Entergy

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Timothy S. Cragin
Assistant General Counsel
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August 14, 2019

Via Hand Delivery
Ms. Lora W. Johnson, CMC
Clerk of Council
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112

Re: Application of Entergy New Orleans, Inc. for Approval to Construct New Orleans Power Station and Request for Cost Recovery and Timely Relief (Docket No. UD-16-02) – Second Quarter 2019 Monitoring Report of Entergy New Orleans, LLC

Dear Ms. Johnson:

Please find enclosed for your further handling an original and three copies of the Public Version of Entergy New Orleans, LLC's ("ENO" or the "Company") New Orleans Power Station Monitoring Report ("Monitoring Report") covering the period through the end of the 2nd Quarter 2019. Please file an original and two copies into the Council's record and return a date-stamped copy to our courier.

This report is being submitted to comply with Ordering Paragraph 5 on page 188 of Council Resolution R-18-65, adopted by the New Orleans City Council ("Council") on March 8, 2018

In connection with the Company's filing, a Confidential Version of the Monitoring Report bearing the designation "Highly Sensitive Protected Materials" is being provided to the Council's Advisors pursuant to the terms and conditions of the Official Protective Order adopted in Council Resolution R-07-432. Portions of the information included in the filing consist of or reflect competitively sensitive cost and market information, the disclosure of which may present a risk of harm to ENO's customers. In addition, portions of the filing may contain highly sensitive information of third parties to which an obligation of confidentiality is owed.

Thank you for your assistance with this matter.

Sincerely,

Timothy S. Cragin

Timothy S. Cragin

Enclosures

cc: Honorable Helena Moreno (*via electronic mail)*
Honorable Jason Rogers Williams (*via electronic mail*)
Honorable Joseph I. Giarrusso, III (*via electronic mail*)
Honorable Jay H. Banks (*via electronic mail*)
Honorable Kristin Gisleson Palmer (*via electronic mail*)
Honorable Jared C. Brossett (*via electronic mail*)
Honorable Cyndi Nguyen (*via electronic mail*)
Erin Spears (*via electronic mail*)
Norman White (*via electronic mail*)
Sunni J. LeBeouf, Esq. (*via electronic mail*)
Clinton A. Vince, Esq. (*via electronic mail*)
Presley R. Reed, Jr., Esq. (*via electronic mail*)
Emma F. Hand, Esq. (*via electronic mail*)
J. A. Beatmann, Jr., Esq. (*via electronic mail*)
Joseph Rogers (*via electronic mail*)
Errol Smith (*via electronic mail*)

BEFORE THE

COUNCIL OF THE CITY OF NEW ORLEANS

Entergy New Orleans, LLC

New Orleans Power Station RICE Project

Confidential Report for the Quarter Ended June 30, 2019

Pursuant to Council Resolution R-18-65

August 14, 2019

PUBLIC VERSION

This New Orleans Power Station Monitoring Report ("Monitoring Report") covering the period through the end of the 2nd Quarter 2019 is being submitted to comply with Ordering Paragraph 5 on page 188 of Council Resolution R-18-65, adopted by the New Orleans City Council ("Council") on March 8, 2018.

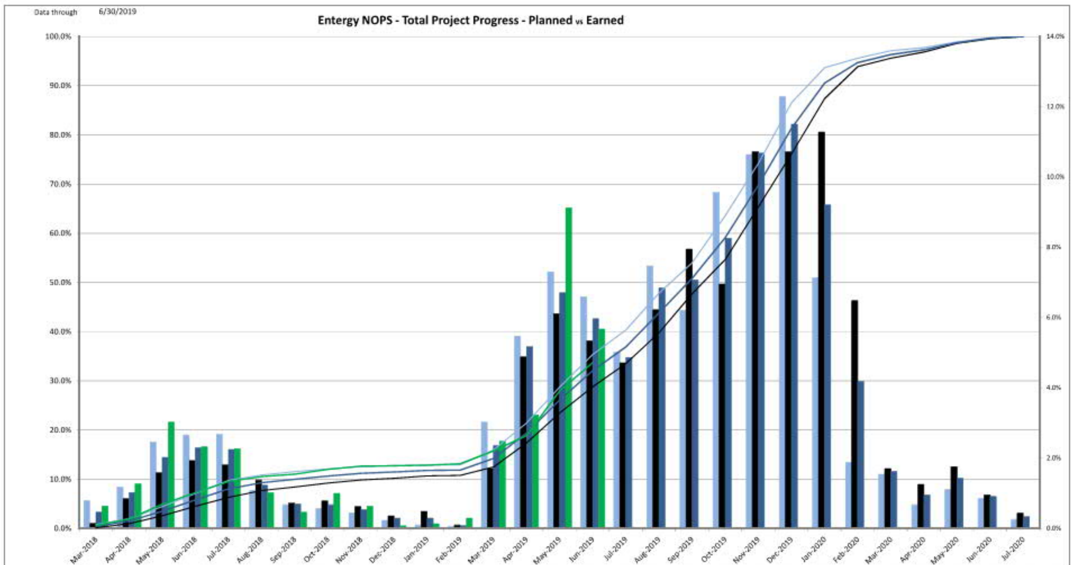
I. EXECUTIVE SUMMARY

Council Resolution R-18-65 certified that the New Orleans Power Station ("NOPS" or the "Project") Reciprocating Internal Combustion Engine ("RICE") Alternative "serves the public convenience and necessity and is in the public interest, and therefore prudent." Council Resolution R-18-65 at 187. The major permits and approvals necessary to start construction have been obtained. The Company has completed 94% of project design/engineering, 91% of project procurement, and 29% of construction activities through June 2019. The Project is currently on pace to reach substantial completion in June 2020. Appendix 5 to this Monitoring Report presents pictures that show progress on the construction of the Project during the reporting period.

II. SUMMARY OF STATUS OF PROJECT SCHEDULE

The total Project is approximately 34% complete through June 2019. The Project's original substantial completion date was January 2020, but work under the engineering, procurement, and construction ("EPC") contract with Burns & McDonnell ("B&M") was partially suspended between late August 2018 and early February 2019. Substantial completion is now expected in June 2020 (see **Appendix 1** for a current Level 1 Milestone Schedule).

Figure 1: Total Project Curve



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019
Plan E-Inc	0.8%	1.2%	2.5%	2.7%	2.7%	1.1%	0.7%	0.6%	0.4%	0.2%	0.1%	0.1%	3.0%	5.5%	7.3%
Plan L-Inc	0.1%	0.9%	1.6%	1.9%	1.8%	1.4%	0.7%	0.8%	0.6%	0.4%	0.5%	0.1%	1.7%	4.9%	6.1%
Plan-Inc	0.5%	1.0%	2.0%	2.3%	2.2%	1.2%	0.7%	0.7%	0.5%	0.3%	0.3%	0.1%	2.4%	5.2%	6.7%
Earned-Inc	0.6%	1.3%	3.0%	2.3%	2.3%	1.0%	0.5%	1.0%	0.6%	0.1%	0.1%	0.3%	2.5%	3.2%	9.1%
Plan E-Cum	0.8%	2.0%	4.4%	7.1%	9.8%	10.9%	11.5%	12.1%	12.6%	12.8%	12.9%	12.9%	16.0%	21.4%	28.7%
Plan L-Cum	0.1%	1.0%	2.6%	4.5%	6.3%	7.7%	8.4%	9.2%	9.8%	10.2%	10.7%	10.8%	12.5%	17.4%	23.5%
Plan-Cum	0.5%	1.5%	3.5%	5.8%	8.1%	9.3%	10.0%	10.7%	11.2%	11.5%	11.8%	11.9%	14.2%	19.4%	26.1%
Earned-Cum	0.6%	1.9%	4.9%	7.3%	9.5%	10.6%	11.0%	12.0%	12.7%	12.7%	12.9%	13.2%	15.7%	18.9%	28.0%

	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	6.6%	5.0%	7.5%	6.2%	9.6%	10.6%	12.3%	7.1%	1.9%	1.5%	0.7%	1.1%	0.9%	0.3%
Plan L-Inc	5.3%	4.7%	6.2%	7.9%	7.0%	10.7%	10.7%	11.3%	6.5%	1.7%	1.3%	1.8%	1.0%	0.4%
Plan-Inc	6.0%	4.9%	6.8%	7.1%	8.3%	10.7%	11.5%	9.2%	4.2%	1.6%	1.0%	1.4%	0.9%	0.3%
Earned-Inc	5.7%													
Plan E-Cum	35.3%	40.4%	47.8%	54.0%	63.6%	74.3%	86.5%	93.7%	95.6%	97.1%	97.8%	98.9%	99.7%	100.0%
Plan L-Cum	28.8%	33.5%	39.8%	47.7%	54.7%	65.4%	76.1%	87.4%	93.9%	95.6%	96.8%	98.6%	99.6%	100.0%
Plan-Cum	32.1%	36.9%	43.8%	50.9%	59.1%	69.8%	81.3%	90.5%	94.7%	96.3%	97.3%	98.7%	99.7%	100.0%
Earned-Cum	33.7%													

A. Description of any changes to planned activities (or milestones) that have implications for project schedule or task sequencing:

Table 1: Key Milestones

Milestone	Description	Date	Status
1	**Full Notice to Proceed (FNTP)**	**March 2018**	**Complete**
2	**Order Major Equipment**	**March 2018**	**Complete**
3	**Start Engine Deliveries**	**February 2019**	**Complete**
4	**First Production Pile Installed**	**February 2019**	**Complete**
5	**Engine Hall Enclosed and Dried In**	**August 2019**	**On Schedule**
6	**Generator Step Up Deliveries**	**August 2019**	**On Schedule**
7	**Fuel Gas Available**	**January 2020**	**On Schedule**
8	**Backfeed Power Available**	**March 2020**	**On Schedule**
9	**Engine Commissioning**	**April 2020**	**On Schedule**
10	**Target EPC Substantial Completion**	**June 2020**	**On Schedule**

Table 1 above reflects progress on certain key milestones. Work under the EPC contract with B&M was partially suspended between late August 2018 and early February 2019, and Table 1 reflects current expectations for remaining key milestones. Recent and upcoming progress on the Project is further reflected in Appendix 1 (Level 1 Milestone Schedule) and discussed in Section II.B below.

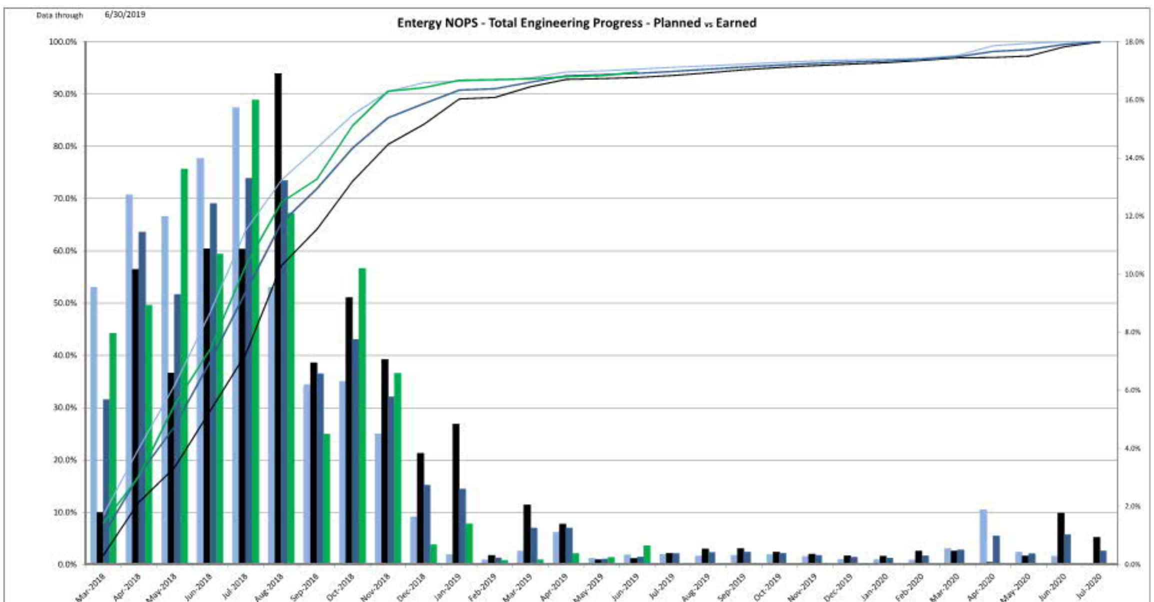
B. Overall Project Schedule Status:

The project status has been broken down into three different sections for tracking progress on the Project: **Engineering, Procurement, and Construction**. The sections below illustrate the level of progress in each area.

a. Engineering:

Actual Cumulative % Complete: 94%

Figure 2: Overall Curve-Engineering



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019
Plan E-Inc	9.5%	12.7%	12.0%	14.0%	15.7%	9.5%	6.2%	6.3%	4.5%	1.6%	0.3%	0.2%	0.5%	1.1%	0.2%	0.3%	0.4%	0.3%
Plan L-Inc	1.8%	10.2%	6.6%	10.9%	10.9%	16.9%	6.9%	9.2%	7.1%	3.8%	4.8%	0.3%	2.1%	1.4%	0.2%	0.2%	0.4%	0.5%
Plan-Inc	5.7%	11.4%	9.3%	12.4%	13.3%	13.2%	6.6%	7.7%	5.8%	2.7%	2.6%	0.2%	1.3%	1.3%	0.2%	0.3%	0.4%	0.4%
Earned-Inc	8.0%	8.9%	13.6%	10.7%	16.0%	12.1%	4.5%	10.2%	6.6%	0.7%	1.4%	0.1%	0.2%	0.4%	0.2%	0.6%		
Plan E-Cum	9.5%	22.3%	34.3%	48.2%	64.0%	73.5%	79.7%	86.0%	90.5%	92.2%	92.5%	92.7%	93.1%	94.2%	94.4%	94.8%	95.1%	95.4%
Plan L-Cum	1.8%	12.0%	18.6%	29.4%	40.3%	57.2%	64.1%	73.3%	80.4%	84.2%	89.1%	89.4%	91.4%	92.8%	93.0%	93.2%	93.6%	94.1%
Plan-Cum	5.7%	17.1%	26.4%	38.8%	52.1%	65.4%	71.9%	79.7%	85.5%	88.2%	90.8%	91.0%	92.3%	93.5%	93.7%	94.0%	94.3%	94.8%
Earned-Cum	8.0%	16.9%	30.5%	41.2%	57.2%	69.3%	73.8%	84.0%	90.6%	91.2%	92.6%	92.8%	92.9%	93.3%	93.6%	94.2%		

	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.5%	1.9%	0.4%	0.3%	0.0%
Plan L-Inc	0.5%	0.4%	0.4%	0.3%	0.3%	0.5%	0.5%	0.1%	0.3%	1.8%	0.9%
Plan-Inc	0.4%	0.4%	0.3%	0.2%	0.2%	0.3%	0.5%	1.0%	0.4%	1.0%	0.5%
Earned-Inc											
Plan E-Cum	95.7%	96.1%	96.3%	96.5%	96.7%	96.8%	97.4%	99.3%	99.7%	100.0%	100.0%
Plan L-Cum	94.6%	95.1%	95.4%	95.7%	96.0%	96.5%	96.9%	97.0%	97.3%	99.1%	100.0%
Plan-Cum	95.2%	95.6%	95.9%	96.1%	96.4%	96.7%	97.2%	98.1%	98.5%	99.5%	100.0%
Earned-Cum											

MAJOR DESIGN/ENGINEERING TASKS COMPLETED THROUGH 2Q2019

- Issued for Construction ("IFC") engine hall building shell drawings.
- Issued for Bid ("IFB") ductwork design.
- IFC site finish drawings.
- IFC Piping and Instrument Diagram's ("P&ID's").

- Site wick drain arrangement plan developed and issued.
- Power block building foundation and piling design completed and IFC.
- Pre-Engineered Metal Building ("PEMB") drawings IFC and contract issued.
- Piling design IFC.
- Ductwork and support structural steel design completed.
- Heating, Ventilation and Air Conditioning ("HVAC") and plumbing design completed and IFB.
- Plant overall electrical one line drawing IFC.
- Generator Step Up ("GSU") Transformer specification issued for owner review and accepted.
- Medium and Low Voltage ("MV/LV") electrical one lines drawings IFC.
- Plant General Arrangement ("GA") IFC.
- Below grade design/pipe routing IFC.
- Above grade pipe routing/design IFC.
- Plant electrical grounding IFC.

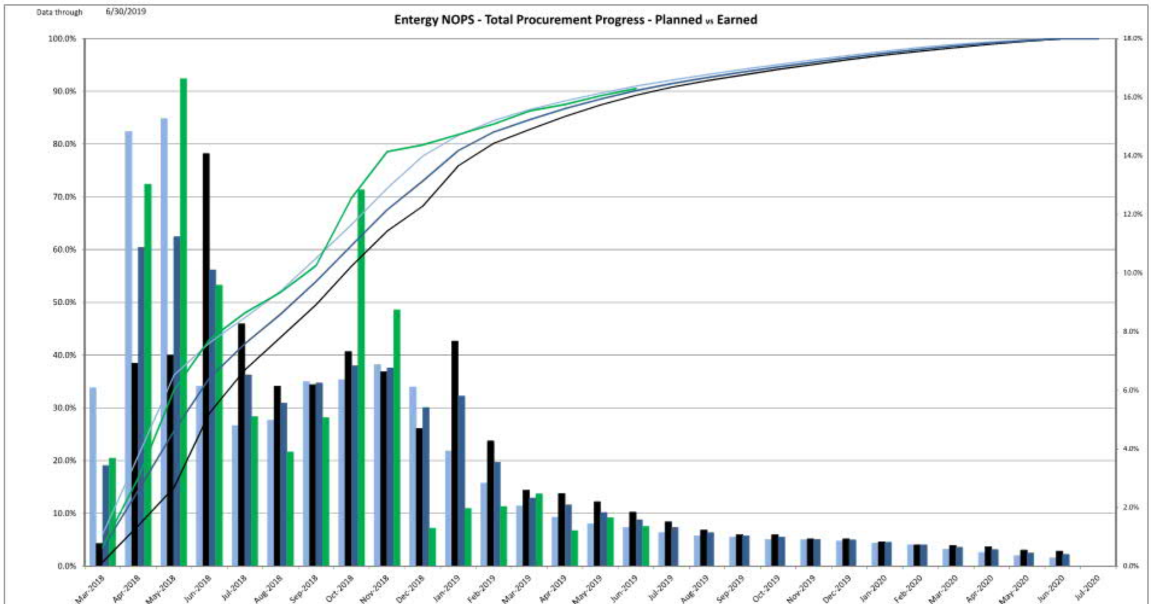
MAJOR DESIGN/ENGINEERING TASKS FORECAST FOR 3Q2019

- All major engineering deliverables have been issued.
- Remaining engineering effort for construction support and drawing hold review.

b. Procurement:

Actual Cumulative % Complete: 91%

Figure 3: Overall Curve-Procurement



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019
Plan E-Inc	6.1%	14.8%	15.3%	6.1%	4.8%	5.0%	6.3%	6.4%	6.9%	6.1%	3.9%	2.8%	2.1%	1.7%	1.5%	1.3%
Plan L-Inc	0.8%	6.9%	7.2%	14.1%	8.3%	6.1%	6.2%	7.3%	6.6%	4.7%	7.7%	4.3%	2.6%	2.5%	2.2%	1.8%
Plan-Inc	3.4%	10.9%	11.2%	10.1%	6.5%	5.6%	6.2%	6.8%	6.8%	5.4%	5.8%	3.5%	2.3%	2.1%	1.8%	1.6%
Earned-Inc	3.7%	13.0%	16.6%	9.6%	5.1%	3.9%	5.1%	12.8%	8.7%	1.3%	2.0%	2.0%	2.5%	1.2%	1.7%	1.4%
Plan E-Cum	6.1%	20.9%	36.2%	42.3%	47.1%	52.1%	58.4%	64.7%	71.6%	77.7%	81.7%	84.5%	86.5%	88.2%	89.7%	91.0%
Plan L-Cum	0.8%	7.7%	14.9%	29.0%	37.2%	43.4%	49.6%	56.9%	63.5%	68.2%	75.9%	80.2%	82.7%	85.3%	87.5%	89.3%
Plan-Cum	3.4%	14.3%	25.5%	35.6%	42.2%	47.7%	54.0%	60.8%	67.6%	73.0%	78.8%	82.3%	84.6%	86.7%	88.6%	90.1%
Earned-Cum	3.7%	16.7%	33.3%	42.9%	48.0%	51.9%	57.0%	69.8%	78.5%	79.8%	81.8%	83.8%	86.3%	87.5%	89.2%	90.5%

	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.8%	0.7%	0.6%	0.5%	0.4%	0.3%	0.0%
Plan L-Inc	1.5%	1.2%	1.1%	1.1%	0.9%	0.9%	0.8%	0.7%	0.7%	0.7%	0.5%	0.5%	0.0%
Plan-Inc	1.3%	1.1%	1.0%	1.0%	0.9%	0.9%	0.8%	0.7%	0.6%	0.6%	0.4%	0.4%	0.0%
Earned-Inc													
Plan E-Cum	92.1%	93.2%	94.2%	95.1%	96.0%	96.8%	97.6%	98.3%	98.9%	99.4%	99.7%	100.0%	100.0%
Plan L-Cum	90.8%	92.0%	93.1%	94.2%	95.1%	96.0%	96.9%	97.6%	98.3%	98.9%	99.5%	100.0%	100.0%
Plan-Cum	91.5%	92.6%	93.6%	94.6%	95.5%	96.4%	97.2%	98.0%	98.6%	99.2%	99.6%	100.0%	100.0%
Earned-Cum													

PROCUREMENT PROGRESS THROUGH JUNE 2019

- Issued Full Notice to Proceed ("FNTP") for Reciprocating Internal Combustion Engines ("RICE"), Generators and RICE auxiliary equipment in March 2018. All manufacturing of these components was completed in early December 2018.
    - Generators and auxiliary equipment shipped on December 19, 2018 and arrived at the Port of New Orleans on or about January 31, 2019.
    - RICE shipped on December 30, 2018 and arrived at the Port of New Orleans on or about February 4, 2019.
- Instrument air compressors IFB and contract awarded.
- GSU Transformers IFB and contract awarded.
- Fire water pumps IFB and contract awarded.
- Fuel Gas conditioning equipment IFB and contract awarded.
- Oil Water Separator IFB and contract awarded.
- Tanks and Pressure Vessels IFB and contract awarded.

- Ventilating units IFB and contract awarded.
- Emergency Diesel Generator ("EDG") IFB and contract awarded.
- MV/LV Switchgear IFB and contract awarded.
- Circuit Breakers IFB and contract awarded.
- Ductwork IFB and contract awarded.
- Motor Control Center's ("MCC's") IFB and contract awarded.
- Structural Steel contract awarded, and material delivered to the site.
- Control enclosure IFB, bids received.
- 115 kV Capacitor Voltage Transformers contract awarded.
- Substation Steel contract awarded and accepted all deliveries at site.
- Began receiving deliveries of minor materials at the project site.

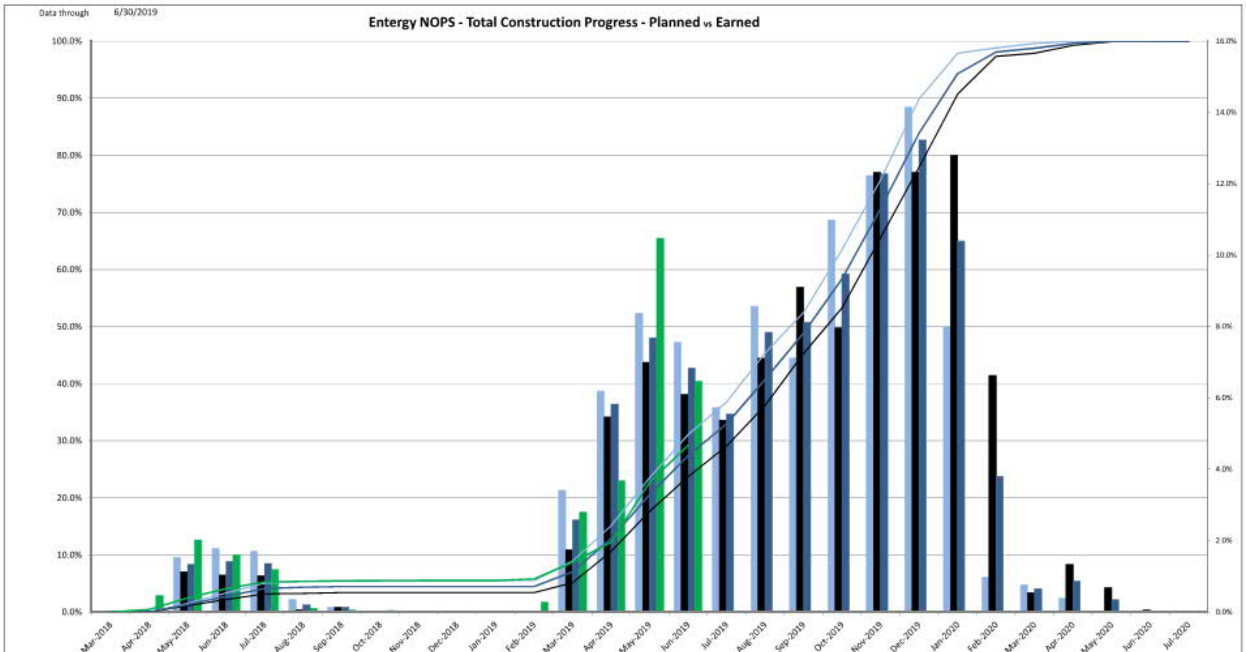
MAJOR PROCUREMENT/SUBCONTRACT FORECAST FOR 3Q 2019

- Receive Wartsila deliveries on site.
- Receive lube oil, waste oil, service oil and ammonia tanks at site.
- Fire water pumps delivery to site.
- Fuel gas coalescer equipment delivery to site.
- Oil water separator delivery to site.
- Field erected tank materials delivery to site.
- Major ductwork and expansion joints delivery to site.
- GSU transformers and auxiliary transformers delivery to site.
- Plant lighting material delivery to site.
- Control enclosure delivery to site.
- Fire protection equipment for engine hall delivery to site.
- Interior building material delivery to site.

c. Construction:

Actual Cumulative % Complete: 29%

Figure 4: Overall Curve-Construction



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019
Plan E-Inc	0.0%	0.0%	1.5%	1.8%	1.7%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	6.2%
Plan L-Inc	0.0%	0.0%	1.1%	1.0%	1.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	5.5%
Plan-Inc	0.0%	0.0%	1.3%	1.4%	1.4%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	5.8%
Earned-Inc	0.0%	0.5%	2.0%	1.6%	1.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.3%	2.8%	3.7%
Plan E-Cum	0.0%	0.0%	1.5%	3.3%	5.0%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	8.9%	15.1%
Plan L-Cum	0.0%	0.0%	1.1%	2.2%	3.2%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	5.2%	10.6%
Plan-Cum	0.0%	0.0%	1.3%	2.8%	4.1%	4.3%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	7.0%	12.9%
Earned-Cum	0.0%	0.5%	2.5%	4.1%	5.3%	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.8%	8.7%	12.3%

	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	8.4%	7.6%	5.7%	8.6%	7.1%	11.0%	12.2%	14.1%	8.0%	1.0%	0.8%	0.4%	0.0%	0.0%	0.0%
Plan L-Inc	7.0%	6.1%	5.4%	7.1%	9.1%	8.0%	12.3%	12.3%	12.8%	6.6%	0.5%	1.3%	0.7%	0.1%	0.0%
Plan-Inc	7.7%	6.8%	5.6%	7.8%	8.1%	9.5%	12.3%	13.2%	10.4%	3.8%	0.7%	0.9%	0.3%	0.0%	0.0%
Earned-Inc	10.5%	6.5%													
Plan E-Cum	23.5%	31.1%	36.8%	45.4%	52.5%	63.5%	75.7%	89.9%	97.9%	98.8%	99.6%	100.0%	100.0%	100.0%	100.0%
Plan L-Cum	17.6%	23.7%	29.1%	36.2%	45.3%	53.3%	65.6%	77.9%	90.7%	97.4%	97.9%	99.2%	99.9%	100.0%	100.0%
Plan-Cum	20.6%	27.4%	32.9%	40.8%	48.9%	58.4%	70.7%	83.9%	94.3%	98.1%	98.8%	99.6%	100.0%	100.0%	100.0%
Earned-Cum	22.7%	29.2%													

MAJOR CONSTRUCTION TASKS COMPLETED THROUGH JUNE 2019

- Mobilized for pre-construction activities on April 9, 2018.
- Power block area clearing and grubbing complete.
- Installed settlement monitoring plates and piezometers to monitor settlement following installation of fill material.
- Installed power block fill and wick drains to allow for soil consolidation.
- Completed test pile program to determine the required pile depths.
- Installed temporary power distribution racks for construction work trailers and construction power.
- Site settlement to support installation of pilings and foundations considered complete on July 20, 2018.
- Completed preparation of equipment laydown area.

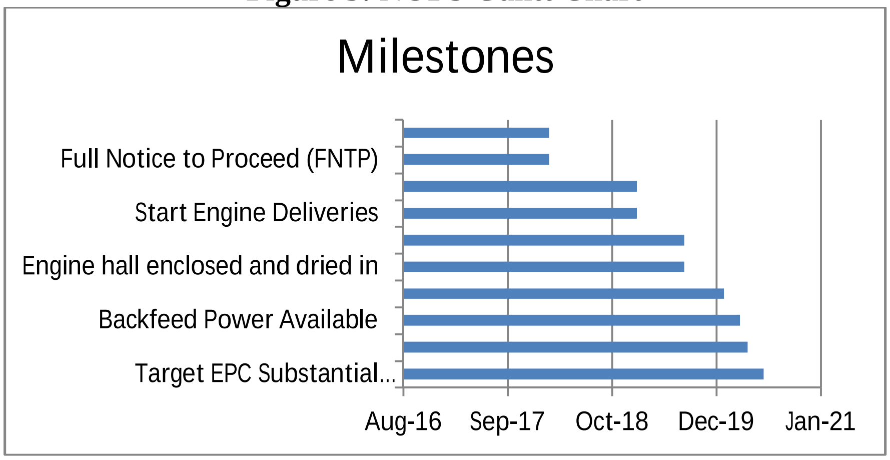
- Installed power block construction road.
- Installed drainage ditches around power block.
- Piling activities are complete.
- Completed underground foundation work in engine hall area.
- Completed underground electrical duct bank beneath the engine hall and backfilled.
- Installation of underground ductbank to the GSUs, control room area, firewater pumps, and emergency start generators is in progress.
- Placement of radiator foundations is complete.
- Placement of silencer/stack foundations is complete.
- Forming and rebar installation for engine hall area in progress.
- Began installation of underground fuel gas and raw water piping. Raw water piping installation complete, with fuel gas piping expected to complete in 3Q2019.
- Transmission interconnection highline structures and interconnect lines installed.
- Concrete placement of all major plant foundations complete.
- Erection of engine hall and control rooms areas began in 2Q2019 and is expected to complete in 3Q2019. This activity supports setting of the engines.
- Erection of the radiator support steel and radiator equipment is complete.
- Erection of pipe rack steel to support the tank farm is complete.
- Erection of the Selective Catalytic Reduction (SCR) structure is in progress and expected to be complete in 3Q2019.
- Plant stacks have been set in place.

MAJOR CONSTRUCTION FORECAST FOR 3Q2019

- Insulate SCR's.
- Complete erection of engine hall enough to allow other trades to enter to begin their work scope (critical path activity).
- Erect MV switchgear building.
- Complete erection of control room building.
- Mobilize interior building finish contractor.
- Install engine hall fire protection and detection systems.
- Begin field erection of fire water tank.
- Begin installation of storm water discharge pumps.
- Erect ammonia and lube oil tanks.
- Set fire water pump.
- Set vent fans outside engine hall.
- Set fuel gas coalescer.
- Complete installation of fuel gas piping.

C. Project Gantt Chart Showing Major Project Milestones:

Figure 5: NOPS Gantt Chart



III. <u>PROJECT BUDGET STATUS</u>

Table 2: NOPS Budget Status as of 6/30/2019

$M	Original Cost Estimate (1)	Expenditures Through 6/30/2019 (2)	Estimated Future Spending (3)	Cost Estimate Revisions (2+3) =4	Budget Variance (Over)/Under (1-4)
B&M EPC Payments	[redacted]				
Other Vendors/Expenses					
Entergy Project Management					
Indirect Loaders					
AFUDC					
Project Contingency					
Total before Transmission					
Transmission Interconnect to Switchyard					
Transmission Costs for Network Resource Interconnection Service					
Total Project Cost					

Table 2 Notes:
Note 1: As of 6/30/19, [redacted] of the contingency estimate is expected to be allocated to Project costs.

Note 2: As of 6/30/19,[redacted] of the contingency estimate is available to mitigate other potential project risks or events.

IV. PROJECT FINANCING

AFUDC recorded from Project inception through June 30, 2019, totaled [redacted]. A table showing the monthly AFUDC costs as well as the projected AFUDC accruals for the Project is attached as **Appendix 2**.

ENO has financed NOPS spending to date through use of its general debt and equity. No dedicated project financing for NOPS has been made and none is expected near term.

Standard and Poor's and Moody's most recent reports are attached as **Appendix 3**.

Entergy Corporation's SEC filings are available at:
https://entergycorporation.gcs-web.com/financial-information/sec-filings

V. BUSINESS ISSUES

Work under the EPC contract with B&M was partially suspended between late August 2018 and early February 2019. ENO has worked with B&M to understand the impacts of this delay, and ENO and B&M recently agreed to a change order that adds approximately [redacted] to the contract price and [redacted] days to the schedule, making [redacted], 2020, the revised substantial completion date. The change in the EPC contract price has not caused an increase in the $210 million cost estimate for the RICE Alternative that was presented in Council Docket No. UD-16-02. As of June 30, 2019, approximately [redacted] of the Project's contingency estimate was available to mitigate potential project risks or events.

VI. TRANSMISSION

A. General Information

The original estimated total cost for transmission interconnection was $9.2 million, and the current revised forecast for the transmission project is $9.0 million.

B. Interconnection Facilities

All transmission work is being executed by Ampirical Solutions[1] LLC and its subcontractors under a fixed-price EPC contract. To date, all new transmission line structures and lines have been installed, with only punchlist items remaining. Switchyard

[1] ENO's Monitoring Report for the Quarter Ended March 31, 2019, incorrectly identified APC Construction LLC as the EPC contractor for the transmission work. Ampirical is the EPC contractor, and APC Construction is a subcontractor to Ampirical.

demolition is complete, as well as pilings. Foundation work is in progress (~90% complete). This work will be completed in 3Q2019. All substation major equipment for the 115 kV yard has been received. Above grade subcontractor mobilized to start erection of yard steel.

C. NRIS Service

The Generator Interconnection Agreement (GIA) between the Midcontinent Independent System Operator, Inc. (MISO) and ENO was executed on March 1, 2018.

VII. SAFETY

Since the inception of the project through June 2019, there have been over ~438,000 man-hours worked. Table 3 below shows the current safety figures for the Project:

Table 3: New Orleans Power Station Safety Statistics

	Entergy (ENO and support services)		Owner Project Contractors		Burns and McDonnell (includes subcontractors)	
	2Q 2019	Cumulative	2Q 2019	Cumulative	2Q 2019	Cumulative
Hours Worked	5,224	273,992	14,067	31,252	74,604	155,201
Recordable Injuries	0	0	0	0	0	0
First Aid Incidents	0	0	0	0	3	4
Near Misses	31	37	0	0	68	205
RIR[2]	0	0	0	0	0	0
Lost Work Days	0	0	0	0	0	0
LWDIIR[3]	0	0	0	0	0	0

[2] Recordable Injury Rate.

[3] Lost workday injury and illness rate.

VIII. ENVIRONMENTAL COMPLIANCE

A. Environmental Permitting or Compliance Issues that Could Affect the Project

On February 20, 2019, the Southern Center for Environmental Justice, Inc. d/b/a Deep South Center for Environmental Justice and the Alliance for Affordable Energy ("Petitioners") filed a Petition for Writ of Mandamus and Injunctive Relief against Dr. Chuck Carr Brown, the Secretary of the Louisiana Department of Environmental Quality ("LDEQ"). *Southern Center for Envt'l Justice, et al. v. Brown*, 19th JDC, Case No. C679843. The Petitioners argued that ENO failed to submit a timely and complete application for its air permit by the regulatory deadline. *Id.* at 1. The Petitioners asked the court to issue a writ of mandamus directing Secretary Brown to withdraw the renewal of ENO's air permit, or, in the alternative, to issue a preliminary injunction requiring the LDEQ to withdraw ENO's renewed air permit. Petition at 8–9. ENO filed a Petition of Intervention in the suit on March 1, 2019, and an order granting leave to intervene was signed on March 11, 2019. The LDEQ and ENO each filed Exceptions to the Petition and those Exceptions were heard on May 28, 2019. In a Judgment entered on July 23, 2019, 19th Judicial District Court Judge Richard "Chip" Moore, III, sustained ENO's and LDEQ's Exceptions of No Cause of Action and LDEQ's additional Exception of Improper Cumulation of Actions and dismissed Plaintiffs' Petition with prejudice.

B. Major Environmental Permits/Agency Construction Notifications

Table 4: Environmental Permits / Agency Construction Notifications

Permit	Permit Number and Date Issued
Air Quality (Part 70 Operating Permit Renewal and Minor Modification and Acid Rain Permit Modification)	The permit application was submitted to the Louisiana Department of Environmental Quality ("LDEQ") on August 18, 2017. The permit was issued on January 31, 2019.
408 Letter of no objection	A letter of no objection from the New Orleans District of the U.S. Army Corps of Engineers ("USACE") for the RICE technology was issued January 17, 2018.
Coastal Use Permits/exemptions	The Louisiana Department of Natural Resources ("LDNR") Office of Coastal Management issued the following permits, which were needed for the project construction to commence:

Permit	**Permit Number and Date Issued**
	• P20160466 (Amended) issued for NOPS Construction, issued on February 5, 2018. • P20160466 LDNR exemption upheld (email from M. Hogan) – October 29, 2018.
Clean Water Act – Section 404 (Wetlands Determination)	The USACE issued the Final Determination Under GP-22 following Preliminary Wetland Determination/evaluations: • MVN-2015-02311-ES, issued on February 26, 2018.
LDEQ Construction Storm Water	The LDEQ issued the following project authorization under Storm Water General Permit LAR 1000000: • LDEQ storm water General Permit No: LAR10M828 issued on June 19, 2018 to Burns & McDonnell (EPC) for RICE Technology Project.
Louisiana Pollutant Discharge Elimination System ("LPDES")	The LPDES application was submitted on October 12, 2018 to LDEQ. Awaiting permit issuance. This is not required for construction.
Levee District Permits	• The Southeast Louisiana Flood Protection Authority East ("SLFPA-E") on behalf of Orleans Levee District ("OLD") issued the Permits to perform work within the provisions set forth: • PG16-62A (Amended). o Issued February 2, 2018 (1-year tenure). o Extension received December 6, 2018 (expires December 31, 2019). • LONO 15359 and 16547 issued August 22, 2016 and December 20, 2017, respectively. • USACE LONO 16-402 and 16-402A issued October 1, 2016, and January 17, 2018 respectively.

Permit	Permit Number and Date Issued
City of New Orleans	• (DR001-18) Design Plan Approval issued on August 6, 2018 • (SW006-18) Storm Water Management Plan Approval issued on August 17, 2018 • Building Permits Received: o Phase 1: Site Civil Earthwork & Grading (received 4-5-18) o Phase 2: Building Shell, FNDs, Underground Utilities (received 02-04-2019) o Phase 3: Interior Buildout (received 03-25-2019) o Phase 4: Misc., FNDs, Open Air Structures, Mech. (received 03-27-2019) o Phase 5: Aboveground Electrical • State Fire Marshal Approval (received 07-26-2018) • Permits in Review Process: o City fire marshal fire detection review • Permit Packages under Development: o Collector buss control house fire protection.
FAA	Resubmitted FAA notices for stacks on October 30, 2018. Agency should issue within 45 days. (elevation change is reason for resubmittal). • Aeronautical Study No. for each of the 7 engine stacks (2018-ASW-16698-OE, 2018-ASW-16699-OE, 2018-ASW-16700-OE, 2018-ASW-16701-OE, 2018-ASW-16702-OE, 2018-ASW-16703-OE, 2018-ASW-16704-OE.) - Modification Approvals received December 4, 2018. • Notification for Max Heights submitted within 5 days of attainment. All 7 stacks erected between July 27, 2019 and August 1, 2019

C. New Environmental Laws/Regulations

ENO has not determined in this period that any new environmental laws or regulations have the potential to materially affect the Project.

IX. ADDITIONAL MATTERS

A. Updates in ENO's Forecasted Cost of Natural Gas

Since July 2017, when ENO filed its Supplemental and Amending Application seeking approval for NOPS, Entergy Services, LLC ("ESL"),[4] has lowered its long-term outlook for natural gas prices, both at the Henry Hub and delivered to the NOPS Site. Based on the Company's Reference Case Natural Gas Forecast summarized in Table 5, the forecasted average natural gas price for 2020-2050 (the time that NOPS is expected to be in commercial service) has fallen an average of 18% as measured by Henry Hub prices and 20% as measured by delivered-to-plant prices. The Reference Case shows that the average Henry Hub price has fallen $1.19 per MMBtu and the average delivered price has fallen $1.47 per MMBtu.

Table 5: Reference Case Natural Gas Forecast (Nominal $/MMBtu)

	Henry Hub			Delivered To NOPS		
	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2018)[2]	Current Forecast Higher/(Lower)	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2018)[2]	Current Forecast Higher/(Lower)
Avg 2020-2050	$6.77	$5.58	($1.19)	$7.18	$5.72	($1.47)
New Higher/(Lower) %			(18%)			(20%)
Levelized Nominal[3]	$5.80	$4.71	($1.09)	$6.17	$4.84	($1.33)
New Higher/(Lower) %			(19%)			(22%)

1. Forecast prepared Jan 24, 2017
2. Forecast prepared December 12, 2018
3. Levelized at 7.43% ENO WACC as of 12/31/2016

A table showing the current year-by-year forecast compared to the forecast in place at the time ENO filed its Supplemental and Amending Application is shown in **Appendix 4**.

The chart below shows daily prices for the last day of each quarter following ENO's Initial NOPS Application in June 2016:

[4] ESL is an affiliate of the Entergy Operating Companies ("EOCs") and provides engineering, planning, accounting, technical, and regulatory-support services to each of the EOCs. The five current EOCs are Entergy Arkansas, LLC ("EAL"), Entergy Louisiana, LLC ("ELL"), Entergy Mississippi, LLC ("EML"), ENO, and Entergy Texas, Inc. ("ETI").

Table 6: Henry Hub Cash Midpoint Price Based on Flow Date

September 30, 2017	$2.92
December 31, 2017	$2.97
March 31, 2018	$2.64
June 30, 2018	$2.97
September 30, 2018	$3.07
December 31, 2018	$3.07
March 31, 2019	$2.67
June 30, 2019	$2.30

(Source: Platts)

Since ENO's Supplemental and Amending Application in July 2017, gas prices have gone through various fluctuations, ending in an overall decrease by the end of 2Q 2019. Increases in shale gas production created a supply/demand imbalance that the market was slow to rationalize. Even at low prices, producers were slow to reduce drilling due in part to the economics of associated gas liquids and oil. Increased demand and reduced drilling, however, have resulted in a recovery of prices. The long-term outlook remains for moderately-priced domestic natural gas for many years to come. The expectation is for lower average prices in the current decade versus the previous decade, but some price volatility up and down around the long-term average is likely to continue. For example, gas prices will still react to changes in demand from seasonal weather patterns that are more extreme than average weather (as was observed during the 2017-2018 winter). However, supply and demand are expected to smooth prices back to long-term trends over time.

B. Alternative Technologies

In Resolution R-18-65, the Council recognized that the NOPS RICE Alternative will address a reliability need for local generation and ENO's need for peaking and reserve capacity. As the Council noted, solar, wind, or other renewable technologies are not well-suited to address the peaking and reserve capacity deficit and reliability needs of New Orleans due to intermittency: "These resources cannot be counted on for reliability because at times they provide zero capacity." R-18-65 at 73. ENO is not aware of another technology that would provide the same level of reliability and flexibility, minimize groundwater usage, and provide black-start capability at a lower cost than the RICE Alternative.

C. Material Changes in the Cost to Complete the Project

There is nothing to report this period.

D. Material Incremental Changes in the Cost of Environmental Compliance

There is nothing to report this period.

E. Affirmation as to Whether Continuing Construction of the Project Remains in the Public Interest

Council Resolution R-18-65 sets forth the reasons why the Council found that "the NOPS RICE Alternative serves the public convenience and necessity and is in the public interest, and therefore prudent," R-18-65 at 187, and construction of NOPS remains in the public interest for the following reasons noted by the Council:

- ENO has shown an immediate and future need for peaking and reserve capacity. *Id.* at 43.
- ENO has conclusively demonstrated a critical and urgent reliability need, and DSM, solar, or other renewable resources and increased efficiency measures would not fully resolve the critical reliability issue currently facing ENO and the City. *Id.* at 73.
- The NOPS RICE Alternative is in the public interest because, among other reasons: (1) it resolves a critical and immediate reliability need in the City; (2) it is appropriately sized to meet the capacity need; (3) it provides operational flexibility that will support incorporation of renewables into ENO's generation portfolio; and (4) it has on-site black-start capability, which will aid in restoration efforts after hurricanes and storms. *Id.* at 108–09.
- ENO considered a sufficient range of options to meet the identified need. *Id.* at 141.
- Siting NOPS at the Michoud property is reasonable. *Id.* at 171.

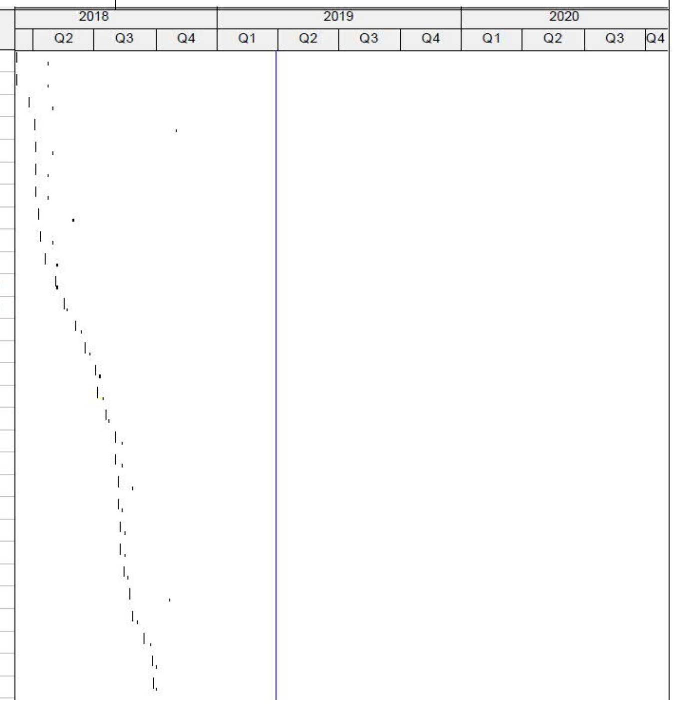
Furthermore, NOPS is bringing significant economic benefits to the City in the form of new business sales, new household earnings, new permanent jobs, and new tax collections, during both its construction and its ultimate operation. For these reasons, the construction of NOPS continues to serve the public interest as of the close of this reporting period.

Appendix 1

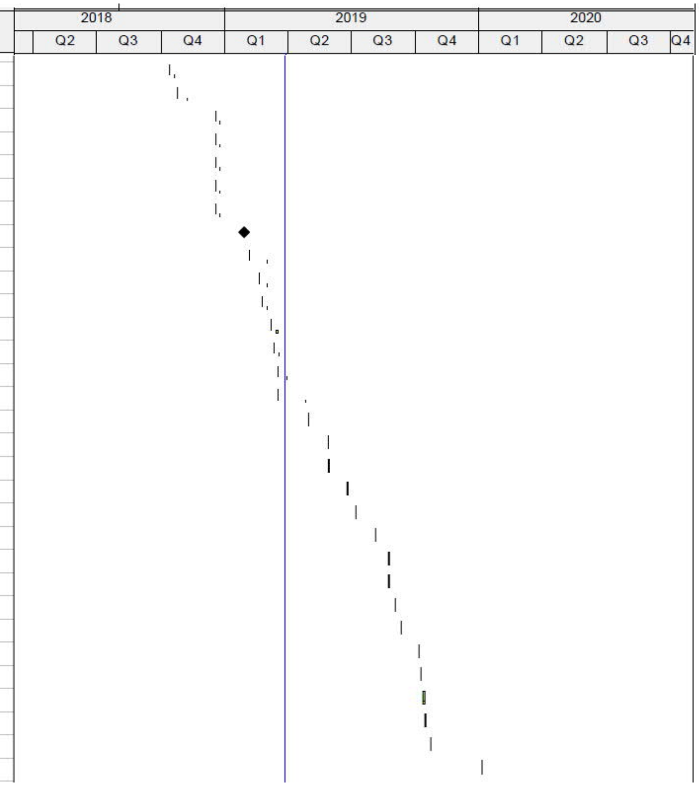
Level 1 Milestone Schedule

(NOPS) New Orleans Power Station ENOI — Schedule Report

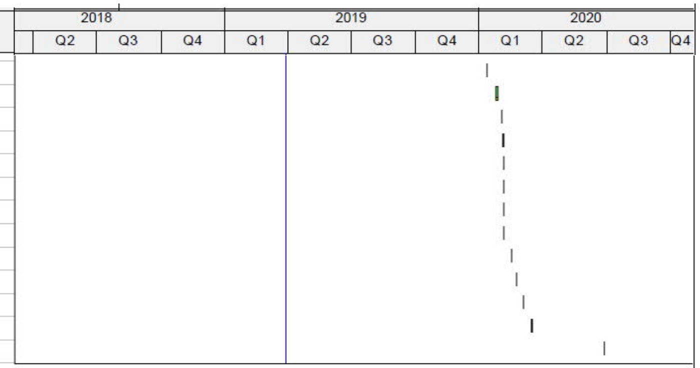
Activity ID	Activity Name	Original Duration	Start	Finish
PM2018-03-2	Award - Recip Engines	1d	09-Mar-18 A	09-Mar-18 A
PM2018-03-1	FNTP	1d	09-Mar-18 A	09-Mar-18 A
PM2018-04-2	IFOR - GA	1d	27-Mar-18 A	27-Mar-18 A
PM2018-10-3	Award - Foundations & U/G Construction	1d	03-Apr-18 A	03-Apr-18 A
PM2018-04-1	Award - Site Prep	1d	06-Apr-18 A	06-Apr-18 A
PM2018-03-4	IFB - Site Prep	1d	06-Apr-18 A	06-Apr-18 A
PM2018-03-3	IFOR - Site Arrangement & Grading/Drainage	1d	06-Apr-18 A	06-Apr-18 A
PM2018-05-2	Site Prep Contractor Mobilized to Site	1d	09-Apr-18 A	09-Apr-18 A
PM2018-04-3	IFOR - Preliminary One-Lines	1d	13-Apr-18 A	13-Apr-18 A
PM2018-05-4	IFB - PE Building	1d	20-Apr-18 A	20-Apr-18 A
PM2018-05-3	IFB - GSU	1d	04-May-18 A	04-May-18 A
PM2018-06-1	P&ID's release for U/G Pipe Routing	1d	17-May-18 A	17-May-18 A
PM2018-05-1	IFOR - P&IDs	1d	04-Jun-18 A	04-Jun-18 A
PM2018-07-2	IFB - MCC's	1d	19-Jun-18 A	19-Jun-18 A
PM2018-07-1	Award - PE Building	1d	03-Jul-18 A	03-Jul-18 A
PM2018-06-4	Award - GSU	1d	06-Jul-18 A	06-Jul-18 A
PM2018-06-5	IFB - Piling Installation	1d	20-Jul-18 A	20-Jul-18 A
PM2018-08-2	IFC - Engine Hall Piling	1d	01-Aug-18 A	01-Aug-18 A
PM2018-06-2	IFC - Reciprocating Engine Piling	1d	01-Aug-18 A	01-Aug-18 A
PM2018-09-3	IFC - GSU Piling	1d	08-Aug-18 A	08-Aug-18 A
PM2018-08-3	Award - Piling Installation	1d	08-Aug-18 A	08-Aug-18 A
PM2018-09-1	IFC - Engine Hall Foundation	1d	09-Aug-18 A	09-Aug-18 A
PM2018-08-1	IFC - Reciprocating Engine Foundation	1d	09-Aug-18 A	09-Aug-18 A
PM2018-06-3	IFB - Major Electrical Equipment	1d	14-Aug-18 A	14-Aug-18 A
PM2018-07-4	IFB - Foundations & U/G Construction	1d	24-Aug-18 A	24-Aug-18 A
PM2018-09-2	Award - MCC's	1d	27-Aug-18 A	27-Aug-18 A
PM2018-10-1	IFF - Ductwork & Stack Steel Design	1d	14-Sep-18 A	14-Sep-18 A
PM2018-07-3	Award - Major Electrical Equipment	1d	27-Sep-18 A	27-Sep-18 A
PM2019-01-1	IFC - Piping Plans & Sections	1d	28-Sep-18 A	28-Sep-18 A



Activity ID	Activity Name	Original Duration	Start	Finish
PM2018-11-1	IFB - Mechanical Construction	1d	15-Oct-18 A	15-Oct-18 A
PM2018-10-2	IFC - GSU Foundation	1d	26-Oct-18 A	26-Oct-18 A
PM2019-02-4	IFC - Cable Schedule & Routing - Fiber & Communications Cable	1d	21-Dec-18 A	21-Dec-18 A
PM2019-02-2	IFC - A/G Raceway Design & Plans	1d	21-Dec-18 A	21-Dec-18 A
PM2019-02-1	IFC - Cable Schedule & Routing - LV Power / I&C Cable	1d	21-Dec-18 A	21-Dec-18 A
PM2018-12-2	IFB - Electrical Construction	1d	21-Dec-18 A	21-Dec-18 A
PM2018-12-1	IFC - Cable Schedule & Routing - MV Power Cable	1d	21-Dec-18 A	21-Dec-18 A
MS-APMT	AIR PERMIT RECEIVED	0d	31-Jan-19 A	
PM2019-01-2	Award - Mechanical Construction	1d	06-Feb-19 A	06-Feb-19 A
PM2019-02-5	Award - Electrical Construction	1d	22-Feb-19 A	22-Feb-19 A
PM2018-10-4	First Production Pile Installed	1d	25-Feb-19 A	25-Feb-19 A
PM2019-04-2	Electrical Subcontractor Mobilized to Site	1d	11-Mar-19 A	11-Mar-19 A
PM2018-11-2	Engine & Engine Hall Piling Installed	1d	14-Mar-19 A	14-Mar-19 A
PM2018-12-3	GSU Piling Installed	1d	19-Mar-19 A	19-Mar-19 A
PM2018-11-3	Begin Engine & Engine Hall Foundation	1d	20-Mar-19 A	20-Mar-19 A
PM2019-02-3	B/G Electrical Ductbank Installed within the Power Block	1d	03-May-19	03-May-19
PM2019-01-3	Engine & Engine Hall Foundation Formed/Poured/Cured/Backfilled	1d	30-May-19	30-May-19
PM2019-03-1	Mechanical Subcontractor Mobilized to Site	1d	31-May-19	31-May-19
PM2019-01-5	Begin Engine Hall Steel Erection	1d	28-Jun-19	28-Jun-19
PM2019-02-6	B/G Piping Installed & Hydrotested	1d	10-Jul-19	10-Jul-19
PM2019-01-4	GSU Foundation Formed/Poured/Cured/Backfilled	1d	06-Aug-19	06-Aug-19
PM2019-05-1	Engine Hall Roofing & Siding Substantially Complete	1d	26-Aug-19	26-Aug-19
PM2019-03-2	Engine Hall Dried in to facilitate Engine Setting	1d	26-Aug-19	26-Aug-19
PM2019-05-3	GSU Set of Foundation	1d	03-Sep-19	03-Sep-19
PM2019-06-1	Radiators Rough Set	1d	12-Sep-19	12-Sep-19
PM2019-04-1	GRU,EAM, and Pipe Rack rough set, EGM installed to facilitate Engine Setting	1d	08-Oct-19	08-Oct-19
PM2019-05-4	Begin Engine Setting	1d	10-Oct-19	10-Oct-19
PM2019-05-2	MV & LV Switchgear Rough Set	1d	15-Oct-19	15-Oct-19
PM2019-07-3	Switchyard Testing Complete - Ready for Backfeed	1d	17-Oct-19	17-Oct-19
PM2019-05-5	Engine Setting Complete	1d	25-Oct-19	25-Oct-19
PM2019-07-1	All BOP Equipment Rough Set	1d	08-Jan-20	08-Jan-20



Activity ID	Activity Name	Original Duration	Start	Finish
PM2019-08-2	480V Aux Power Energized & Available	1d	13-Jan-20	13-Jan-20
PM2019-10-2	First Engine Filled with Water	1d	27-Jan-20	27-Jan-20
PM2019-11-2	First Engine Filled with Lube Oil	1d	03-Feb-20	03-Feb-20
PM2019-08-1	SCR, SCR Outlet Duct, & Stack Erection Complete	1d	05-Feb-20	05-Feb-20
PM2019-09-2	Cooling Water System Installed, Tested, & Restored	1d	06-Feb-20	06-Feb-20
PM2019-09-1	Lube Oil System Installed, Tested, & Restored	1d	06-Feb-20	06-Feb-20
PM2019-08-3	Compressed Air System, Installed, Tested & Restored	1d	06-Feb-20	06-Feb-20
PM2019-07-2	MV & LV Switchgear Ready for Testing	1d	06-Feb-20	06-Feb-20
PM2019-11-1	Last Engine Filled with Water	1d	17-Feb-20	17-Feb-20
PM2019-12-1	Last Engine Filled with Lube Oil	1d	24-Feb-20	24-Feb-20
PM2019-07-4	Backfeed GSU for Startup & Commissioning Power	1d	05-Mar-20	05-Mar-20
PM2019-10-1	Mechanical Completion	1d	17-Mar-20	17-Mar-20
PM2020-01-1	Substantial Completion	1d	30-Jun-20	30-Jun-20



Primary Baseline
Remaining Work
Actual Work
Critical Remaining W...

Update Report: April 2019

(c) Primavera Systems, Inc.

Appendix 2

AFUDC Tables

Monitoring Report
AFUDC June 30, 2019
All dollars are in thousands (000's)

	2015	2016	2017	2018	2019	2020	Total
Yearly	26	216	510	4,059	10,786	7,383	22,980
Cumulative	26	242	751	4,810	15,597	22,980	22,980

(Items in red are forecasts).

All dollars are in thousands (000's)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015 (Actual)													
Monthly	-	-	-	-	-	-	0	0	2	-	13	10	26
Cumulative	-	-	-	-	-	-	0	0	3	3	16	26	26
2016 (Actual)													
Monthly	11	12	12	14	15	17	20	21	22	23	24	26	216
Cumulative	37	48	61	74	89	106	126	147	168	191	215	242	242
2017 (Actual)													
Monthly	27	29	31	33	36	40	44	48	51	54	56	61	510
Cumulative	269	298	329	362	398	438	482	529	580	634	690	751	751
2018 (Actual)													
Monthly	65	67	130	192	231	286	339	425	524	580	591	631	4,059
Cumulative	816	882	1,012	1,204	1,435	1,721	2,060	2,484	3,008	3,589	4,179	4,810	4,810
2019							(Items in red are forecasts).						
Monthly	632	689	767	790	808	878	937	981	1,028	1,070	1,076	1,132	10,786
Cumulative	5,442	6,131	6,897	7,687	8,495	9,373	10,310	11,291	12,319	13,389	14,465	15,597	15,597
2020							(Items in red are forecasts).						
Monthly	1,168	1,207	1,225	1,232	1,238	1,313	-	-	-	-	-	-	7,383
Cumulative	16,765	17,972	19,197	20,429	21,667	22,980	22,980	22,980	22,980	22,980	22,980	22,980	22,980

Appendix 3

Standard and Poor's and Moody's Credit Opinions

S&P Global Ratings

RatingsDirect®

Summary:
Entergy New Orleans LLC

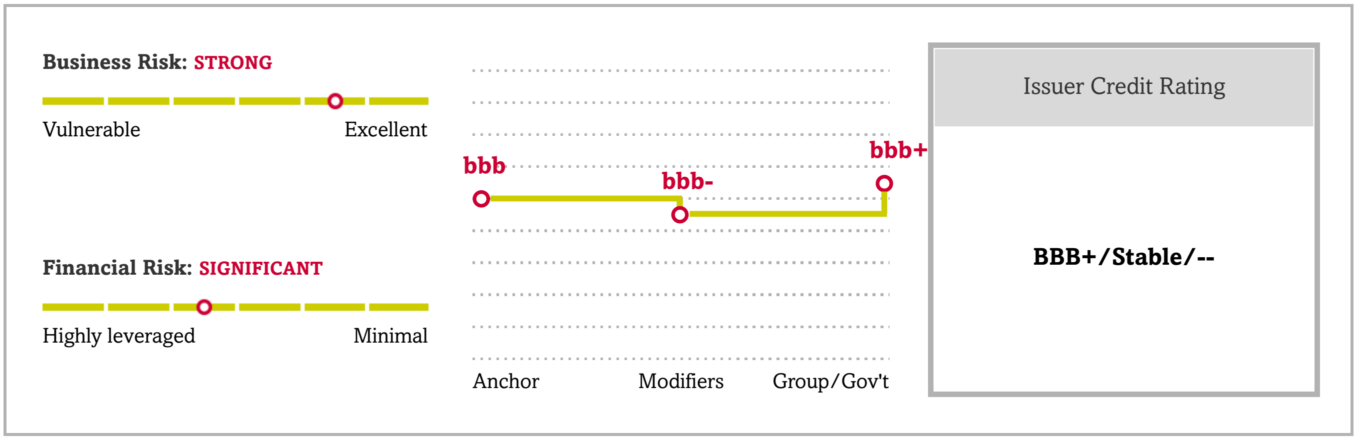
Primary Credit Analyst:
Gerrit W Jepsen, CFA, New York (1) 212-438-2529; gerrit.jepsen@spglobal.com

Secondary Contact:
William Hernandez, New York + 1 (212) 438 9132; william.hernandez@spglobal.com

Table Of Contents

Summary:

Entergy New Orleans LLC



Rationale

Business Risk: Strong	Financial Risk: Significant
Low-risk, fully rate-regulated utility concentrated in the city of New Orleans; Generally stable regulatory framework; Susceptible to weather-related disasters; Small customer base with modest growth; and Limited regulatory or business diversity.	Financial measures that support our financial risk profile assessment. We assess the company's financial measures using more relaxed financial benchmarks compared to the typical corporate issuer. This reflects its low-risk regulated utility business and its effective management of regulatory risk; • Modestly negative cash flow resulting from tax reform impacts; and Negative discretionary cash flow, leading to external funding needs and capital infusions from parent company.

Outlook: Stable

The stable rating outlook on Entergy New Orleans LLC (ENO) reflects that of parent Entergy Corp. Over the next two years S&P Global Ratings' expectation is that Entergy will successfully exit its higher-risk, non-utility nuclear power generation stations and grow through its lower-risk, rate-regulated utility businesses, leading to an improved business risk profile. The outlook also reflects our expectation that higher capital spending funded with debt along with the lower cash flow from U.S. corporate tax reform will weaken financial measures, including adjusted funds from operations (FFO) to debt consistently in the 14%-15% range over the next three years.

Downside scenario

We could lower ratings on Entergy and its subsidiaries, including ENO, over the next 24 months if the non-utility-owned nuclear power generation stations slated to be closed remain open and we project financial measures to weaken, including adjusted FFO to debt consistently below 13%.

Upside scenario

We could raise the ratings over the next 24 months if we project Entergy will boost adjusted FFO to debt above 17% on a consistent basis.

Our Base-Case Scenario

Assumptions

- EBITDA margin expected to remain in the 18%-22% range;
- Ongoing cost recovery through riders;
- Modest customer growth;
- Effective management of regulatory risk;
- All debt maturities refinanced;
- Annual capital spending averaging $160 million;
- Dividend payments of about $30 million; and
- Negative discretionary cash flow indicates external funding needs.

Key Metrics

	2017A	2018E	2019E
Adjusted FFO to debt (%)	36.4	16-21	15-20
Adjusted debt to EBITDA (x)	2.8	4-5	4.5-5.5
Adjusted FFO cash interest coverage (x)	8.2	4-7	4-7

A--Actual. E--Estimate. FFO--Funds from operations.

Company Description

ENO operates as an electric and natural gas distribution utility service mostly the city of New Orleans.

Business Risk: Strong

Our assessment of ENO's business risk profile reflects its operations under a generally stable regulatory environment by the City Council of New Orleans (CCNO). The CCNO provides constructive mechanisms for cost recovery and riders, a small customer base, and limited regulatory and business diversity. We view ENO's continuous recovery through riders to minimize regulatory lag as generally consistent with the company's efforts to effectively manage regulatory risks. ENO provides roughly 5% of Entergy's consolidated revenues and serves a small customer base of 200,000 electric and 105,000 natural gas customers. About 80% of operating revenues are from residential and commercial customers, providing a measure of stability to revenue and cash flow. ENO's generation fleet of 492 megawatts consists of natural gas and fuel oil.

Financial Risk: Significant

Our assessment of ENO's stand-alone financial risk profile incorporates a base-case scenario over the 2018-2020 period that includes adjusted FFO to debt averaging about 19%, or near the midpoint of the benchmark range of the significant financial risk profile category. ENO's historical financial measures were elevated due to significantly increased deferred taxes that started reversing in 2017. We expect the supplemental ratio of FFO cash interest coverage to be in the 6x-7.5x range, supporting the financial risk assessment. In addition, we expect continued capital spending, which when combined with the utility's dividend payments, will result in discretionary cash flow that is negative through 2020. Over the next few years, we expect debt leverage to be relatively significant for a regulated utility as indicated by debt to EBITDA averaging about 4x. The utility will have negative discretionary cash flow, or operating cash flow after capital spending and dividends. The utility will therefore require external financing or capital infusions from the Entergy group. We base our risk assessment on more relaxed benchmarks when compared to the typical corporate issuer, reflecting the company's steady cash flow and rate-regulated utility operations.

Liquidity: Adequate

We assess the company's stand-alone liquidity as adequate because we believe its liquidity sources are likely to cover uses by more than 1.1x over the next 12 months and meet cash outflows even with a 10% decline in EBITDA. The assessment also reflects the company's generally prudent risk management, sound relationship with banks, and a generally satisfactory standing in credit markets.

Principal Liquidity Sources	Principal Liquidity Uses
• Estimated cash FFO of about $ 150 million; • Credit facility availability of about $25 million; and • Capital infusions from parent company.	• Minimal debt maturities; • Capital spending of about $100 million; and • Dividends of about $22 million.

Other Credit Considerations

We assess the comparable rating analysis modifier for ENO as negative, reflecting its vulnerability to hurricanes, a unique risk characteristic that could stress credit measures.

Group Influence

Under our group rating methodology, we consider ENO as a core subsidiary of its parent Entergy, reflecting our view that it is highly unlikely to be sold, is integral to the overall group strategy, possesses a strong long-term commitment from senior management, and is closely linked to the parent's name and reputation. We assess ENO's issuer credit rating to be in line with Entergy Corp.'s group credit profile of 'bbb+'.

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/--

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Satisfactory

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: bbb

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)

- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Negative (-1 notch)

Stand-alone credit profile : bbb-

- **Group credit profile:** bbb+
- **Entity status within group:** Core (+2 notches from SACP)

Issue Ratings

We rate the preferred stock two notches below the issuer credit rating to reflect the discretionary nature of the dividend and the deeply subordinated claim if a bankruptcy occurs.

Issue Ratings--Subordination Risk Analysis

Capital structure

ENO's capital structure consists of about $420 million of senior unsecured and first mortgage bonds (FMB).

Analytical conclusions

The rating on ENO's senior unsecured debt is the same as its issuer credit rating because it is unsecured debt of a qualifying investment-grade regulated utility.

Issue Ratings--Recovery Analysis

ENO's FMB benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of more than 1.5x supports a recovery rating of '1+' and an issue rating of two notches above the issuer credit rating.

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Midstream Energy Industry, Dec. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013

- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	**bbb**	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

MOODY'S INVESTORS SERVICE

CREDIT OPINION
27 November 2018

Update

Rate this Research

RATINGS

Entergy New Orleans, LLC.

Domicile	New Orleans, Louisiana, United States
Long Term Rating	Ba1
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Entergy New Orleans, LLC.

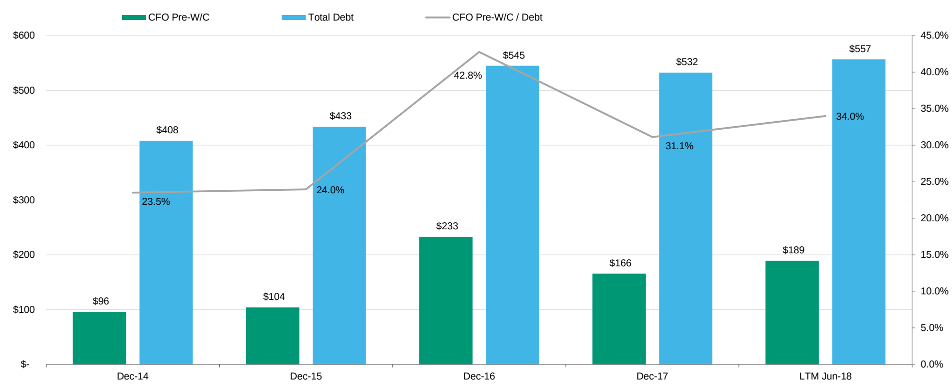
Update to credit analysis

Summary

Entergy New Orleans, Inc.'s (ENOI, Ba1 stable) credit benefits from very strong financial metrics and the generally supportive regulatory treatment from the City Council of New Orleans (CCNO).

ENOI's credit is constrained by its small, geographically concentrated service territory in a storm-prone location. The coastal nature of the service territory is a material credit negative due to the rising risk of storm surges and more severe weather events. ENOI's low lying service territory will continue to constrain its credit going forward, despite the supportiveness of regulators and legislators or the strength of the financial profile. For these reasons, ENOI's credit profile is 3-notches lower than its grid-indicated rating.

Exhibit 1
Historical CFO pre-WC, CFO pre-WC to Debt, Total Debt



Source: Moody's Financial Metrics

Credit strengths

» Regulated utility operations with historically supportive treatment from the CCNO

» Strong financial metrics generated by a rate base of around $800 million

» Storm cost recovery mechanisms are tested, and reasonably timely

Credit challenges

» Small and concentrated service territory in a low-lying coastal region exposed to storm surges and more severe weather events

» Financial metrics will decline due to tax rebates and high capex

» Reputational risk associated with public support of the New Orleans Power Station

Rating outlook

ENOI's stable outlook reflects strong financial metrics despite a near-term decline due to tax refund. The stable outlook also incorporates a view that the company will be able to maintain strong regulatory support for investment and cost recovery.

Factors that could lead to an upgrade

It is unlikely that ENOI's issuer rating will be upgraded to Baa3, due to its concentrated service territory expose and vulnerablability to storm activity.

Factors that could lead to a downgrade

» A materially adverse regulatory decision

» Significant storm damage and delayed cost recovery for repairs

» Sustained decline in financial metrics, including cash flow to debt ratios below the mid-teens percent range.

Key indicators

Exhibit 2

Entergy New Orleans, LLC.

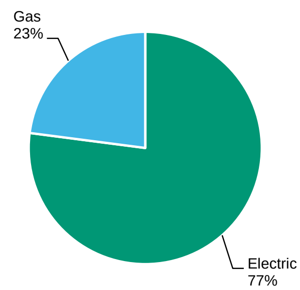
	Dec-14	Dec-15	Dec-16	Dec-17	LTM Jun-18
CFO Pre-W/C + Interest / Interest	5.8x	5.9x	10.7x	8.1x	9.3x
CFO Pre-W/C / Debt	23.5%	24.0%	42.8%	31.1%	34.0%
CFO Pre-W/C – Dividends / Debt	21.8%	22.1%	39.1%	17.0%	22.3%
Debt / Capitalization	49.3%	43.5%	42.1%	44.4%	45.3%

All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

ENOI is an electric and gas utility serving the city of New Orleans, LA. The company is the smallest of Entergy Corporation's (ETR Baa2 stable) six utility subsidiaries, representing well under 10% of Entergy's adjusted consolidated cash flow, debt and Net PP&E. ENOI's rate base is currently split roughly 75:25 (i.e., roughly $300 million to about $90 million) between electric and gas assets, based on the last filed case, which referenced a 2011 test year. However, by including subsequent asset acquisitions that receive cost recovery in customer rates, this proportion grows (see chart below).

Exhibit 3
The majority of ENOI's revenue producing assets are from its electric business



Source: Entergy Corp.

Detailed credit considerations

Regulated utility operations with supportive treatment from the CCNO

Historically, ENOI has maintained a constructive relationship with utility stakeholders in New Orleans. This results in supportive regulatory treatment from the CCNO, such as the implementation of a formula rate plan, high allowed ROE levels compared to industry averages, single-issue cost recovery granted for the acquisition of the Union Power Plant (a 495 MW gas-fired generation unit in Arkansas) and the Algiers service territory - both of which increased the size, scale and scope of the company.

In September, the company filed a revised general electric and gas rate case that, if approved, would result in a net revenue reduction of over $20 million (mostly attributable to the effects of tax reform), but includes several credit positive features such as: formula rates for both electric and gas operations; contemporaneous cost recovery riders for energy efficiency, incremental capacity costs and system modernization; offsetting some tax reform rebates with additional investment; and a three-year plan to blend the rates of its Algiers customers with the rest of its legacy customers. Approval of this would enhance the timely recovery of costs and evidence ongoing regulatory support for the company. Hearings are expected to being in June 2019.

Reputational risk associated with public support of the New Orleans Power Station

While approval of ENOI's general rate filing would be positive, we see some regulatory headwinds facing the company, which could affect its general rate case outcome.

In May 2018, the CCNO announced an investigation into allegations that the company, or a subcontractor, had paid speakers to attend CCNO hearings in order to provide support for the New Orleans Power Station (NOPS, a 128 megawatt gas peaking unit). In October 2018, the investigation concluded that such conduct did take place and the CCNO issued a resolution requiring ENOI to show cause why it should not be fined $5 million as a result of the findings.

While a $5 million fine would not be a material credit negative for ENOI, we see reputational risk for the company that could be material in the future. For example, it would be materially credit negative if a deterioration in stakeholder relationships resulted in less supportive regulatory decisions.

We note that ENOI disagrees with certain characterizations and omissions of fact in the report and the CCNO had approved construction of NOPS in March 2018, which assumed an in-service date some time in the 2Q 2020.

Financial metrics will decline due to tax rebates and high capital spending

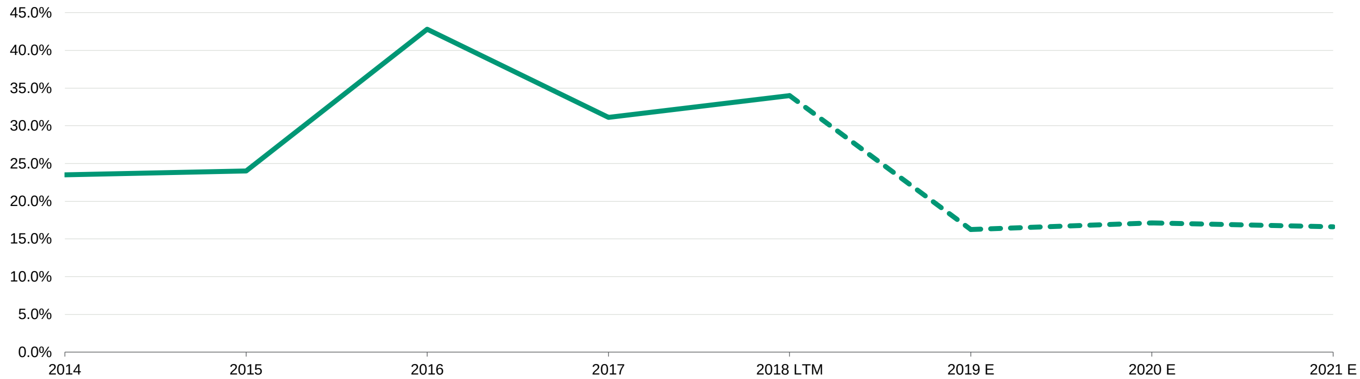
ENOI's financial profile will decline in the next few years due to tax rebates and increasing debt used to fund high capital expenditures.

As part of its general rate filing, the company is proposing to refund roughly $35 million of “unprotected” deferred tax liabilities to large customers in the following manner: $14 million in one-time credits through 2019, $12 million applied to investment in grid modernization; $6 million toward investment in energy efficiency programs and $3 million in its “Smart City” pilot program. The unprotected liability credits are one-time items, but ENOI's cash flow will experience an ongoing drag from the federal tax rate reduction to 21% and “protected' deferred tax liability credits to customers over multiple decades.

Despite the financial headwinds created by tax reform, ENOI will still maintain cash flow to debt ratios around 15%, even with increasing debt to fund about $435 million in capital spending in 2018 and 2019, as seen in the exhibit below.

Exhibit 4

ENOI's ratio of cash flow to debt will decline to the mid-to-high teens range



Source: Moody's Investors Service

The company continues to pursue a construction program centered around the long-term repair and replacement of 844 miles of steel and cast iron pipes that were flooded with saltwater after hurricanes Katrina and Rita. The company estimates it will cost a total of $465 million over several years, an amount that has been certified by the CCNO.

Ongoing vulnerability to extreme weather events and moderate carbon transition risk

Vulnerable to extreme weather events

Today, the city is better prepared for a major hurricane than it was pre-Katrina due to infrastructure enhancements made in recent years. ENOI's service territory is concentrated in a small geographical area, located below sea level and in a storm-prone location. Therefore, potentially damaging storms, with increasing severity and higher storm surges, are a persistent threat to the company's customers and assets.

Exhibit 5
ENOI's assets are geographically exposed to frequent storm activity

Source: SPGMI

Historically, regulatory responses have been helpful in recovering costs of major storms - a credit positive. For example, the CCNO allows ENOL to collect revenue for a storm reserve fund and has provided for the securitization of storm costs through a discrete charge to customers.

Along these lines, ENOL's liquidity is important to bridge the timing gap between the cash outlay for storm repair and cost recovery through securitization or rate increases. ENOL's primary sources of external liquidity consist of $100 million access to a corporate money pool and its standalone borrowing facility of $25 million. We discuss the company's liquidity position, below.

Carbon exposure through natural gas-fired generation
ENOI has a moderate carbon transition risk within the utility sector. As an integrated utility, its generation ownership places it at a higher risk profile than companies primarily exposed to transmission and distribution operations. ENOI's generation portfolio is comprised almost entirely of natural gas-fired units, which emit roughly half of the amount of carbon, per unit of electricity generated, than coal-fueled generation. Moody's framework for assessing carbon transition risk in this industry is set out in "Prudent regulation key to mitigating risk, capturing opportunities of decarbonization" (2 Nov 2017).

Liquidity analysis

We expect ENOI to maintain adequate liquidity over the next 12-18 months. ENOI's liquidity profile is supported by its stable cash flow generation, external liquidity resources, and its ability to borrow from the Entergy Corp. money pool. Through LTM 3Q18, ENOI generated around $150 million of cash flow from operations, had $175 million in capital expenditures and distributed over $60 million in dividends, resulting in negative free cash flow of nearly $85 million. We expect this trend to continue as cash flow pressures mount from tax reform headwinds and high capex levels.

To supplement any internally generated cash needs, ENOI has a FERC authorized short-term borrowing limit of $150 million, corresponding to its ability to borrow from the Entergy money pool through October 2019. As of 30 September 2018, ENOI was a lender to the Entergy money pool with a $2.1 million receivable balance. ENOI also has a stand-alone credit facility in the amount of $25 million that will expire in November 2021, which is available in its entirety. The company also has $2.1 million letters of credit outstanding under an uncommitted credit facility to support its MISO obligations.

Entergy Corporation maintains a $3.5 billion revolving credit facility, expiring September 2023. As of September 2018, Entergy had $630 million of borrowings under the facility, with $6 million in letters of credit and $1.9 billion of commercial paper outstanding.

The Entergy credit facility does not contain a material adverse change clause for new borrowings, but does contain a 65% debt to capitalization covenant and cross-default provisions with its major utility subsidiaries, which it was in compliance with as of 30 September 2018. ENOI is not included in the cross-default provision.

ENOI's next significant debt maturity is $25 million of senior secured notes due December 2020.

Rating methodology and scorecard factors

Exhibit 6

Entergy New Orleans, LLC

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 6/30/2018		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	B	B	B	B
b) Generation and Fuel Diversity	B	B	B	B
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	8.8x	Aaa	6x - 7x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	32.9%	Aa	15% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	26.2%	Aa	10% - 13%	Baa
d) Debt / Capitalization (3 Year Avg)	44.8%	A	45% - 50%	Baa
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		Baa1
HoldCo Structural Subordination Notching		0		0
a) Indicated Rating from Grid		A2		Baa1
b) Actual Rating Assigned		Ba1		Ba1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 6/30/2018;
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Appendix

Exhibit 7
Credit metrics and financial statistics

	Dec-14	Dec-15	Dec-16	Dec-17	LTM Jun-18
As Adjusted					
FFO	**101**	**111**	**241**	**164**	**177**
+/- Other	(5)	(8)	(8)	2	13
CFO Pre-WC	**96**	**104**	**233**	**166**	**189**
+/- ΔWC	1	10	(19)	(28)	(55)
CFO	**97**	**114**	**214**	**137**	**134**
- Div	7	8	20	75	65
- Capex	69	92	327	115	151
FCF	**21**	**14**	**(133)**	**(53)**	**(82)**
(CFO Pre-W/C) / Debt	23.5%	24.0%	42.8%	31.1%	34.0%
(CFO Pre-W/C - Dividends) / Debt	21.8%	22.1%	39.1%	17.0%	22.3%
FFO / Debt	24.7%	25.7%	44.3%	30.7%	31.7%
RCF / Debt	23.0%	23.8%	40.7%	16.6%	20.0%
Revenue	735	671	665	716	738
Cost of Good Sold	446	369	337	390	391
Interest Expense	20	21	24	23	23
Net Income	31	41	54	51	64
Total Assets	1,022	1,223	1,504	1,508	1,559
Total Liabilities	802	874	1,088	1,125	1,191
Total Equity	221	348	415	383	368

All figures & ratios calculated using Moody's estimates & standard adjustments. Periods are Financial Year-End unless indicated. LTM=Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 8
Peer comparison

	Entergy New Orleans, LLC. Ba1 Stable			Mississippi Power Company Baa3 Positive			Duke Energy Kentucky, Inc. Baa1 Stable			Alaska Electric Light and Power Company(AELP) Baa3 Stable		
(in US millions)	FYE Dec-16	FYE Dec-17	LTM Jun-18	FYE Dec-16	FYE Dec-17	LTM Jun-18	FYE Dec-16	FYE Dec-17	LTM Jun-18	FYE Dec-16	FYE Dec-17	LTM Mar-18
Revenue	665	716	738	1,163	1,187	1,211	436	431	455	45	51	50
CFO Pre-W/C	233	166	189	223	-112	153	99	103	101	17	19	21
Total Debt	545	532	557	3,142	2,163	1,951	444	511	585	142	140	139
CFO Pre-W/C / Debt	42.8%	31.1%	34.0%	7.1%	-5.2%	7.9%	22.3%	20.1%	17.2%	12.3%	13.8%	14.9%
CFO Pre-W/C – Dividends / Debt	39.1%	17.0%	22.3%	7.1%	-5.1%	7.9%	20.1%	20.1%	17.2%	10.5%	12.0%	13.0%
Debt / Capitalization	42.1%	44.4%	45.3%	46.2%	61.6%	57.4%	37.3%	42.4%	43.5%	53.7%	52.9%	50.5%

All figures & ratios calculated using Moody's estimates & standard adjustments. Periods are Financial Year-End unless indicated. LTM=Last Twelve Months
Source: Moody's Financial Metrics

Ratings

Exhibit 9

Category	Moody's Rating
ENTERGY NEW ORLEANS, LLC.	
Outlook	Stable
Issuer Rating	Ba1
First Mortgage Bonds	Baa2

Senior Secured Shelf	(P)Baa2
PARENT: ENTERGY CORPORATION	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
Commercial Paper	P-2

Source: Moody's Investors Service

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Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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CREDIT OPINION
15 November 2018

Update

RATINGS

Entergy Corporation

Domicile	New Orleans, Louisiana, United States
Long Term Rating	Baa2
Type	LT Issuer Rating - Dom Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Entergy Corporation

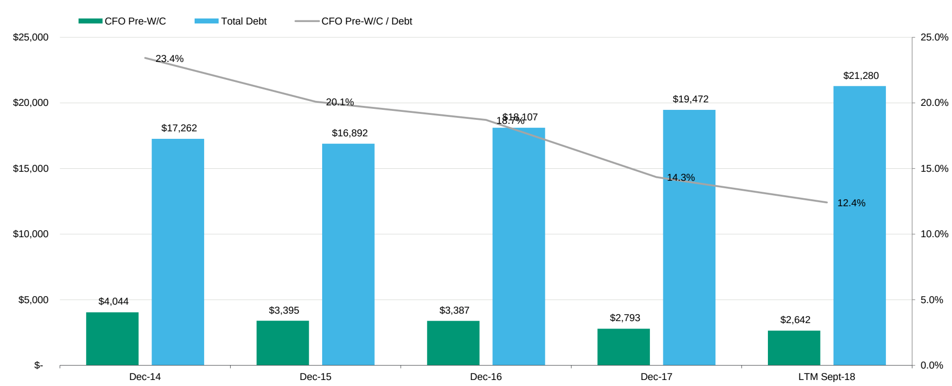
Update following change in outlook to stable from negative

Summary

Entergy Corporation's (Entergy, Baa2 stable) credit profile is supported by 1) its portfolio of regulated utilities, which represent roughly 95% of Entergy's consolidated operating cash flow and Net Property Plant & Equipment, 2) predictable cash flow from formulaic ratemaking structures in Louisiana, Arkansas, Mississippi and with the Federal Energy Regulatory Commission (FERC) and 3) ongoing progress toward exiting its higher-risk merchant nuclear business, among other efforts to reduce business risk.

Entergy's credit profile is constrained by 1) a declining financial profile due to tax reform impacts on cash flow and increased holding company debt, 2) continued efforts to improve nuclear fleet operations and 3) location in a storm-prone territory which exposes the company to extreme weather events, climate change and carbon transition risks.

Exhibit 1
Historical CFO Pre-W/C, Total Debt and CFO Pre-W/C to Debt ($MM)



Source: Moody's Financial Metrics

Credit Strengths

» Primary holdings are vertically integrated, rate regulated utilities

» Nearly $24 billion in regulated utility rate base

» Strong regulatory support and timely cost recovery in most states

» Exposure to unregulated operations is waning

Credit Challenges

» Financial metrics declining as holding company debt increases and cash flow decreases

» Overhang of merchant nuclear asset exposure, including sufficient funding of decommissioning liabilities

» Storm prone service territories

» Moderate exposure to carbon transition risk

Rating Outlook

Entergy's stable outlook incorporates expectations for a weakening financial profile that should rebound by 2020 thanks to supportive regulation, formulaic rate making and several cost recovery riders. For example, cash flow to debt ratios are expected to decline to below 12% in 2018 and begin to improve to around 15% in 2020.

The outlook also reflects efforts to improve operations of its nuclear-fueled power generation portfolio, including the closure of all higher-risk merchant nuclear units by 2022.

Factors that Could Lead to an Upgrade

Entergy's weak financial profile through 2019 means that it is unlikely that the company will be upgraded over the next 12-18 months.

However, Entergy could be upgraded if its credit profile reflects some of the following characteristics:

» Sustainable CFO pre-WC to debt around 18%

» Holding company leverage is maintained well below 25%

» One or more of its major utility subsidiaries is upgraded

» Exit of its merchant business and cash flow to debt in excess of 16%

Factors that Could Lead to a Downgrade

» A decline in regulatory support for its utilities

» One or more of its key subsidiaries are downgraded;

» Any of its nuclear reactors experiencing a sharp increase in operating or decommissioning costs

» Holding company debt were to grow to above 25% of consolidated debt

Key Indicators

Exhibit 2
Entergy Corporation [1]

	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
CFO Pre-W/C + Interest / Interest	6.2x	5.3x	5.2x	4.4x	4.1x
CFO Pre-W/C / Debt	23.4%	20.1%	18.7%	14.3%	12.4%
CFO Pre-W/C – Dividends / Debt	20.0%	16.6%	15.3%	11.1%	9.4%
Debt / Capitalization	47.6%	49.2%	54.0%	56.2%	59.5%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

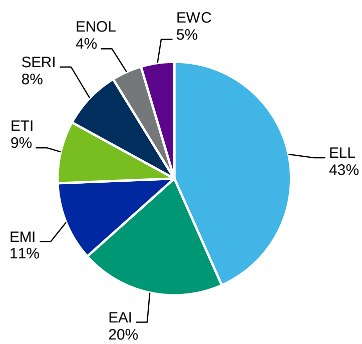
Profile

Entergy Corporation is a multi-state utility and nuclear-fueled power generation company, headquartered in New Orleans, LA. The company serves around 3 million utility customers through five utility companies operating in Arkansas, Louisiana, Mississippi, and Texas. The regulated segment also includes System Energy Resources, Inc. (SERI Baa3 stable) and represents over 95% of operating cash flow and net property plant and equipment. It's largest subsidiary, Entergy Louisiana, LLC (Baa1 stable) is expected to provide nearly 40% of operating company EBITDA in 2019.

Entergy also owns and operates a shrinking unregulated business segment, Entergy Wholesale Commodities (EWC, unrated). This business consists primarily of nuclear units in the Northeast, a nuclear unit in the Midwest, and small fossil and renewable generating resources.

The exhibit below illustrates the proportion of 2019 expected EBITDA that we expect from each operating subsidiary.

Exhibit 3
2019 expected EBITDA from Entergy's five utilities, SERI and EWC



Source: Moody's Investors Service projections

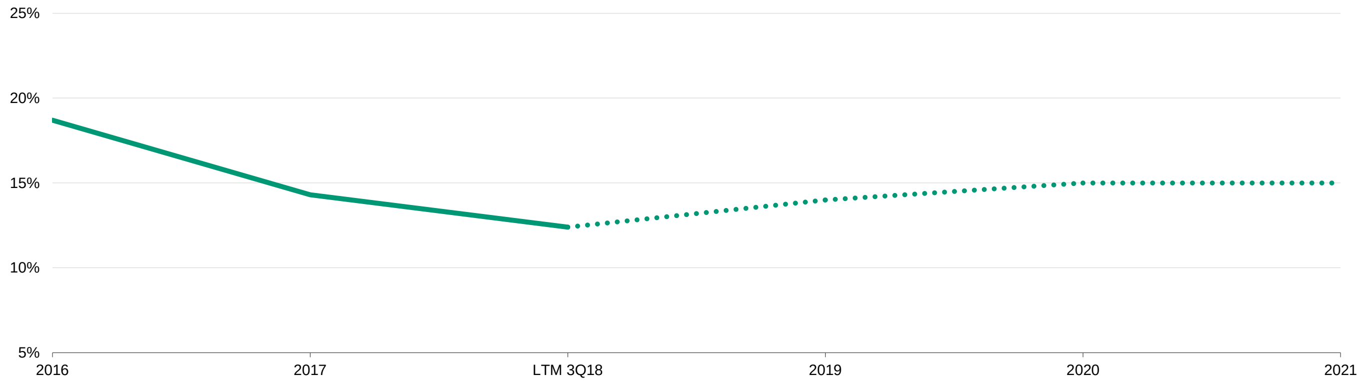
Detailed Credit Considerations

Weak financial ratios expected to rebound by 2020

Entergy's financial profile will exhibit a significant, but temporary, decline in the coming months, due to material cash outflows and rising debt. A rebound in cash flow production to debt should begin in mid-2019 with the completion of $1.4 billion of customer rebates. Further rate base investment, recovered through formula rates, should improve cash flow even more and return the ratio of CFO pre-WC to debt to 15% by 2020, as shown in the exhibit below.

Exhibit 4

The ratio of cash flow to debt will begin to rebound to around 15% by 2020



Source: Moody's Investors Service

Entergy's cash flow is being strained by the impacts of the 2017 Tax Cuts and Jobs Act (TCJA), which reduced cash flow due to the roughly $3.6 billion of tax refunds due to customers. The magnitude of the cash flow decline is directly impacted by Entergy's decision to refund the roughly $1.4 billion "unprotected" deferred tax liability to customers right away, mostly in 2018 and 2019.

These weaker cash flows are occurring at the same time that debt is increasing to support roughly $3.5 billion of annual capital spending while maintaining a relatively high targeted dividend payout ratio between 65%-75%. The combination of these factors will likely result in a ratio of cash flow to debt below 12% in 2018 and around 14% in 2019.

However, because Entergy is returning the unprotected deferred tax liabilities quickly, the cash flow hit will be temporary and a predictable boost to cash flow beginning in mid-2019 is transparent when the vast majority of unprotected refunds have been completed. This, along with a growing rate base and over $1.0 billion of committed equity issuance through 2019, provides good visibility into Entergy's ratio of cash flow to debt recovering to the 15% range.

Formula rate making underpins stable utility cash flow

Entergy's consolidated credit profile is underpinned by its improving regulated business segment. The company's five utilities and System Energy Resources, Inc. (SERI, Baa3 stable, a single-unit nuclear reactor serving four of its utilities) provide cash flow that covers roughly 13% of consolidated debt through LTM 3Q18. In particular, Entergy's Louisiana, Arkansas and Mississippi utilities are supported by state formulaic rate making, while SERI operates under a full cost-of-service contract with affiliates; collectively, this provides highly stable and predictable earnings and cash flow for Entergy.

For example, when normalizing utility holding company net income for tax (i.e., pre-tax income x (1 - the statutory federal income tax rate) and adding depreciation and amortization), we see that Entergy's "core cash flow" (CCF) is one of the least volatile in the sector, as shown in Exhibit 5.

Exhibit 5

Entergy's "core cash flow" is among the least volatile of utility holding company peers

Top 20 utility holding companies, sorted by lowest standard deviation of CCF over a 3-year period as of 12 November 2018.

Company Name	Rating	Outlook	2013	2014	2015	2016	2017	2018LTM- Q2	3-Year STDev	5-Year STDev
American Electric Power	Baa1	Stable	$ 3,709	$ 3,903	$ 3,977	$ 4,028	$ 4,018	$ 4,231	0.7%	0.7%
Cleco Corporate Holdings LLC	Baa3	RUR-D	$ 324	$ 320	$ 294	$ 318	$ 305	$ 322	1.0%	0.6%
Entergy Corporation	**Baa2**	**Stable**	**$ 2,730**	**$ 2,996**	**$ 2,572**	**$ 2,818**	**$ 2,583**	**$ 2,570**	**1.2%**	**1.1%**
Edison International	Baa1	Stable	$ 2,822	$ 3,205	$ 2,930	$ 3,116	$ 3,175	$ 3,296	1.2%	1.0%
NV Energy Inc.	Baa2	Stable	$ 636	$ 724	$ 774	$ 782	$ 787	$ 863	1.3%	1.7%
NextEra Energy, Inc.	Baa1	Stable	$ 4,223	$ 5,056	$ 5,538	$ 5,836	$ 5,049	$ 5,446	1.5%	1.8%
FirstEnergy Corp.	Baa3	Stable	$ 2,491	$ 2,459	$ 2,567	$ 2,989	$ 2,781	$ 2,625	1.7%	1.3%
Southwest Gas Holdings, Inc	Baa1	Stable	$ 419	$ 430	$ 431	$ 494	$ 482	$ 511	1.8%	1.4%
Westar Energy, Inc.	Baa1	Stable	$ 616	$ 670	$ 649	$ 758	$ 767	$ 756	1.9%	1.6%
Public Service Enterprise Group Inc	Baa1	Stable	$ 2,687	$ 2,913	$ 2,965	$ 2,435	$ 2,853	$ 2,727	2.1%	1.2%
OGE Energy Corp.	Baa1	Negative	$ 658	$ 540	$ 522	$ 576	$ 568	$ 647	2.2%	1.6%
Progress Energy, Inc.	Baa1	Stable	$ 2,153	$ 2,446	$ 2,449	$ 2,537	$ 2,655	$ 3,006	2.3%	1.9%
Duke Energy Corporation	Baa1	Stable	$ 6,111	$ 6,524	$ 6,142	$ 6,462	$ 7,051	$ 7,649	2.4%	1.5%
PNM Resources, Inc.	Baa3	Stable	$ 363	$ 409	$ 384	$ 407	$ 460	$ 474	2.5%	1.7%
TECO Energy, Inc.	Baa2	Stable	$ 539	$ 592	$ 597	$ 628	$ 704	$ 750	2.6%	2.0%
Dominion Energy, Inc.	Baa2	Negative	$ 3,162	$ 2,684	$ 3,256	$ 3,600	$ 4,049	$ 4,223	2.9%	2.8%
Ameren Corporation	Baa1	Stable	$ 1,288	$ 1,432	$ 1,389	$ 1,596	$ 1,647	$ 1,852	2.9%	2.2%
CMS Energy Corporation	Baa1	Stable	$ 1,169	$ 1,190	$ 1,238	$ 1,362	$ 1,477	$ 1,632	2.9%	2.3%
PPL Corporation	Baa2	Stable	$ 2,717	$ 2,360	$ 2,126	$ 2,604	$ 2,258	$ 2,765	3.0%	1.8%
IPALCO Enterprises, Inc.	Baa3	Stable	$ 270	$ 286	$ 258	$ 337	$ 313	$ 341	3.1%	1.9%

Source: Moody's Investors Service

We also see the potential for improved regulatory provisions in Texas and the City of New Orleans, since each utility has filed general rate cases with its respective commission. The potential for additional rate base and increased equity layers in each jurisdiction could drive even more cash flow growth in the future, once roughly $240 million of unprotected deferred tax liabilities are returned to customers as provided through current approvals or settlements.

We note that the filing in New Orleans could be particularly constructive, if applied as filed. Entergy has requested credit supportive features such as formula rates and several new cost riders. However, we also see prospects for a challenged regulatory relationship between ENOI and the city, following a New Orleans City Council (NOCC) investigation into public testimony that supported construction of a new ENOI generation facility. As such, we see heightened tension in the regulatory relationship between ENOI and the NOCC, which could take time to correct and limit the amount of regulatory support that the utility receives for some time.

Incremental steps taken to minimize business and financial risks

Merchant nuclear plant closures and subsequent sales continue as outlined in the company's strategy to exit this higher-risk unregulated business. While this multi-year strategy will take at least four more years to complete, and depends upon various regulatory approvals, the company has also taken several steps to minimize risks which are under their control.

For example, the company has significantly increased its hedging around EWC sales. At 30 September, the company's percentage of planned generation under contract for the next three years was 95%, 86% and 87%, respectively. This is notably up from prior years, when the company left more open positions, which exposed sales to falling market prices and resulted in losses for its merchant business. For instance, contracted generation as recent as September 2017 was only 97%, 70% and 38%,for 2018-2020 and was as low as 81%, 47% and 21% in September 2015 for the years 2016-2018.

Furthermore, while the required return of $1.4 billion in cash to customers is not supportive to credit, we view management's strategy to address refunds in a swift matter as positive for the longer-term. Most of the industry is attempting to delay the flow-back of excess deferred tax liabilities, which creates some uncertainty as to ongoing financial metrics. Conversely, Entergy's strategy is reducing the overhang of uncertain timing and provides clarity to near and medium-term financials. Moreover, given the large size of Entergy's unprotected DTL balance, a prolonged refund period would likely produce cash flow to debt ratios at or below 14% for several years.

Entergy has also reallocated pension assets to a more conservative weighting and is choosing to purchase some of its generation needs, rather than constructing them. Regarding the pension, Entergy reallocated pension assets from a 65/35 equity/fixed-income weighting, to 35/65 equity/fixed-income, which should create less volatility in pension funding and contributions. As for acquiring new generation, the choice to buy existing assets will allow for faster recovery through immediate inclusion of the purchase price in rate base, instead of the typical regulatory lag over a multi-year construction period.

At the same time, Entergy has refrained from taking some additional measures, such as cutbacks to capital spending or reducing its relatively high 65%-75% dividend payout target. We also note that the company sold a 580 megawatt merchant gas plant in 2015 and has some remaining unregulated gas plants that could be monetized in the future. We view all of these items as options that could be pursued should additional credit support be needed.

Business mix and financial profile are comparable to other diverse utility holding companies

We see Entergy transitioning to a pure utility holding company, which takes time as the company looks to wind down operations of its merchant nuclear business. As such, we compare Entergy to two cohorts of peers – one being "hybrid" holding companies with a utility foundation, but material exposure to unregulated businesses and the other is "regulated" holding companies with only utility operations.

Among the hybrids, Entergy is most like Exelon Corp. (Baa2 stable) given their exposure to merchant nuclear generation in each company's asset profile. However, Exelon has much stronger financial metrics and can absorb a higher degree of financial challenge.

Exhibit 6

Entergy has lower holding company leverage, but higher non-utility business risk than hybrid peers

Ratings and outlook as of 12 November 2018

Regulated Electric and Gas Utilities Industry Grid	Entergy Corporation				Dominion Energy, Inc.		Exelon Corporation		Sempra Energy		NextEra Energy, Inc.	
	2018 LTM- Q3		2018-2020 Avg		2018LTM- Q2		2018LTM- Q2		2018LTM- Q2		2018LTM- Q2	
Factor 1 : Regulatory Framework (25%)												
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A		A		A		A		A		A	
b) Consistency and Predictability of Regulation	A		A		Aa		A		A		Aa	
Factor 2 : Ability to Recover Costs and Earn Returns (25%)												
a) Timeliness of Recovery of Operating and Capital Costs	Baa		Baa		A		Baa		A		Baa	
b) Sufficiency of Rates and Returns	Baa		Baa		Baa		Baa		A		Baa	
Factor 3 : Diversification (10%)												
a) Market Position	A		A		A		A		A		Aa	
b) Generation and Fuel Diversity	Baa		Baa		A		Baa		Baa		A	
Factor 4 : Financial Strength (40%)												
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.6x	A	4.0x	A	4.4x	Baa	5.5x	A	4.4x	Baa	6.5x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	15.2%	Baa	14.0%	Baa	12.7%	Ba	19.2%	Baa	12.4%	Ba	22.3%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	12.0%	Baa	11.0%	Baa	7.5%	Ba	16.2%	Baa	8.7%	Ba	16.5%	Baa
d) Debt / Capitalization (3 Year Avg)	54.4%	Baa	60.0%	Ba	64.1%	Ba	50.4%	Baa	57.1%	Ba	44.6%	A
Rating:												
Grid-Indicated Rating Before Notching Adjustment	Baa1		Baa2		Baa1		Baa1		Baa1		A2	
HoldCo Structural Subordination Notching	-1		-1		-2		-1		-1		-1	
a) Indicated Rating from Grid	Baa2		Baa3		Baa3		Baa2		Baa2		A3	
b) Actual Rating Assigned	Baa2				Baa2		Baa2		Baa1		Baa1	
Outlook	Stable				Negative		Stable		Negative		Stable	

	Entergy Corporation	Dominion Energy, Inc.	Exelon Corporation	Sempra Energy	NextEra Energy, Inc.
% Holding Company Debt	23%	37%	22%	34%	39%
Debt / (Equity - Goodwill)	2.8x	3.1x	1.6x	2.1x	0.9x
Debt / Net PP&E	67%	72%	52%	79%	47%

Source: Moody's Investors Service

Among the regulated holdco's, Entergy is most comparable to The Southern Company (Baa2 stable), given the geographic location and diversity of its assets, less than 10% of EBITDA coming from unregulated generation and an aspect of business risk that is higher than other purely regulated holdco's (i.e., Southern's construction of new nuclear generation and Entergy's exposure to EWC and some operational challenges within its regulated nuclear fleet).

Exhibit 7

Entergy has comparable financial metrics to holdco peers that are mostly regulated

Ratings and outlooks as of 12 November 2018

Regulated Electric and Gas Utilities Industry Grid	Entergy Corporation		Southern Company (The)	Duke Energy Corporation	Xcel Energy Inc.	American Electric Power Company, Inc.
	2018 LTM- Q3	2018-2020 Avg	2018LTM- Q2	2018LTM- Q2	2018LTM- Q2	2018LTM- Q2
Factor 1 : Regulatory Framework (25%)						
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	Aa	Aa	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)						
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Baa	A	A	Aa	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa	Baa	A
Factor 3 : Diversification (10%)						
a) Market Position	A	A	Aa	Aa	A	A
b) Generation and Fuel Diversity	Baa	Baa	A	A	Baa	Baa
Factor 4 : Financial Strength (40%)						
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.6x A	4.0x A	4.9x A	5.8x A	5.8x A	5.7x A
b) CFO pre-WC / Debt (3 Year Avg)	15.2% Baa	14.0% Baa	12.7% Ba	23.0% A	19.4% Baa	19.4% Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	12.0% Baa	11.0% Baa	9.5% Baa	16.9% Baa	15.2% Baa	14.6% Baa
d) Debt / Capitalization (3 Year Avg)	54.4% Baa	60.0% Ba	59.3% Ba	32.2% Aa	49.5% Baa	45.4% Baa
Rating:						
Grid-Indicated Rating Before Notching Adjustment	Baa1	Baa2	A3	A2	A3	A3
HoldCo Structural Subordination Notching	-1	-1	-2	-1	-1	0
a) Indicated Rating from Grid	Baa2	Baa3	Baa2	A3	Baa1	A3
b) Actual Rating Assigned	Baa2		Baa2	Baa1	A3	Baa1
Outlook	Stable		Stable	Stable	Negative	Stable
% Holding Company Debt	23%		25%	32%	22%	6%
Debt / (Equity - Goodwill)	2.8x		2.6x	2.2x	1.5x	1.4x
Debt / Net PP&E	67%		64%	62%	49%	48%

Source: Moody's Investors Service

Ongoing climate change risks due to generation profile and storm-prone service territories

Entergy has a moderate carbon transition risk within the utility sector. As a holding company of integrated utilities, its generation ownership places it at a higher risk profile than companies primarily exposed to transmission and distribution operations. Entergy's emission profile is relatively low compared to neighboring coal-exposed southeast utility companies, since around 50% of annual owned generation comes from emission-free nuclear units, including EWC. However, the utility segment has more carbon concentration with 2017 owned and leased generation breaking down as follows: 36% from legacy gas and oil units, 30% mainly from more modern combined cycle gas units, 24% from nuclear plants and 10% from coal.

The relatively weak Entergy service territory economies could also make it more difficult to raise rates significantly down the road if required for the clean energy transition. Moody's framework for assessing carbon transition risk in this industry is set out in "Prudent regulation key to mitigating risk, capturing opportunities of decarbonization" (2 Nov 2017)

Moreover, the location of Entergy's regulated utility system exposes its assets to frequent and potentially severe storms, the impact of which can have a significant negative financial and operational effect on consolidated operations.

Historically, regulatory responses have been helpful in recovering costs of major storms - a credit positive. For example, explicit storm recovery provisions exist in many of the utilities' ongoing rates and discrete storm securitizations have been utilized at most of Entergy's operating companies.

This exposure heightens the need for robust liquidity availability, as external funding sources can be an important way to bridge the timing gap between the cash outlay for storm repair and the cost recovery through securitization or rate increases. We discuss Entergy's liquidity in the section below.

Liquidity Analysis

External liquidity is provided by a $3.5 billion revolving credit facility, expiring in September 2023. As of 30 September 2018, Entergy had $630 million of borrowings under the facility, with $6 million in Letters of Credit and $1.9 billion of commercial paper outstanding leaving approximately $2.9 million in availability.

The Entergy credit facility does not contain a material adverse change clause for new borrowings, but does contain a 65% debt to capitalization covenant and cross-default provisions with its major utility subsidiaries, which it was in compliance with as of 30 September 2018.

The next holding company debt maturity is $450 million due in September 2020.

Entergy also requires substantial liquidity to backstop potential collateral calls under its hedging agreements, which would generally be invoked in a rising price environment. At September 30, 2018, based on power prices at that time, Entergy had liquidity exposure of $131 million under guarantees in place supporting Entergy Wholesale Commodities (EWC) transactions and $42 million of posted cash collateral.

In the event of a decrease in Entergy's credit rating to below investment grade, Entergy would be required to provide approximately $78 million of additional cash or letters of credit under some of the agreements. Entergy's collateral posting needs could increase materially and rapidly in an environment of higher natural gas and power prices.

As of 30 September 2018, the credit exposure associated with collateral assurance requirements would increase by $307 million for every $1 per MMBtu increase in gas prices in both the short-and long-term markets.

Rating Methodology and Scorecard Factors

Exhibit 8

Rating Factors

Entergy Corporation

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 9/30/2018		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Baa	Baa	Baa
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	Baa	Baa	Baa	Baa
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.6x	A	4.5x - 5x	A
b) CFO pre-WC / Debt (3 Year Avg)	15.2%	Baa	12% - 14%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	12.0%	Baa	9% - 12%	Baa
d) Debt / Capitalization (3 Year Avg)	54.4%	Baa	50% - 55%	Baa
Rating:				
Grid-Indicated Rating Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching	-1	-1	-1	-1
a) Indicated Rating from Grid		Baa2		Baa2
b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2018(LTM)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 9

Credit metrics and financial statistics [1]

CF Metrics	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
As Adjusted					
FFO	**3,798**	**3,120**	**3,568**	**(311)**	**(173)**
+/- Other	247	275	(181)	3,104	2,815
CFO Pre-WC	**4,044**	**3,395**	**3,387**	**2,793**	**2,642**
+/- ΔWC	93	146	(131)	88	378
CFO	**4,137**	**3,541**	**3,256**	**2,881**	**3,020**
- Div	596	599	614	629	644
- Capex	2,597	2,989	4,005	3,900	4,080
FCF	**944**	**(48)**	**(1,363)**	**(1,649)**	**(1,703)**
(CFO Pre-W/C) / Debt	23.4%	20.1%	18.7%	14.3%	12.4%
(CFO Pre-W/C - Dividends) / Debt	20.0%	16.6%	15.3%	11.1%	9.4%
FFO / Debt	22.0%	18.5%	19.7%	-1.6%	-0.8%
RCF / Debt	18.5%	14.9%	16.3%	-4.8%	-3.8%
Revenue	12,495	11,513	10,846	11,074	11,121
Cost of Good Sold	4,463	3,736	2,972	3,347	3,628
Interest Expense	778	793	798	812	854
Net Income	1,040	1,042	1,320	662	883
Total Assets	46,741	44,951	46,245	47,041	48,805
Total Liabilities	36,880	35,817	38,311	39,218	40,562
Total Equity	9,861	9,134	7,934	7,823	8,244

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. Periods are Financial Year-End unless indicated. LTM=Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 10

Peer comparison: regulated holding companies [1]

	Entergy Corporation			PPL Corporation			Duke Energy Corporation			American Electric Power Company, Inc.		
	Baa2 Stable			Baa2 Stable			Baa1 Stable			Baa1 Stable		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
(in CAD millions)	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Jun-18	Dec-16	Dec-17	Jun-18	Dec-16	Dec-17	Sept-18
Revenue	10,846	11,074	11,121	7,517	7,447	7,745	22,743	23,565	24,059	16,380	15,425	16,205
CFO Pre-W/C	3,387	2,793	2,642	3,246	2,955	3,392	7,263	8,015	8,123	4,630	4,580	5,022
Total Debt	18,107	19,472	21,280	20,235	22,036	23,045	49,843	54,169	55,771	23,576	24,138	26,342
CFO Pre-W/C / Debt	18.7%	14.3%	12.4%	16.0%	13.4%	14.7%	14.6%	14.8%	14.6%	19.6%	19.0%	19.1%
CFO Pre-W/C – Dividends / Debt	15.3%	11.1%	9.4%	10.9%	8.5%	9.9%	9.9%	10.3%	10.2%	14.9%	14.0%	14.4%
Debt / Capitalization	54.0%	56.2%	59.5%	58.8%	61.9%	61.8%	47.5%	53.0%	53.1%	44.7%	49.2%	50.3%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE=Financial Year-End. LTM=Last Twelve Months
Source: Moody's Financial Metrics

REPORT NUMBER 1148874

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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Ratings

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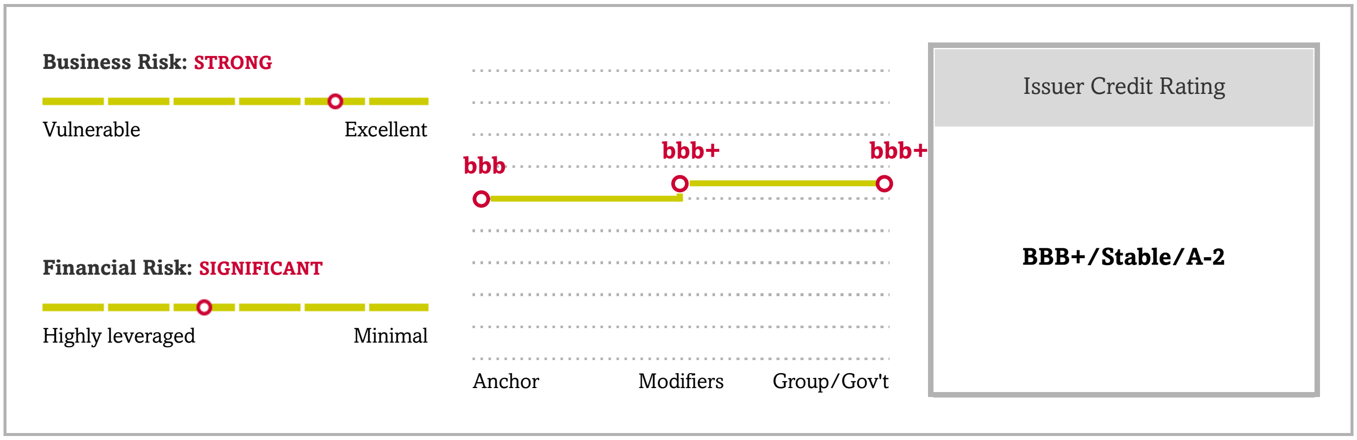

Credit Highlights

Overview

Key strengths	Key risks
Operates under constructive regulatory frameworks across five jurisdictions.	Negative discretionary cash flow after capital spending and dividends.
Relatively large customer base with about 3.1 million customers.	Exposure to nuclear generation increases operational risk.
Lower-risk, rate-regulated electric and natural gas distribution utility operations.	Exposed to fossil fuels through its coal and natural gas-fired generation.

Capital spending to bring new natural gas generation online while retiring nuclear power plants. In 2019, Entergy Corp. plans to bring online its 980 megawatt (MW) St. Charles natural gas power station in Louisiana and 830 MW Choctaw generation station in Mississippi. These projects, in addition to its other natural gas generation plants and several renewables projects, will help reduce the company's emissions and shift its overall generation mix away from coal.

Entergy continues to shutdown nuclear plants. Entergy continues to reduce its exposure to non-regulated nuclear power units. The company plans to shut down units at its Indian Point facility in New York in 2020 and 2021 and is shuttering its Palisades facility in Michigan in 2022.

Entergy benefits from generally supportive regulatory mechanisms across its service territories.Entergy's utilities benefit from rate mechanisms for transmission and distribution cost recovery, formulaic rate plans, and--in some states--forward looking test periods. These mechanisms help prevent regulatory lag and are generally supportive of the company's credit metrics.

Outlook: Stable

The stable outlook over the next two years reflects S&P Global Ratings' expectation that Entergy will successfully exit its higher-risk non-utility nuclear power generation stations and grow through its lower-risk rate-regulated utility businesses, leading to an improved business risk profile. The outlook also reflects our base-case forecast for adjusted funds from operations (FFO) to debt averaging around 15% over the next few years, in line with the current significant financial risk profile.

Downside scenario

We could lower our ratings on Entergy over the next 24 months if its non-utility-owned nuclear power generation stations, which we currently expect to be closed, remain open and we anticipate that its financial measures will weaken, including adjusted FFO to debt of consistently below 14%.

Upside scenario

Although unlikely given our expectation for weakened financial measures due to the impact of U.S. tax reform, we could raise our rating on Entergy over the next 24 months if we project that it will improve its adjusted FFO to debt above 17% on a consistent basis.

Our Base-Case Scenario

Assumptions

- EBITDA margins averaging about 40% through 2021;
- Annual capital spending in the $3.5 billion-$4.6 billion range through 2021;
- The generally constructive regulatory environment allows for prudent cost recovery; and
- All debt maturities are refinanced.

Key Metrics

	2019E	2020E	2021E
FFO to debt (%)	15.0-17.0	14.0-16.0	14.5-16.5
Debt to EBITDA (x)	4.9-5.3	4.9-5.3	4.9-5.3
FFO cash interest coverage (x)	4.6-5.2	4.3-4.9	4.2-4.8

E--Estimate. FFO--Funds from operations.

Base-case projections

- Annual dividends of between $700 million and $800 million through 2021; and
- Average Debt to EBITDA of 5x.

Company Description

Entergy is an integrated energy company that primarily engages in regulated utility operations and the higher-risk non-regulated power generation business. Entergy's utilities Entergy Arkansas LLC, Entergy Louisiana LLC, Entergy Mississippi LLC, Entergy New Orleans LLC, and Entergy Texas Inc. serve about 3.1 million customers (2.9 million electric and 0.2 million gas) in portions of Arkansas, Mississippi, Texas, and Louisiana.

Business Risk: Strong

Our assessment of Entergy's business risk is based on the company's low-risk regulated utility operations (about 80% of consolidated EBITDA) and higher-risk non-utility generation business. However, the utility component should expand as the company focuses on increasing its utility operations while closing its non-utility generation plants. We expect that Entergy will close its nuclear generating units over the next several years such that its business will largely consist of lower-risk, rate-regulated utility operations. As it transitions toward becoming a fully rate-regulated utility company, we expect that its business risk profile will improve. However, Entergy's complete exit from the merchant nuclear business also depends on the receipt of various regulatory approvals.

Peer comparison

Table 1

Entergy Corp. -- Peer Comparison				
Industry Sector: Electric				
	Entergy Corp.	**FirstEnergy Corp.**	**Southern Co.**	**American Electric Power Co. Inc.**
Ratings as of July 12, 2019	BBB+/Stable/A-2	BBB/Stable/--	A-/Negative/A-2	A-/Stable/A-2
	--Fiscal year ended Dec. 31, 2018--			
(Mil. $)				
Revenue	10,872.3	11,163.2	23,495.0	15,848.0
EBITDA	3,471.4	4,061.2	9,366.9	5,252.2
FFO	2,633.1	2,906.9	7,284.5	4,210.1
Interest expense	1,228.8	1,132.2	2,175.4	1,241.6
Cash interest paid	818.5	1,105.3	1,910.4	1,066.8
Cash flow from operations	2,267.9	1,313.9	7,091.5	5,047.3
Capital expenditure	4,089.8	2,656.0	8,237.1	6,321.0
Free operating cash flow	(1,822.0)	(1,342.1)	(1,145.6)	(1,273.7)
Discretionary cash flow	(2,476.8)	(2,114.1)	(3,813.2)	(2,529.2)
Cash and short-term investments	481.0	367.0	1,396.0	393.2
Debt	19,803.0	21,039.1	52,376.2	26,216.3
Equity	8,954.0	6,814.0	31,072.5	19,128.8
Adjusted ratios				
EBITDA margin (%)	31.9	36.4	39.9	33.1
Return on capital (%)	5.8	9.3	7.0	7.2
EBITDA interest coverage (x)	2.8	3.6	4.3	4.2

Table 1

Entergy Corp. -- Peer Comparison (cont.)				
Industry Sector: Electric				
	Entergy Corp.	**FirstEnergy Corp.**	**Southern Co.**	**American Electric Power Co. Inc.**
FFO cash interest coverage (x)	4.2	3.6	4.8	4.9
Debt/EBITDA (x)	5.7	5.2	5.6	5.0
FFO/debt (%)	13.3	13.8	13.9	16.1
Cash flow from operations/debt (%)	11.5	6.2	13.5	19.3
Free operating cash flow/debt (%)	(9.2)	(6.4)	(2.2)	(4.9)
Discretionary cash flow/debt (%)	(12.5)	(10.0)	(7.3)	(9.6)

Financial Risk: Significant

Our assessment of Entergy's financial risk profile incorporates the impact of U.S. tax reform and the company's increased leverage, which leads us to expect that its adjusted FFO to debt will average slightly above 15% through 2021 (below the mid-point of our benchmark range for the current financial risk profile assessment). We also anticipate that the company's debt to EBITDA will average about 5x over the next few years. We expect the company to continue to recover costs through formula rate plans, various rate mechanisms, and base rates while also continuing to manage its regulatory risk in a credit-supportive manner. Entergy's discretionary cash flow will remain negative, reflecting the company's high capital spending and ongoing dividends. To offset this negative cash flow, the company will require external funding and likely issue debt. We used our medial volatility table benchmarks to assess Entergy's financial risk, which are relaxed benchmarks when compared with those we use for typical corporate issuers. This reflects the company's steady cash flows, low-risk rate-regulated utility operations, and effective management of regulatory risk.

Financial summary

Table 2

Entergy Corp. -- Yearly Data					
Industry Sector: Electric					
	--Fiscal year ended Dec. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
Rating history	BBB+/Stable/A-2	BBB+/Positive/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	BBB/Stable/A-2
(Mil. $)					
Revenue	10,872.3	10,937.6	10,706.3	11,473.4	12,366.3
EBITDA	3,471.4	4,366.9	4,316.2	4,393.6	4,730.5
FFO	2,633.1	3,640.2	3,404.9	3,566.9	3,972.0
Interest expense	1,228.8	1,170.0	895.8	1,007.1	974.3
Cash interest paid	818.5	740.0	816.0	723.1	680.6
Cash flow from operations	2,267.9	2,422.3	2,839.8	3,267.2	3,722.5
Capital expenditure	4,089.8	3,869.5	3,959.7	2,933.0	2,572.4
Free operating cash flow	(1,822.0)	(1,447.3)	(1,119.9)	334.2	1,150.0
Discretionary cash flow	(2,476.8)	(2,083.1)	(1,857.4)	(354.6)	380.0

Table 2

Entergy Corp. -- Yearly Data (cont.)					
Industry Sector: Electric					
	--Fiscal year ended Dec. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
Cash and short-term investments	481.0	781.3	1,187.8	1,351.0	1,422.0
Gross available cash	481.0	781.3	1,187.8	1,351.0	1,422.0
Debt	19,803.0	18,125.1	16,461.3	14,903.7	15,345.7
Equity	8,954.0	8,091.4	8,183.4	9,415.9	10,160.1
Adjusted ratios					
EBITDA margin (%)	31.9	39.9	40.3	38.3	38.3
Return on capital (%)	5.8	10.5	9.7	9.3	11.0
EBITDA interest coverage (x)	2.8	3.7	4.8	4.4	4.9
FFO cash interest coverage (x)	4.2	5.9	5.2	5.9	6.8
Debt/EBITDA (x)	5.7	4.2	3.8	3.4	3.2
FFO/debt (%)	13.3	20.1	20.7	23.9	25.9
Cash flow from operations/debt (%)	11.5	13.4	17.3	21.9	24.3
Free operating cash flow/debt (%)	(9.2)	(8.0)	(6.8)	2.2	7.5
Discretionary cash flow/debt (%)	(12.5)	(11.5)	(11.3)	(2.4)	2.5

FFO--Funds from operations.

Liquidity: Adequate

Our adequate liquidity assessment reflects our expectation that the company's liquidity sources will likely exceed its uses by 1.1x or more over the next 12 months. We also believe that the company will meet its cash outflows even if its EBITDA declines by 10%. The assessment further reflects Entergy's generally prudent risk management, sound relationships with banks, and generally satisfactory standing in the credit markets.

Principal Liquidity Sources	Principal Liquidity Uses
• Estimated cash FFO of about $2.8 billion; • Cash and liquid investments of about $985 million; and • Credit facility availability of $3.5 billion.	• Debt maturities, including commercial paper, of about $2.1 billion; • Capital spending of about $3.5 billion; and • Dividends of about $750 million.

Debt maturities

The company's debt maturities as of year-end 2018 include:

- 2019: $650 million
- 2020: $934 million

- 2021: $1.34 billion
- 2022: $1.06 billion

Covenant Analysis

Compliance expectations

- As of Dec. 31, 2018, Entergy was in compliance with the consolidated debt-to-total capital covenant of no more than 65% on its credit facility.
- We expect that the company's single-digit percentage EBITDA growth and elevated capital spending should still allow it to maintain a cushion under this covenant.
- Although we expect Entergy to remain in compliance with its covenants, its headroom could decrease if it fails to adequately recover the costs of its capital investments or if its debt increases rapidly while it makes these investments without adequate growth in its equity.
- We expect that even with a 10% decline in forecast EBITDA the company would not violate its covenants.

Requirements

- Current: No more than 65%
- As of year-end 2019: No more than 65%
- As of year-end 2020: No more than 65%

Other Credit Considerations

The ratings on Entergy reflect our positive comparable rating analysis modifier on the company, which reflects its more-robust business risk profile than those of its peers with similar business risk assessments.

Environmental, Social, And Governance

The company's current generation capacity of about 21,000 MW consists of 65% natural gas, 25% nuclear, and about 10% coal.

Entergy's social factors are consistent with what we see across the industry for other utilities. We view the company's history of operating as a safe and reliable provider to its customers as supportive of its social factors. The company plans to have 1,000 MWs of renewable resources by 2020, including through power purchase agreements in Arkansas and Louisiana. By pursuing greater renewable generation, the company is meeting its customers' demand for renewable energy.

Entergy's governance factors are in line with those of other regulated utilities. The company's board structure includes a nuclear committee, wherein safety risks and best practices for its nuclear fleet are discussed.

Group Influence

Under our group rating methodology, we assess Entergy as the parent of the group that includes Entergy Arkansas LLC, Entergy Louisiana LLC, Entergy Mississippi LLC, Entergy New Orleans LLC, Entergy Texas Inc., and System Energy Resources Inc. We assess Entergy's group credit profile as 'bbb+', which leads to a long-term issuer credit rating of 'BBB+'.

Issue Ratings - Subordination Risk Analysis

Capital structure

- Entergy's capital structure consists of about $20 billion of debt of which the large majority is priority debt.

Analytical conclusions

- The 'A-2' short-term rating on Entergy is based on our long-term issuer credit rating on the company. We rate the senior unsecured debt at Entergy one notch below our issuer credit rating because the company's priority debt exceeds 50% of its consolidated debt after which its debt could be considered structurally subordinated.

Reconciliation

Table 3

Reconciliation Of Entergy Corp. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $)

	--Rolling 12 months ended March 31, 2019--									
Entergy Corp. reported amounts.										
	Debt	**Shareholders' equity**	**Revenue**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Dividends paid**	**Capital expenditure**
	19,260.2	8,970.4	10,895.2	2,356.3	107.7	930.2	2,843.2	2,329.0	659.4	4,140.2
S&P Global Ratings' adjustments										
Cash taxes paid	--	--	--	--	--	--	(10.3)	--	--	--
Cash taxes paid - Other	--	--	--	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	--	(764.2)	--	--	--
Operating leases	362.3	--	--	87.2	24.4	24.4	(24.4)	62.8	--	--
Intermediate hybrids reported as equity	109.7	(109.7)	--	--	--	7.0	(7.0)	(7.0)	(7.0)	--
Postretirement benefit obligations/deferred compensation	1,999.0	--	--	--	--	--	--	--	--	--
Accessible cash & liquid investments	(983.5)	--	--	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	--	47.4	(47.4)	(47.4)	--	(47.4)

Table 3

Reconciliation Of Entergy Corp. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $) (cont.)										
Share-based compensation expense	--	--	--	38.4	--	--	--	--	--	--
Securitized stranded costs	(423.9)	--	(169.0)	(169.0)	(17.8)	(17.8)	17.8	(151.3)	--	--
Power purchase agreements	104.2	--	--	16.9	7.6	7.6	(7.6)	9.3	--	9.3
Asset retirement obligations	--	--	--	427.5	427.5	427.5	--	--	--	--
Nonoperating income (expense)	--	--	--	--	502.8	--	--	--	--	--
Noncontrolling interest/minority interest	--	219.4	--	--	--	--	--	--	--	--
EBITDA - Other income/(expense)	--	--	--	125.6	125.6	--	--	--	--	--
EBITDA - Other	--	--	--	(39.6)	(39.6)	--	--	--	--	--
D&A - Impairment charges/(reversals)	--	--	--	--	224.2	--	--	--	--	--
D&A - Other	--	--	--	--	(125.6)	--	--	--	--	--
Total adjustments	1,167.8	109.7	(169.0)	486.9	1,129.0	496.1	(843.1)	(133.5)	(7.0)	(38.1)
S&P Global Ratings' adjusted amounts										
	Debt	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Dividends paid**	**Capital expenditure**
	20,428.0	9,080.1	10,726.1	2,843.2	1,236.7	1,426.3	2,000.2	2,195.5	652.4	4,102.1

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/A-2

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Low
- **Competitive position:** Strong

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: bbb

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)

- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Positive (+1 notch)

Stand-alone credit profile : bbb+

- **Group credit profile:** bbb+

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	**bbb**	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of July 15, 2019)*	
Entergy Corp.	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	BBB
Issuer Credit Ratings History	
03-May-2018	BBB+/Stable/A-2
09-Jan-2017	BBB+/Positive/A-2
04-Aug-2016	BBB+/Stable/A-2
31-Mar-2015	BBB/Positive/A-2

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Appendix 4

Natural Gas Forecast

Reference Case Natural Gas Forecast (Nominal $/MMBtu)						
	Henry Hub			Delivered To NOPS		
Year	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2018)[2]	Current Forecast Higher/(Lower)	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2018)[2]	Current Forecast Higher/(Lower)
2020	4.10	3.04	(1.06)	4.39	3.15	(1.24)
2021	4.19	2.89	(1.29)	4.47	3.00	(1.47)
2022	4.28	3.23	(1.05)	4.58	3.35	(1.23)
2023	4.51	3.52	(0.99)	4.81	3.64	(1.18)
2024	4.73	3.84	(0.89)	5.04	3.96	(1.09)
2025	4.91	4.07	(0.84)	5.23	4.19	(1.04)
2026	5.10	4.28	(0.82)	5.43	4.40	(1.03)
2027	5.31	4.40	(0.91)	5.66	4.53	(1.13)
2028	5.50	4.50	(1.01)	5.86	4.62	(1.23)
2029	5.69	4.69	(0.99)	6.05	4.82	(1.23)
2030	5.89	4.92	(0.97)	6.27	5.06	(1.21)
2031	6.09	5.06	(1.03)	6.48	5.19	(1.29)
2032	6.28	5.23	(1.05)	6.67	5.36	(1.31)
2033	6.46	5.42	(1.04)	6.86	5.55	(1.31)
2034	6.66	5.60	(1.06)	7.07	5.74	(1.34)
2035	6.91	5.62	(1.29)	7.34	5.76	(1.58)
2036	7.12	5.72	(1.40)	7.55	5.86	(1.69)
2037	7.26	5.93	(1.34)	7.70	6.07	(1.64)
2038	7.41	6.20	(1.21)	7.86	6.34	(1.51)
2039	7.55	6.32	(1.23)	8.01	6.47	(1.54)
2040	7.71	6.45	(1.26)	8.17	6.60	(1.57)
2041	7.86	6.58	(1.28)	8.33	6.73	(1.61)
2042	8.02	6.71	(1.31)	8.50	6.86	(1.64)
2043	8.18	6.84	(1.33)	8.67	7.00	(1.67)
2044	8.34	6.98	(1.36)	8.84	7.13	(1.70)
2045	8.51	7.12	(1.39)	9.01	7.28	(1.74)
2046	8.68	7.26	(1.41)	9.19	7.42	(1.77)
2047	8.85	7.41	(1.44)	9.38	7.57	(1.81)
2048	9.03	7.56	(1.47)	9.56	7.72	(1.84)
2049	9.21	7.71	(1.50)	9.76	7.87	(1.88)
2050	9.39	7.86	(1.53)	9.95	8.03	(1.92)

1. Forecast prepared Jan 24, 2017
2. Forecast prepared December 12, 2018

Appendix 5

Construction Progress Pictures

Aerial View of NOPS Site (April 24, 2019)

Aerial View of NOPS Site (May 30, 2019)

Aerial View of NOPS Site (July 5, 2019)