

power ON!



Utility Business Strategic Plan 2011-2013

A Message from Gary Taylor

Group President, Utility Operations

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Finding ways to succeed in today's business climate requires ingenuity, creativity and out-of-the-box thinking. Today, utility operations introduces a new three-year strategy that reflects those qualities — all demonstrated by you.

Power On! was developed in the hearts and minds of employees. The plan's 22 inspirational goals position us to build on our achievements and keep us focused on new ideals. And it firmly positions customers, and the customer experience, at the very heart of everything we do.

In a "what-have-you-done-for-me-lately" society, satisfying customers isn't enough — we must exceed today's expectations while developing future products and services our customers haven't even dreamed of. The companies that do this will be the ones succeeding, even in the face of dire economic times.

How is customer experience different from customer service? Let me give you an example. One of our country's fastest-growing companies, a Web-based entity called Groupon, was built on providing something to customers they didn't even know they wanted. The company engages its customers by creating not just a relationship, but also a community. By sharing daily discounts with its members, it provides a platform that allows customers to interact, contribute and be a part of something positive.

Power On! is built to propel Entergy into that same kind of environment. We know that our customers' experience directly impacts our bottom line. Customer satisfaction and support directly affect regulatory, legislative and political issues and determine growth.

We can see by rising customer satisfaction numbers and strong earnings that we've made great strides in many

important areas, in spite of an economy in crisis. But there is still a need to keep raising the bar. Changing times demand it.

By creating a customer-focused culture, we all will be expected to anticipate needs, develop programs and provide products that generate a positive customer experience every time.

There is no doubt we have some big hurdles ahead. Through *Power On!* you will be inspired to succeed. Your work will be built on not just actions but relationships, resulting in an infinitely more rewarding work experience. In addition, new facility enhancements, expanded training and personal development opportunities, and better communications will provide the support you need to flourish.

Through your efforts, customers will clearly understand that each one of us is helping make their lives just a little better, easier and more rewarding. And at the end of the day, you'll go home knowing that you made a difference.

Yesterday's successes — as impressive as they are — won't get us there. Through *Power On!* we'll distinguish ourselves in unprecedented ways, look for new efficiencies and demonstrate to customers and regulators that we are making wise choices, maximizing resources and providing the best service possible.

We'll overcome challenges. We'll go the extra mile. We'll not just weather storms, we'll conquer them.

For Entergy, the adventure has just begun.

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Power On! Entergy's Next Adventure

Building on the success of Back to the Future, this plan opens a new chapter to the future of utility operations with a customer-inspired, employee-driven initiative called *Power On!*

Of significance is the fact that the goals of *Power On!* were developed by you, reflecting the desire of Entergy's workforce to have a greater, more positive impact on customers. The 22 inspirational goals in six focus areas point to an unprecedented experience between customers and our company.

The *Power On!* inspirational goals are captured on the following page in a matrix known as the gemstone. The gemstone accurately reflects the many facets of the *Power On!* initiative.

Through *Power On!*, you, Entergy and your fellow employees are allowed to truly shine.

By strengthening relationships with customers, a better public understanding of Entergy's goals will be achieved along with a deeper trust in our viewpoint and broader support of our objectives.

Tools provided through *Power On!* allow you to determine ways to create a more meaningful customer experience, make decisions to improve efficiencies and generate actions and ideas that take Entergy to the next level of performance.

We've proven there is no limit to what can be achieved through The Power of People. This new strategy relies on the strength of that truth.

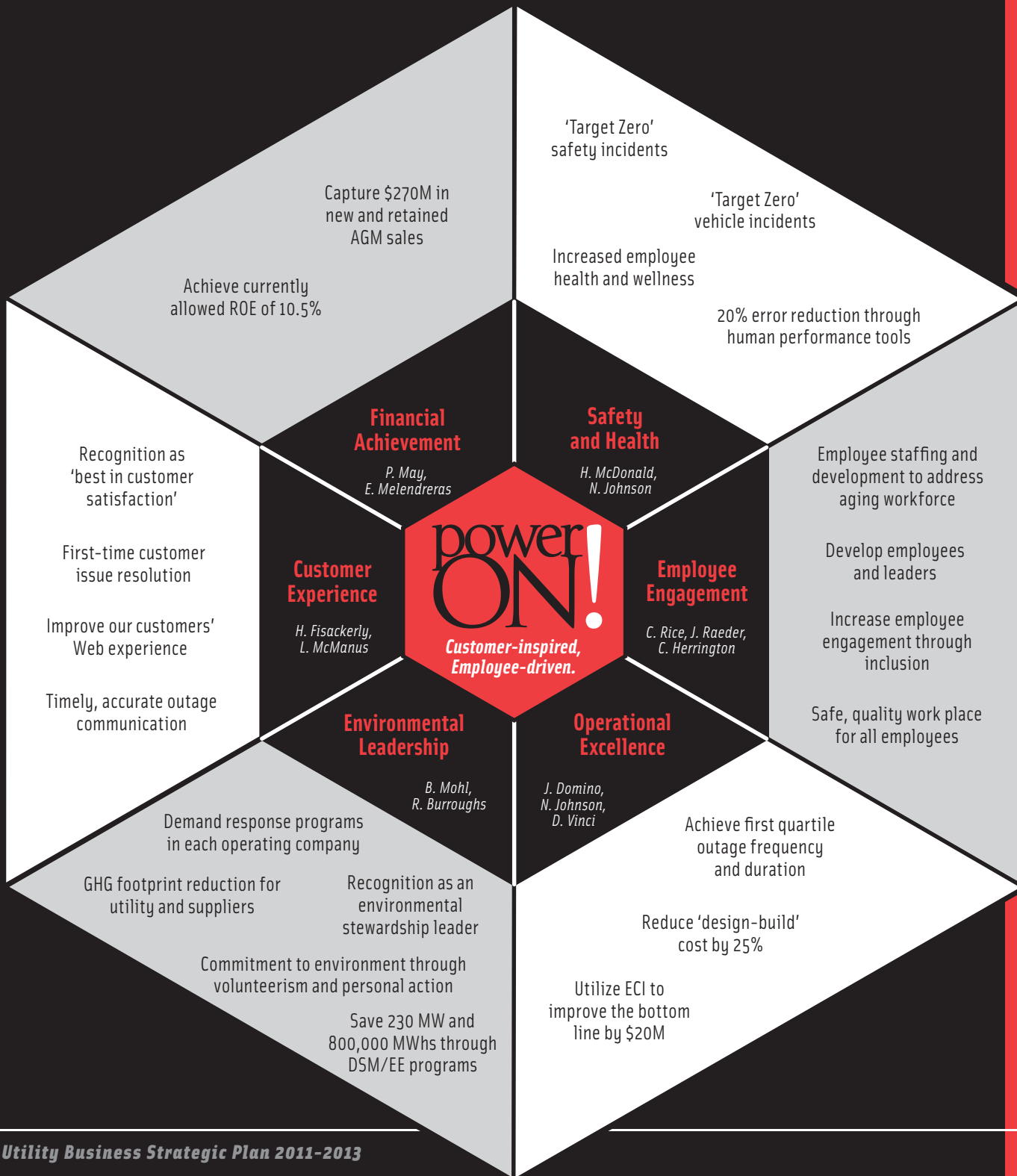
Power On!

Focus Areas

- Safety and Health
- Customer Experience
- Operational Excellence
- Employee Engagement
- Financial Achievement
- Environmental Leadership



THE POWER OF PEOPLE



power
ON!

**Customer-inspired,
Employee-driven.**



Vision Instill safety ownership and a culture of safety within our workforce, from top to bottom, that promotes a quality, accident-free environment at work and home, so that Entergy becomes the world-class leader in safety.

To develop our **Safety & Health** focus area, we will:

- Achieve safety excellence through a “Live Safe and Healthy” way of life
- Establish clear expectations and accountability for safety leadership
- Realize a “Target Zero” safety philosophy at work and at home
- Institute processes for promoting open communication and for sharing and implementing best practices
- Deliver a best-in-class training program integrated with human performance tools.

Critical Elements

Safety Leadership

Leaders must be passionate about safety, hold themselves accountable for the safety of their employees and hold safety as the highest priority every minute of every day.

Target Zero Philosophy

We will instill a culture where every employee and contractor believes in and achieves “Target Zero.”

Vehicle Safety

We will proactively employ defensive driving techniques to assure the safety and well-being of our employees to eliminate at-fault and publicly inflicted vehicle accidents.

Human Performance Tools

All employees can reduce safety incidents by utilizing the standard human performance tools and techniques to assure accurate and deliberate safe actions.

Contractor Safety

Contractors, as an extension of our workforce, must ensure a safe work environment for their employees.

Healthy and Safe Culture

We need a healthy and safe culture in which employees are committed – not just compliant – at work and at home. We expect employees to embrace a “Live Safe and Healthy” attitude.

Inspirational Goals

- ‘Target Zero’ safety incidents
- ‘Target Zero’ vehicle incidents
- 20% error reduction through human performance tools
- Increased employee health and wellness



Customer Experience

focus area owners: H. Fisackerly, L. McManus

Vision Provide superior customer experiences that deliver top performance among electric and gas utilities.

To develop our **Customer Experience** focus area, we will:

- Be much easier to do business with – customers must perceive they are receiving value and convenience
- Create a multi-channel approach (Web, telephone, mail, face-to-face, etc.) based on the voice of our customer
- Integrate the customer experience into the planning and delivery process
- Proactively communicate with customers to develop a strong brand position
- Engage employees in a customer-centric focus that becomes part of employee beliefs and behaviors.

Critical Elements

Customer-Focused Culture

Implement a “customer-focused” culture change program featuring communication, education and training.

Customer Communications

Build and implement an umbrella campaign to forge stronger customer relationships and understanding through consistent and proactive communications.

Ownership and Solutions

Improve the customer experience through every employee taking the ownership to resolve customer issues and provide the solution that benefits all parties.

Looking from the “Outside-in”

Enhance our service delivery model to reflect performance from our customers’ point of view or “the outside looking in.”

Channel Management

Orchestrate the many offerings to our customers to provide a seamless experience that enhances value.

Providing Safe and Reliable Service

Optimize investment on reliability based on customer expectations, regulatory benefit and other measures.

Inspirational Goals

- Recognition as ‘best in customer satisfaction’
- Improve our customers’ Web experience
- First-time customer issue resolution
- Timely, accurate outage communication



Operational Excellence

focus area owners: J. Domino, N. Johnson, D. Vinci

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Vision Improve operational performance through effective and efficient use of our resources.

To develop our **Operational Excellence** focus area, we will:

- Engage all employees in ECI to eliminate waste and implement efficiency improvements
- Improve the design and build processes to provide a streamlined process for our investment
- Effectively benchmark and implement best practices to produce desired results
- Use technology to drive business efficiency and customer satisfaction
- Establish metrics and use the measurements to drive performance excellence.

Critical Elements

Business Efficiency

We will focus on establishing a culture of continuous improvement, eliminating waste and assigning savings to areas requiring additional funding. This will have a profound effect on the quality of service and products we provide to our customers.

Effective and Efficient Processes

We will employ sustainable processes that maximize our effectiveness and efficiency as we conduct our daily business.

Disciplined Resource Allocation

We will adopt a prioritized approach to effective fiscal management of capital and operating resource needs that are aligned across the utility group and support achievement of our financial and operational aspirations.

Continuous Improvement Culture

ECI provides the guidance, structure and tools to enable a culture of continuous improvement. We need employees to provide the inspiration and embrace ECI as "the way we work."

Performance Management

We will establish performance metrics and a continuous review process utilizing standard internal and industry benchmarks that establish appropriate targets to support achievement of our desired industry leader performance.

Benchmarking and Best Practices

We will identify, understand and compare the best practices and processes of other industry leaders and seek effective ways to emulate their "best practice" successes.

Inspirational Goals

- Achieve first quartile outage frequency and duration
- Reduce 'design-build' cost by 25%
- Utilize ECI to improve the bottom line by \$20M



Employee Engagement

focus area owners: C. Rice, J. Raeder, C. Herrington

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Vision Be an employer of choice – offer opportunities for development and foster an inclusive environment in which everyone takes ownership and feels respected, valued and appreciated.

To develop our **Employee Engagement** focus area, we will:

- Implement a strategy that addresses the leadership and workforce of the future
- Establish a training and development program that addresses skill gaps for all employees
- Address engagement gaps identified in employee survey
- Provide an inclusive environment that engages and provides a diverse perspective.

Critical Elements

Workforce Planning

We will have a cohesive, comprehensive workforce plan that is focused on training, mentoring and developing a pipeline of qualified candidates to fulfill our talent requirements.

Employee Development

We will develop the leaders of today and tomorrow in order to fulfill the necessary direction and positions of the future.

Skills Training

We will educate employees so they can optimize their effectiveness on the job and realize a directed career path. An educated workforce is a safe, high-performing and quality workforce.

Service Culture

We will embed in our culture a systematic approach for achieving a customer experience that engages all internal and external customers and drives us to achieve our goals.

Diversity & Inclusion

We will instill a winning culture by creating an environment that fosters creativity, productivity and mutual respect for all people.

Employee Management

Our employees must be energized, involved, empowered and committed to positive actions that position the company for success. Employees must trust leadership, understand management's strategic plan and work to achieve strategic goals.

Inspirational Goals

- Employee staffing and development to address aging workforce
- Develop employees and leaders
- Increase employee engagement through inclusion
- Safe, quality work place for all employees



Financial Achievement

focus area owners: P. May, E. Melendreras

Vision Improve Entergy's earnings by securing recovery that minimizes rate recovery lag and through strategic investments that produce profitable customer-focused solutions while maintaining affordable rates for our customers.

To develop our **Financial Achievement** focus area, we will:

- Integrate and align an approach across Entergy to enhance the attraction of new business and existing customer expansion opportunities
- Create a customer-focused environment that supports a portfolio of products and services that optimizes the use of our assets
- Integrate financial and regulatory models to serve as both strategic and tactical tools
- Establish a successor to the system agreement to meet the future needs of the utility
- Get formula rate plans/annual earnings reviews approved to reduce regulatory lag
- Streamline rate case processes and cost support to improve regulatory execution.

Critical Elements

Economic Development

We will improve the competitiveness of the states and communities we serve in order to attract new businesses, expand our existing businesses and increase revenues.

Market Engagement

We will improve our value through the engagement of all markets that we serve. Enhancing the customer experience of our residential, small business, middle market and commercial and industrial customers is imperative.

Revenue Assurance

We will ensure that we bill and collect all the revenues – metered revenues, unbilled revenues and non-metered revenues (i.e., distribution services, pole attachments and revenues not tied to meter points.)

Rate Case Processes

We will streamline our processes and seek opportunities to automate our rate case preparation. Our ultimate aim is to increase productivity while ensuring accuracy in a way that leverages our regulatory talent.

Synergistic Approach

In conjunction with the industry trends initiative, we must facilitate information sharing and strategy collaboration among operating companies to perfect regulatory strategies and tactics that balance risk/reward trade-offs while achieving our corporate financial aspirations.

Successor Agreement

We will develop a successor to the system agreement and implement that plan to retain the benefits of coordinated operations while providing the right solution for our customers.

Inspirational Goals

- Achieve currently allowed ROE of 10.5%
- Capture \$270M in new and retained AGM sales



Vision Demonstrate environmental leadership that inspires others to preserve and protect the environment.

To develop our **Environmental Leadership** focus area, we will:

- Develop and conduct our business in a responsible manner that is environmentally, socially and economically sustainable
- Leverage our business partnerships to expand the impact that our environmental initiatives have on the environment
- Encourage employees and customers to conduct their personal and professional lives in such a way that the earth's environment is preserved for future generations
- Educate and gain support for the corporation's aspirations to protect the environment
- Be seen as the community leader with environmental solutions that align with what our customers expect of us.

Critical Elements

Leverage Industry Knowledge

We will strive to sharpen our strategies and tactics through an understanding of key industry trends and cutting-edge utility environmental practices. These trends will be used to identify risks and opportunities that will drive best practices in our business, industry and communities.

Efficiency Effectiveness

We will be the leader in cost-effective programs that have a positive impact on the environment, reduce the overall demand for electricity, enhance the customer experience and support low-income and sustainability initiatives.

Demand Response

We will provide a higher level customer experience by offering demand response solutions that provide both economical and environmental benefits to our customers.

Employee Advocates

We will enhance our communities through an outreach of Entergy employees that will "learn by doing" and "lead by example" as we strive to address environmental needs that are important to all of us.

Walk the Talk

Demonstrate the Entergy brand of environmental stewardship by operating in a manner that minimizes our impact on the environment and sets an example for others to follow.

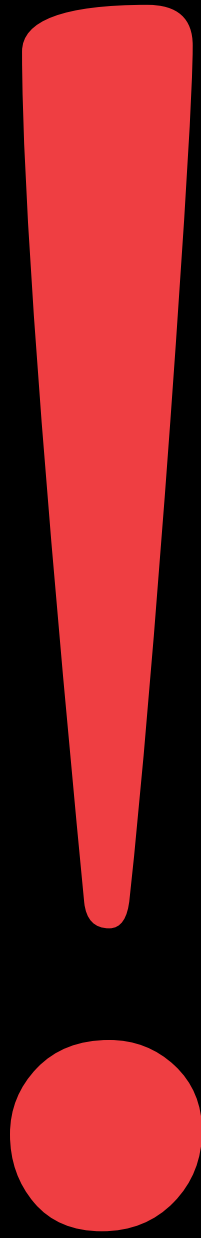
Equitable Regulatory Outcomes

We will achieve equitable regulatory outcomes that allow us to proactively pursue cost-effective environmental initiatives that mitigate business risks, enhance the customer experience and produce shareholder value.

Inspirational Goals

- Demand response programs in each operating company
- GHG footprint reduction for utility and suppliers
- Recognition as an environmental stewardship leader
- Commitment to environment through volunteerism and personal action
- Save 230 MW and 800,000 MWhs through DSM/EE programs





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