



WE POWER LIFE<sup>SM</sup>

# CONNECTED TO THE FUTURE

2016 INTEGRATED REPORT





The following icons in this report indicate an economic, environmental or social performance indicator or recognition that is indicative of the progress we've made:

 **ECONOMIC**

 **ENVIRONMENTAL**

 **SOCIAL**

 **RECOGNITION**

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## To Our Stakeholders

What if our customers never had to experience a power outage – even in the most severe weather? What if our customers could monitor energy usage in real time and choose the best time to purchase power and save money? “What if?” – it’s a question that unleashes imaginations to envision possibilities that in the past were not even dreamed of.

With technology, people are gaining greater choice and control in virtually every aspect of their lives, and energy usage is no different. At Entergy we are exploring the possibilities. Across our company, we are executing today to deliver a smarter energy future – an integrated energy network that leverages advanced technologies to meet our customers’ evolving expectations.

We view the integrated energy network of the future as a dynamic, interactive power delivery system that includes centralized generation and distributed energy resources, such as solar, battery storage and electric vehicles, connected by an intelligent, resilient, multi-directional network. The network will enable enhanced products and services beyond basic power delivery that are environmentally friendly, and give our customers more control and greater reliability.

### Our Role in an Integrated Energy Network

Entergy has a critical role to play in developing, managing and optimizing this future network. The current utility model within which we operate provides universal access, affordability, reliability and sustainability. Leveraging this model to integrate future supply and demand resources will ultimately result in the most accessible, affordable, reliable and sustainable energy mix for the future.

While many utilities are working to achieve the promise of the integrated energy network, we believe Entergy is uniquely positioned to lead the way. Because we are a vertically integrated utility, we have the ability to invest across the spectrum of operations and better optimize solutions for our customers. As we design and construct our resource mix, we can add technologies when they are proven and economic, and provide seamless integration, interoperability and security. Our rate advantage



## Completed Our Plan to Exit Merchant Operations

We completed our plan to exit the merchant power business and transition to a pure-play utility. We announced the sale or closure of each of our remaining merchant nuclear assets and the sale of our wind assets. We have pursued a multiyear process to cease our merchant operations in a deliberate, planned and orderly way. The process began with the shutdown of Vermont Yankee Nuclear Power Station at the end of 2014, followed by the sale of the Rhode Island State Energy Center CCGT in 2015. In 2016, we announced the sale of James A. FitzPatrick Nuclear Power Plant to Exelon, with the transaction scheduled to close in 2017. In 2018, we expect to close Palisades Power Plant, followed by Pilgrim Nuclear Power Station in 2019 and Indian Point Energy Center Unit 2 in 2020 and Unit 3 in 2021.

gives us time to evaluate nontraditional technologies, formulate the right strategies and make the right investments while maintaining some of the lowest rates in the country. Moving now on advanced metering infrastructure, for example, enables us to learn from earlier deployments and adopt the latest technology. Entergy is the natural provider of capital for energy resources, distributed or otherwise, and the natural integrator of these new technologies into a grid that continues to provide accessible, affordable, reliable and sustainable power to our customers.

And as Entergy delivers value to customers, our owners have an opportunity to earn returns on productive programs and investments. Entergy employees will learn to work with new technologies that provide career development and growth opportunities, and our communities gain greater economic development, improved resiliency and enhanced quality of life. We have a track record of successfully executing ambitious plans, adapting to change and delivering value for our stakeholders, and we are ready to lead.

### 2016: A Pivotal Year

We delivered on our commitment to grow our core utility business in 2016 and we completed our plan to exit our merchant power business and transition to a pure-play utility. Our accomplishments today are the outcome of the disciplined execution of our strategy for the past few years and have positioned us well to deliver on the promise of the integrated energy network of tomorrow.

We continue to transform our generation portfolio with investments in cleaner, more efficient generation to improve the reliability of our system, increase environmental efficiency and reduce costs for customers. These investments include new-build generating units that represent nearly 4,000 MW of highly efficient, low-emission capacity. In 2016, we placed more than \$1 billion in transmission capital projects into service. These projects connect new generation units that support economic development and enhance system reliability, efficiency and resiliency. We also filed in four jurisdictions to implement advanced metering and expect to file in Texas in 2017. Advanced meters will enable operating efficiencies and faster outage response while providing customers with better information and control of their energy use. Ahead of meter deployment, which we anticipate will begin in 2019, we are constructing and implementing back office systems, new distribution and outage management systems and new communications infrastructure. In addition to advanced meters, we are pursuing several pilot programs to further lay the foundation for the integrated energy network: installing chargers for electric vehicles in each jurisdiction and our corporate headquarters to gain experience with EV resource integration, developing plans for expanded operations and integration of our utility solar and battery storage facility in New Orleans and completing smart thermostat installations to help low-income customers in New Orleans save on their energy consumption.

As we work today to design and construct the right resource mix and distribution infrastructure for our customers, we also are gaining valuable experience in how to optimize and operate the grid of the future.

In our Entergy Wholesale Commodities business, we finalized plans to sell or shut down all remaining nuclear plants in our merchant portfolio. With sustained low wholesale energy prices and increased operating costs, exiting our merchant power business is a sound strategic decision. However, we recognize the impact of this decision on employees and people in our local communities. We are committed to treating our employees fairly and working with them to identify opportunities after each plant's planned shutdown. While we have completed our plans to sell or close each nuclear plant, we will continue to operate many of these assets over the near term. We are committed to the safe, secure and reliable operation of these assets until the completion of EWC's deliberate and orderly wind-down.

### Sustainable Value for All Stakeholders

Our strong operational execution in 2016 translated into strong financial performance. We achieved 40 percent year-over-year growth in adjusted earnings in Utility, Parent & Other, our core business. For the second consecutive year, we increased our dividend, a trend we expect to continue subject to board approval. We received positive response on our financial position from the credit rating agencies. In 2016, Moody's placed the ratings of Entergy Corporation under "review for upgrade," and S&P revised its outlook on Entergy to "positive" from "stable." However, while we delivered positive shareholder returns for the year, our total shareholder return of 12.5 percent ranked in the bottom quartile of our peer group. We believe our strategy to fundamentally reposition our company as a pure-play utility – with a focus on a steady, predictable earnings trajectory – has clear potential to deliver top-quartile returns for our owners.

Our ability to deliver sustainable value for all stakeholders was recognized again in 2016. Entergy was named to the Dow Jones Sustainability North America Index in 2016, our 15th consecutive year to appear on the World or North America Index or both. Entergy ranked 18th and was the highest-ranking electric utility on *Corporate Responsibility Magazine's* 2016 list of 100 Best Corporate Citizens. This recognition validates our approach to achieving our mission, which is to create sustainable value for our owners, customers, employees and communities.



I want to thank Entergy employees for living by our values, working safely and acting with integrity to achieve our mission. Their ideas and can-do spirit make Entergy a better company. I also want to thank EWC President Bill Mohl, who retired in early 2017 after more than 35 years in the energy business. We will miss his trusted counsel and friendship, and we wish him the best in the next chapter of his life.

### A Smarter Energy Future

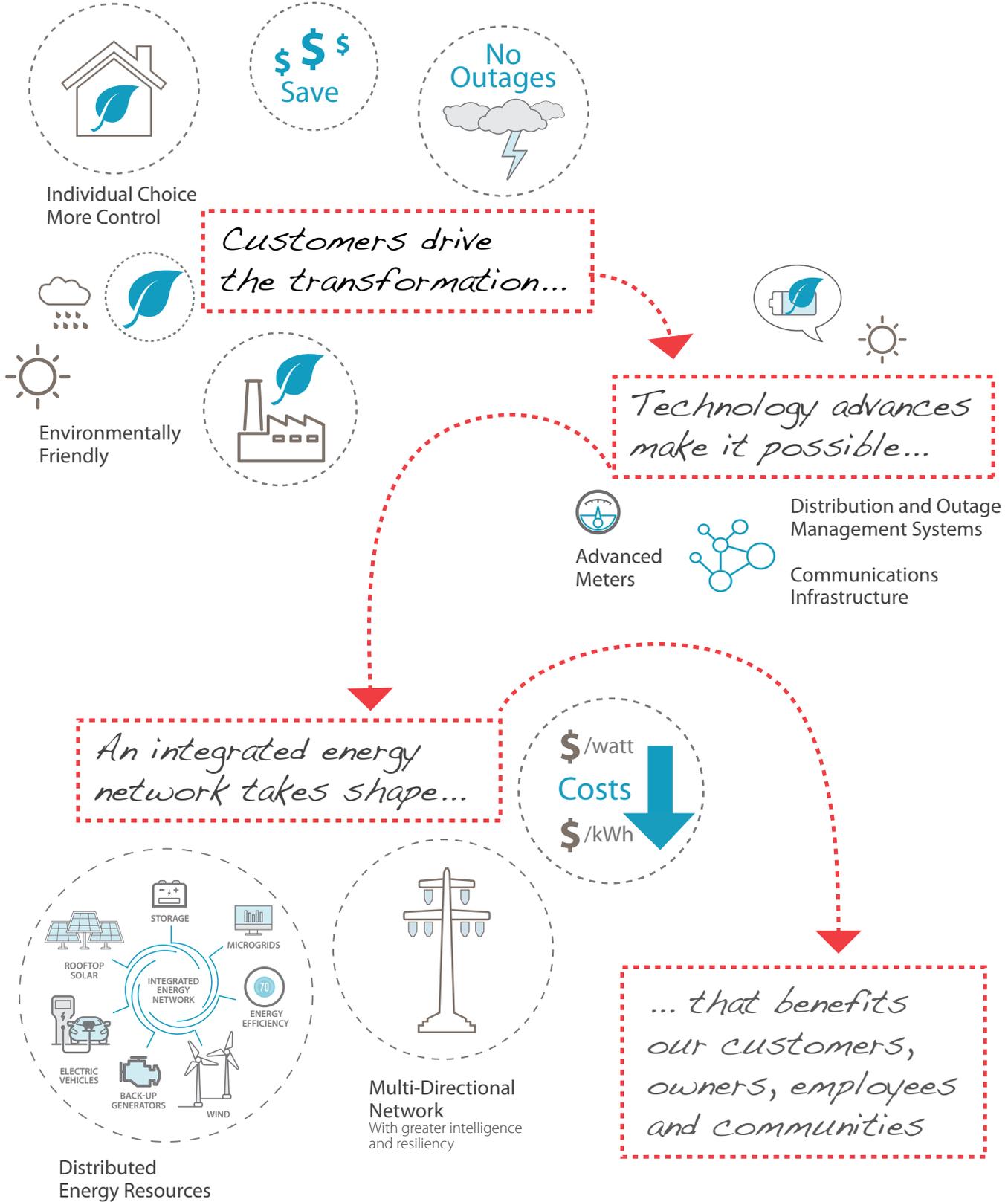
Asking “What if?” represents a new way of thinking at Entergy. Our employees are asking “What if?” more and more in all aspects of our business, innovating and opening the door to new possibilities. We are focused on what’s next and that promises to be some of the most exciting work we will ever do.

It has taken several years of hard work and discipline to get to where we are today at Entergy. Our operating and financial positions are strong, and our strategic direction is clear. We are a pure-play utility that is connected to the future – a future that promises transformative change and once-in-a-lifetime opportunity. Now is the time to build a smarter energy future for our stakeholders and at Entergy we are well positioned, inspired and eager to lead the way.

A handwritten signature in black ink, appearing to read "L. P. Denault".

Leo P. Denault  
Chairman of the Board and Chief Executive Officer  
March 21, 2017

## How The Integrated Energy Network Takes Shape





# OUR LEADERSHIP



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

## Board of Directors (as of Dec. 31, 2016)

### **Maureen Scannell Bateman**

Attorney, Former Executive Vice President and General Counsel, State Street Corporation  
New York, New York

*An Entergy director since 2000. Age 73*

### **Patrick J. Condon**

Retired Audit Partner, Deloitte & Touche LLP  
Frankfort, Illinois

*An Entergy director since 2015. Age 67*

### **Leo P. Denault**

Chairman of the Board and Chief Executive Officer, Entergy Corporation  
New Orleans, Louisiana

*Chairman and Chief Executive Officer since 2013. Age 57*

### **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 63*

### **Philip L. Frederickson**

Former Executive Vice President, ConocoPhillips  
Horseshoe Bay, Texas

*An Entergy director since 2015. Age 60*

### **Alexis M. Herman**

Chair and Chief Executive Officer, New Ventures, LLC  
McLean, Virginia

*An Entergy director since 2003. Age 69*

### **Donald C. Hintz**

Former President, Entergy Corporation and Entergy Services, Inc.  
Punta Gorda, Florida

*An Entergy director since 2004. Age 73*

### **Stuart L. Levenick**

Former Group President and Executive Office Member, Caterpillar Inc.  
Peoria, Illinois

*Lead director of Entergy.*

*An Entergy director since 2005. Age 63*

### **Blanche Lambert Lincoln**

Founder and Principal, Lincoln Policy Group  
Arlington, Virginia

*An Entergy director since 2011. Age 56*

### **Karen A. Puckett**

President and Chief Executive Officer, Harte Hanks, Inc.  
Houston, Texas

*An Entergy director since 2015. Age 56*

### **W. J. “Billy” Tauzin**

Owner, Tauzin Strategic Networks  
Washington, D.C.

*An Entergy director since 2005. Age 73*

## 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
Leadership and Senior Management Experience	Directors who hold or have held significant leadership positions provide Entergy with unique insights. These people 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.
Finance and Accounting	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.
Government, Legal, Public Policy	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.
Risk Management	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.
Industry/Nuclear	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.
Community Experience	Our business is embedded in the communities we serve, which we consider key stakeholders. Having directors with experience working with and participating in their communities and the communities we serve helps to assure that our decisions properly reflect the concerns and interests of our customers and communities.



## Independent, Experienced and Diverse

- 11 directors; 10 are independent
- Highly qualified directors with a diversity of skills, backgrounds and experiences
- 36 percent female, 64 percent male
- 5 new directors in the last 5 years
- All directors are experienced leaders in their respective fields

Two valued board members retired in 2016 upon reaching mandatory retirement age: Gary Edwards, our lead director, and Steve Wilkinson, chair of our audit committee. In anticipation of these retirements, three outstanding candidates joined our board in 2015: Pat Condon, a retired audit partner at Deloitte & Touche LLP with experience as an audit committee member on other boards; Karen Puckett, a former executive at one of the nation's largest telecommunications companies; and Phil Frederickson, a former executive at ConocoPhillips who led the merger of Conoco and Phillips. Stuart Levenick, former Group President and Executive Office Member of Caterpillar Inc. and an Entergy board member since 2005, was elected independent lead director in May 2016.

With these moves, our board is balanced in terms of tenure. Five new members have joined our board in the last five years. 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. Our independent lead director is appointed by a majority of the independent members of the board for a three-year term.

## Board Committees

During 2016, our board held 14 meetings. Members of the board attended on average approximately 97 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 2016) are: audit (13), corporate governance (8), personnel (11), finance (7), 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				✓	✓	
Philip L. Frederickson	✓			✓		
Alexis M. Herman		✓ <sup>(c)</sup>	✓			
Donald C. Hintz				✓	✓ <sup>(c)</sup>	✓
Stuart L. Levenick		✓		✓ <sup>(c)</sup>		✓
Blanche L. Lincoln	✓	✓				
Karen A. Puckett	✓		✓			
W. J. "Billy" Tauzin		✓	✓	✓		✓

<sup>(c)</sup> Chair



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

## Entergy Corporation Executive Officers (as of Dec. 31, 2016)

### **Leo P. Denault**

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

Joined Entergy in 1999 as vice president of corporate development and strategic planning. Became chairman and chief executive officer in 2013, after serving as executive vice president and chief financial officer. Age 57

### **Theodore H. Bunting, Jr.**

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

Joined Entergy in 1983. Became group president, utility operations in 2012, after serving as senior vice president and chief accounting officer. Age 58

### **William M. Mohl**

#### **President, Entergy Wholesale Commodities**

Joined Entergy in 2002, retired in February 2017. Became president of Entergy Wholesale Commodities in 2013, after serving as president and chief executive officer of Entergy Gulf States Louisiana and Entergy Louisiana. Age 57

### **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 55

### **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 55

### **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 45

### **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 58

### **Roderick K. West**

#### **Executive Vice President**

Joined Entergy in 1999. Became executive vice president and chief administrative officer in 2010, after serving as president and chief executive officer of Entergy New Orleans. Age 48

### **Paul D. Hinnenkamp**

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

Joined Entergy in 2001. Became senior vice president and chief operating officer in 2015, after serving as senior vice president, capital project management and technology. Age 55

### **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 46

### **Andrea Coughlin Rowley**

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

Joined Entergy in 2016. Former president and chief executive officer of Advance/Evolve LLC. Age 51



# OUR COMPANY



## RECOGNITION

Entergy was the highest-ranking electric utility on *Corporate Responsibility Magazine's* 2016 list of the 100 Best Corporate Citizens, consistent with our mission to operate a world-class energy business.

## 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 – owners, customers, employees and the communities in which we operate. This is our mission.

- For our owners, we create value by delivering top-quartile returns through the relentless pursuit of opportunities to optimize our business.
- For our customers, we create value by delivering top-quartile customer satisfaction through anticipating customer needs and exceeding their expectations while keeping rates reasonable.
- For our employees, we create value by achieving top-quartile organizational health; providing a safe, rewarding, engaging, diverse and inclusive work environment, fair compensation and benefits; and opportunities to advance their careers.
- 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.

## RECOGNITION

Entergy was named to the Dow Jones Sustainability North America Index in 2016, our 15th consecutive year to appear on the World or North America Index or both. We achieved perfect scores of 100 in the focus areas of corporate citizenship and philanthropy, biodiversity, climate strategy and water-related risks, and significant improvements in other focus areas such as risk and crisis management – validating our approach to creating sustainable value.

## Business Strategy

Our strategy to achieve our stakeholder objectives has two key areas of focus. First, we invest in the utility to generate 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 managing the exit of 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 10,000 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 \$10.8 billion and more than 13,000 employees.

### Utility

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



ENERGY BY THE  
 NUMBERS 2016

GAAP Revenues	\$10.8 billion
GAAP Net Income (Loss) Attributable to Entergy Corporation	\$(583.6) million
GAAP Earnings (Loss) Per Share	\$(3.26)
Dividends Paid Per Share	\$3.42
Total Assets	\$45.9 billion
Employees at Year-end	13,513
Utility Retail Electric Customers	2.9 million
Utility Billed Retail Electric Energy Sales	123,649 GWh
Interconnected High-Voltage Transmission Lines	15,700 circuit miles
EWC Billed Electric Energy Sales	35,881 GWh
Total Owned and Leased Generating Capability by Fuel Source in MW:	
Nuclear	9,628
Gas/Oil	15,058
Coal	2,421
Hydro	74

## Awards

### *Black Enterprise Magazine – 2016 Best Companies for Diversity*

*Black Enterprise Magazine* recognized Entergy for outperforming their peers through demonstrated best practices in four key areas: senior management, board of directors, supplier diversity and employee base.

### *The Civic 50*

The Civic 50, an initiative of Points of Light, the world's largest organization dedicated to volunteer service, sets the standard for corporate civic engagement and annually determines the most community-minded companies in the country.

### *Climate Change Business Journal 2016 Business Model Innovation: Climate Change Adaptation and Resilience Award*

*Climate Change Business Journal* recognized Entergy for its support of pilot projects and methodologies to make wetlands enhancement and restoration a viable source of carbon offsets.

### *Corporate Equality Index*

Entergy earned an 85 percent rating on the 2016 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.

### *Corporate Pro Bono Partner Award*

Entergy, the Orleans Parish Civil District Court and the Louisiana Civil Justice Center received the award for their roles supporting the Self Help Resource Center, which has helped more than 8,000 low-income and vulnerable domestic court litigants in the Greater New Orleans area since 2013.

### *Corporate Responsibility Magazine – 100 Best Corporate Citizens*

Entergy was ranked 18th on *Corporate Responsibility Magazine's* 2016 list and was the highest-ranking electric utility. In the category of philanthropy and community support, Entergy was ranked number four. This is the seventh time Entergy has been named to the list.

### *Dow Jones Sustainability North America Index*

One of only four U.S. electric utilities named to the North America Index, Entergy achieved perfect scores of 100 in the focus areas of corporate citizenship and philanthropy, biodiversity, climate strategy and water-related risks. This is the 15th consecutive year Entergy has been included on either the World or North America Index or both.

### *Edison Electric Institute – Emergency Recovery Award and Emergency Assistance Award*

This was the 19th consecutive year EEI has awarded Entergy a national storm restoration award. Entergy received the Emergency Recovery Award for outstanding power restoration efforts on behalf of customers in the wake of severe thunderstorms and flooding in Arkansas, Louisiana and Mississippi; and the Emergency Assistance Award for helping to restore service in Florida, Georgia and South Carolina following Hurricane Matthew.

### *Site Selection Magazine – Top 10 Utilities in Economic Development*

Entergy was named one of the nation's Top 10 utilities in economic development for its integral role that resulted in nearly \$10.3 billion of capital investment and the creation of over 4,800 new jobs in its service territory. It was the ninth straight year Entergy was named to the list.

### *Sustainability Yearbook Member – RobecoSAM*

To be named a Sustainability Yearbook Member, companies must be within the top 15 percent of their industry and must achieve a score within 30 percent of their industry leader's score on RobecoSAM's annual corporate sustainability assessment.

### *U.S. Department of Defense Pro Patria Award*

Entergy was recognized for promoting supportive work environments for members of the National Guard and Reserve. Among 2,400 nominees, Entergy was also named one of the 30 finalists for the 2016 Secretary of Defense Employer Support Freedom Award, the highest recognition given by the Department of Defense's Employer Support of the Guard and Reserve.



UTILITY  
OUR CORE BUSINESS



## How We Grow Our Utilities

### ENVIRONMENTAL

Environment<sup>2020</sup>, the 10-year environmental strategy we adopted in 2011, is driven by stakeholder engagement, environmental resources, financial considerations and Entergy's commitment to the environment. We have made clear progress in each area of strategic focus. For further information, visit [entergy.com/environment](http://entergy.com/environment).

Our utilities provide power at favorable rates 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. Our strategy is to grow our utilities by investing to continue to deliver power safely, reliably and efficiently for the benefit of our customers, while controlling our customers' bills and enhancing our customers' experience.

In 2016, we executed well. We provided power and natural gas safely, reliably and efficiently to existing customers and invested to meet future demand. Investments in our generation, transmission and distribution infrastructure help us manage our production costs and maintain low rates.

Our core business – generating and delivering power and related products and services to homes and businesses – is undergoing transformational change driven by growing customer expectations and advanced technologies. In the future, an integrated energy network – a dynamic, interactive power system characterized by central station generating facilities, as well as enhanced distributed energy resources, a multidirectional and intelligent network, and an enhanced portfolio of products and services – promises to deliver greater choice and control to customers while offering opportunities to lower costs.



## 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 prospective environmental regulations, including CO<sub>2</sub>, 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.

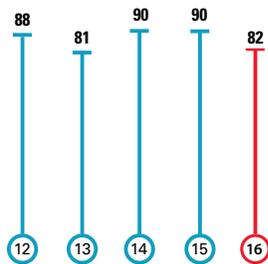
Specifically, we have acquired nearly 6,000 MW of generation, including our 2016 acquisition of Union Power Station, a 1,980 MW generating facility near El Dorado, Arkansas. The facility consists of four highly efficient, combined-cycle natural gas-fired generating units. We acquired Union Power Station, which went into commercial service in 2003, at a purchase price that was approximately half the cost to build a comparable new CCGT facility.

We are now transitioning from acquisitions to building new plants, beginning with Ninemile 6 in late 2014. We have selected new-build options for long-term generation resources in Louisiana, New Orleans and Texas. In 2016, Entergy Louisiana received approval from the Louisiana Public Service Commission to proceed with construction of the St. Charles Power Station, a 980 MW CCGT in Montz, Louisiana, with a targeted in-service date of June 2019. Entergy Louisiana requested approval from the LPSC to build the Lake Charles Power Station, an up to 1,000 MW CCGT with an estimated in-service date of 2020. Entergy New Orleans requested approval from the Council of the City of New Orleans to build a 226 MW combustion turbine unit called the New Orleans Power Station located at the deactivated Michoud plant site with an estimated in-service date of 2019. The Council of the City of New Orleans is reviewing the scope, cost and timing of the project. Entergy Texas requested 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. We are undertaking these projects because of the tightening capacity market, the level of aging generation in our fleet as well as the broader market, and the need for resources in specific locations to support reliability requirements and ensure long-term sources of economic power.

## ENVIRONMENTAL

Fleet modernization minimizes our impact on water. Our water use has declined nearly 13 percent over the past five years, due to a significant increase in generation from combined-cycle gas turbine units that use closed-cycle cooling. We are engaged with stakeholders in our local communities to find innovative new solutions related to water. We support Water Challenge 2017, an initiative focused on solving New Orleans' most pressing water issues through entrepreneurship, which is presented by Propeller, a New Orleans-based nonprofit organization.

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

All combined, our new-build plants – either proposed or under construction – represent nearly 4,000 MW of new generation to replace older, less efficient plants. These plants will improve system reliability, increase environmental efficiency, and reduce costs for our customers by using less fuel and improving our average fleet efficiency by roughly 800 BTUs per kilowatt-hour. New units also have lower maintenance costs and produce up to 40 percent fewer carbon emissions.

Our portfolio transformation strategy is also a cornerstone to meet our environmental goals of Environment<sup>2020</sup>. In 2011, we made a voluntary commitment to maintain our CO<sub>2</sub> emissions at 20 percent below year 2000 levels through 2020. We are meeting this commitment in part by replacing older, less efficient generation units with a cleaner, more efficient portfolio. For example, in 2016 our CO<sub>2</sub> emissions were approximately 20 percent below our year 2000 emissions.

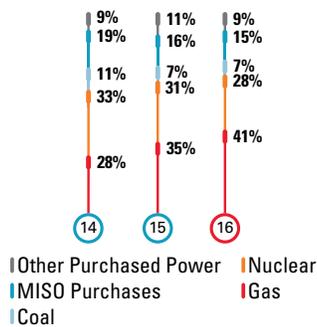
Nuclear generation also continues to be a key component of our cleaner generation portfolio. We operate five utility nuclear units: Arkansas Nuclear One Units 1 and 2, Grand Gulf Nuclear Station, River Bend Station and Waterford 3 Steam Electric Station. Our nuclear assets provide significant benefits to our stakeholders through low-cost and reliable base load power generation with virtually no emissions, valuable fuel diversity and reduced fuel price volatility, as well as positive economic impact on local communities. Investing to preserve our nuclear resources and aligning our plants with the industry's standard of operational excellence is an important part of our utility strategy. To ensure that we are able to achieve and sustain operational excellence at each of our plants, we have brought in Chris Bakken to serve as our Chief Nuclear Officer, and made other changes to our senior nuclear leadership. Mr. Bakken's breadth of experience in operating nuclear plants, including plants like ANO and Grand Gulf that are looking to regain their first tier status, will guide us in making the right investments to support the long-term operation of these critical sources of safe, clean and affordable energy. We have defined and are implementing a multiyear, transformational effort to improve our nuclear fleet performance by strengthening our personnel talent and organization, investing in equipment and revising processes to be more efficient and effective.

In 2016, we developed and submitted to the Nuclear Regulatory Commission a comprehensive recovery plan to address the decline in performance that led to ANO being placed in Column 4 of the NRC's Reactor Oversight Process Action Matrix. The NRC issued its Confirmatory Action Letter in June indicating our planned corrective actions should result in sustained performance improvement at ANO. We will work diligently to complete the agreed-upon actions listed in the letter to the satisfaction of the NRC. We believe we will be able to demonstrate to the NRC our ability to exit Column 4 as early as late 2017. However, our goal is not to simply exit Column 4, but to return to sustained operational excellence and to be considered one of the industry's strongest performers. In 2016, the NRC also approved an operating license extension for Grand Gulf. The license extension validates that Grand Gulf is poised to continue operations through the year 2044, two additional decades past its original licensing date.

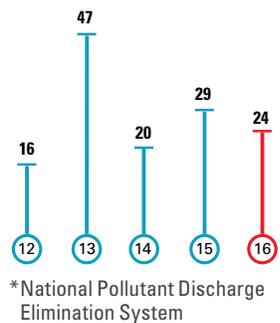
## ENVIRONMENTAL

Entergy operates one of the cleanest generation fleets in the country, according to the 2016 Benchmarking Air Emissions Report, an annual analysis of the 100 largest U.S. electric power producers. Entergy ranks 79th in CO<sub>2</sub> emissions rate, which means we produce fewer CO<sub>2</sub> emissions per MWh than 78 of the top 100 power producers. At the same time, Entergy produces the eighth-largest amount of electricity.

Generation Sources Used to Meet Utility Demand



Number of NPDES\* Exceedances



Newer, more efficient generation resources also support a larger renewable build-out. Approximately 2.4 million MWh of renewable energy is included in Entergy's fuel mix, which consists of hydro, solar, biomass, landfill gas, waste heat recovery, and wind renewable energy credits. Technology advances are making renewable energy as well as certain distributed energy resources increasingly cost-competitive. Entergy is exploring 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 to assess geographic differences and capacity factors while providing our customers with access to a renewable energy source. In 2015, in Mississippi, we launched three pilot solar installations in three different locations, each capable of generating 500 KW. Two sites are fixed-tilt and one uses single-axis tracking solar arrays. In New Orleans, we launched in 2016 a 1 MW solar generation project with state-of-the-art battery storage technology to help compensate for cloud cover. In Arkansas, we entered into a power purchase agreement to facilitate construction of an 81 MW solar photovoltaic facility. When complete, the 500-acre project will be capable of generating enough clean energy to power approximately 13,000 homes. In Arkansas, Louisiana and New Orleans, we also have requests for proposals underway to acquire in aggregate an additional 320 MW of renewable resources.

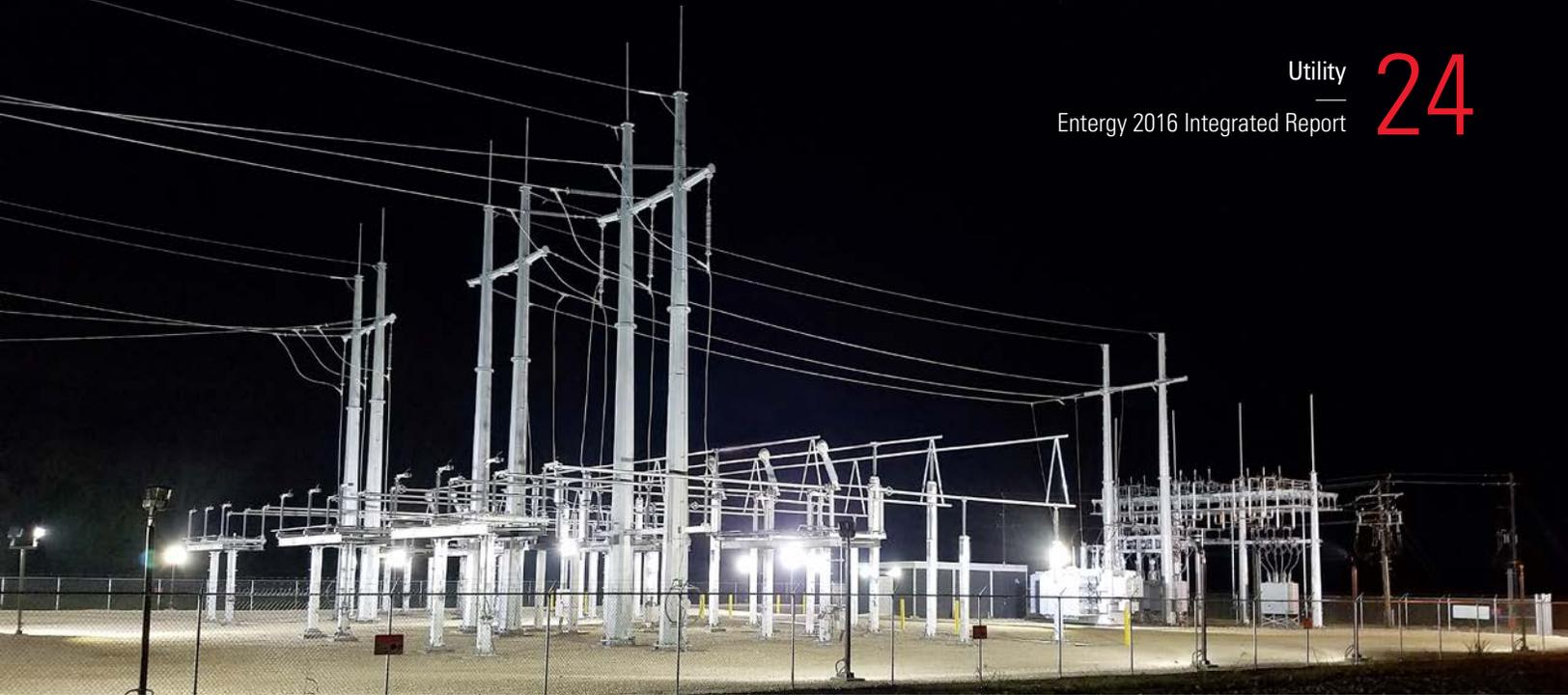
We believe utility-scale renewables offer better operational performance and significantly lower energy production costs versus smaller-scale distributed generation alternatives. That said, our utilities currently have approximately 17,000 customers with self-generation equipment, virtually all of which are rooftop solar photovoltaic systems. We have made numerous process improvements and added dedicated resources to ensure 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 customer options. For example, in Mississippi, we submitted in 2016 a detailed report to the Mississippi Public Service Commission regarding community solar and the potential feasibility of a new program for its customers.



### Water Conservation at Lewis Creek Power Plant

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. 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.



## ENVIRONMENTAL

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.

## 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 and offers 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 in deferred generation costs 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 through financial processes, allowing for more timely and 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.

In 2016, we placed over \$1 billion of transmission capital projects into service to connect our newer, cleaner generation portfolio, support economic development by serving new customers and enhance system reliability, efficiency and resiliency. In New Orleans, we completed a \$30 million transmission upgrade of the 230 kV lines from the Ninemile generating facilities, an undertaking that earned a top ten ranking as Construction Project of the Year from Platts Global Energy Awards. In Arkansas, we placed in service a new 23-mile, 230 kV line and completed a new 500 kV substation to serve the Big River Steel mill, a combined \$100 million in investment. In Louisiana, we are on schedule to deliver by June 2018 the Lake Charles transmission project, a \$160 million investment designed to maintain reliability in this region as significant industrial load growth occurs. In Mississippi, we have four large transmission projects underway that will increase the reliability of the electric systems in the Vicksburg, Natchez and Madison areas and provide opportunities for economic development. In Texas, we placed three major projects

in service to comply with NERC reliability standards and reduce congestion. We added three new 230 kV lines, as well as a new 230 kV substation, which will enhance reliability and efficiency and reduce costs to customers. Two new Transmission Control Centers began operations in 2016 in Arkansas and Mississippi. Each center represents a \$23 million investment and is built to withstand an EF5 tornado. The centers share sophisticated communications technology to enable close coordination of operations and enhance training and development.



## Transmission Innovation

Our transmission experts are using creativity and new technology to solve real-world problems for our customers. Examples of innovation in our transmission operations in 2016 include:

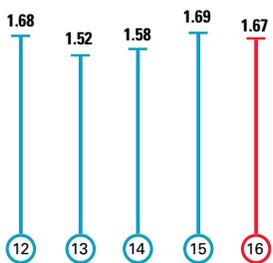
- A team of Entergy engineers initiated a pilot project to test the use of fiber optic cable in a substation. The team created a multivendor equipment lab to serve as an open testing platform to integrate equipment and systems in a central location and test interoperability. The team worked closely with U.S. utilities, research institutes, vendors and others throughout the industry to explore fiber's potential to reduce cost and safety risks, and enhance reliability.
- We expanded our use of energized work practices, which helps reduce outages, avoids putting loads at risk and keeps projects on schedule. We used energized work methods for the first time on portions of the transmission upgrade project in New Orleans and are evaluating future use on a case-by-case basis.
- We used helicopter construction for certain transmission builds to reduce impact on our customers and the environment. Building lines from the air can save time and avoid negative impacts on sensitive areas such as farmland and wetlands.



## ENVIRONMENTAL

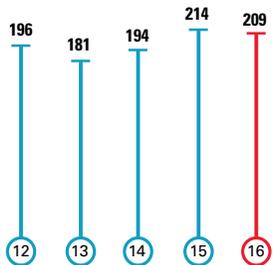
Entergy Louisiana partnered with the Louisiana Clean Fuels Initiative to provide electric charging stations in Baton Rouge that allow drivers of electric cars to charge for free at prime parking spots.

### 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

## 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 submitted regulatory filings in Arkansas, Louisiana, Mississippi and New Orleans in 2016, and expect to make filings in Texas in 2017. Advanced meters facilitate operational efficiencies, enable faster outage response and empower customers with information to better understand and control their electricity usage. Ahead of meter deployment, which we expect to begin in 2019, we are focused on constructing and implementing back office systems, new distribution and outage management systems and new communication infrastructure. We plan to deploy advanced meters across our entire system to nearly 3 million customers, which represents an investment of about \$900 million.

In addition, 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 meet customer expectations for service now and in the future while managing the required investments to maintain our low rates.

## Gas Distribution

Our gas distribution business delivers natural gas to about 199,000 retail customers in Baton Rouge and New Orleans. In 2016, the gas distribution business was greatly impacted by historic flooding in southern Louisiana. The headquarters building in Baton Rouge was damaged, requiring relocation of operations to temporary offices while repairs were made. Several gas service vehicles also were flooded. Many employees were personally affected. As many as 22,000 gas meters were submerged, and we worked with customers on exchanges. However, flood waters did not infiltrate the Entergy gas system, and gas customer outages were limited.



## ENVIRONMENTAL

Our utilities own 22 GW of generation, 15,700 circuit miles of transmission lines and 100,000 circuit miles of distribution lines in the southeastern United States – 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. For example, 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 Entergy communities.

## Emergency Preparedness and Response

Emergency preparedness and response are key components of delivering power safely, reliably and efficiently at Entergy. In 2016, we restored power in the wake of severe thunderstorms and flooding in Arkansas, Louisiana and Mississippi. Historic flooding in the Baton Rouge and Denham Springs areas damaged roughly 60,000 homes and businesses, including more than 250 homes of Entergy employees. A dedicated response workforce of more than 1,000 workers quickly and safely restored power to more than 32,500 customers who were affected. In addition, more than 400 Entergy employees, friends and family members logged 10,000-plus hours of volunteer service in response to the flooding. Entergy workers also assisted with power restoration in Florida, North Carolina, South Carolina and Georgia following Hurricane Matthew.

Entergy contributed \$525,000 to partner organizations that provided essential services to those impacted by the historic Louisiana floods. These donations include:

- \$300,000 to the Baton Rouge Area Foundation to help impacted families and individuals recover and rebuild.
- \$100,000 to the American Red Cross Disaster Response Fund to provide basic needs and shelter for approximately 3,000 individuals and families displaced by the flood. This donation was an immediate-use allocation of Entergy’s \$450,000 pre-commitment to the fund.
- \$100,000 pledge to help the Baton Rouge Area Food Bank, which was inundated with four feet of flood water and suffered the loss of 1 million pounds of food along with critical damage to their facility and warehouse. The donation is helping the Food Bank recover more quickly so that it can continue to help the many families who need assistance over the coming months.
- \$25,000 grant to United Way of Southeast Louisiana for case management and 211 referral services to help connect employees and customers with community services and resources for flood victims.

## ENVIRONMENTAL

Entergy employees supported the Point-aux-Chenes bald cypress planting, a 4,000-acre groundbreaking restoration project in Louisiana’s Pointe-aux-Chenes Bald Cypress Forest Wetland. The project is the first stage of Restore the Earth’s 15-year initiative to restore one million acres of “North America’s Amazon” to help the U.S. meet national climate targets 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

We prepare for extreme weather events year-round, conducting robust emergency response drills and business continuity planning. In May, we held six separate storm exercises over a two-week period to practice our preparedness. We invest in and harden our systems to improve resilience and reduce the time it takes to restore service. We engage with our communities and customers to prioritize our investments and minimize business disruptions.



## 📈 ECONOMIC

Production began in 2016 in a phased start-up at Big River Steel's \$1.3 billion plant in Mississippi County, Arkansas. When the steel mill is fully operational, the plant is expected to produce 1.6 million tons of niche and specialty steels per year and employ 425 workers. Big River Steel is powered by a 500 kV transmission line from Entergy Arkansas, and a 500 kV substation in the area ensures that the electric arc melting process is online around the clock.

Continental Tire will invest \$1.45 billion in a commercial vehicle tire manufacturing plant in Clinton, Mississippi. Currently under construction, the plant will create 2,500 jobs directly over the next decade, as well as 2,700 indirect jobs and 1,000 induced jobs and will generate more than \$1.3 billion in overall economic impact in the Greater Jackson region.

## Cost Control

Our customer bills today are lower than the regional average. We strive to maintain that bill advantage for our customers and to support growth in the communities we serve. In addition to our efforts to manage our costs, we strive to lower customer costs through economic development activities and energy efficiency and demand-side management programs.

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. We also continue to focus on gaining efficiencies through generation and transmission projects that reduce production costs and improve efficiency. Our planned investments in advanced metering and related technologies offer many opportunities for consumers to lower their energy usage and cost while enabling Entergy to operate in a more efficient, effective and reliable way.

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 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.

Economic growth generates additional demand for power, which also helps us maintain favorable rates. We enable economic growth by maintaining low 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

## ECONOMIC

In Arkansas, we completed construction of a new substation powering Pine Bluff's Highland Pellets biomass facility. Highland Pellets supplies sustainably sourced wood pellets for export to Europe where they are used as a cleaner replacement fuel for coal in electricity generation stations. The facility will provide 68 full-time jobs and is estimated to have a direct annual economic benefit of \$77 million per year.

## SOCIAL

A new \$250,000 grant from Entergy to Jobs for America's Graduates will expand workforce training and readiness programs in Arkansas, Louisiana and Mississippi. These programs equip at-risk youth with the skills needed to transition to college or careers. Announced in 2016, the grant is part of Entergy's five-year, \$5 million initiative to support workforce development training.

In 2016, Entergy customers, employees and shareholders raised \$2.5 million to provide utility assistance to seniors and disabled customers through The Power to Care fund.

local business leaders together to discuss economic development opportunities. We launched a new one-stop gateway website for site selectors and companies, GoEntergy.com, to help businesses considering an expansion or relocation to the region. In 2016, our industrial sales grew three percent over 2015, helped by our longstanding commitment to economic development.

We offer energy efficiency programs in all of our jurisdictions, as well as tools 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 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.

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 web page, myResources, serves as a starting point for customers to research and identify actions to reduce consumption and lower their utility bills. There were more than 500,000 visits to Entergy's website in 2016 to perform online energy audits and access energy efficiency information. In 2016, Entergy New Orleans partnered with CLEAResult to install about 1,000 Nest smart thermostats in low-income, multi-family housing units in a specific neighborhood of New Orleans. The purpose of this pilot project is to test smart thermostat technology and consumer acceptance and determine the level of potential energy savings than can be achieved.

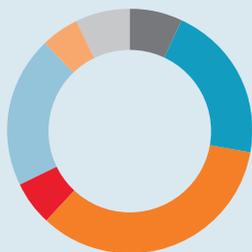
Since 2002, our utilities have invested more than \$350 million to deliver approximately 430 MW of load reduction and approximately 1.42 million MWh of cumulative energy savings.



## OUR COMMUNITIES

Our overall CSR goal is to achieve top-decile CSR performance. In 2016, our efforts in the area of corporate citizenship and philanthropy earned a perfect score of 100 from the Dow Jones Sustainability Indices, and Entergy was ranked number four on the 2016 *Corporate Responsibility Magazine's* 100 Best Corporate Citizens list in the category of philanthropy and community support.

2016 Philanthropy  
 Invested More than \$19 Million



- | Arts & Culture – 7%
- | Community Improvement – 21%
- | Education/Literacy – 34%
- | Environmental – 6%
- | Poverty Solutions – 20%
- | Disaster Relief/Recovery – 5%
- | Healthy Families – 7%

## Invest to Build Strong, Healthy Communities

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 annually award grants totaling more than \$19 million to almost 3,000 nonprofits in communities where we operate, and our employees log more than 100,000 volunteer hours.

### Our Top Three Corporate Social Responsibility Priorities

#### 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 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. We invest \$400,000 in the program, and more than 100 Entergy employees and retirees volunteer annually to staff and operate Super Tax Day sites.

#### 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. In 2016, we committed grants totaling \$2.2 million to 17 programs that support workforce readiness in Louisiana, Mississippi and Texas.

#### 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 2016, our charitable giving included a grant to the Greenville Cypress Preserve Trust to repair and restore 16 acres of urban forest, walking trails and educational facilities damaged by extensive flooding. Our Environmental Initiatives Fund also provides \$1 million primarily to environmentally beneficial projects.



## RECOGNITION

Excellent service that meets our customers' expectations is the foundation for our business success. Entergy achieved top-quartile rankings on the Overall Customer Satisfaction Index in the J.D. Power 2016 Electric Utility Residential Customer Satisfaction Study. We also track our performance in the Bellomy Perception Survey, monitoring the percentage of randomly selected 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 four years, Entergy has achieved more than a 70 percent positive response.

## Customer Experience

Our customers expect the same seamless service from Entergy as they receive from other service providers. 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 our online, self-service tools. Self-serve transactions via web, text message and interactive voice response now represent 70 percent of our customers' transactions. In 2016, we met our target goal of approximately 562,000 customers, or 23.4 percent of total customers, opting for paper-free electronic billing, meeting customers' needs, reducing environmental impact and representing more than \$3.3 million in annual operational savings versus providing paper bills. We are also updating our web, mobile and app experiences for our customers.

In 2016, we launched our customer digital project to help develop the roadmap and business requirements needed to provide excellent customer service over the next three to five years. The project's first phase, which is scheduled for delivery to customers in late 2017, will focus on improving core customer-service capabilities, updating My Account Online and improving our mobile web and interactive voice-response capabilities. Future phases, which will be implemented in sync with advanced metering deployment, will focus on value-added services for customers and data- and analytics-driven operational improvements.

Planned investment in advanced metering infrastructure will lay the foundation for other digital technologies and a smarter energy future. Distributed energy resources such as home generators, rooftop solar, electric vehicles and battery storage connected by a multidirectional, intelligent network can form an integrated energy network with the objective to reduce costs, provide customers with greater control and options over their energy use and enable a higher-value portfolio of products and services.

In addition to preparing for advanced meter deployment, we have pilot programs underway to understand how an integrated energy network might operate in the future. For example, we are installing chargers for electric vehicles in each of our jurisdictions and at our headquarters location to gain experience with electric vehicle resource integration. We are pursuing federal grant opportunities along with several partnering organizations to further expand the New Orleans solar and battery storage project's capabilities through software and other enhancements. Several other innovative pilot programs that have begun over the past two years are exploring behavioral energy efficiency, smart thermostats and "bring your own device" ideas.



## Commercial Development and Innovation

To bring a constant focus on evaluating and integrating new technologies into our operating model, we created a team dedicated to this vision. Our Commercial Development and Innovation team is focused on addressing customer needs through product and service innovation, technology deployment and alternative service models. Their work focuses on evaluating and integrating rapidly evolving

technologies such as distributed generation, utility and community solar, micro-grids and battery storage, among others. In addition, the department evaluates the enabling technologies that enhance the distribution grid and provide higher service and reliability to customers, such as advanced meters, distribution automation and grid infrastructure hardening.



## SOCIAL/RECOGNITION

Entergy is one of the top utilities nationwide in brand trust, according to Cogent Reports. According to Cogent, Entergy's high score is due to its focus on charitable giving, community volunteerism and support of low-income customers.

## Stakeholder Engagement

We engage with our stakeholders to better understand their needs. Aligning our objectives with the expectations of our owners, customers, employees and communities 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.

For example, in 2016, stakeholder engagement was a critical initiative within a transmission upgrade project in New Orleans. The engagement effort included five community meetings, two neighbor-to-neighbor meetings, nearly 134,000 flyers and nearly 67,000 phone calls, as well as outreach through emails, websites, social media and local media. We worked with the city to develop detailed traffic plans, coordinated with neighboring infrastructure projects, used a detailed communication plan to keep businesses, institutions and government agencies up to date, and provided signage to help navigation around project work areas. The extensive engagement plan demonstrated Entergy New Orleans' commitment to completing the project safely and as seamlessly as possible in order to meet customers' growing energy needs.

Through our outreach efforts, we also are able to make our perspectives known to and understood by policymakers. For example, we work with the NRC to ensure continued safe and secure operation of our nuclear fleet.

On the 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. Earning a reasonable return on our investments allows us to maintain low rates through operational and service excellence, which in turn helps us attract and retain customers. In Arkansas and Mississippi, we have forward-looking rates that enable us to work with regulators to establish reasonable costs to serve customers prior to 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 minimize financing costs. In all jurisdictions we have rider mechanisms that enable the recovery of costs outside of traditional rate

cases. For example, the Public Utility Commission of Texas allows rider mechanisms to facilitate investments in transmission and distribution infrastructure.

Strong regulatory relationships that support investments through timely recovery make Entergy a financially stronger company. In 2016, Moody's placed the ratings of Entergy Corporation under "review for upgrade" and S&P revised its outlook on Entergy to "positive" from "stable" due in part to our constructive regulatory relations.

The Entergy System Agreement – the contract that governed the operation of the Entergy operating companies as one power pool – ended in 2016, simplifying our regulatory structure and reducing risk and uncertainty for us and our customers. We can now put greater focus on the distinct opportunities of each of our retail regulatory jurisdictions as well as our core operations.

Entergy engages with America's WETLAND Foundation and Louisiana's Coastal Protection and Restoration Authority in a number of ways, including sponsorship of round tables to inform a summit agenda and tease out issues through highly focused discussions to build awareness, recognition, and public support for Louisiana's Coastal Master Plan. The summit provided opportunities to address the issues from proven and trusted voices that will make the difference in our ability to sustain our coastal resources, our communities, our economy and the state.



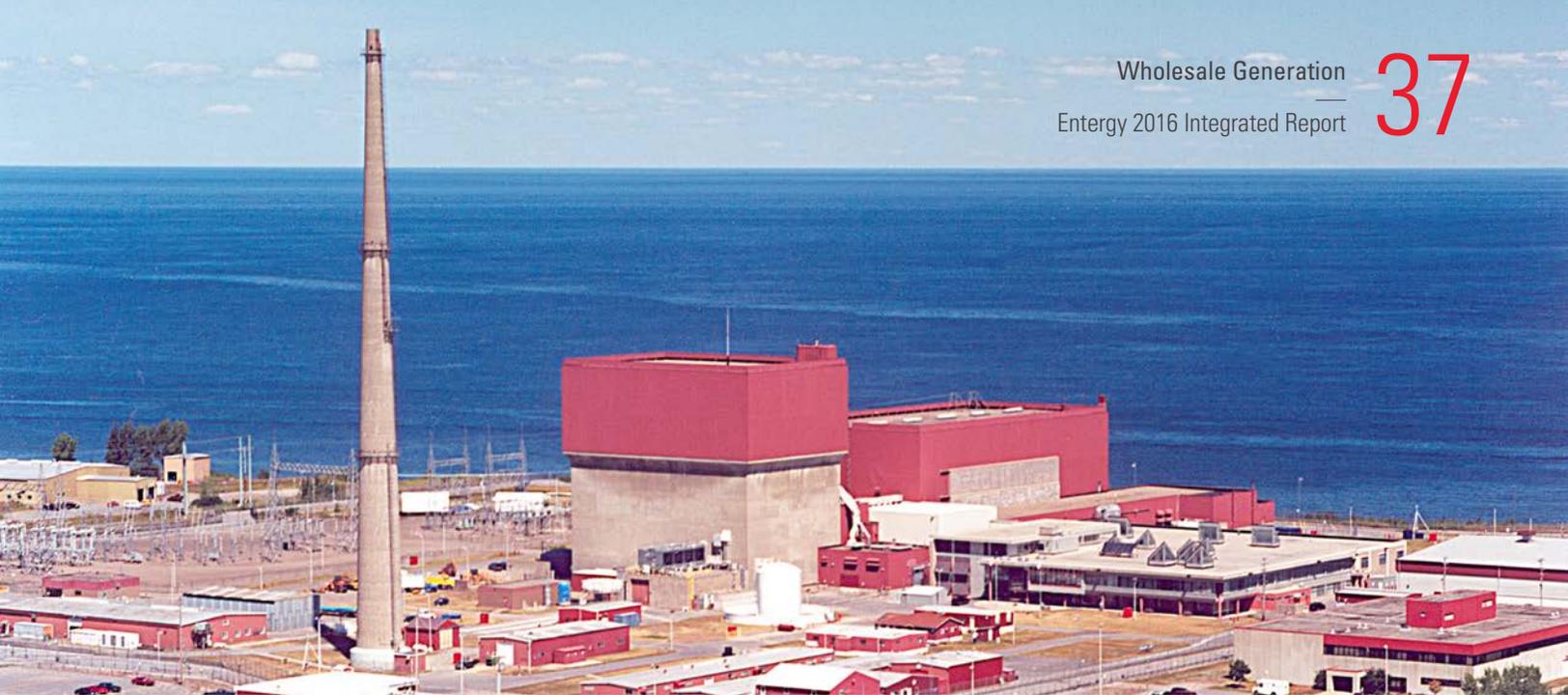
## Distributed Generation/ Renewables

Entergy's utilities continue to engage with regulators, stakeholders, and our retail customers to explore ways to expand the use of renewable energy in our fuel mix. In addition to our pilot-scale solar projects, in Arkansas, our long-term 81 MW power purchase agreement with Stuttgart Solar is expected to start upon project completion. Three of Entergy's utilities also have renewable requests for proposals underway to acquire, in aggregate, an additional 320 MW of renewable resources (Entergy Louisiana – 200 MW, Entergy Arkansas – 100 MW and Entergy New Orleans – 20 MW). Decisions in the three renewable RFPs are expected to be made in the first half of 2017. In addition to potential long-term PPAs, the Arkansas and New Orleans renewable RFPs both contemplate potential acquisitions of solar PV resources.

In New Orleans, our 20 MW RFP also includes evaluation of a proposal for a self-build aggregated DG-scale solar project. The project involves long-term leasing of multiple customer-owned rooftops in Orleans Parish. Under the proposal, our New Orleans utility would work with a solar company to identify, evaluate, design and install utility-owned and operated rooftop solar systems. Individual projects are expected to be in the range of 100 kW up to 1-2 MW in size. Each project will be designed to interconnect to our distribution system in New Orleans and feed 100 percent of the power generated to the grid. Customers hosting rooftop solar projects benefit economically under a long-term arrangement, may elect to receive renewable energy credits and become visible supporters of solar in New Orleans. Beyond the self-build project in New Orleans, Entergy's utilities are also exploring other possible opportunities to work directly with retail customers on renewable energy concepts.



# WHOLESALE GENERATION OUR EXIT STRATEGY



## How We Plan to Exit Our Merchant Business

### SOCIAL

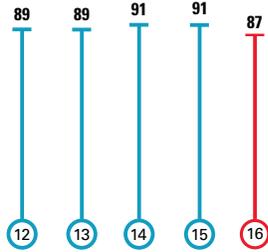
As we have made decisions about each asset in our merchant fleet, we have never lost sight of the impact on our employees and the citizens of our local communities. When we make the decision to close a plant, we remain committed to treating our employees fairly and working closely with them to identify opportunities after the planned shutdown. For example, at Palisades we anticipate retaining some of the 600 employees to assist with decommissioning, others are available for roles with local utility Consumers Energy, and others may move to new roles in Entergy. Entergy and the Consumers Energy Foundation also will provide a total of \$10 million over several years in economic development funding for the southwest Michigan region.

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 announced the sale or closure of each of our remaining merchant nuclear assets and the sale of our wind assets completing our plan to exit the merchant power business and transition to a pure-play utility.

Our 2016 announcements were as follows:

- In April, we announced our intent to refuel the Pilgrim Nuclear Power Station in 2017 to continue supplying power to the New England region until ceasing operations on May 31, 2019. The decision to refuel prior to closure was determined to be the best option for meeting the commitment to serve as a capacity resource for the region.
- In August, we announced our agreement to sell the James A. FitzPatrick Nuclear Power Plant to Exelon Generation. The New York State Public Service Commission and FERC approved the transfer in late 2016, and NRC approval was received in March 2017.
- In November, we announced the sale and license transfer of Vermont Yankee Nuclear Power Station to subsidiaries of NorthStar Group Services, Inc. to accelerate decommissioning and site restoration by decades.
- In December, we announced the early termination of the power purchase agreement for the Palisades Power Plant and our intention to close the plant on Oct. 1, 2018. Since entering into the PPA in 2007, market conditions have changed dramatically, and more economic alternatives are now available to supply reliable power to the region.
- We also completed the sale of our wind assets in Iowa and Texas in fourth quarter 2016.

EWC Nuclear Fleet  
 Capacity Factor



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

In January 2017, we announced our decision to close Indian Point Energy Center Unit 2 in 2020 and Unit 3 in 2021. We will continue to pursue license renewal from the Nuclear Regulatory Commission for both units for the remaining operating years.

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 and  
 Orderly Wind-Down

	2017	2018	2019	2020	2021
FitzPatrick	Sale*				
Vermont Yankee 2014 Shutdown		Sale*			
Palisades		Shutdown			
Pilgrim			Shutdown		
Indian Point 2				Shutdown	
Indian Point 3					Shutdown

\*Subject to closing conditions



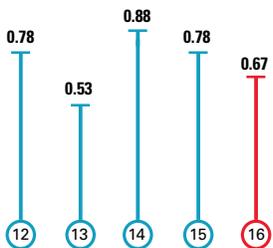
# WORKPLACE

## OUR ORGANIZATIONAL TRANSFORMATION

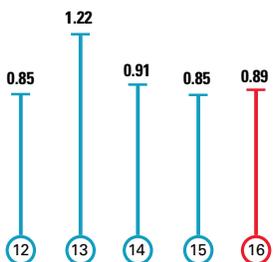


## How We Strengthen Our Organization

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

We are investing in our organization to forge a healthy culture. Our goal is to transform our organization by sustaining workforce safety and wellness, driving organizational health, and recruiting, retaining and developing our workforce.

### 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.

Entergy employees achieved a recordable accident index of 0.67 in 2016 compared to a rate of 0.78 in 2015 and 0.88 in 2014. However, we deeply regret that one of our employees died as the result of a fall while walking on a public sidewalk. Any employee fatality is unacceptable and we are redoubling our efforts to ensure our employees think safety in all aspects of their lives. Our 2016 employee safety performance ranked in the first decile of the Edison Electric Institute benchmark survey. Entergy contractors achieved a recordable accident index of 0.89 in 2016, up from a record low 0.85 in 2015 and 2012.

In 2016 we empowered our safety team to drive uniformity in safety practices across Entergy. We launched two new programs: the Close Call/Good Catch program to identify and eliminate hazards and the Influencing Leaders program to support coaching of safety behaviors in the field.



## ENVIRONMENTAL/SOCIAL

Entergy continually encourages our employees to adopt healthy lifestyles such as cycling for fitness as a foundation to working more safely. In 2016, the annual Entergy Bike the Big Easy event attracted more than 1,200 cycling enthusiasts, promoting a healthier, eco-friendly lifestyle and helping to boost local tourism. Riders, including more than 160 Entergy employees, cycled 20-mile and 40-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. The event raised approximately \$23,000 for The Power to Care customer assistance fund.

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.



## Innovation and Technology

Innovation and technology have long been a part of our organization. Across our company, Entergy employees innovate to improve customer service, reduce environmental impacts and help ensure our company achieves its stakeholder objectives. We also collaborate with other companies, organizations and stakeholders on innovative initiatives

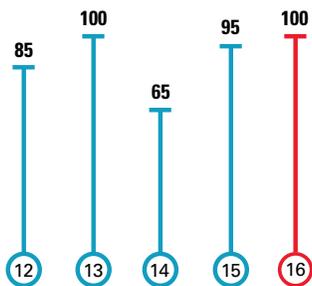
such as grid modernization and Smart Grid partnerships with the Department of Energy, research on integrated grid strategies and technologies with the Electric Power Research Institute and other companies, and a framework for physical adaptation measures for the U.S. Gulf Coast with the America's WETLAND Foundation and other organizations.



## ECONOMIC/SOCIAL

Our employee surveys indicate that employees who participate in corporate volunteer programs are more engaged. In 2016, we created a paid time off volunteer benefit allowing 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. We also 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. In 2016, employees and retirees logged 100,000 hours of volunteer service valued at more than \$3.3 million.

Employee and Retiree Volunteerism (hours in thousands)



## Organizational Health

We are committed to building an aligned, engaged culture to meet our company objectives and help our employees grow and develop. Driving employee engagement helps us create a healthy organization that can respond quickly and effectively to external challenges. Engaged employees are motivated and look for new and better ways to create value for our stakeholders. We also want to foster a culture that enables us to attract the talent we need to be successful today and in the future.

We are committed to instilling best practice behaviors that drive greater employee engagement and improved organizational health, and we will continually measure progress. In 2016, response rates to organizational health surveys were once again high as employees shared candid and constructive feedback. Almost all measured outcomes improved over 2015 survey scores. We are gaining momentum and making the right changes to transform our business. At the same time, we continue to work on areas that need improvement. 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. A significant portion of the savings identified are being reinvested in our employees through training and development and employee recognition events. We held our first-ever Employee Appreciation Week in October to celebrate employees for the value they bring to our company every day.

Diversity and inclusion are key elements of the engaged culture we are building at Entergy. We encourage employees to join one of Entergy's employee resource groups and help bring about positive change in our organization. ERGs are employee-led groups that provide opportunities to connect with others who share similar interests and backgrounds. We formed a new ERG in 2016 – PRIDE, the Lesbian Gay Bisexual Transgender and Allies ERG. We now have more than 600 employees participating in one of our four ERGs: Generational, Veterans, Multicultural and Women, and PRIDE. Input from our ERGs helps inform decisions on recruiting, onboarding, retention, work/life balance, technology, policies, and employee and leadership development.



## ECONOMIC/SOCIAL

Entergy sponsored “Louisiana Veterans Coming Home” on Louisiana Public Broadcasting, part of a national campaign to address the needs of veterans in local communities. Entergy’s Veterans Employee Resource Group has more than 200 members who are military veterans, reservists, employees currently serving on active duty and non-military employees.

We continually evaluate and enhance our approach to diversity in the context of an evolving business environment. With social tensions rising in 2016 with events in Orlando, Baton Rouge, St. Paul and other cities, as well as attacks on law enforcement officers in Dallas and Baton Rouge, Entergy Chairman and CEO Leo Denault called on all employees to renew their commitment to our company values, which include safety and respect for each other. He also committed to exploring new ways to partner with public officials and other leaders to better support those working in law enforcement and improve community relationships. A new website was launched to inform employees about these efforts and how they can help. Entergy also expanded 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. We engaged our Diversity Councils and ERGs by creating a \$100,000 competitive grant program that challenged the councils and ERGs to submit their best ideas for championing the principles of inclusion in the workplace and in our communities.



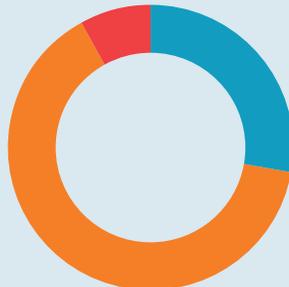
## Our Diverse Workforce

### 2016 Entergy Workforce by Age



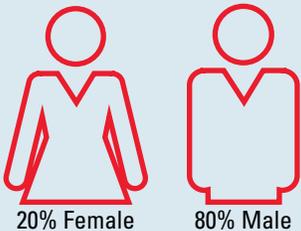
- Baby Boomers Born 1943-1960 – 25%
- Generation X Born 1961-1981 – 53%
- Millennials Born 1982 and After – 22%

### 2016 Entergy Management Workforce by Age



- Baby Boomers Born 1943-1960 – 28%
- Generation X Born 1961-1981 – 64%
- Millennials Born 1982 and After – 8%

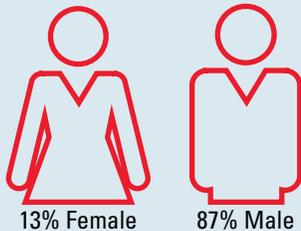
### 2016 Entergy Workforce by Gender



20% Female 80% Male

U.S. Bureau of Labor Statistics  
2016 average for U.S. utilities:  
Female 21% / Male 79%

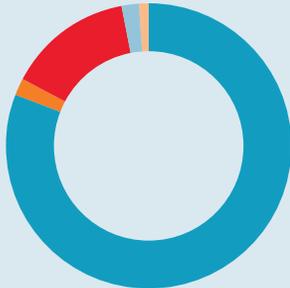
### 2016 Entergy Management Workforce by Gender



13% Female 87% Male

Based on EEQ-1 Code

### 2016 Entergy Workforce by Ethnicity



- Caucasian – 81%
- Asian – 2%
- African American – 14%
- Hispanic – 2%
- Other – 1%

# OUR VALUES

 <p>Create and Sustain a Safe and Healthy Life</p>	 <p>Cultivate a Diverse and Inclusive Work Culture</p>	 <p>Possess a Winning Spirit</p>
 <p>Focus on Our Customers</p>	 <p>Grow the Business</p>	 <p>Be Active Team Players</p>
 <p>Treat People with Respect</p>	 <p>Aggressively Look for Better Ways</p>	 <p>Take Actions to Achieve Results</p>

ABOVE ALL, ACT WITH INTEGRITY



## ENVIRONMENTAL

In 2001 when Entergy became the first U.S. utility to commit to voluntarily stabilize its CO<sub>2</sub> emissions, 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.

Entergy reduces waste by repurposing 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. In 2016, these sales totaled approximately \$9.8 million.

## Workforce Recruitment, Retention and Development

Our business is only as good as our people, and at Entergy, we are fortunate to work with the best in the business. Our talent and performance management practices are closely aligned with our business strategy and are designed to recruit and retain a skilled workforce and to train, develop and promote individuals to achieve our business objectives. Talent and performance management supports organizational health improvement by emphasizing key leadership and employee practices. We have an integrated talent management system that helps manage recruiting, onboarding, performance management and succession planning.

We use performance and talent management processes to help employees develop their capabilities, achieve career goals and contribute to the company's goals and objectives. Our employee development strategy includes training and a variety of other resources to support developmental opportunities. We provide various leadership training programs including an Advanced Leadership Program. We also engage with external partners to supplement employee development. In 2015, we completed an effort to align and standardize several key talent management processes, including goal setting, performance reviews, individual development plans, talent assessment and succession planning. We continued to enhance our recruiting and development initiatives in 2016. For example, we held a pilot of our new employee orientation program in July at corporate headquarters in New Orleans. Attendees learned about the structure of our business and how their departments play a vital role in the success of the company. The new employees also met members of Entergy's senior leadership team. Ninety-one new employees attended the program in person and another 37 participated via video conference. Following the successful pilot, the orientation moved to a monthly schedule for onboarding new employees.

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.



# GOVERNANCE



## How We Govern Our Business

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.

### 2016 Material Issues and Strategic Imperatives

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 strategic imperatives. 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.

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 2016 follow:

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	Complying with local and state regulators' requirements for Entergy to offer 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 2016 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 increased 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 increased 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 2016 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.

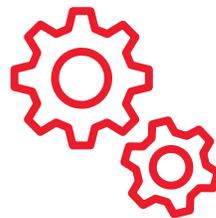
Material economic, environmental and social issues are integrated into Entergy's enterprise risk management processes. Our ERM processes identify, capture and mitigate risks that have the potential to impact Entergy's ability to meet our objectives. More information on our ERM processes is available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

Each year we set clear areas of focus to align and empower our employees and inform other stakeholders. We use our analyses of material issues to define a limited number of strategic imperatives that we must accomplish, in addition to the fundamental daily operation of the business, in order to be successful over the long term. Our strategic imperatives are:



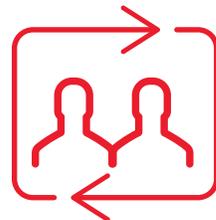
### Steady Predictable Growth at the Utility

- Earnings growth at our Utility, Parent & Other segment
- Dividend growth



### Manage Risk

- Customer-centric investment plan
- Progressive regulatory constructs
- Orderly wind-down of EWC



### Transform the Organization

- Improve our culture by leveraging organizational health and diversity
- Streamline and standardize work processes, reduce costs and improve efficiency and effectiveness
- Enable our workforce through enhanced talent and performance management



## 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
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	Improve nuclear fleet performance by strengthening our personnel 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.
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 put 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 second consecutive year, a trend we expect to continue subject as always to board approval.

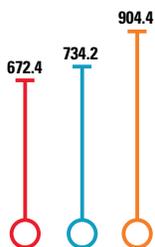
Our finance organization, led by our chief financial officer and governed by the finance committee of the board of directors, oversees our financial performance using prudent policies, strategies, procedures and investment processes. We proactively manage our tax strategy to ensure we are in compliance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



## ENVIRONMENTAL

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. 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 current commitment is to maintain CO<sub>2</sub> emissions from Entergy-owned power plants and controllable power purchases through 2020 at 20 percent below year 2000 levels. Our annual greenhouse gas inventory is verified by a third party and publicly available.

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



■ Cumulative Emissions 2001-2016  
 ■ Cumulative Goal 2001-2016  
 ■ Cumulative Goal 2001-2020

## Risk Management

We use an integrated risk management framework that extends from board oversight to risk identification and assessment within our utility and EWC 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.

We use business continuity planning to establish actions that would ensure continuity and eventual full restoration following a business disruption. Continuous operation of our business depends on our ability to maintain the safety and security of all Entergy assets, employees and operations. As the utility industry builds new transmission infrastructure, updates its generation resources and leverages new technologies, more protections must be put in place to secure America's electric grid. In 2013, the Federal Energy Regulatory Commission approved version five of its critical infrastructure protection standards or CIPv5. Since then, hundreds of Entergy employees worked to increase protection for critical assets and ensured compliance by the July 1, 2016 deadline. An increased focus on physical and cyber security is now part of how we do business at Entergy. Up next is CIPv6, which increases security requirements for less critical assets. We continue to take steps to harden assets against security threats and engage with local, state and federal law enforcement agencies on initiatives to share threat information. We have a cyber incident response plan in place to help mitigate threats that place sensitive business and customer information at risk. 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.

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.



## ENVIRONMENTAL

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; 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.

## 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 non-employees and suppliers. We identify applicable laws and risks of non-compliance. 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.

## 📈 ECONOMIC

We are partnering with a variety of diverse suppliers on several large transmission projects. Our diverse suppliers often agree to mentor and coach other diverse suppliers through subcontracting, which helps establish and solidify a pipeline of talented contractors to support our aggressive utility capital investment plan.

## Supply Chain Management

We purchase approximately \$3.4 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.

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



**SOCIAL**

The Earned Income Tax Credit is one of the most effective tools in the fight against poverty, lifting some 6 million Americans above the poverty level each year. Entergy partners annually with the IRS, United Way and community organizations to help low-income customers file for and receive their EITC. In 2016, our goal was to help customers file for and receive \$35 million in EITC refunds. Through our 2016 Super Tax Day volunteer initiative, Entergy employees helped provide free tax-preparation assistance for nearly 19,000 customers who received in excess of \$35 million in EITC refunds. Since we began our Super Tax Day initiative in 2009, more than \$169 million has been returned to approximately 96,000 customers through the program.

Advocacy and Political Accountability

We are involved in a number of legislative and regulatory initiatives across a broad spectrum of policy areas that can immediately and 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 effort. The organization educates members on issues of importance to the company and encourages members to get personally involved, including reaching out to public officials.

In 2015, Entergy joined with 27 states – including those in our utility service territory – and many other companies, trade organizations and unions in filing a legal challenge to EPA’s Clean Power Plan. We believe this rule reaches beyond EPA’s statutory authority, and that therefore joining this challenge is the best way to represent the interests of our owners, customers, employees and communities. On Feb. 9, 2016, the Supreme Court issued a stay of the Clean Power Plan, which will remain in place until both the D.C. Circuit and Supreme Court have an opportunity to review the rule. Oral arguments in the D.C. Circuit occurred on Sept. 27, 2016, and the court is expected to issue a decision in the first half of 2017. However, it is uncertain what actions the Trump Administration may take regarding the Clean Power Plan. We continue to engage with our states and stakeholders as appropriate while we await the court’s decision.

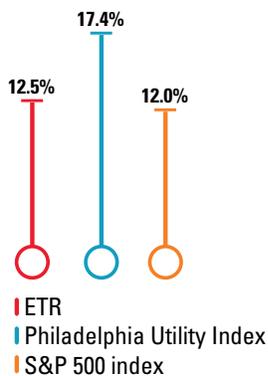


# FINANCIAL HIGHLIGHTS



# Summary of 2016 Financial Performance

2016 Total Shareholder Return



Source: Bloomberg

In 2016, we realized a loss of \$3.26 per share, compared with a loss of \$0.99 per share in 2015. Our 2016 as-reported earnings include asset impairment charges reflecting the effects of strategic decisions in the Entergy Wholesale Commodities business. On an operational basis, 2016 earnings were \$7.11 per share, compared with operational earnings of \$6.00 per share in 2015. In Utility, Parent & Other, we achieved greater than 40 percent year-over-year earnings growth after adjusting for weather and tax items. We also raised our dividend for the second consecutive year, a trend we expect to continue, subject as always to board approval. Our 2016 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.

## 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.



	2011	2012	2013	2014	2015	2016
<b>ENTERGY CORPORATION</b>	\$100.00	\$ 91.63	\$ 95.62	\$138.42	\$113.27	\$127.45
<b>PHILADELPHIA UTILITY INDEX</b>	\$100.00	\$ 99.44	\$110.35	\$142.28	\$133.38	\$156.58
<b>S&amp;P 500 INDEX</b>	\$100.00	\$115.99	\$153.55	\$174.55	\$176.95	\$198.10

Assumes \$100 invested at the closing price on Dec. 31, 2011, in Entergy Corporation common stock, the Philadelphia Utility Index and the S&P 500 Index, and reinvestment of all dividends.

Source: Bloomberg

While we made significant progress in 2016, it did not translate into top-quartile returns for our shareholders. Our 2016 total shareholder return was 12.5 percent, which ranked in the fourth quartile of our peer group. We believe our strategy to fundamentally reposition our company as a pure-play utility – with a focus on the integrated energy network of the future and a steady, predictable earnings trajectory – has clear potential to deliver top-quartile returns for our owners. We strive to build strong regulatory relationships that support timely cost recovery and make Entergy a financially stronger company. In 2016, Moody’s placed the ratings of Entergy Corporation under “review for upgrade” and S&P revised its outlook on Entergy to “positive” from “stable” due in part to our constructive regulatory relations.

Credit Ratings as of March 10, 2017

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	Baa3	Review for Upgrade

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

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

	2016	2015	2014	2013	2012
<b>Selected Financial Data:</b>					
<b>In Thousands, Except Percentages and Per Share Amounts</b>					
Operating revenues	\$ 10,845,645	\$ 11,513,251	\$ 12,494,921	\$ 11,390,947	\$ 10,302,079
Net income (loss)	\$ (564,503)	\$ (156,734)	\$ 960,257	\$ 730,572	\$ 868,363
Earnings (loss) per share:					
Basic	\$ (3.26)	\$ (0.99)	\$ 5.24	\$ 3.99	\$ 4.77
Diluted	\$ (3.26)	\$ (0.99)	\$ 5.22	\$ 3.99	\$ 4.76
Dividends declared per share	\$ \$3.42	\$ 3.34	\$ 3.32	\$ 3.32	\$ 3.32
Return on common equity	(6.73)%	(1.83)%	9.58%	7.56%	9.33%
Book value per share, year-end	\$ 45.12	\$ 51.89	\$ 55.83	\$ 54.00	\$ 51.72
Total assets	\$ 45,904,434	\$ 44,647,681	\$ 46,414,455	\$ 43,290,290	\$ 43,087,339
Long-term obligations <sup>(a)</sup>	\$ 14,695,422	\$ 13,456,742	\$ 12,627,180	\$ 12,265,971	\$ 12,026,207

### Utility Electric Operating Revenues:

#### In Millions

Residential	\$ 3,288	\$ 3,518	\$ 3,555	\$ 3,396	\$ 3,022
Commercial	2,362	2,516	2,553	2,415	2,174
Industrial	2,327	2,462	2,623	2,405	2,034
Governmental	217	223	227	218	198
Total retail	8,194	8,719	8,958	8,434	7,428
Sales for resale	236	249	330	210	179
Other	437	341	304	298	264
Total	\$ 8,867	\$ 9,309	\$ 9,592	\$ 8,942	\$ 7,871

### Utility Billed Electric Energy Sales:

#### In GWh

Residential	35,112	36,068	35,932	35,169	34,664
Commercial	29,197	29,348	28,827	28,547	28,724
Industrial	45,739	44,382	43,723	41,653	41,181
Governmental	2,547	2,514	2,428	2,412	2,435
Total retail	112,595	112,312	110,910	107,781	107,004
Sales for resale	11,054	9,274	9,462	3,020	3,200
Total	123,649	121,586	120,372	110,801	110,204

### Energy Wholesale Commodities:

Operating Revenues (In Millions)	\$ 1,850	\$ 2,062	\$ 2,719	\$ 2,313	\$ 2,326
Billed Electric Energy Sales (GWh)	35,881	39,745	44,424	45,127	46,178

(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,		
	2016	2015	2014
<b>Operating Revenues</b>			
Electric	\$ 8,866,659	\$ 9,308,678	\$ 9,591,902
Natural gas	129,348	142,746	181,794
Competitive businesses	1,849,638	2,061,827	2,721,225
<b>Total</b>	<b>10,845,645</b>	<b>11,513,251</b>	<b>12,494,921</b>
<b>Operating Expenses</b>			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	1,809,200	2,452,171	2,632,558
Purchased power	1,220,527	1,390,805	1,915,414
Nuclear refueling outage expenses	208,678	251,316	267,679
Other operation and maintenance	3,296,711	3,354,981	3,310,536
Asset write-offs, impairments, and related charges	2,835,637	2,104,906	179,752
Decommissioning	327,425	280,272	272,621
Taxes other than income taxes	592,502	619,422	604,606
Depreciation and amortization	1,347,187	1,337,276	1,318,638
Other regulatory charges (credits) – net	94,243	175,304	(13,772)
<b>Total</b>	<b>11,732,110</b>	<b>11,966,453</b>	<b>10,488,032</b>
Gain on sale of asset	–	154,037	–
<b>Operating Income (Loss)</b>	<b>(886,465)</b>	<b>(299,165)</b>	<b>2,006,889</b>
<b>Other Income</b>			
Allowance for equity funds used during construction	67,563	51,908	64,802
Interest and investment income	145,127	187,062	147,686
Miscellaneous – net	(41,617)	(95,997)	(42,016)
<b>Total</b>	<b>171,073</b>	<b>142,973</b>	<b>170,472</b>
<b>Interest Expense</b>			
Interest expense	700,545	670,096	661,083
Allowance for borrowed funds used during construction	(34,175)	(26,627)	(33,576)
<b>Total</b>	<b>666,370</b>	<b>643,469</b>	<b>627,507</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(1,381,762)</b>	<b>(799,661)</b>	<b>1,549,854</b>
Income taxes	(817,259)	(642,927)	589,597
<b>Consolidated Net Income (Loss)</b>	<b>(564,503)</b>	<b>(156,734)</b>	<b>960,257</b>
Preferred dividend requirements of subsidiaries	19,115	19,828	19,536
<b>Net Income (Loss) Attributable to Entergy Corporation</b>	<b>\$ (583,618)</b>	<b>\$ (176,562)</b>	<b>\$ 940,721</b>
Earnings (loss) per average common share:			
Basic	\$ (3.26)	\$ (0.99)	\$ 5.24
Diluted	\$ (3.26)	\$ (0.99)	\$ 5.22
Basic average number of common shares outstanding	178,885,660	179,176,356	179,506,151
Diluted average number of common shares outstanding	178,885,660	179,176,356	180,296,885

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

In Thousands	For the Years Ended December 31,		
	2016	2015	2014
<b>Net Income (Loss)</b>	\$ (564,503)	\$ (156,734)	\$ 960,257
<b>Other Comprehensive Income (Loss)</b>			
Cash flow hedges net unrealized gain (loss) (net of tax expense (benefit) of (\$55,298), \$3,752, and \$96,141)	(101,977)	7,852	179,895
Pension and other postretirement liabilities (net of tax expense (benefit) of (\$3,952), \$61,576, and (\$152,763))	(2,842)	103,185	(281,566)
Net unrealized investment gains (losses) (net of tax expense (benefit) of \$57,277, (\$45,904), and \$66,594)	62,177	(59,138)	89,439
Foreign currency translation (net of tax benefit of \$689, \$345, and \$404)	(1,280)	(641)	(751)
Other comprehensive income (loss)	(43,922)	51,258	(12,983)
<b>Comprehensive Income (Loss)</b>	(608,425)	(105,476)	947,274
Preferred dividend requirements of subsidiaries	19,115	19,828	19,536
<b>Comprehensive Income (Loss) Attributable to Entergy Corporation</b>	\$ (627,540)	\$ (125,304)	\$ 927,738

## Consolidated Statements of Cash Flows (unaudited)

In Thousands	For the Years Ended December 31,		
	2016	2015	2014
<b>Operating Activities</b>			
<b>Consolidated net income (loss)</b>	\$ (564,503)	\$ (156,734)	\$ 960,257
<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	2,123,291	2,117,236	2,127,892
Deferred income taxes, investment tax credits, and non-current taxes accrued	(836,257)	(820,350)	596,935
Asset write-offs, impairments and related charges	2,835,637	2,104,906	123,527
Gain on sale of asset	—	(154,037)	—
Changes in working capital:			
Receivables	(96,975)	38,152	98,493
Fuel inventory	38,210	(12,376)	3,524
Accounts payable	174,421	(135,211)	(12,996)
Prepaid taxes and taxes accrued	(28,963)	81,969	(62,985)
Interest accrued	(7,335)	(11,445)	25,013
Deferred fuel costs	(241,896)	298,725	(70,691)
Other working capital accounts	31,197	(113,701)	112,390
Changes in provisions for estimated losses	20,905	42,566	301,871
Changes in other regulatory assets	(48,469)	262,317	(1,061,537)
Changes in other regulatory liabilities	158,031	61,241	87,654
Changes in pensions and other postretirement liabilities	(136,919)	(446,418)	1,308,166
Other	(421,676)	134,344	(647,952)
<b>Net cash flow provided by operating activities</b>	<b>2,998,699</b>	<b>3,291,184</b>	<b>3,889,561</b>
<b>Investing Activities</b>			
Construction/capital expenditures	(2,780,222)	(2,500,860)	(2,119,191)
Allowance for equity funds used during construction	68,345	53,635	68,375
Nuclear fuel purchases	(314,706)	(493,604)	(537,548)
Payment for purchase of plant	(949,329)	—	—
Proceeds from sale of assets	—	487,406	10,100
Insurance proceeds received for property damages	20,968	24,399	40,670
Changes in securitization account	4,007	(5,806)	1,511
NYPA value sharing payment	—	(70,790)	(72,000)
Payments to storm reserve escrow account	(1,544)	(69,163)	(276,057)
Receipts from storm reserve escrow account	—	5,916	—
Decrease in other investments	9,055	571	46,983
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	169,085	18,296	—
Proceeds from nuclear decommissioning trust fund sales	2,408,920	2,492,176	1,872,115
Investment in nuclear decommissioning trust funds	(2,484,627)	(2,550,958)	(1,989,446)
<b>Net cash flow used in investing activities</b>	<b>(3,850,048)</b>	<b>(2,608,782)</b>	<b>(2,954,488)</b>

## Consolidated Statements of Cash Flows (unaudited) (continued)

In Thousands	For the Years Ended December 31,		
	2016	2015	2014
<b>Financing Activities</b>			
<b>Proceeds from the issuance of:</b>			
Long-term debt	\$ 6,800,558	\$ 3,502,189	\$ 3,100,069
Preferred stock of subsidiary	–	107,426	–
Treasury stock	33,114	24,366	194,866
Retirement of long-term debt	(5,311,324)	(3,461,518)	(2,323,313)
Repurchase of common stock	–	(99,807)	(183,271)
Repurchase/redemptions of preferred stock	(115,283)	(94,285)	–
Changes in credit borrowings and commercial paper – net	(79,337)	(104,047)	(448,475)
Other	(6,872)	(9,136)	23,579
<b>Dividends paid:</b>			
Common stock	(611,835)	(598,897)	(596,117)
Preferred stock	(20,789)	(19,758)	(19,511)
<b>Net cash flow provided by (used in) financing activities</b>	<b>688,232</b>	<b>(753,467)</b>	<b>(252,173)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(163,117)</b>	<b>(71,065)</b>	<b>682,900</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,350,961</b>	<b>1,422,026</b>	<b>739,126</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,187,844</b>	<b>\$ 1,350,961</b>	<b>\$ 1,422,026</b>

### Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for:			
Interest – net of amount capitalized	\$ 746,779	\$ 663,630	\$ 611,376
Income taxes	\$ 95,317	\$ 103,589	\$ 77,799

## Consolidated Balance Sheets – Assets (unaudited)

In Thousands	December 31,	
	2016	2015
<b>Current Assets</b>		
Cash and cash equivalents:		
Cash	\$ 129,579	\$ 63,497
Temporary cash investments	1,058,265	1,287,464
Total cash and cash equivalents	1,187,844	1,350,961
Accounts receivable:		
Customer	654,995	608,491
Allowance for doubtful accounts	(11,924)	(39,895)
Other	158,419	178,364
Accrued unbilled revenues	368,677	321,940
Total accounts receivable	1,170,167	1,068,900
Deferred fuel costs	108,465	–
Fuel inventory – at average cost	179,600	217,810
Materials and supplies – at average cost	698,523	873,357
Deferred nuclear refueling outage costs	146,221	211,512
Prepayments and other	193,448	344,872
<b>Total</b>	<b>3,684,268</b>	<b>4,067,412</b>
<b>Other Property and Investments</b>		
Investment in affiliates – at equity	198	4,341
Decommissioning trust funds	5,723,897	5,349,953
Non-utility property – at cost (less accumulated depreciation)	233,641	219,999
Other	469,664	468,704
<b>Total</b>	<b>6,427,400</b>	<b>6,042,997</b>
<b>Property, Plant, and Equipment</b>		
Electric	45,191,216	44,467,159
Property under capital lease	619,527	952,465
Natural gas	413,224	392,032
Construction work in progress	1,378,180	1,456,735
Nuclear fuel	1,037,899	1,345,422
<b>Total Property, Plant and Equipment</b>	<b>48,640,046</b>	<b>48,613,813</b>
Less – accumulated depreciation and amortization	20,718,639	20,789,452
<b>Property, Plant and Equipment – Net</b>	<b>27,921,407</b>	<b>27,824,361</b>
<b>Deferred Debits and Other Assets</b>		
Regulatory assets:		
Regulatory asset for income taxes – net	761,280	775,528
Other regulatory assets (includes securitization property of \$600,996 as of December 31, 2016 and \$714,044 as of December 31, 2015)	4,769,913	4,704,796
Deferred fuel costs	239,100	238,902
Goodwill	377,172	377,172
Accumulated deferred income taxes	117,885	54,903
Other	1,606,009	561,610
<b>Total</b>	<b>7,871,359</b>	<b>6,712,911</b>
<b>Total Assets</b>	<b>\$ 45,904,434</b>	<b>\$ 44,647,681</b>

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

In Thousands	December 31,	
	2016	2015
<b>Current Liabilities</b>		
Currently maturing long-term debt	\$ 364,900	\$ 214,374
Notes payable and commercial paper	415,011	494,348
Accounts payable	1,285,577	1,071,798
Customer deposits	403,311	419,407
Taxes accrued	181,114	210,077
Interest accrued	187,229	194,565
Deferred fuel costs	102,753	235,986
Obligations under capital leases	2,423	2,709
Pension and other postretirement liabilities	76,942	62,513
Other	180,836	184,181
<b>Total</b>	<b>3,200,096</b>	<b>3,089,958</b>
<b>Non-Current Liabilities</b>		
Accumulated deferred income taxes and taxes accrued	7,495,290	8,306,865
Accumulated deferred investment tax credits	227,147	234,300
Obligations under capital leases	24,582	27,001
Other regulatory liabilities	1,572,929	1,414,898
Decommissioning and asset retirement cost liabilities	5,992,476	4,790,187
Accumulated provisions	481,636	460,727
Pension and other postretirement liabilities	3,036,010	3,187,357
Long-term debt (includes securitization bonds of \$661,175 as of December 31, 2016 and \$774,696 as of December 31, 2015)	14,467,655	13,111,556
Other	1,121,619	449,856
<b>Total</b>	<b>34,419,344</b>	<b>31,982,747</b>
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	203,185	318,185
<b>Common Equity</b>		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2016 and in 2015	2,548	2,548
Paid-in capital	5,417,245	5,403,758
Retained earnings	8,195,571	9,393,913
Accumulated other comprehensive income (loss)	(34,971)	8,951
Less – treasury stock, at cost (75,623,363 shares in 2016 and 76,363,763 shares in 2015)	5,498,584	5,552,379
<b>Total</b>	<b>8,081,809</b>	<b>9,256,791</b>
<b>Total Liabilities and Equity</b>	<b>\$ 45,904,434</b>	<b>\$ 44,647,681</b>

## Consolidated Statements of Changes in Equity (unaudited)

For the Years Ended December 31, 2016, 2015, and 2014	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, 2013</b>	\$ 94,000	\$ 2,548	\$ (5,533,942)	\$ 5,368,131	\$ 9,825,053	\$ (29,324)	\$ 9,726,466	
Consolidated net income <sup>(a)</sup>	19,536	—	—	—	940,721	—	960,257	
Other comprehensive loss	—	—	—	—	—	(12,983)	(12,983)	
Common stock repurchases	—	—	(183,271)	—	—	—	(183,271)	
Common stock issuances related to stock plans	—	—	\$219,687	7,222	—	—	226,909	
Common stock dividends declared	—	—	—	—	(596,117)	—	(596,117)	
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(19,536)	—	—	—	—	—	(19,536)	
<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	

(a) Consolidated net income and preferred dividend requirements of subsidiaries include \$19.1 million for 2016, \$14.9 million for 2015, and \$12.9 million for 2014 of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.



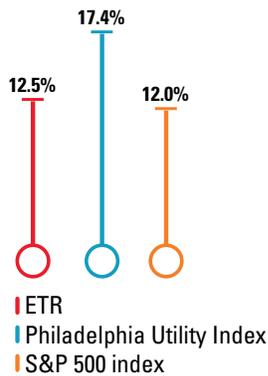
# KEY PERFORMANCE INDICATORS

## How We Measure Our Progress

Entergy has always been proactive in providing Key Performance Indicators that inform our investment community and other stakeholders on our sustainability progress. Last year, Entergy enhanced both the organization and number of the KPIs within our performance data table that can be found at [http://www.entergy.com/content/sustainability/performance\\_data\\_table.pdf](http://www.entergy.com/content/sustainability/performance_data_table.pdf). This year, we are working closely with the Edison Electric Institute and member utilities to make additional improvements based on feedback from the investment community. Through that initiative and beginning in 2018, 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

#### 2016 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.



	2011	2012	2013	2014	2015	2016
<b>ENTERGY CORPORATION</b>	\$100.00	\$ 91.63	\$ 95.62	\$138.42	\$113.27	\$127.45
<b>PHILADELPHIA UTILITY INDEX</b>	\$100.00	\$ 99.44	\$110.35	\$142.28	\$133.38	\$156.58
<b>S&amp;P 500 INDEX</b>	\$100.00	\$115.99	\$153.55	\$174.55	\$176.95	\$198.10

Assumes \$100 invested at the closing price on Dec. 31, 2011, in Entergy Corporation common stock, the Philadelphia Utility Index and the S&P 500 Index, and reinvestment of all dividends.

Source: Bloomberg

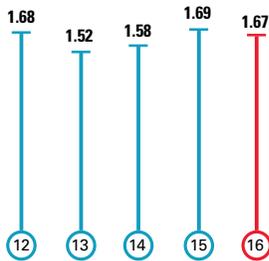
#### Credit Ratings as of March 10, 2017

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	Baa3	Review for Upgrade

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

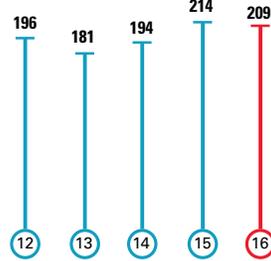
## Economic/Operational

### Outage Frequency



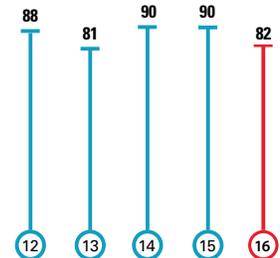
System average interruption frequency index: average number per customer per year, excluding the impact of major storm activity

### Outage Duration



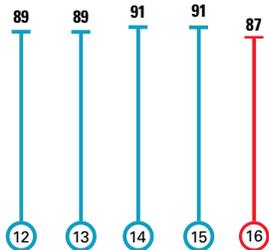
System average interruption duration index: average minutes per customer per year, excluding the impact of major storm activity

### 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

### EWC Nuclear Fleet Capacity Factor



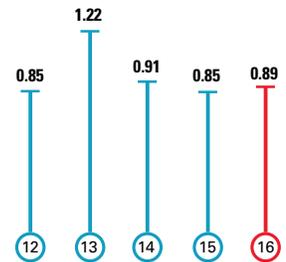
Capacity factor: normalized percentage of the period that the nuclear plants generate power

### Employee Year-Ending Recordable Accident Index

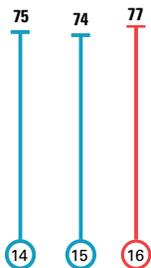


Recordable accident index: number of recordable accidents per 100 full-time equivalents. Recordable accidents include fatalities, lost-time accidents, restricted duty accidents and medical attentions

### Contractor Year-Ending Recordable Accident Index



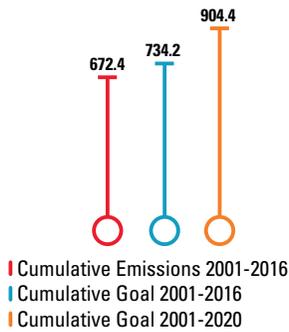
### Bellomy Perception Survey



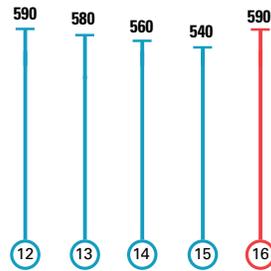
Percent of randomly selected customers who responded to the Bellomy Perception Survey with a score of 8, 9 or 10 when asked how satisfied they are with Entergy as a utility company on a scale of 0-10, 10 being the highest

## Environmental

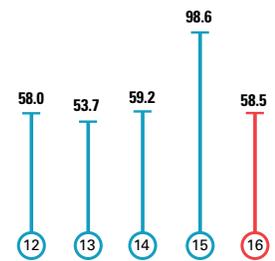
Cumulative CO<sub>2</sub> Emissions from Entergy-Owned Plants and Controllable Purchases (million tons)



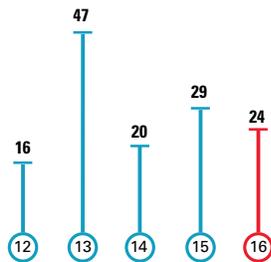
Average CO<sub>2</sub> Emission Rate from Entergy-Owned Plants (pounds per MWh)



Percent of Coal Combustion By-Product Recycled

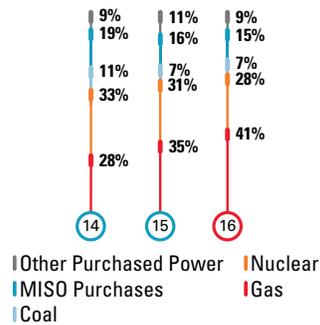


Number of NPDES\* Exceedances



\*National Pollutant Discharge Elimination System

Generation Sources Used to Meet Utility Demand



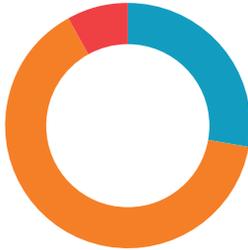
Social

2016 Entergy Workforce by Age



- Baby Boomers Born 1943-1960 – 25%
- Generation X Born 1961-1981 – 53%
- Millennials Born 1982 and After – 22%

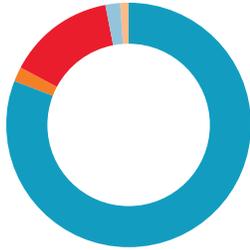
2016 Entergy Management Workforce by Age



- Baby Boomers Born 1943-1960 – 28%
- Generation X Born 1961-1981 – 64%
- Millennials Born 1982 and After – 8%

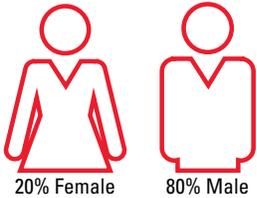
Based on EEQ-1 Code

2016 Entergy Workforce by Ethnicity



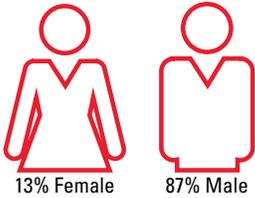
- Caucasian – 81%
- Asian – 2%
- African American – 14%
- Hispanic – 2%
- Other – 1%

2016 Entergy Workforce by Gender



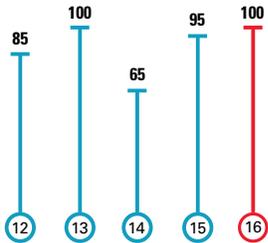
U.S. Bureau of Labor Statistics  
 2016 average for U.S. utilities:  
 Female 21% / Male 79%

2016 Entergy Management Workforce by Gender

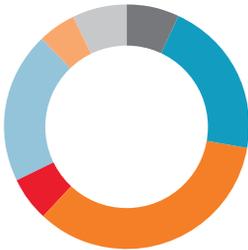


Based on EEQ-1 Code

Employee and Retiree Volunteerism (hours in thousands)



2016 Philanthropy Invested More than \$19 Million



- Arts & Culture – 7%
- Community Improvement – 21%
- Education/Literacy – 34%
- Environmental – 6%
- Poverty Solutions – 20%
- Disaster Relief/Recovery – 5%
- Healthy Families – 7%



# ABOUT THIS REPORT



This integrated report presents Entergy's 2016 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 2016 reporting is in accordance with the GRI G4 Core guidelines, 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.

This report includes 2016 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, 2016.

Our 2016 greenhouse gas inventory was verified by an independent third party in accordance with international standards (ISO 14064.1) in early 2017. 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 & 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, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed or incorporated by reference in Item 1A. Risk Factors contained in the Form 10-K for the year ended Dec. 31, 2016, (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, 2016 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 and 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 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 the beginning or end of 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 its nuclear generating facilities;
- the operation and maintenance of Entergy's nuclear generating facilities require the commitment of substantial human and capital resources that can result in increased costs and capital expenditures;
- 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;
- 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 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, and changes in costs of compliance with environmental laws and regulations;

- 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;
- the effects of Entergy's strategies to reduce tax payments;
- 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;

- 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 and directors;
- 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 as early as 2021, including the implementation of the planned shutdown of Pilgrim, Palisades, Indian Point 2, and Indian Point 3 and the planned shutdown or sale of FitzPatrick;
- 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, or divestitures, 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

This report includes the non-GAAP financial measures of 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 are below.

### GAAP to Non-GAAP Reconciliation

#### Earnings (Loss) Per Share

	2016	2015
<b>(per share in dollars)</b>		
As-reported earnings	(3.26)	(0.99)
Less special items:		
EWC Nuclear impairments and costs associated with decisions to close or sell plants	(10.49)	(7.42)
Top Deer investment impairment	—	(0.13)
Gain on the sale of Rhode Island State Energy Center	—	0.56
DOE litigation awards for Vermont Yankee and FitzPatrick	0.12	—
Total special items	(10.37)	(6.99)
Operational earnings	7.11	6.00

### GAAP to Non-GAAP Reconciliation

#### Utility, Parent & Other Adjusted Earnings Per Share

	2016	2015
<b>(per share in dollars)</b>		
Utility, Parent & Other as-reported earnings	5.10	4.97
Less:		
Special items	—	—
Weather	0.06	0.19
Utility, Parent & Other tax items, net of customer sharing	0.66	1.70
Utility, Parent & Other adjusted earnings	4.38	3.08



## 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 [enter.gy/ir](http://enter.gy/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

Wells Fargo 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:

Wells Fargo Shareowner Services  
P.O. Box 64874  
St. Paul, MN 55164-0874  
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, 2017, there were 180,118,291 shares of Entergy common stock outstanding. Shareholders of record totaled 27,382, and 161,735 investors held Entergy stock in "street name" through a broker.

### Certifications

In May 2016, 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, 2016.

## Dividend Payments

All of Entergy's 2016 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 2017 are:

Declaration Date	Record Date	Payment Date
January 27	February 9	March 1
April 5	May 11	June 1
July 28	August 10	September 1
October 27	November 9	December 1

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

Quarter	2017	2016	2015	2014	2013
1	87	85	83	83	83
2		85	83	83	83
3		85	83	83	83
4		87	85	83	83

## Dividend Reinvestment/Stock Purchase

Entergy offers an automatic Dividend Reinvestment and Stock Purchase Plan administered by Wells Fargo 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 Wells Fargo 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 2016 and 2015 were as follows (in dollars):

Quarter	2016		2015	
	High	Low	High	Low
1	79.72	65.38	90.33	73.88
2	81.36	72.67	79.84	69.06
3	82.09	75.99	74.09	61.27
4	76.56	66.71	70.67	63.90