Our investments are focused on issues that solve business needs, contribute to strong, healthy communities and deliver tangible benefits to our stakeholders. Entergy Corporation and the Entergy Charitable Foundation awarded in 2017 grants totaling more than \$17 million to more than 2,200 nonprofits in communities where we operate, and our employees logged more than 103,000 volunteer hours.

Our overall corporate social responsibility goal is to achieve top-decile CSR performance. In 2017, our efforts in the area of corporate citizenship and philanthropy earned high scores from the Dow Jones Sustainability Indices, and Entergy was ranked fifth on the 2017 Corporate Responsibility Magazine’s 100 Best Corporate Citizens list in the category of philanthropy and community support, meeting our stated goal of achieving top-decile CSR performance for our communities.

Our top three corporate social responsibility priorities include:

- poverty solutions,
- workforce development and education, and
- environmental programs.

### Poverty Solutions

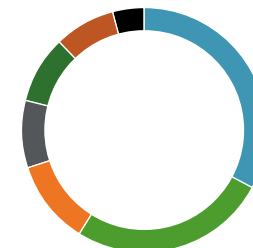
An estimated 25 percent of our customers live at or below the poverty level. Our low-income customer assistance initiatives aim to help low-income customers achieve economic self-sufficiency, to educate low-income customers



## ECONOMIC/SOCIAL

The United Way of Southeast Louisiana’s J. Wayne Leonard Prosperity Center opened in 2017 – a one-stop resource connecting low-to-moderate-income individuals and families to employment and financial capability services. Named in honor of Entergy Corporation’s longest-serving chairman and CEO, the center was established with the support of generous donors, including a \$2 million contribution comprised of a \$1 million personal gift from Wayne Leonard and a matching gift from Entergy. UWSELA and its partner, the City of New Orleans’ Network for Economic Opportunity, expect to assist approximately 2,000 participants in the center’s first year.

2017 Philanthropy  
Invested More than \$17 Million



- 33%** Education/Workforce Development
- 26%** Poverty Solutions/Social Services
- 11%** Community Improvement
- 9%** Healthy Families
- 9%** Arts & Culture
- 8%** Environmental
- 4%** Disaster Relief/Recovery



Support from the Entergy Charitable Foundation since 2011 has helped Posse New Orleans secure more than \$26 million in full-tuition, four-year scholarships for 150 high-school scholars, many of whom would have otherwise lacked the resources to continue their education. Students have attended Tulane University, Notre Dame University, Bard College and Grinnell University. Entergy support also has helped the nonprofit expand its outreach.

on managing their bills and to help low-income customers pay their bills. Our signature poverty solutions program, Super Tax Day Presented by Entergy, is focused on the Earned Income Tax Credit, which studies have shown to be the nation’s most effective federal anti-poverty program. On Super Tax Day 2017, Entergy and its partners helped customers file 1,223 returns, exceeding our stated goal of 1,150 returns. Support to Volunteer Income Tax Assistance sites helped put almost 18,000 customers on the path to economic self-sufficiency by helping them file for and receive more than \$33 million in EITC refunds. Entergy sponsored more than 300 VITA sites in four states, and our employees logged more than 2,200 hours of volunteer service helping our low-income customers receive the refunds that they have earned.

**Workforce Development and Education**

Site selection for new industrial and economic development projects is often driven by the availability of a skilled and ready workforce. In 2015, we initiated a \$5 million, five-year workforce development and education initiative to address education and skills gaps in our local communities. Our initiative has two components:

- workforce training grants that are designed to increase the number of certified workers, and
- school-to-career readiness grants that are designed to improve the long-term talent pipeline by ensuring high school students graduate on time and are career-prepared or college-ready.

The programs target specific growth industries and needs that are unique to each of our communities. In New Orleans we are training software engineers and healthcare specialists. In Southeast Louisiana we are breaking gender barriers by recruiting and providing training for young women in traditionally male-dominated career fields such as process technology. In north Louisiana and Arkansas, the focus is advanced manufacturing.

Commitments for 2017 included a \$50,000 grant to Delgado Community College in New Orleans to support the start of the Certified Lineworker Training Program and a \$500,000 commitment to support local workforce development programs in Southeast Texas.



Entergy New Orleans and Delgado Community College kicked off the Certified Line Worker Training Program in a wire-cutting ceremony.

**Environmental Programs**

We believe our environmental responsibilities go beyond operating as cleanly as possible. We also have a responsibility to partner with our communities to help them assess their risks and develop mitigation plans. We engage customers, employees and environmental nongovernmental organizations as partners in both conservation and advocacy. In 2017, our support for environmental programs through charitable giving and our Environmental Initiatives Fund totaled more than \$1.3 million.



## Governance

We operate our business with transparency, accountability and integrity. Strong governance enables us to deliver on our commitments and create sustainable value for our stakeholders.

### 2017 Material Issues

On an ongoing basis, we analyze material economic, environmental and social issues that impact our ability to create value for our stakeholders. We use stakeholder input to help identify the most material issues and guide our strategies.

We engage in a variety of informal and formal communications with our key stakeholders and other important groups, including owners, lenders and other members of the financial community, regulators, suppliers, nongovernmental and nonprofit organizations and professionals in industry, government, labor and education. More detail on the process we use to determine material issues is available on the [Entergy sustainability webpage](#).

Material economic issues are identified by monitoring developments in energy demand; energy supply, including generation technologies and fuels; as well as industry and general business regulation; and economic conditions. Local, state, regional, national and global economic conditions all impact our business, and we monitor these conditions.

Our material economic issues for 2017 were:

Issue	Why It Matters
Financial performance	Generating strong, competitive financial returns for our owners affords us ongoing access to capital needed to invest in our business and provide low-cost, reliable power for our customers, compensate employees and invest in our communities.
Customer satisfaction	Meeting customers' expectations for affordability, reliability, enhanced products and services and other needs, such as outage communications and storm restoration, is a key component of our mission and may affect approved rates of return and other regulations.
Energy reliability	Meeting customers' expectations for service to be available on demand requires robust supply solutions, up-to-date technologies and the ability to invest for the future.
Energy affordability	Maintaining favorable retail power prices supports growing energy needs and attracts new economic development to our service areas. Low rates are particularly important in the states served by Entergy utilities where many customers live in poverty.
Energy efficiency	Offering energy efficiency programs helps customers manage their bills and supports environmental goals. Select amounts of cost-effective energy efficiency can free up capital for other productive investment while keeping rates low. Our financial performance depends on the number of energy efficiency programs and on our ability to respond to the impact on load growth or obtain cost recovery mechanisms.
Economic development	Promoting economic development generates energy demand growth and helps us strengthen our communities; maintain rate stability; fund investments to modernize our operations, increase efficiency, enhance reliability and serve new demand; and earn authorized returns.
Fuel diversity	Balancing fuel diversity and other resource attributes supports price stability, energy affordability and reliability. Nuclear energy plays an important role in fuel diversity.
Security	Maintaining continuous business operations depends on our ability to maintain the safety and security of all Entergy assets and operations.
Cybersecurity	Protecting data is critical to our stakeholders but goes beyond data privacy concerns of most enterprises. Entergy's complex, interconnected network of generation, transmission, distribution, control and communication technologies is part of a national critical infrastructure, demanding even greater vigilance against cyberattacks.
Regulatory policies	Complying with existing regulations and encouraging development of constructive new regulations impact numerous operational and investment decisions, continued operation of nuclear plants and our financial results.
Commodity price risk	Delivering on financial performance objectives is impacted by our ability to accurately identify and quantify underlying commodity price risk in our business and mitigate it through effective hedging programs and strategies.



Material environmental issues are identified by monitoring developments in environmental legislation, regulation, case law, agency guidance, industry trends, best management practices and other actions. In addition, peer groups for air, water, waste and biodiversity facilitate the identification and sharing of information on material issues.

Our material environmental issues for 2017 were:

Issue	Why It Matters
Climate resiliency	Identifying and mitigating climate change financial and physical risks guides operational and investment decision-making and helps to ensure more resilient customers and communities. These risks include increased operational costs due to carbon regulation, increased weather-driven volatility of business results and adaptation impacts to our facilities, our customers and our communities.
Air emissions	Complying with evolving federal and state regulation of various air pollutants continues to be a driver of business decisions regarding generation dispatch and design and the location, retirement, purchase, operation and construction of electric generating units.
Water quality and quantity	Complying with evolving federal and state regulation of water pollutant discharges, cooling water intake structures for electric generating units and other water regulations, including the Waters of the United States rule, continues to be a driver of business decisions regarding generation dispatch, the design, location, purchase, construction and retirement of electric generating units, transmission and distribution projects and regional economic development. Identifying future water supply constraints also impacts these decisions.

Material social issues are identified by monitoring trends and developments such as those among our employees, owners, regulators, communities and markets, as well as from our own activities in operations, financial, legal, compliance and supply chain.

Our material social issues for 2017 were:

Issue	Why It Matters
Safety and health	Ensuring strong operational safety and top-tier workforce safety practices are fundamental drivers of our business performance.
Human resource management	Relying on an aligned, engaged and capable employee culture is fundamental to meeting our company objectives. Diverse cultural backgrounds and perspectives of employees and supply chain partners provide us with a strategic advantage.
Local communities	Sustaining business growth depends on healthy and vibrant communities. Entergy’s support of local communities through employment, tax base and community outreach is reciprocated by community support for ongoing Entergy operations. Community engagement in areas such as emergency planning is especially important where we have nuclear generating facilities.

Material economic, environmental and social issues are integrated into Entergy’s enterprise risk management processes. Our ERM processes identify, capture and mitigate risks that have the potential to impact Entergy’s ability to meet our objectives. More information on our ERM processes is available in the Risk Management section of this report.

**Opportunities and Risks**

We manage opportunities and risks inherent in our material issues through our strategies, management policies, procedures and processes, and stakeholder engagement.

Opportunities and Risks	Entergy’s Management Approach
Deploy technologies and advanced analytics to develop customer solutions	Leverage new technologies to better understand customer behavior and develop solutions that help eliminate interruptions, save money, are more environmentally responsible and make our services easier to use.
Invest and modernize our utility assets and operations	Streamline processes and deliver long-term savings and customer satisfaction. Explore new technologies to modernize and digitize the business, enhance products and services, and further harden infrastructure.
Increase utility sales and revenue	Aggressively pursue economic development and customer expansion at all levels of the organization, which will ultimately help to mitigate bill effects by spreading fixed costs over a larger customer base. Helping lift customers out of poverty also supports economic growth in our region while minimizing utility write-offs.
Develop supply solutions to meet utility demand	Meet load needs with safe, reliable, efficient generation and transmission, and maximize value of existing assets through operational excellence. Explore emerging technologies.
Ensure nuclear operations meet highest standards for safe, secure operations	Continuously improve nuclear fleet performance by strengthening our employee talent and organization, investing in equipment and revising processes to be more efficient and effective.
Integrate external outreach	Engage with regulators and stakeholders to understand their objectives and obtain input on key issues and secure effective regulatory constructs.
Manage the physical risks associated with climate change and environmental regulation	Implement a comprehensive environmental strategy that includes partnering with communities and customers to implement adaptation measures and meeting our voluntary cumulative CO <sub>2</sub> stabilization commitment, while engaging in the regulatory process on applicable environmental issues. When extreme weather threatens our infrastructure, be prepared with industry-leading emergency response capabilities. Advocate for coastal infrastructure and resiliency investment at all levels of government.
Ensure orderly wind-down of EWC	Continuously improve operations to achieve industry-leading results in operations, reliability and safety. Manage transition to exit business.
Decommission nuclear plants	Maintain safety as a top priority while following established NRC-approved methods for decommissioning nuclear plants. Support employees and communities through the transition to decommissioning from operating state.
Ensure a safe work environment	Continuously improve our processes and systems to support employee and contractor safety.
Operate effectively as an organization	Make long-term, fundamental improvements in the way we work to ensure efficient, cost-effective and sustainable practices, including end-to-end business processes that are aligned with strategic goals and customer needs.
Drive organizational health	Sustain a work culture that is aligned, adaptable, engaged and able to get the right things done.
Recruit, retain and develop a skilled, engaged workforce	Ensure our approach for training, developing and promoting employees is aligned to meet current and future business needs; develop human resource programs to recruit and retain a workforce that has the knowledge, skills, diversity and abilities to achieve our strategic imperatives.
Create a skilled workforce pipeline	Invest in education and workforce development, including working with community partners to support regional workforce readiness.



**Financial Performance Management**

Generating strong financial returns allows us to provide safe and reliable power to customers over the long term, compensate employees, invest in our communities and satisfy our owners. Our overarching financial goal is to deliver top-quartile returns to our owners, which enables us to attract the capital we need to serve customers and grow our business. We also strive to maintain investment-grade ratings at our utilities and Entergy Corporation. A strong financial and credit position gives us the financial flexibility to respond to changing market conditions in ways that create sustainable value for our stakeholders.

In addition to investing in our business, we also place a high priority on providing a dividend payout comparable to that of our industry peers while maintaining strong credit metrics. Our board sets our dividend-payout guideline and regularly reviews the guideline and payout with the objective of maintaining a steady, predictable trajectory in the dividend payout over time. We raised our dividend for the third consecutive year, a trend we expect to continue, subject, as always, to board approval.

Our finance organization, led by our chief financial officer and governed by the finance committee of the board of directors, oversees our financial performance using prudent policies, strategies, procedures and investment processes. We proactively manage our tax strategy to ensure we are in compliance with all laws and regulations.



**ECONOMIC**

We are working with each of our regulators to implement the benefits to our customers of lower tax rates from the tax reform legislation. These lower tax costs come at a time when our utilities are making significant investments to modernize our infrastructure to better serve customers, and they will help us maintain our rates at lower levels than they otherwise would be.



## ENVIRONMENTAL

Since 2001, Entergy has operated under voluntary commitments to stabilize our CO<sub>2</sub> emissions as part of our efforts to reduce our environmental footprint, manage the physical risks of climate change and gain valuable experience in carbon accounting in anticipation of federal regulation of carbon emissions. Our annual greenhouse gas inventory is verified by a third party and publicly available.



### Risk Management

We use an integrated risk management framework that extends from board oversight to risk identification and assessment within our utility and Entergy Wholesale Commodities businesses. The framework ensures risks are consistently identified, thoroughly assessed and effectively managed throughout our business. The audit committee of the board of directors has primary responsibility for risk management at Entergy at the board level. Our management team provides reports to the committee on environmental compliance, corporate compliance, significant legal matters, insurance programs, market and credit risks and cybersecurity risks. Within our utility and EWC businesses, we analyze and monitor a full

range of economic, environmental and social risks using our enterprise risk management process. Our enterprise risk process for major initiatives provides a disciplined approach to the identification, monitoring and mitigation of top-tier risks to achieving our strategic imperatives, as well as the aggregation of these risks at an enterprise level.

We use business continuity planning to establish actions that would ensure continuity and eventual full restoration following a business disruption. In 2017, we moved responsibility for business continuity to a new corporate support team within the company's incident command system organization that is typically activated to handle various threats such as hurricanes.

Aligning business continuity with the incident response team will enable us to respond quickly and efficiently when challenges arise.

Continuous operation of our business depends on our ability to maintain the safety and security of all Entergy assets, employees and operations. Our focus on information and cybersecurity is detailed in the Cybersecurity Management section of this report. To mitigate the physical risks associated with extreme weather events, we have a storm hardening process in place to prioritize investments. We also use proven emergency preparedness and response and stakeholder outreach processes.





### Cybersecurity Management

As the utility industry builds new transmission infrastructure, updates its generation resources and deploys advanced technologies, more protections must be put in place to secure America's electric grid. We manage physical and cybersecurity threats to our critical infrastructures as an enterprise risk with a comprehensive strategy that includes close coordination and information sharing with our federal, state and local partners. As an identified enterprise risk, our cybersecurity risk management practices and performance are regularly reviewed by the audit committee of our board of directors.

To prevent cyber incidents from occurring, we have implemented strong access management controls and a defense-in-depth security system that includes advanced threat detection, security monitoring and independent third-party security assessments. Should an event occur nonetheless, we have a corporate incident response plan that is tested and exercised annually and continuously improved based on lessons learned. All employees are required to complete one of several computer-based cybersecurity training modules on an annual basis.

As part of our actions to ensure our risk mitigation plans apply industry best practices and standards, we hired a chief security officer in 2016 and created a chief security officer organization that includes security intelligence and support, and cyber incident response teams. In 2017, we introduced a companywide enterprise security policy that includes a model to identify and manage security risk, perform governance of security controls and report results to company management and regulatory agencies. The policy also includes adoption of the National Institute of Standards and Technology Cybersecurity Framework to guide Entergy's security activities, the creation of a new security management manual and risk-based testing procedures to assess security practices at Entergy. The enterprise security policy is the first step in the rollout of a security policy structure to proactively identify, prioritize and manage cybersecurity, physical security and personnel security.

We engage with local, state and federal law enforcement agencies on initiatives to share threat information and participate in a wide range of industry collaborations on cybersecurity. These collaborations include UNITE, a utility company and energy sector consortium; Electricity – Information Sharing and Analysis Center, a provider of security services to North American electricity owners and operations; Federal Bureau of Investigation Domestic-Security Alliance Council, a strategic partnership between the FBI and the U.S. private industry that enhances communication and promotes the timely and effective exchange of security and intelligence information; and the Electricity Subsector Coordinating Council, a provider of the primary security communications channel for the electricity subsector as well as a resource to assist with incident preparedness.



### Ethics and Compliance

Our ethics and compliance culture is based on our core value of Above All, Act with Integrity. This is more than a culture of compliance, where we follow laws and regulations relevant to our operations. It includes a culture of integrity, where our employees are trusted to take the right actions even when there are no rules.

Our ethics and compliance program includes a Code of Entegrity with guidelines for business ethics and compliance. We also have codes of business conduct for nonemployees and suppliers. We identify applicable laws and risks of noncompliance. We then mitigate those risks through preventive and detective measures and corrective action.

Our practices include addressing compliance issues as they arise. The Entergy Ethics Line (toll-free telephone line or via internet) is available for all employees. It is managed by a third party and permits anonymous reporting of any ethics violations or concerns.

### Supply Chain Management

We purchase approximately \$4.5 billion annually in materials and services. A robust, sustainable supply chain is essential to our ability to serve our customers. We manage our supply chain using a defined supplier code of conduct, initiatives to build a more sustainable supply chain and a program for encouraging and facilitating greater supplier diversity and programs. In 2017, we launched a supplier sustainability council to report our progress against supply chain sustainability

## Setting Expectations for Appropriate Behavior at Work

At Entergy, we strive to maintain a positive and productive work environment that recognizes the dignity and worth of each individual. It is our policy to create a workplace where hostile, intimidating or abusive behavior is not tolerated. We have a strict discrimination and harassment policy in place that we use to define expectations for how we should treat one another at work. That includes setting expectations for our employees and contractors regarding appropriate behavior at work, and it includes prohibitions against sexual harassment and intimidating and/or abusive behavior in the workplace. Our policy goes beyond what the law requires, as our goal is to stop inappropriate behavior before it becomes a violation of the law. Allegations of inappropriate conduct are taken very seriously and are thoroughly investigated, and appropriate disciplinary action is taken based on the results of an investigation.

strategy objectives and metrics on a quarterly basis to Entergy's senior management team.

All suppliers are expected to conduct business in a manner consistent with our supplier code of conduct. We have incentive and nonincentive scorecards that target multiple performance indicators for the company and our key suppliers, including sustainability-related measures.



Super Tax Day Presented by Entergy, our signature poverty solutions program, is focused on providing assistance to working families in securing the Earned Income Tax Credit. Photo provided by Capital Area United Way.

Although specific scorecard measures differ based on the services and products provided, standard metrics used to align contractor performance with company objectives include safety, budget, radiation protection, schedule, reliability and human performance. Entergy is very active in the Electric Utility Industry Sustainable Supply Chain Alliance, serving on the executive committee and key subcommittees. The alliance is known as the leader in establishing a robust and sustainable electric utility industry supply chain.

Our Entergy supplier diversity and development initiative is designed to secure a diverse base of suppliers capable of meeting the company's various procurement needs. As part of our advanced metering infrastructure project, we have committed to securing local and diverse suppliers for meter deployments. Since its inception in 1987, Entergy's supplier diversity initiative has accounted for more than \$4 billion in contracts and purchase orders awarded to diverse suppliers.

### Advocacy and Political Accountability

We are involved in a number of legislative and regulatory initiatives across a broad spectrum of policy areas that can dramatically affect our operations. We take positions on key economic, environmental, regulatory and social policy issues affecting our business, such as potential environmental regulations and poverty. We also participate in legislative and regulatory processes through trade organizations.

We encourage employee participation in the political process through the Entergy Corporation Political Action Committee. ENPAC contributions directly support state and federal political candidates. Entergy procedures ensure corporate political contributions are made in compliance with all applicable laws and reported in a timely manner. More than a third of Entergy's employees are members of EnPower, Entergy's grassroots advocacy group. The organization educates members on issues of importance to the company and encourages members to get personally involved, including reaching out to public officials.

More information on Entergy's advocacy and political accountability can be found in our annual Advocacy and Political Contributions Report on [Entergy's Investor Relations webpage](#).

# Financial Highlights

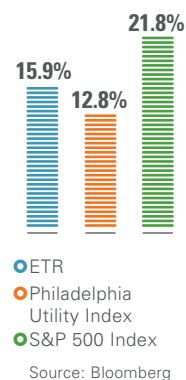


## Summary of 2017 Financial Performance

In 2017, we reported earnings of \$412 million, or \$2.28 per share, compared with a loss of \$584 million, or \$3.26 per share in 2016. On an operational basis, 2017 earnings were \$1,300 million, or \$7.20 per share, compared with earnings of \$1,272 million, or \$7.11 per share, in 2016. We also raised our dividend for the third consecutive year, a trend we expect to continue, subject as always to board approval. Our 2017 results are the outcome of exceptional performance and have positioned us well to achieve our financial outlooks in the coming years and to deliver steady, predictable growth in earnings as well as our dividend.

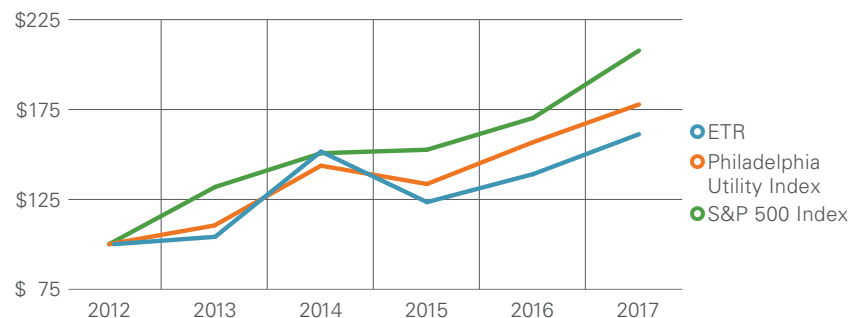
While we made significant progress in 2017, it did not translate into top-quartile returns for our shareholders. Our 2017 total shareholder return was 15.9 percent, which ranked 11<sup>th</sup> out of the 20 companies in our peer group and placed us in the third quartile. We believe our strategy to fundamentally reposition our company as a pure-play utility – with a focus on innovative customer solutions and a steady, predictable earnings trajectory – has clear potential to deliver top-quartile returns for our owners. We strive to build positive regulatory relationships that support timely cost recovery and make Entergy a financially stronger company.

### 2017 Total Shareholder Return



### Comparison of Five-Year Cumulative Return

The following graph compares the performance of the common stock of Entergy Corporation with the Philadelphia Utility Index and the S&P 500 Index (each of which includes Entergy Corporation) for the last five years ended December 31.



	2012	2013	2014	2015	2016	2017
<b>ENTERGY CORPORATION</b>	\$100.00	\$104.35	\$151.05	\$123.61	\$139.08	\$161.19
<b>PHILADELPHIA UTILITY INDEX</b>	\$100.00	\$110.98	\$143.09	\$134.14	\$157.47	\$177.67
<b>S&amp;P 500 INDEX</b>	\$100.00	\$132.37	\$150.48	\$152.55	\$170.78	\$208.05

Assumes \$100 invested at the closing price on Dec. 31, 2012, in Entergy Corporation common stock, the Philadelphia Utility Index and the S&P 500 Index, and reinvestment of all dividends.

Source: Bloomberg

### Credit Ratings as of March 12, 2018

Entity	Standard & Poor's		Moody's	
	Rating	Outlook	Rating	Outlook
Entergy Arkansas <sup>1</sup>	A	Positive	A2	Stable
Entergy Louisiana <sup>1</sup>	A	Positive	A2	Stable
Entergy Mississippi <sup>1</sup>	A	Positive	A2	Stable
Entergy New Orleans <sup>1</sup>	A	Positive	Baa2	Stable
Entergy Texas <sup>1</sup>	A	Positive	Baa1	Stable
System Energy Resources <sup>1</sup>	A	Positive	Baa1	Stable
Entergy Corporation <sup>2</sup>	BBB+	Positive	Baa2	Negative

<sup>1</sup> Senior secured ratings    <sup>2</sup> Corporate credit rating

## Five-Year Summary of Selected Financial and Operating Data

	2017	2016	2015	2014	2013
<b>Selected Financial Data</b>					
<b>In Thousands, Except Percentages and Per Share Amounts</b>					
Operating revenues	\$11,074,481	\$10,845,645	\$11,513,251	\$12,494,921	\$11,390,947
Net income (loss)	\$ 425,353	\$ (564,503)	\$ (156,734)	\$ 960,257	\$ 730,572
Earnings (loss) per share:					
Basic	\$ 2.29	\$ (3.26)	\$ (0.99)	\$ 5.24	\$ 3.99
Diluted	\$ 2.28	\$ (3.26)	\$ (0.99)	\$ 5.22	\$ 3.99
Dividends declared per share	\$ 3.50	\$ 3.42	\$ 3.34	\$ 3.32	\$ 3.32
Return on common equity	5.12%	(6.73)%	(1.83)%	9.58%	7.56%
Book value per share, year-end	\$ 44.28	\$ 45.12	\$ 51.89	\$ 55.83	\$ 54.00
Total assets	\$46,707,149	\$45,904,434	\$44,647,681	\$46,414,455	\$43,290,290
Long-term obligations <sup>(a)</sup>	\$14,535,077	\$14,695,422	\$13,456,742	\$12,627,180	\$12,265,971
<b>Utility Electric Operating Revenues</b>					
<b>In Millions</b>					
Residential	\$ 3,355	\$ 3,288	\$ 3,518	\$ 3,555	\$ 3,396
Commercial	2,480	2,362	2,516	2,553	2,415
Industrial	2,584	2,327	2,462	2,623	2,405
Governmental	231	217	223	227	218
Total retail	8,650	8,194	8,719	8,958	8,434
Sales for resale	253	236	249	330	210
Other	376	437	341	304	298
Total	\$ 9,279	\$ 8,867	\$ 9,309	\$ 9,592	\$ 8,942
<b>Utility Billed Electric Energy Sales</b>					
<b>In GWh</b>					
Residential	33,834	35,112	36,068	35,932	35,169
Commercial	28,745	29,197	29,348	28,827	28,547
Industrial	47,769	45,739	44,382	43,723	41,653
Governmental	2,511	2,547	2,514	2,428	2,412
Total retail	112,859	112,595	112,312	110,910	107,781
Sales for resale	11,550	11,054	9,274	9,462	3,020
Total	124,409	123,649	121,586	120,372	110,801
<b>Entergy Wholesale Commodities</b>					
Operating revenues (In Millions)	\$ 1,657	\$ 1,850	\$ 2,062	\$ 2,719	\$ 2,313
Billed electric energy sales (GWh)	30,501	35,881	39,745	44,424	45,127

(a) Includes long-term debt (excluding currently maturing debt), non-current capital lease obligations and subsidiary preferred stock without sinking fund that is not presented as equity on the balance sheet.

## Consolidated Statements of Operations (unaudited)

In Thousands, Except Share Data	For the Years Ended December 31,		
	2017	2016	2015
<b>Operating Revenues</b>			
Electric	\$ 9,278,895	\$ 8,866,659	\$ 9,308,678
Natural gas	138,856	129,348	142,746
Competitive businesses	1,656,730	1,849,638	2,061,827
<b>Total</b>	<b>11,074,481</b>	<b>10,845,645</b>	<b>11,513,251</b>
<b>Operating Expenses</b>			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	1,991,589	1,809,200	2,452,171
Purchased power	1,427,950	1,220,527	1,390,805
Nuclear refueling outage expenses	168,151	208,678	251,316
Other operation and maintenance	3,423,689	3,296,711	3,354,981
Asset write-offs, impairments, and related charges	538,372	2,835,637	2,104,906
Decommissioning	405,685	327,425	280,272
Taxes other than income taxes	617,556	592,502	619,422
Depreciation and amortization	1,389,978	1,347,187	1,337,276
Other regulatory charges (credits) – net	(131,901)	94,243	175,304
<b>Total</b>	<b>9,831,069</b>	<b>11,732,110</b>	<b>11,966,453</b>
Gain on sale of asset	16,270	–	154,037
<b>Operating Income (Loss)</b>	<b>1,259,682</b>	<b>(886,465)</b>	<b>(299,165)</b>
<b>Other Income</b>			
Allowance for equity funds used during construction	95,088	67,563	51,908
Interest and investment income	288,197	145,127	187,062
Miscellaneous – net	(12,701)	(41,617)	(95,997)
<b>Total</b>	<b>370,584</b>	<b>171,073</b>	<b>142,973</b>
<b>Interest Expense</b>			
Interest expense	707,212	700,545	670,096
Allowance for borrowed funds used during construction	(44,869)	(34,175)	(26,627)
<b>Total</b>	<b>662,343</b>	<b>666,370</b>	<b>643,469</b>
<b>Income (Loss) Before Income Taxes</b>	<b>967,923</b>	<b>(1,381,762)</b>	<b>(799,661)</b>
Income taxes	542,570	(817,259)	(642,927)
<b>Consolidated Net Income (Loss)</b>	<b>425,353</b>	<b>(564,503)</b>	<b>(156,734)</b>
Preferred dividend requirements of subsidiaries	13,741	19,115	19,828
<b>Net Income (Loss) Attributable to Entergy Corporation</b>	<b>\$ 411,612</b>	<b>\$ (583,618)</b>	<b>\$ (176,562)</b>
Earnings (loss) per average common share:			
<b>Basic</b>	<b>\$ 2.29</b>	<b>\$ (3.26)</b>	<b>\$ (0.99)</b>
<b>Diluted</b>	<b>\$ 2.28</b>	<b>\$ (3.26)</b>	<b>\$ (0.99)</b>
Basic average number of common shares outstanding	179,671,797	178,885,660	179,176,356
Diluted average number of common shares outstanding	180,535,893	178,885,660	179,176,356

## Consolidated Statements of Comprehensive Income (Loss) (unaudited)

In Thousands	For the Years Ended December 31,		
	2017	2016	2015
<b>Net Income (Loss)</b>	<b>\$ 425,353</b>	<b>\$(564,503)</b>	<b>\$(156,734)</b>
<b>Other Comprehensive Income (Loss)</b>			
Cash flow hedges net unrealized gain (loss) (net of tax expense (benefit) of (\$22,570), (\$55,298), and \$3,752)	(41,470)	(101,977)	7,852
Pension and other postretirement liabilities (net of tax expense (benefit) of (\$4,057), (\$3,952), and \$61,576)	(61,653)	(2,842)	103,185
Net unrealized investment gains (losses) (net of tax expense (benefit) of \$80,069, \$57,277, and (\$45,904))	115,311	62,177	(59,138)
Foreign currency translation (net of tax benefit of \$403, \$689, and \$345)	(748)	(1,280)	(641)
Other comprehensive income (loss)	11,440	(43,922)	51,258
<b>Comprehensive Income (Loss)</b>	<b>436,793</b>	<b>(608,425)</b>	<b>(105,476)</b>
Preferred dividend requirements of subsidiaries	13,741	19,115	19,828
<b>Comprehensive Income (Loss) Attributable to Entergy Corporation</b>	<b>\$ 423,052</b>	<b>\$(627,540)</b>	<b>\$(125,304)</b>



## Consolidated Statements of Cash Flows (unaudited)

In Thousands	For the Years Ended December 31,		
	2017	2016	2015
<b>Operating Activities</b>			
<b>Consolidated net income (loss)</b>	\$ 425,353	\$ (564,503)	\$ (156,734)
<b>Adjustments to reconcile consolidated net income (loss) to net cash flow provided by operating activities:</b>			
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	2,078,578	2,123,291	2,117,236
Deferred income taxes, investment tax credits, and non-current taxes accrued	529,053	(836,257)	(820,350)
Asset write-offs, impairments and related charges	357,251	2,835,637	2,104,906
Gain on sale of asset	(16,270)	–	(154,037)
Changes in working capital:			
Receivables	(97,637)	(96,975)	38,152
Fuel inventory	(3,043)	38,210	(12,376)
Accounts payable	101,802	174,421	(135,211)
Prepaid taxes and taxes accrued	33,853	(28,963)	81,969
Interest accrued	742	(7,335)	(11,445)
Deferred fuel costs	56,290	(241,896)	298,725
Other working capital accounts	(4,331)	31,197	(113,701)
Changes in provisions for estimated losses	(3,279)	20,905	42,566
Changes in other regulatory assets	595,504	(48,469)	262,317
Changes in other regulatory liabilities	2,915,795	158,031	61,241
Deferred tax rate change recognized as regulatory liability/asset	(3,665,498)	–	–
Changes in pensions and other postretirement liabilities	(130,686)	(136,919)	(446,418)
Other	(549,977)	(421,676)	134,344
<b>Net cash flow provided by operating activities</b>	<b>2,623,500</b>	<b>2,998,699</b>	<b>3,291,184</b>
<b>Investing Activities</b>			
Construction/capital expenditures	(3,607,532)	(2,780,222)	(2,500,860)
Allowance for equity funds used during construction	96,000	68,345	53,635
Nuclear fuel purchases	(377,324)	(314,706)	(493,604)
Payment for purchase of plant or assets	(16,762)	(949,329)	–
Proceeds from sale of assets	100,000	–	487,406
Insurance proceeds received for property damages	26,157	20,968	24,399
Changes in securitization account	1,323	4,007	(5,806)
NYPA value sharing payment	–	–	(70,790)
Payments to storm reserve escrow account	(2,878)	(1,544)	(69,163)
Receipts from storm reserve escrow account	11,323	–	5,916
Decrease in other investments	1,078	9,055	571
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	25,493	169,085	18,296
Proceeds from nuclear decommissioning trust fund sales	3,162,747	2,408,920	2,492,176
Investment in nuclear decommissioning trust funds	(3,260,674)	(2,484,627)	(2,550,958)
<b>Net cash flow used in investing activities</b>	<b>(3,841,049)</b>	<b>(3,850,048)</b>	<b>(2,608,782)</b>

## Consolidated Statements of Cash Flows (continued)

In Thousands	For the Years Ended December 31,		
	2017	2016	2015
<b>Financing Activities</b>			
<b>Proceeds from the issuance of:</b>			
Long-term debt	\$ 1,809,390	\$ 6,800,558	\$ 3,502,189
Preferred stock of subsidiary	14,399	–	107,426
Treasury stock	80,729	33,114	24,366
Retirement of long-term debt	(1,585,681)	(5,311,324)	(3,461,518)
Repurchase of common stock	–	–	(99,807)
Repurchase/redemptions of preferred stock	(20,599)	(115,283)	(94,285)
Changes in credit borrowings and commercial paper – net	1,163,296	(79,337)	(104,047)
Other	(7,731)	(6,872)	(9,136)
<b>Dividends paid:</b>			
Common stock	(628,885)	(611,835)	(598,897)
Preferred stock	(13,940)	(20,789)	(19,758)
<b>Net cash flow provided by (used in) financing activities</b>	<b>810,978</b>	<b>688,232</b>	<b>(753,467)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(406,571)</b>	<b>(163,117)</b>	<b>(71,065)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,187,844</b>	<b>1,350,961</b>	<b>1,422,026</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 781,273</b>	<b>\$ 1,187,844</b>	<b>\$ 1,350,961</b>
<b>Supplemental Disclosure of Cash Flow Information</b>			
Cash paid (received) during the period for:			
Interest – net of amount capitalized	\$ 678,371	\$ 746,779	\$ 663,630
Income taxes	\$ (13,375)	\$ 95,317	\$ 103,589

## Consolidated Balance Sheets – Assets (unaudited)

In Thousands	December 31,	
	2017	2016
<b>Current Assets</b>		
Cash and cash equivalents:		
Cash	\$ 56,629	\$ 129,579
Temporary cash investments	724,644	1,058,265
Total cash and cash equivalents	781,273	1,187,844
Accounts receivable:		
Customer	673,347	654,995
Allowance for doubtful accounts	(13,587)	(11,924)
Other	169,377	158,419
Accrued unbilled revenues	383,813	368,677
Total accounts receivable	1,212,950	1,170,167
Deferred fuel costs	95,746	108,465
Fuel inventory – at average cost	182,643	179,600
Materials and supplies – at average cost	723,222	698,523
Deferred nuclear refueling outage costs	133,164	146,221
Prepayments and other	156,333	193,448
<b>Total</b>	<b>3,285,331</b>	<b>3,684,268</b>
<b>Other Property and Investments</b>		
Investment in affiliates – at equity	198	198
Decommissioning trust funds	7,211,993	5,723,897
Non-utility property – at cost (less accumulated depreciation)	260,980	233,641
Other	441,862	469,664
<b>Total</b>	<b>7,915,033</b>	<b>6,427,400</b>
<b>Property, Plant and Equipment</b>		
Electric	47,287,370	45,191,216
Property under capital lease	620,544	619,527
Natural gas	453,162	413,224
Construction work in progress	1,980,508	1,378,180
Nuclear fuel	923,200	1,037,899
<b>Total Property, Plant and Equipment</b>	<b>51,264,784</b>	<b>48,640,046</b>
Less – accumulated depreciation and amortization	21,600,424	20,718,639
<b>Property, Plant and Equipment – Net</b>	<b>29,664,360</b>	<b>27,921,407</b>
<b>Deferred Debits and Other Assets</b>		
Regulatory assets:		
Regulatory asset for income taxes – net	–	761,280
Other regulatory assets (includes securitization property of \$485,031 as of December 31, 2017, and \$600,996 as of December 31, 2016)	4,935,689	4,769,913
Deferred fuel costs	239,298	239,100
Goodwill	377,172	377,172
Accumulated deferred income taxes	178,204	117,885
Other	112,062	1,606,009
<b>Total</b>	<b>5,842,425</b>	<b>7,871,359</b>
<b>Total Assets</b>	<b>\$ 46,707,149</b>	<b>\$ 45,904,434</b>

## Consolidated Balance Sheets – Liabilities and Equity (unaudited)

In Thousands	December 31,	
	2017	2016
<b>Current Liabilities</b>		
Currently maturing long-term debt	\$ 760,007	\$ 364,900
Notes payable and commercial paper	1,578,308	415,011
Accounts payable	1,452,216	1,285,577
Customer deposits	401,330	403,311
Taxes accrued	214,967	181,114
Interest accrued	187,972	187,229
Deferred fuel costs	146,522	102,753
Obligations under capital leases	1,502	2,423
Pension and other postretirement liabilities	71,612	76,942
Other	221,771	180,836
<b>Total</b>	<b>5,036,207</b>	<b>3,200,096</b>
<b>Non-Current Liabilities</b>		
Accumulated deferred income taxes and taxes accrued	4,466,503	7,495,290
Accumulated deferred investment tax credits	219,634	227,147
Obligations under capital leases	22,015	24,582
Regulatory liability for income taxes – net	2,900,204	–
Other regulatory liabilities	1,588,520	1,572,929
Decommissioning and asset retirement cost liabilities	6,185,814	5,992,476
Accumulated provisions	478,273	481,636
Pension and other postretirement liabilities	2,910,654	3,036,010
Long-term debt (includes securitization bonds of \$544,921 as of December 31, 2017, and \$661,175 as of December 31, 2016)	14,315,259	14,467,655
Other	393,748	1,121,619
<b>Total</b>	<b>33,480,624</b>	<b>34,419,344</b>
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	197,803	203,185
<b>Common Equity</b>		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2017 and in 2016	2,548	2,548
Paid-in capital	5,433,433	5,417,245
Retained earnings	7,977,702	8,195,571
Accumulated other comprehensive loss	(23,531)	(34,971)
Less – treasury stock, at cost (74,235,135 shares in 2017 and 75,623,363 shares in 2016)	5,397,637	5,498,584
<b>Total</b>	<b>7,992,515</b>	<b>8,081,809</b>
<b>Total Liabilities and Equity</b>	<b>\$ 46,707,149</b>	<b>\$ 45,904,434</b>



## Consolidated Statements of Changes in Equity (unaudited)

For the Years Ended December 31, 2017, 2016, and 2015	Common Shareholders' Equity						Accumulated Other Comprehensive Income (Loss)	Total
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings			
<b>In Thousands</b>								
<b>Balance at December 31, 2014</b>	\$ 94,000	\$ 2,548	\$ (5,497,526)	\$ 5,375,353	\$ 10,169,657	\$ (42,307)	\$ 10,101,725	
Consolidated net income (loss) <sup>(a)</sup>	19,828	—	—	—	(176,562)	—	(156,734)	
Other comprehensive income	—	—	—	—	—	51,258	51,258	
Common stock repurchases	—	—	(99,807)	—	—	—	(99,807)	
Preferred stock repurchases/redemptions	(94,000)	—	—	—	(285)	—	(94,285)	
Common stock issuances related to stock plans	—	—	44,954	28,405	—	—	73,359	
Common stock dividends declared	—	—	—	—	(598,897)	—	(598,897)	
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(19,828)	—	—	—	—	—	(19,828)	
<b>Balance at December 31, 2015</b>	\$ —	\$ 2,548	\$ (5,552,379)	\$ 5,403,758	\$ 9,393,913	\$ 8,951	\$ 9,256,791	
Consolidated net income (loss) <sup>(a)</sup>	19,115	—	—	—	(583,618)	—	(564,503)	
Other comprehensive loss	—	—	—	—	—	(43,922)	(43,922)	
Common stock issuances related to stock plans	—	—	53,795	13,487	—	—	67,282	
Common stock dividends declared	—	—	—	—	(611,835)	—	(611,835)	
Subsidiaries' capital stock redemptions	—	—	—	—	(2,889)	—	(2,889)	
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(19,115)	—	—	—	—	—	(19,115)	
<b>Balance at December 31, 2016</b>	\$ —	\$ 2,548	\$ (5,498,584)	\$ 5,417,245	\$ 8,195,571	\$ (34,971)	\$ 8,081,809	
Consolidated net income <sup>(a)</sup>	13,741	—	—	—	411,612	—	425,353	
Other comprehensive income	—	—	—	—	—	11,440	11,440	
Common stock issuances related to stock plans	—	—	100,947	16,188	—	—	117,135	
Common stock dividends declared	—	—	—	—	(628,885)	—	(628,885)	
Subsidiaries' capital stock redemptions	—	—	—	—	(596)	—	(596)	
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(13,741)	—	—	—	—	—	(13,741)	
<b>Balance at December 31, 2017</b>	\$ —	\$ 2,548	\$ (5,397,637)	\$ 5,433,433	\$ 7,977,702	\$ (23,531)	\$ 7,992,515	

(a) Consolidated net income and preferred dividend requirements of subsidiaries include \$13.7 million for 2017, \$19.1 million for 2016, and \$14.9 million for 2015 of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

# Key Performance Indicators

Entergy has always been proactive in providing Key Performance Indicators that inform our investment community and other stakeholders on our sustainability progress. We have enhanced both the organization and number of the KPIs within our [performance data table](#). We also

worked with the Edison Electric Institute and member utilities to make additional improvements based on feedback from the investment community. Through that initiative and beginning this year, Entergy will continue to report many relevant sustainability KPIs that

are consistent across the sector in terms of content, timing and presentation. The additional information provided on some key KPIs will include both quantitative and qualitative data that describes where we are in each corresponding sustainability area as well as our expected trajectory.

## Economic/Operational

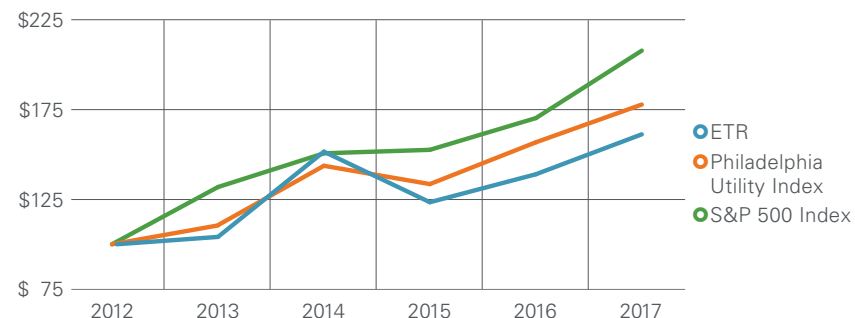
### 2017 Total Shareholder Return



Source: Bloomberg

### Comparison of Five-Year Cumulative Return

The following graph compares the performance of the common stock of Entergy Corporation with the Philadelphia Utility Index and the S&P 500 Index (each of which includes Entergy Corporation) for the last five years ended December 31.



	2012	2013	2014	2015	2016	2017
<b>ENTERGY CORPORATION</b>	\$100.00	\$104.35	\$151.05	\$123.61	\$139.08	\$161.19
<b>PHILADELPHIA UTILITY INDEX</b>	\$100.00	\$110.98	\$143.09	\$134.14	\$157.47	\$177.67
<b>S&amp;P 500 INDEX</b>	\$100.00	\$132.37	\$150.48	\$152.55	\$170.78	\$208.05

Assumes \$100 invested at the closing price on Dec. 31, 2012, in Entergy Corporation common stock, the Philadelphia Utility Index and the S&P 500 Index, and reinvestment of all dividends.

Source: Bloomberg

### Credit Ratings as of March 12, 2018

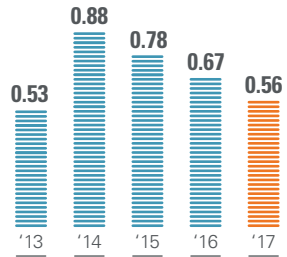
Entity	Standard & Poor's		Moody's	
	Rating	Outlook	Rating	Outlook
Entergy Arkansas <sup>1</sup>	A	Positive	A2	Stable
Entergy Louisiana <sup>1</sup>	A	Positive	A2	Stable
Entergy Mississippi <sup>1</sup>	A	Positive	A2	Stable
Entergy New Orleans <sup>1</sup>	A	Positive	Baa2	Stable
Entergy Texas <sup>1</sup>	A	Positive	Baa1	Stable
System Energy Resources <sup>1</sup>	A	Positive	Baa1	Stable
Entergy Corporation <sup>2</sup>	BBB+	Positive	Baa2	Negative

<sup>1</sup> Senior secured ratings

<sup>2</sup> Corporate credit rating

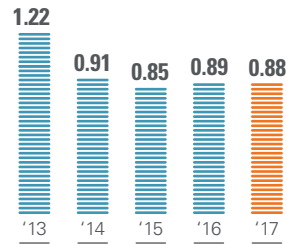
## Economic/Operational

**Employee Year-Ending Recordable Accident Index**

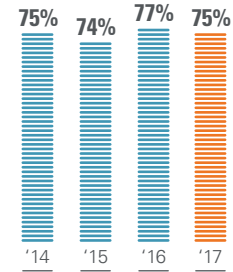


Recordable accident index: number of recordable accidents per 100 full-time equivalents. Recordable accidents include fatalities, lost-time accidents, restricted duty accidents and medical attentions.

**Contractor Year-Ending Recordable Accident Index**

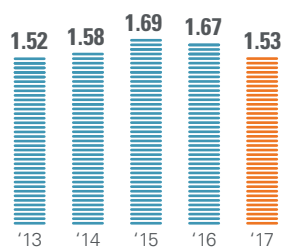


**Bellomy Perception Survey**



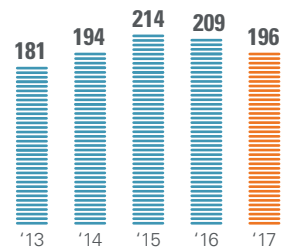
Percent of randomly selected residential customers who responded to the Bellomy Perception Survey with a score of 8, 9 or 10 when asked how satisfied they are with Entergy as a utility company on a scale of 0-10, 10 being the highest.

**Outage Frequency**



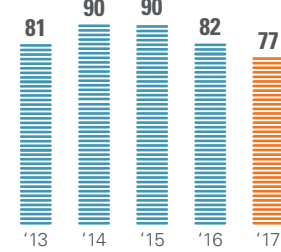
System average interruption frequency index: average number per customer per year, excluding the impact of major storm activity.

**Outage Duration**



System average interruption duration index: average minutes per customer per year, excluding the impact of major storm activity.

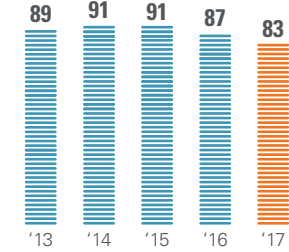
**Utility Nuclear Fleet Capability Factor**



Capability factor: percentage of the maximum energy generation a plant is capable of supplying to the grid, limited only by factors within control of plant management.

Plant performance based on 18/24-month operating cycle.

**EWC Nuclear Fleet Capacity Factor**

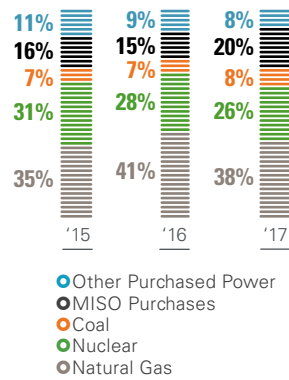


Capacity factor: normalized percentage of the period that the nuclear plants generate power.

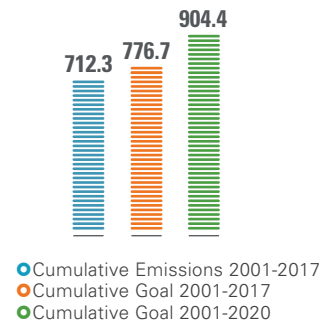


## Environmental

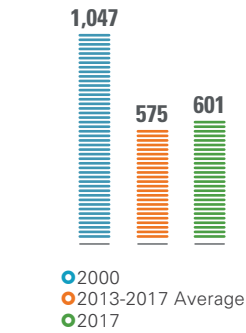
Generation Sources Used to Meet Utility Demand



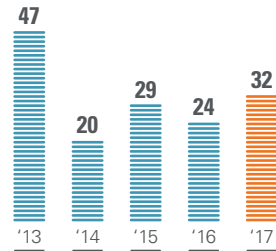
Cumulative CO<sub>2</sub> Emissions from Entergy-Owned Plants and Controllable Purchases (million tons)



Average CO<sub>2</sub> Emission Rate from Entergy-Owned Plants (pounds per MWh)

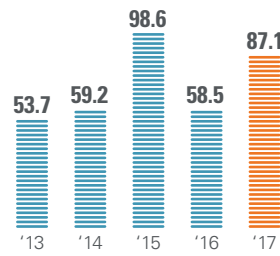


Number of Water Permit Exceedances



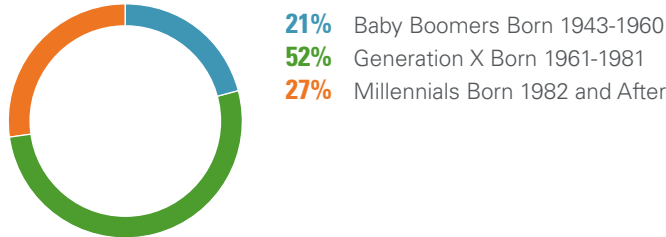
Represents a compliance rate of 99.9 percent each year.

Percent of Coal Combustion By-Product Managed for Beneficial Use

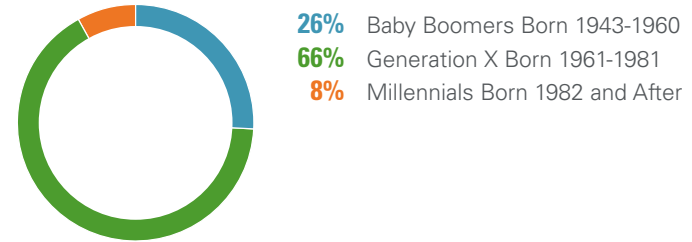


## Social

### 2017 Entergy Workforce by Age

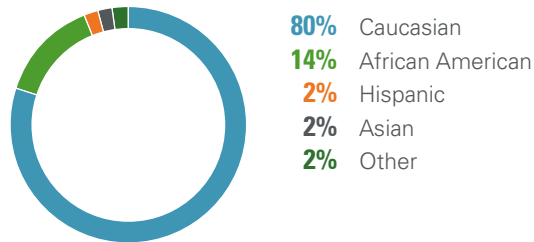


### 2017 Entergy Management Workforce by Age

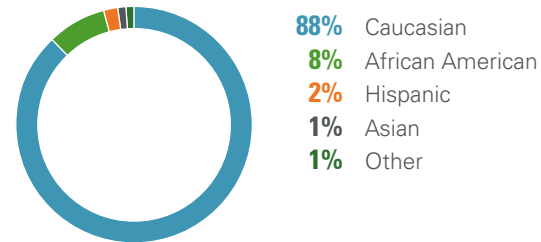


Based on EEO-1 classification

### 2017 Entergy Workforce by Ethnicity



### 2017 Entergy Management Workforce by Ethnicity



Based on EEO-1 classification

### 2017 Entergy Workforce by Gender

**19%** Female **81%** Male

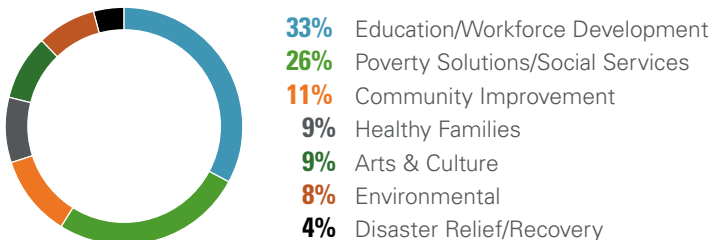
U.S. Bureau of Labor Statistics 2017 average for U.S. utilities: Female 21% / Male 79%

### 2017 Entergy Management Workforce by Gender

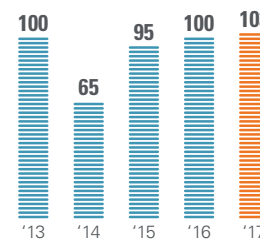
**17%** Female **83%** Male

Based on EEO-1 classification

### 2017 Philanthropy Invested More than \$17 Million



### Employee and Retiree Volunteerism (hours in thousands)



# About This Report

## Our Reporting

This integrated report presents Entergy's 2017 economic, environmental and social performance. The report relies upon guidance issued by the Global Reporting Initiative, the world's most widely used sustainability reporting framework. Our 2017 reporting is in accordance with the GRI standards, including the Electric Utility Sector Supplement. Further detail is provided in Entergy's online GRI index and performance data table, available at [entergy.com/sustainability](http://entergy.com/sustainability). We continue to review our reporting and disclosures and make improvements as appropriate to offer greater transparency on Entergy's performance to our stakeholders. For example, this year we are partnering with the Edison Electric Institute on a new reporting template that helps EEI member companies provide more uniform, consistent metrics for investors. The information, provided within this report, meets the qualitative guidelines of the template. Quantitative information can be accessed at [entergy.com/sustainability](http://entergy.com/sustainability).

This report includes 2017 data from Entergy's two primary business segments: Utility and Entergy Wholesale Commodities, both of which operate entirely within the United States. Assurance of financial data in this report comes from our internal controls over financial reporting, which Entergy management assesses annually using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. Deloitte & Touche LLP has issued an attestation report on the effectiveness of Entergy's internal control over financial reporting as of Dec. 31, 2017.

Our 2017 greenhouse gas inventory was verified by an independent third party in accordance with international standards (ISO 14064.1) in early 2018. The GHG inventory will be available at [americancarbonregistry.org](http://americancarbonregistry.org) and [entergy.com/environment](http://entergy.com/environment).

We invite you to engage with us by visiting [entergy.com/integratedcontact](http://entergy.com/integratedcontact). We welcome your feedback and suggestions to help us continue to improve our reporting.



## Forward-Looking Information and Regulation G Compliance

### Forward-Looking Information

In this report and from time to time, Entergy Corporation makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “could,” “project,” “believe,” “anticipate,” “intend,” “expect,” “estimate,” “continue,” “potential,” “plan,” “predict,” “forecast,” and other similar words or expressions are intended to identify forward-looking statements but are not the only means to identify these statements. Although Entergy believes that these forward-looking statements and the underlying assumptions are reasonable, it cannot provide assurance that they will prove correct. Any forward-looking statement is based on information current as of the date of this report and speaks only as of the date on which such statement is made. Except to the extent required by the federal securities laws, these registrants undertake 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 or incorporated by reference in Item 1A. Risk Factors contained in the Form 10-K for the year ended Dec. 31, 2017, (b) those factors discussed or incorporated by reference in Management’s Financial Discussion and Analysis contained in

the Form 10-K for the year ended Dec. 31, 2017, and (c) the following factors (in addition to others described elsewhere in this report and in subsequent securities filings):

- resolution of pending and future rate cases, formula rate proceedings and related negotiations, including various performance-based rate discussions, Entergy’s utility supply plan, and recovery of fuel and purchased power costs;
- long-term risks and uncertainties associated with the termination of the System Agreement in 2016, including the potential absence of federal authority to resolve certain issues among the Utility operating companies and their retail regulators;
- regulatory and operating challenges and uncertainties and economic risks associated with the Utility operating companies’ participation in MISO, including the benefits of continued MISO participation, the effect of current or projected MISO market rules and market and system conditions in the MISO markets, the allocation of MISO system transmission upgrade costs, and the effect of planning decisions that MISO makes with respect to future transmission investments by the Utility operating companies;
- changes in utility regulation, including with respect to retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, and the application of more stringent transmission reliability requirements or market power criteria by the FERC or the U.S. Department of Justice;
- changes in the regulation or regulatory oversight of Entergy’s nuclear generating facilities and nuclear materials and fuel, including with respect to the planned, potential, or actual shutdown of nuclear generating facilities owned or operated by Entergy Wholesale Commodities, and the effects of new or existing safety or environmental concerns regarding nuclear power plants and nuclear fuel;
- resolution of pending or future applications, and related regulatory proceedings and litigation, for license renewals or modifications or other authorizations required of nuclear generating facilities and the effect of public and political opposition on these applications, regulatory proceedings, and litigation;
- the performance of and deliverability of power from Entergy’s generation resources, including the capacity factors at Entergy’s nuclear generating facilities;
- increases in costs and capital expenditures that could result from the commitment of substantial human and capital resources required for the operation and maintenance of Entergy’s nuclear generating facilities;
- Entergy’s ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities;
- prices for power generated by Entergy’s merchant generating facilities and the ability to hedge, meet credit support requirements for hedges, sell power forward or otherwise reduce the market price risk associated with those facilities, including the Entergy Wholesale Commodities nuclear plants, especially in light of the planned shutdown or sale of each of these nuclear plants;



- the prices and availability of fuel and power Entergy must purchase for its Utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts;
- volatility and changes in markets for electricity, natural gas, uranium, emissions allowances, and other energy-related commodities, and the effect of those changes on Entergy and its customers;
- changes in law resulting from federal or state energy legislation or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation;
- changes in environmental laws and regulations, agency positions, or associated litigation, including requirements for reduced emissions of sulfur dioxide, nitrogen oxide, greenhouse gases, mercury, particulate matter, heat, and other regulated air and water emissions, requirements for waste management and disposal and for the remediation of contaminated sites, wetlands protection and permitting, and changes in costs of compliance with these environmental laws and regulations;
- changes in laws and regulations, agency positions, or associated litigation related to protected species and associated critical habitat designations;
- the effects of 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;
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal and the level of spent fuel and nuclear waste disposal fees charged by the U.S. government or other providers related to such sites;
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes, ice storms, or other weather events and the recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance;
- effects of climate change, including the potential for increases in sea levels or coastal land and wetland loss;
- changes in the quality and availability of water supplies and the related regulation of water use and diversion;
- Entergy's ability to manage its capital projects and operation and maintenance costs;
- Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms;
- the economic climate, and particularly economic conditions in Entergy's Utility service area and the Northeast United States and events and circumstances that could influence economic conditions in those areas, including power prices, and the risk that anticipated load growth may not materialize;
- federal income tax reform, including the enactment of the Tax Cuts and Jobs Act, and its intended and unintended consequences on financial results and future cash flows, including the potential impact to credit ratings, which may affect Entergy's ability to borrow funds or increase the cost of borrowing in the future;
- the effects of Entergy's strategies to reduce tax payments, especially in light of federal income tax reform;
- changes in the financial markets and regulatory requirements for the issuance of securities, particularly as they affect access to capital and Entergy's ability to refinance existing securities, execute share repurchase programs, and fund investments and acquisitions;
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria;
- changes in inflation and interest rates;
- the effect of litigation and government investigations or proceedings;
- changes in technology, including with respect to new, developing, or alternative sources of generation such as distributed energy and energy storage, energy efficiency, demand side management and other measures that reduce load;
- the effects, including increased security costs, of threatened or actual terrorism, cyber-attacks or data security breaches, natural or man-made electromagnetic pulses that affect transmission or generation infrastructure, accidents, and war or a catastrophic event such as a nuclear accident or a natural gas pipeline explosion;
- Entergy's ability to attract and retain talented management, directors, and employees with specialized skills;
- changes in accounting standards and corporate governance;
- declines in the market prices of marketable securities and resulting funding requirements and the effects on benefits costs for Entergy's defined benefit pension and other postretirement benefit plans;

- future wage and employee benefit costs, including changes in discount rates and returns on benefit plan assets;
- changes in decommissioning trust fund values or earnings or in the timing of, requirements for, or cost to decommission Entergy's nuclear plant sites and the implementation of decommissioning of such sites following shutdown;
- the decision to cease merchant power generation at all Entergy Wholesale Commodities nuclear power plants by mid-2022, including the implementation of the planned shutdowns of Pilgrim, Indian Point 2, Indian Point 3, and Palisades;
- the effectiveness of Entergy's risk management policies and procedures and the ability and willingness of its counterparties to satisfy their financial and performance commitments;
- factors that could lead to impairment of long-lived assets; and
- the ability to successfully complete strategic transactions Entergy may undertake, including mergers, acquisitions, divestitures, or restructurings, regulatory or other limitations imposed as a result of any such strategic transaction, and the success of the business following any such strategic transaction.

## Regulation G Compliance

This report includes the non-GAAP financial measure of consolidated operational earnings (loss) per share and Utility, Parent & Other adjusted earnings per share. The reconciliation of these measures to the most directly comparable GAAP measures is below.

### GAAP to Non-GAAP Reconciliation – Consolidated Earnings (Loss) Per Share

(per share in dollars)	2017	2016
As-reported earnings	2.28	(3.26)
Less special items:		
Items associated with decisions to close or sell EWC nuclear plants	(2.32)	(10.49)
Gain on the sale of FitzPatrick	0.06	–
Department of Energy litigation awards	–	0.12
Income tax benefit resulting from FitzPatrick transaction	0.25	–
Tax reform	(2.91)	–
Total special items	(4.92)	(10.37)
Operational earnings	7.20	7.11

### GAAP to Non-GAAP Reconciliation – Utility, Parent & Other Adjusted Earnings Per Share

(dollars in millions)	2017	2016
Utility earnings	761.6	1,134.2
Parent & Other earnings (loss)	(175.5)	(222.5)
Utility, Parent & Other earnings	586.1	911.7
Less:		
Special items due to tax reform	(128.5)	–
Estimated weather	(127.8)	18.1
Tax effect of estimated weather <sup>(1)</sup>	49.2	(7.0)
Estimated weather (after-tax)	(78.6)	11.1
Customer sharing	–	(16.1)
Tax effect of customer sharing <sup>(1)</sup>	–	6.2
Other income tax items	(31.0)	126.9
Tax items, net of customer sharing	(31.0)	117.0
Utility, Parent & Other adjusted earnings	824.2	783.6

(per share in dollars) <sup>(2)</sup>

Utility earnings	4.22	6.34
Parent & Other earnings (loss)	(0.97)	(1.24)
Utility, Parent & Other earnings	3.25	5.10
Less:		
Special items due to tax reform	(0.71)	–
Estimated weather (after-tax)	(0.44)	0.06
Tax items, net of customer sharing	(0.17)	0.66
Utility, Parent & Other adjusted earnings	4.57	4.38

Calculations may differ due to rounding

(1) Income tax effect is calculated by multiplying the pre-tax amount by the estimated income tax rates that are expected to apply to those adjustments.

(2) Per share amounts are calculated by dividing the corresponding line item in the chart above by the diluted average number of common shares outstanding for the period (180.5 million for 2017, 178.9 million for 2016).

## Investor Information

### Shareholder News

Entergy's quarterly earnings results, dividend action and other news and information of investor interest may be obtained by calling Entergy's investor relations information line at 1-888-ENTERGY (368-3749). In addition to hearing recorded announcements, you can request information to be sent via fax or mail.

Visit our investor relations website at [entergy.com/investor](http://entergy.com/investor) for earnings reports, financial releases, SEC filings and other investor information, including Entergy's Corporate Governance Guidelines, Board Committee Charters for the Audit, Corporate Governance and Personnel Committees, Entergy's Code of Entegrity and other ethics policies. You can also request and receive information via email. Printed copies of the above are also available without charge by calling 1-888-ENTERGY or writing to:

Entergy Corporation  
Investor Relations  
P.O. Box 61000  
New Orleans, LA 70161

Investor Relations materials are also available on the Entergy Investor Relations mobile web app. The app provides a convenient way to access the company's latest financial news and information, including financial releases, presentations and SEC filings, as well as the ETR stock quote. The mobile web app is available at [entergy.ir](http://entergy.ir).

### Institutional Investor Inquiries

Securities analysts and representatives of financial institutions may contact David Borde, vice president, investor relations, at 504-576-5668 or [dborde@entergy.com](mailto:dborde@entergy.com).

### Shareholder Account Information

EQ Shareowner Services is Entergy's transfer agent, registrar, dividend disbursing agent and dividend reinvestment and stock purchase plan agent. Shareholders of record with questions about lost certificates, lost or missing dividend checks or notifications of change of address should contact:

EQ Shareowner Services  
P.O. Box 64856  
St. Paul, MN 55164-0856  
Phone: 1-855-854-1360  
Internet: [www.shareholderonline.com](http://www.shareholderonline.com)

### Common Stock Information

The company's common stock is listed on the New York and Chicago exchanges under the symbol "ETR." The Entergy share price is reported daily in the financial press under "Entergy" in most listings of New York Stock Exchange securities. Entergy common stock is a component of the following indices: S&P 500, S&P Utilities Index, Philadelphia Utility Index and the NYSE Composite Index, among others.

As of Jan. 31, 2018, there were 181,478,920 shares of Entergy common stock outstanding. Shareholders of record totaled 26,081, and 154,330 investors held Entergy stock in "street name" through a broker.

### Certifications

In May 2017, Entergy's chief executive officer certified to the New York Stock Exchange that he was not aware of any violation of the NYSE corporate governance listing standards. Also, Entergy filed certifications regarding the quality of the company's public disclosure, required by Section 302 of the Sarbanes-Oxley Act of 2002, as exhibits to our Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2017.

**Dividend Payments**

All of Entergy’s 2017 distributions were taxable as dividend distributions. The board of directors declares dividends quarterly and sets the record and payment dates. Subject to board discretion, those dates for 2018 are:

Declaration Date	Record Date	Payment Date
January 26	February 8	March 1
April 11	May 10	June 1
July 27	August 9	September 4
October 26	November 8	December 3

**Quarterly Dividend Payments (in cents-per-share):**

Quarter	2018	2017	2016	2015	2014
1	89	87	85	83	83
2		87	85	83	83
3		87	85	83	83
4		89	87	85	83

**Dividend Reinvestment/Stock Purchase**

Entergy offers an automatic Dividend Reinvestment and Stock Purchase Plan administered by EQ Shareowner Services. The plan is designed to provide Entergy shareholders and other investors with a convenient and economical method to purchase shares of the company’s common stock. The plan also accommodates payments of up to \$10,000 per month for the purchase of Entergy common shares. First-time investors may make an initial minimum purchase of \$250. Contact EQ Shareowner Services by telephone or internet for information and an enrollment form.

**Direct Registration System**

Entergy has elected to participate in a Direct Registration System that provides investors with an alternative method for holding shares. DRS will permit investors to move shares between the company’s records and the broker/dealer of their choice.

**Entergy Common Stock Prices**

The high and low trading prices for each quarterly period in 2017 and 2016 were as follows (in dollars):

Quarter	2017		2016	
	High	Low	High	Low
1	77.51	69.63	79.72	65.38
2	80.61	74.88	81.36	72.67
3	80.49	74.83	82.09	75.99
4	87.95	75.01	76.56	66.71

