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# Board Leadership at Entergy Corporation

Wayne Leonard was no stranger to success. He became CEO of Entergy Corporation on January 1, 1999, and within 10 years, his walls were covered with awards. In 2003, he was named CEO of the Year in the Platts Global Energy Awards competition, and was a finalist for that title from 2001 through 2005; in 2002, he received the 2002 Sister Pat Kelley Award for Achievement on low-income energy issues; in 2003, he was recognized by Institutional Investor as Best CEO among electric utilities; and in 2004, he received the Diversity Best Practices' CEO Diversity Leadership Award.[1]

After Leonard served as CEO for close to eight years, the Entergy board of directors named him to the position of CEO and chairman on July 17, 2006. Leonard was to replace Bob Luft as board chairman. Luft had served as non-executive chairman from April 1998 until July 2006 when he reached the retirement age for board members. As part of its decision to combine the roles of CEO and chairman, the board also planned to elect a presiding director.

## History of the Company

### *Company Roots*

In 2009, Entergy Corporation was composed of 10 subsidiaries engaged in power production, transmission, and distribution.[2] The company operations were divided into two business segments: utility and non-utility nuclear.[3] The utility segment distributed power to customers in Arkansas, Louisiana, Mississippi, and Texas, and operated a small natural gas distribution business.[4] These businesses served residential, commercial, governmental, and industrial customers. Within the non-utility nuclear sector, the company owned nuclear plants in the northeastern United States and sold the electric power in the wholesale market.[5]

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[1] Entergy Corporation, "Leadership," Entergy Corporation website, http://www.entergy.com/about_entergy/leadership/leonard.aspx, accessed September 2009.

[2] Entergy Corporation Business Description, via Datamonitor, accessed September 2009.

[3] Entergy Corporation Business Description, via Factiva, accessed September 2009.

[4] Entergy Corporation, 2009 Annual Report, p. 1, http://files.shareholder.com/downloads/ETR/704427766x0xS65984-0962/65984/filing.pdf, accessed September 2009.

[5] Entergy Corporation Business Description, via DataMonitor, accessed September 2009.

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Professor Jay Lorsch and Research Associate Melissa Barton prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Entergy's roots could be traced back to 1949 with the establishment of Middle South Utilities, which served as a holding company for four regional utilities: Arkansas Power and Light, Louisiana Power and Light, Mississippi Power and Light, and New Orleans Public Service, Inc.[6] In 1989, the company changed its name to Entergy Corporation. The company said its name represented "the words *enterprise*, *energy*, and *synergy*, three qualities that described the company's new approach to navigating the rapidly evolving marketplace."[7] By the early 1990s, Entergy was one of the largest electric utilities in the U.S. with more than 2.3 million retail customers and $22.9 billion in assets.[8] (See **Exhibit 1** for a diagram of the company structure, including subsidiaries and affiliates.)

## *State of the Industry*

According to industry experts, "Traditionally, the electric utility industry consisted of large-investor owned utilities, municipal utilities, rural cooperatives, and government entities that owned the generation, transmission, and retail distribution facilities that served all customers within an area as a tightly regulated monopoly."[9] This structure was created by the Public Utility Holding Company Act of 1935, which broke up the large holding companies of the time.

Deregulation of the industry began in the 1990s. On October 24, 1992, the Energy Policy Act was signed into law to allow and encourage "more competition between established utilities and independent power producers (IPPs)."[10] According to the U.S. Energy Information Administration, "IPPs were producers of electrical energy that did not operate as public utilities. They were not subject to regulation and sold power in the wholesale market to other utilities and final customers. IPPs fell under a new category of producers called 'exempt wholesale generators (EWGs),'"[11] and Entergy faced greater competition when it entered the market. (See **Exhibit 2** for a timeline of various industry regulations.)

## *Company Progress*

In November 2007, Entergy announced a plan to spin off its nuclear operations. Entergy began acquiring nuclear plants in 1999, and by 2009, Entergy Nuclear owned 12 nuclear units at 10 locations.[12] The company planned to spin off its nuclear businesses to a new owner, Enexus Energy Corporation. These nuclear operations were to be operated by a joint venture, called Equagen, that was to be owned equally by Entergy and Enexus Energy. However, in 2008 Entergy decided to

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[6] Entergy Corporation, "Company History," Entergy Corporation website, http://www.entergy.com/about_entergy/history.aspx, accessed September 2009.

[7] Ibid.

[8] Ibid.

[9] First Industry Research: Electric Energy Distribution, via Hoover's Inc., www.hoovers.com, accessed September 2009.

[10] Congressional Budget Office, "The Energy Policy Act of 1992: A Budgetary Perspective," December 1992, http://www.cbo.gov/doc.cfm?index=6218&type=0, accessed September 2009.

[11] U.S. Energy Information Administration: Official Energy Statistics from the U.S. Government, "The Federal Statutory Background of the Electric Power Industry," The Changing Structure of the Electric Power Industry 2000: An Update, October 2000, http://www.eia.doe.gov/cneaf/electricity/chg_stru_update/chapter4.html, accessed September 2009.

[12] Energy Corporation, "Entergy Nuclear," Entergy Corporation website, http://www.entergy-nuclear.com/plant_information/default.aspx, accessed September 2009.

postpone the spin-off because of financial conditions, but "planned to act promptly once [it] received regulatory approvals and the timing was right to access financial markets."[13]

At the end of its 2008 fiscal year, the company's net income was $1.2 billion; 48% was generated from the U.S. utility segment and 65% came from non-utility nuclear. The company ended the year with a net loss in its other business segments.[14] Although Entergy's shareholder return fell in 2008 because of the external market conditions created by the financial crisis, its return had risen steadily throughout the last decade, averaging 30% annually between 1999 and 2008. (See **Exhibit 3** for a consolidated income statement and **Exhibit 4** for stock price performance.)

As a result, Entergy was consistently recognized for its success. A few of its most notable awards included the Edison Award in 2002 and 2005, the Platts Top 250 Global Energy Company in 2006, and the Forbes List of America's Most Trustworthy Companies in 2007 and 2008. (See **Exhibit 5** for a list of awards.) The Platts Award recognized the fastest-growing companies in the industry and was based on a company's three-year compounded revenue growth.[15]

## The Leadership of Edwin Lupberger

Edwin Lupberger served as Entergy CEO and chairman from 1985 to 1998. Under his leadership, Entergy implemented an "aggressive strategy" in the 1990s[16] by expanding its businesses internationally and into other industries. The corporation expanded into the Argentine electric utility market in 1992, and it made acquisitions in Melbourne and London in 1996 and 1997, respectively.[17] In 1992, the company created Entergy Integrated Solutions to "provide lighting, heating, ventilation, and air-conditioning to businesses and institutions."[18] In 1997, Entergy also entered the security monitoring industry and partnered with Hyperion Telecommunications "to stake out a piece of the telecom industry."[19] But Entergy's financial performance suffered during these years; its consolidated net income dropped substantially between 1996 and 1997.

According to a director in 2009, Lupberger "was struggling at operating the company. Lupberger was overburdened with the outside things, such as making speeches, trying to understand the industry, and being a voice in the industry. He was unable to manage all of the day-to-day responsibilities as well." In 1998, the board acknowledged these challenges and suggested to Lupberger that the company hire a chief operating officer (COO). Lupberger agreed and began the search.

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[13] Entergy Corporation, 2008 Annual Report, http://www.entergy.com/content/investor_relations/html/2008_ar/nuclear.html, accessed September 2009.

[14] Entergy Corporation, 2008 Annual Report, http://www.sec.gov/Archives/edgar/data/7323/000006598409000062/a10k.htm, accessed September 2009.

[15] Platts, "Platts Top 250 Global Energy Company Rating," http://www.platts.com/Top250Home.aspx, accessed October 2009.

[16] Entergy Corporation, 1997 Annual Report (New Orleans: Entergy, 1997), p. 5.

[17] Entergy Corporation, 1996 Annual Report (New Orleans: Entergy, 1996), pp. 6, 8.

[18] Entergy Corporation, 1996 Annual Report (New Orleans: Entergy, 1996), p. 7.

[19] Ibid.

## Naming a Chief Operating Officer

At the 1998 annual off-site meeting of the board, Lupberger asked a group of three directors to assist with the interview process for the COO position. This group met with three candidates, and by the end of the day, the directors unanimously agreed that Wayne Leonard was "hands down, the best candidate." The directors articulated their views to Lupberger, and he agreed. The board elected Leonard COO in April 1998.

At the time, Leonard was serving as CFO of PSI Energy, where he had worked for 25 years. PSI Energy served customers in the Midwest; it merged with Cincinnati Gas & Electric in 1994 and was acquired by Duke Energy in 2006. Leonard was looking for new opportunities, and Entergy provided them.

Although Leonard had been the CFO at PSI Energy, he was also skilled in operations. As he said, "I was almost the COO as well as the CFO, so I had quite a lot of experience in that area." Two weeks into Leonard's term as COO, Lupberger resigned. Bob Luft, a long-time board member, stepped in as interim CEO and chairman until a successor was chosen. Upon joining Entergy, Leonard had no intention of becoming CEO. He had "never seriously thought about that in his own life."

During the few months that he served as interim CEO and chairman, Luft focused on "the basics". One director said that a priority was to get costs under control. Luft and the management team identified Entergy's "core competencies as domestic utility operations, nuclear power operations, and global power development [and instituted a plan called] Entergy Renewal, which cut unnecessary overhead costs and sold its underperforming businesses." According to Luft, "to succeed fully on the new course, it was productive to break with the past."[20]

## The Search for a Permanent CEO

The board's first step in looking for a permanent CEO was to identify the internal and external candidates. Although "Leonard was immediately chosen as the internal candidate," Luft wanted to make sure that the "process was done right and that all candidates were considered." Investors continually asked Luft, "Why don't you choose the guy sitting next to you?" But Luft did not appreciate this suggestion.

Various members of the board favored bringing in an external candidate. One director noted that "these members felt that [an external successor] would be a fresh start for the company." They advocated bringing in someone from an unregulated business who had real operating skills. But Luft took control of the selection process and urged his fellow board members to see that Leonard was the best candidate. Leonard was elected as CEO in November 1998, to be effective January 1, 1999; he learned that "Luft was the biggest influence in this decision."

When Leonard was named CEO, Luft was elected permanently to the position of non-executive chairman. Leonard believed that this was a good decision because it "drew a good line in the sand between the board's responsibility and management." Luft took control of the boardroom so that Leonard could devote his attention to management issues. Under this arrangement, Luft would "interface with the board and Leonard would interface with him."

[20] Entergy Corporation, 1998 Annual Report (New Orleans: Entergy, 1998), pp. 2, 4.

## Leonard's Tenure

Some board members felt that Leonard "didn't seem to get enough sleep" at the beginning of his term as COO and then as CEO. They thought this was caused by his "propensity to do a lot of things himself as opposed to delegating." The board expressed its concerns by instituting an annual assessment of the CEO. One director said that Frank Blount, chair of the board's personnel committee, "put together a template for each director to put down his or her notes about Leonard's performance." The comments were collected, and Blount and Luft discussed the results with Leonard. Leonard was "very sensitive to the board's comments." When he understood the board's concerns, he adjusted his actions.

After he became CEO, Leonard had expressed concerns about the dynamic and discussions within the boardroom. A few long-serving members tended to dominate. Leonard brought this issue to Luft's attention, and he replied, "You have total decision-making authority. I'm the independent chairman. Within a couple of years we'll probably make you the chairman, but right now I'll stay and run the board meetings." Leonard addressed the issue on his own, and within the next few years, the situation greatly improved.

Leonard also continued the strategy that Luft began to implement in 1998. Entergy exited Australia in 1999 and focused its attention on the eastern United States and Europe. Also in 1999, Entergy combined Entergy Power Group and Entergy Power Marketing to create Entergy Wholesale Operations (EWO). EWO was created to integrate the corporation's strategic efforts.[21]

### *Commitment to the Community*

Leonard felt strongly that "if [being CEO] was going to be worthwhile to him, it had to be something in addition to just running the company and making money." He drove Entergy's commitment to improving the conditions of its low-income customers and setting best business practice for the environment.

Entergy was highly conscious of the financial situation of its customers. (See **Exhibit 6** for the region's poverty rates.) Leonard had joined Entergy with the intention of contributing to the surrounding community. Entergy served a region with a high poverty rate, and in 1999, Leonard worked with community leaders, consumer advocates, and community service providers to hold Entergy's first Low-Income Customer Assistance Summit.[22]

In subsequent years, the company made important contributions, and by 2009, Entergy had invested $35 million in the fight against poverty. Specifically, the corporation channeled its funds into the Low Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program (WAP). Entergy also funded grants for programs in "arts and culture, community improvement and enrichment, and education and literacy,"[23] and company employees volunteered through the Community Connectors Volunteer Program.

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[21] Entergy Corporation, 1999 Annual Report (New Orleans: Entergy, 1999), p. 14.

[22] Entergy Corporation, "Low-Income Customers Assistance Progress Report 2003," http://www.entergy.com/content/out_community/pdfs/2003_LI_progress_report.pdf, accessed September 2009.

[23] Entergy Corporation, "Entergy 2009 Progress Report," http://www.entergy.com/content/our_community/pdfs/2009_LI_report.pdf, accessed September 2009.

Entergy was committed to the environment as well as its customers. Entergy "invested in cleaner generation technologies, worked to stabilize carbon dioxide emissions, promoted energy efficiency, restored coastal wetlands, and supported recycling and pollution prevention." By 2008, Entergy had been named to the Dow Jones Sustainability Index for the seventh consecutive year.[24]

### *Entergy's Partnerships*

Entergy expanded to other markets in the early 2000s. Leonard described this direction: "We must have the discipline to stick to what we do well. We believe that trying to do everything in-house is a competitive disadvantage. We want to maintain low fixed costs and high operational flexibility. That means we continuously seek partnerships and outsourcing arrangements to acquire scale and skill advantages without getting bigger, and without diluting our focus on earnings."[25] In 2000, Entergy partnered with Shaw Group, Inc., an integrated provider of piping systems and engineering services to the power generation industry. With Shaw, Entergy planned to provide management, engineering, procurement, construction, and commissioning services to build electric power plants.[26]

In 2001, Entergy merged its commodities trading operations[27] with Koch Industries, a company in the energy commodities business. The merger benefited both companies equally. As one published report described it, "Entergy got Koch's gas and pipeline system to supply its considerable power generation capabilities, and Koch got a large amount of electric power to trade."[28] However, by the fourth quarter of 2004, the company sold Entergy-Koch to Merrill Lynch.

### *Failed Merger with Florida Power and Light*

In July 2000, Entergy announced plans to merge with Florida Power and Light (FPL), but by April 2001, the agreement was cancelled. FPL was an electric utility operating in Florida and the merger would have created the largest electric utility in the U.S. and the largest power producer. The total enterprise value would be more than $27 billion.[29]

But the disagreements between the two companies were too numerous for the merger to be successful. Entergy did not support the proposed management structure and disapproved of the decision to move headquarters to Juno Beach, Florida. The companies also differed on matters involving regulatory issues and risk management strategy.[30] The Entergy board was concerned that if the company accepted the various positions taken by FPL, the result would not be "a merger of equals." When the merger "blew up," the Entergy board wondered how to explain it to the market.

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[24] Entergy Corporation, "Entergy 2008 Sustainability Report," http://www.entergy.com/content/our_community/sustainability_report/environment.html, accessed September 2009.

[25] Entergy Corporation, 1999 Annual Report (New Orleans: Entergy, 1999), p. 7.

[26] Entergy News Release, "Entergy, Shaw Join Forces," June 2, 2000, http://www.entergy.com/news_room/newsrelease.aspx?NR_ID=61, accessed September 2009.

[27] Monica Perin, "Koch, Entergy merge trading units to create $1 billion firm," *The Houston Business Journal*, April 28, 2000, http://houston.bizjournals.com/houston/stories/2000/05/01/story8.html, accessed September 2009.

[28] Ibid.

[29] Entergy News Release, "Entergy and FPL Group Agree to a $27 Billion Merger of Equals," July 31, 2000, http://www.entergy.com/news_room/newsrelease.aspx?NR_ID=51, accessed September 2009.

[30] Entergy News Release, "Entergy Offers Details on Merger Termination," April 2, 2001, http://investor.shareholder.com/entergy/releasedetail.cfm?ReleaseID=35493, accessed September 2009.

The board's advisors responded, "That's really easy. We tell them what everybody tells them. The deal made sense at the time, but conditions have changed in the market. The value of the proposition was no longer as strong as it was so we're terminating the merger agreement voluntarily on both sides."

As the board began to consider this plan, Leonard spoke up. "Well, there is only one more piece of business. You will have to find a new CEO, because I quit." Leonard could not lie to his shareholders and sleep at night. He believed he owed them the truth, and he wouldn't go forward with the suggested explanation. The advisors prodded Leonard to change his mind, but he refused. After this incident, a board member recognized that "the board knew that Leonard was willing to give up his job for something that he valued a lot: the truth; and Leonard would always provide the board with straight information."

In April 2001, Entergy issued a press release explaining the termination of the proposed merger. Foremost among the reasons given for this decision was the board's assessment that the merger provided "no prospects for regulatory approval."[31] No lawsuits were filed.

### *Storm Recovery*

In 2005, Hurricanes Katrina and Rita hit the Gulf Coast of the United States, creating some of the worst devastation in the nation's history. Entergy did the best job possible to restore power, and Blount noted that "Leonard was excellent." Entergy's responsiveness was recognized in awards from the Public Relations Society of America, the Edison Electric Institute, and *PR Week*.

Hurricanes Katrina and Rita affected Entergy's customers and the structure of the corporation itself. Its subsidiary, Entergy New Orleans, was forced to file bankruptcy in September 2005. The company "lost gas pipelines, transmission and distribution facilities, generation, and customers were either gone or they couldn't pay their bills." Leonard faced an enormous challenge, one characterized as a combination of "a reconstruction project and a regulatory nightmare." But Leonard "took a catastrophe and turned it into a really wonderful thing to watch in terms of how he dealt with it." By May 2007, Entergy New Orleans emerged from bankruptcy.

A board member reflected that even before these hurricanes struck, "Leonard developed a system to deal with hurricanes, storms, and ice storms in their service territory." The system was used for the biggest and smallest of storms. "It had generally become known in the industry as world's best practice. They had an emergency operating plan that ran with a military-like precision. It was a logistics nightmare, but they knew how to do it." For example, when Hurricanes Gustav and Ike hit the region in 2008, "it only took eight days following peak outages for power to be restored to 85% of the customers who could accept power."[32]

Another director noted that Leonard was adamant about sending Entergy's staff to help other public utility companies during storm recovery. "He would rather be a few days late getting Entergy's people hooked up than having somebody else hurt, and that's the kind of tone that Leonard set at the top."

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[31] Ibid.

[32] Entergy Corporation, "Entergy 2008 Sustainability Report," http://www.entergy.com/content/our_community/sustainability_report/letter.html, accessed September 2009.

## Luft Reaches Retirement Age

In 2005, Luft was nearing the mandatory retirement age of 70, and began the search for new board members to serve as his replacement. He recruited Gary Edwards to join the board. Luft and Edwards knew each other from previous work experience, and Luft believed that Edwards had the background to replace him as non-executive chairman. Previously, Edwards had served as senior vice president of Dupont from 1991 to 1999 and as senior executive vice president of Conoco from 1999 to 2001. In 2005, Edwards had also served on the board of Sunoco Logistics.

Edwards recalled that Luft contacted him, telling him that he was getting ready to retire, and recruited him to be his replacement as non-executive chairman. Edwards was interested in joining the Entergy board, but was not ready to take on the non-executive chairman position because he had not served on the board. Edwards also remarked that he didn't know whether he would want to be non-executive chairman in a year or so or whether the board would want him to serve. A particular concern was that he "didn't know what the chemistry would be like" with Leonard. Edwards declined Luft's proposal to be his successor, but accepted his election to the board in July 2005.

The board hired an executive search firm to help in identifying other potential candidates, but the candidates were not good. One director recalled that "the individuals that the firm came back with just didn't make sense." The board did not pursue any of these candidates. (**Exhibit 7** lists the board members in 2009; **Exhibit 8** presents their professional backgrounds and their roles on the Entergy board.)

## Considering the Candidates

At a board meeting in 2005, the board excused Luft and Leonard to discuss the timing of Luft's departure and the board's leadership structure thereafter. The directors briefly considered using their authority to extend Luft's term, but Luft was uncertain about his desire to remain on the board; since no consensus was reached, the directors chose not to pursue that option. A board member then proposed that Luft be allowed to name his own successor, but the board rejected this suggestion. Instead, it decided to appoint an ad-hoc committee to sort through the issues before making a decision. The ad-hoc committee included Frank Blount, chair of the personnel committee; Alexis Herman, chair of the corporate governance committee; and Maureen Bateman, the previous chair of the corporate governance committee. Finally, at the end of the meeting, they invited Leonard back into the room and asked him if he would accept both positions of chairman and CEO. Leonard said that at this point in his career, he felt capable of both positions.

The ad-hoc committee moved forward with this knowledge. Herman, who chaired the committee, "initially spent more time with Leonard to get a clear handle on his long-term plan." Next, she consulted each board member individually "to get the unfiltered thinking of each director because it was such a serious and significant decision to be made." Meanwhile, the committee met separately from the board to "review Leonard, the future, and the right thing to do in the wake of Luft's departure from the board."

The ad-hoc committee evaluated the many compelling considerations and concerns. The board showed tremendous confidence in Leonard and was looking for stability after Hurricane Katrina. A board member said, "The region was in a crisis, and the company's nameplate—Entergy New Orleans—was in bankruptcy." Leonard was described as a "financial genius," and he knew the ins and outs of all industry regulations. The directors also wanted the openness in the boardroom to continue, and they knew that Leonard would keep that culture intact. A few directors worried that maintaining a separate chairman would diminish their opportunity for direct interaction with Leonard. Finally, the ad-hoc committee saw the opportunity to appoint a presiding director if it also combined the roles of CEO and chairman. In the end, a consensus emerged to combine these roles. According to one director, "it was clear that given where the company was in its history, in the wake of Katrina, with the confidence that the board had in Leonard, and with the opportunity to appoint a presiding director, the ad-hoc committee wanted to recommend combining the roles."

Next, Leonard was invited to Washington, DC, to meet with the ad-hoc committee. The committee wanted to discuss his future and their upcoming proposal to the board. In 2006, "Leonard was not actively campaigning for the chairman position," and he was slightly reluctant to take on the additional responsibility. Leonard said, "I didn't believe I would have the same freedom to voice my opinions if I was both CEO and chairman, and I didn't want to worry about creating a consensus at each board meeting." But Leonard became much more comfortable with the committee's proposal when he realized that the board backed him and wanted him in both positions. Leonard left the meeting certain that "he could create something on the board." Yet, although he was ready to move forward with the board's recommendation, he would not accept both positions unless a presiding director was elected.

## Presenting the Recommendation to the Board

At the board meeting before the annual meeting in 2006, Herman, Blount, and Bateman made their recommendation. They proposed to elect Leonard as CEO and chairman and elect a presiding director. The committee also "kept alive in their proposal the flexibility to review the framework each year" and make changes if necessary. The committee believed that this would make board members comfortable with combining the roles.

After the recommendation was made, Herman continued to hold individual discussions with board members, because a few of them felt the roles of chairman and CEO should remain separate. These directors were anxious about the message that this decision would send to the corporate governance community. The ad-hoc committee also thought carefully about investors' reactions. A great deal was at stake, and "the company did not want to blemish its overall image, reputation, and stock." One director described the tension as a balancing act: "It's tough when you're at the table, and you know in your heart what is right for the company" but must also consider the reaction in the marketplace. In the end, the objections reflected the desire of those directors who "wanted time to think about the decision."

A few directors had no reservations about combining the roles. Edwards was a "strong advocate for Leonard. Entergy was outperforming every utility company in terms of financial performance, safety performance, financial transparency and disclosure, and sustainability, and Leonard was one of the only CEOs who was not also chairman." One director noted that investors worried about losing Leonard if he were not awarded both titles.

In July 2006, the board voted unanimously to combine the roles and to elect a presiding director. According to Blount, "the board realized that it was time to reward Leonard for a remarkable job." Luft stepped down and retired from Entergy. The board hoped that Luft would remain for a few months to assist the transition, but Luft decided to leave immediately.

The institutional shareholders remained quiet after the announcement was made. Entergy's general counsel, Bob Sloan, attributed this to Leonard's reputation: "The people who knew our industry and our company thought so highly of Leonard. Leonard was anything but a dictatorial leader." According to Sloan, this also showed that "deep down, shareholders didn't think that this was the most important issue."

## The Role of the Presiding Director

The board first identified four candidates for presiding director, but one individual withdrew, leaving three directors in the running. The board then decided that another candidate, Steve Wilkinson, was most valuable as chair of the audit committee. By September 2006, two candidates remained, and the board held an election in which the nominees did not participate. Edwards was elected and began his term in October 2006. According to Blount, "there was nobody else that had the experience like Edwards." Sloan observed that "Edwards was not someone who had been on the board for 15 or 20 years and knew the company forwards and backwards, but he had the right temperament and intellect." Sloan believed that Edwards' experience made him the ideal candidate, but emphasized Edwards' temperament more than anything else. "He had a nice soothing manner but he was certainly not a pushover." Sloan and Leonard appreciated this quality because it made Edwards a good cultural fit.

As chair of the corporate governance committee, Herman drafted a charter for this new position. The board decided to name the position "presiding director" instead of "lead director" because the name implied collegiality and encouraged feelings of equality among directors, which is what the board envisioned. The presiding director was to be recommended by the corporate governance committee and to serve a three-year term. The presiding director was not to serve as the chair of a board committee, and held the following responsibilities:

- Preside at executive sessions of independent directors and all meetings of the board at which the chairman of the board and CEO is not present.
- Serve as a liaison with chairman and CEO when requested by the independent directors.
- Review and advise on board meeting agendas.
- Call meetings of the independent directors.
- Provide feedback from the board to the chairman and CEO following each executive session of independent directors, and in conjunction with the chair of the personnel committee, provide the chairman and CEO with an annual performance review.
- Such additional responsibilities as the board of may assign from time to time.

Sloan observed, "The charter was general, but like many other things, the company must hire the right people and give them room to take advantage of their previous years of experience, or why hire them in the first place? The directors avoided the tendency to write down everything exactly and precisely in the charter." (See **Exhibit 9** for amendments to corporate governance guidelines that reflect the creation of the role of presiding director.)

In 2006, the presiding director was to receive an annual cash retainer of $10,000; this retainer was increased to $15,000 in 2007 and 2008. In comparison, the chairman of the board had received an annual salary of $200,000 plus an option for 20,000 shares of stock in 2004.[33]

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[33] Entergy Corporation, 2005, 2006, 2007, and 2008 Entergy Proxy Statements, accessed September 2009.

## Leonard as Chairman and CEO

By combining the roles of CEO and chairman, the board created a structure that allowed for direct communication between the directors and Leonard. Under the previous structure, the chairman ran the board meetings and relayed the board's feedback to Leonard, but this did not provide the board a direct line to Leonard. As a director recalled, "out of protocol, directors tended to respect that relationship between Luft, and Leonard and didn't want to get in the way of that." Yet this caused directors to wonder "who was having what conversation with whom. "Because of these past experiences, "a few board members weren't convinced of the advantages to separating the roles." In addition, Luft had a slightly stronger personality than Leonard, so that according to some board members, he overshadowed Leonard during board meetings. Leonard had not been a prominent voice in the boardroom for many years. Blount admitted that "Leonard didn't volunteer too much, and I wondered whether at times he felt somewhat intimidated by the chairman."

Leonard's boardroom demeanor changed dramatically following his election as CEO and chairman. He had greater contact with the directors during and between meetings, and Leonard immediately saw the directors coming to him with their questions and concerns. The directors felt comfortable raising issues directly with Leonard "because he was now accountable to the entire board." By having direct access to Leonard, they knew that "those walls and barriers could come down." Leonard also had more time to interact with directors because he did not stay in daily contact with the non-executive chairman. In 2009, Leonard observed that "being the chairman wasn't a whole lot different than it was being CEO when Luft was the chairman. The amount of time I spent as chairman was a small amount."

Unlike Luft, Edwards did not have an office in New Orleans, but he and Leonard worked effectively over the phone. Leonard said that "Edwards never needed to be told his role as presiding director, and he never tried to take on special powers. I could always call Edwards to ask his opinion on how a situation should be handled." In addition, Leonard and the management team left the room at the end of each board meeting, so Edwards was responsible for relaying the board's feedback to Leonard. His feedback pertained to how the meeting went, how the time was allocated, and what was clear and what wasn't clear, all of which helped Leonard set the agenda for the next meeting. As an observer, Blount was pleased with the way Edwards interacted with Leonard: "They were collaborative and Edwards felt comfortable relaying the board's constructive criticism. And it was all about relationships in the end."

Ultimately, Edwards exerted limited authority over the board, which gave Leonard the ability to assume greater responsibility and accountability. Leonard's voice was heard often during discussions, and Blount noticed that "he developed a new-found confidence, and the board really respected him." Blount described the transformation as "a growth spurt." The changes within Leonard affected the culture of the board. Looking back in 2009, a director observed that "there was so much more openness in terms of information and a willingness to push back and raise the tough questions." There was a general consensus in 2009 that board meetings were a joy. "Things were harmonious and directors knew that they could voice their opinions without getting their feelings hurt during debate." Leonard said, "I'm really proud of the board."

(See **Exhibit 10** for timeline of CEO, chairman, and presiding director succession.)

**Exhibit 1** Principal Subsidiaries and Affiliates within Entergy's Business Segments

## Entergy Corporation

### Utility

- **Entergy Arkansas, Inc.**
- EGS Holdings, Inc.
- **Entergy Gulf States Louisiana, L.L.C.**

  Entergy Louisiana Holdings, Inc.
- **Entergy Louisiana, LLC**
- **Entergy Mississippi, Inc.**
- **Entergy New Orleans, Inc.**
- **Entergy Texas, Inc.**
- **System Entergy Resources, Inc.**
- Entergy Operations, Inc.
- Entergy Services, Inc.
- System Fuels, Inc.

### Non – Utility Nuclear

- Entergy Nuclear Operations, Inc.
- Entergy Nuclear Finance, LLC
- Entergy Nuclear Generation Company (Pilgrim)
- Entergy Nuclear FitzPatrick LLC
- Entergy Nuclear Indian Point 2, LLC
- Entergy Nuclear Indian Point 3, LLC
- Entergy Nuclear Palisades, LLC
- Entergy Nuclear Vermont Yankee, LLC
- Entergy Nuclear, Inc.
- Entergy Nuclear Fuels Company
- Entergy Nuclear Nebraska, LLC
- Entergy Nuclear Power Marketing LLC

### Other Businesses

Entergy-Koch, LP (50% Ownership)

Non-Nuclear Wholesale Assets

- Entergy Asset Management, Inc.
- Entergy Power, Inc.

Companies that file reports and other information with the SEC are identified in bold-faced type.

Source: Entergy Corporation, 2009 Annual Report, p. 3, http://files.shareholder.com/downloads/ETR/704427766x0xS65984-09-62/65984/filing.pdf, accessed September 2009.

**Exhibit 2** Selected Regulations in the Utilities Industry

| Date | Regulation | Description |
|---|---|---|
| 1935 | Public Utility Holding Company Act of 1935 | Interstate holding companies disappeared and companies became integrated systems serving limited geographic areas[34] |
| 1978 | Public Utility Regulatory Policies Act of 1978 (PURPA) | Established a new class of nonutility generators from which utilities were required to buy power[35] |
| 1992 | Energy Policy Act of 1992 | Push for greater competition in the wholesale energy market[36] |
| 1996 | FERC Order No. 888 | More competition due to better access to transmission facilities[37] |
| 1999 | FERC Order No. 2000 | Encouraged utilities to join a RTO, Regional Transmission Organization, which oversaw electricity transmission grids[38] |
| 2005 | Energy Policy Act of 2005 | Endorsed competition in the wholesale power market[39] |
| 2007 | FERC Order No. 890 | Encouraged transmission on a non-discriminatory and just basis[40] |
| 2008 | FERC Order No. 719 | Endorsed the competitiveness of organized wholesale electric markets by using demand response and by encouraging long-term power contracts[41] |

[34] Department of Energy: Energy Information Administration, "Public Utilities Holding Act of 1935," http://tonto.eia.doe.gov/FTPROOT/electricity/0562.pdf, accessed October 2009.

[35] Federal Energy Regulatory Commission, "Student's Corner: Energy We Regulate," http://www.ferc.gov/students/energyweregulate/fedacts.htm, accessed September 2009.

[36] Federal Energy Regulatory Commission, "Electric Competition—Timeline," http://www.ferc.gov/industries/electric/indus-act/competition.asp, accessed September 2009.

[37] Ibid.

[38] Ibid.

[39] Ibid.

[40] Ibid.

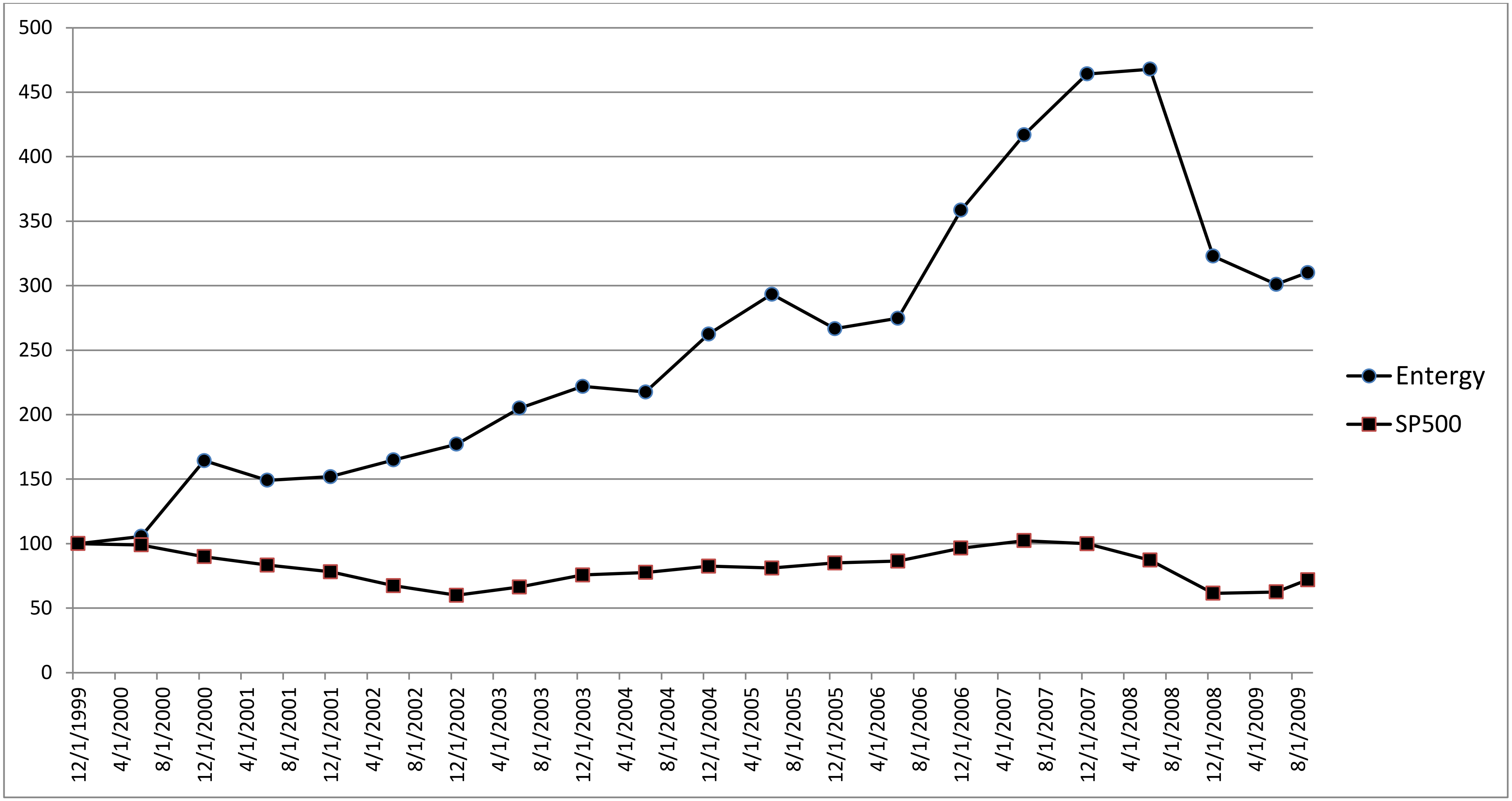
[41] Ibid.

**Exhibit 3** Entergy Consolidated Income Statement (2006–2008)

| | For the Years Ended December 31, | | |
|---|---|---|---|
| | **2008** | **2007** | **2006** |
| **OPERATING REVENUES** | | *(in thousands)* | |
| Electric | $10,073,160 | $9,046,301 | $9,063,135 |
| Natural gas | 241,856 | 206,073 | 84,230 |
| Steam products | - | - | - |
| Competitive Business | 2,778,740 | 2,232,024 | 1,784,793 |
| **TOTAL** | 13,093,756 | 11,484,398 | 10,932,158 |
| **OPERATING EXPENSES** | | | |
| Operating and Maintenance | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 3,577,764 | 2,934,833 | 3,144,073 |
| Purchased Power | 2,491,200 | 1,986,950 | 2,138,237 |
| Nuclear refueling outage expenses | 221,759 | 180,971 | 169,567 |
| Provisions for asset impairments and restructuring charges | - | - | - |
| Other operation and maintenance | 2,742,762 | 2,649,654 | 2,335,364 |
| Decommissioning | 189,409 | 167,898 | 145,884 |
| Taxes other than income taxes | 496,952 | 489,058 | 428,561 |
| Depreciation and amortization | 1,030,860 | 963,712 | 887,792 |
| Other regulatory charges (credit) - net | 59,883 | 54,954 | (122,680) |
| Amortization of rate deferrals | - | - | - |
| **TOTAL** | 10,810,589 | 9,428,030 | 9,126,798 |
| **OPERATING INCOME** | 2,283,167 | 2,056,368 | 1,805,360 |
| **OTHER INCOME** | | | |
| Allowance for equity funds used during construction | 44,523 | 42,742 | 39,894 |
| Gain on sale of assets - net | - | - | - |
| Interest and dividend income | 148,216 | 233,997 | 198,835 |
| Equity in earnings (loss) of unconsolidated equity affiliates | (11,684) | 3,176 | 93,744 |
| Miscellaneous - net | (11,768) | (24,860) | 16,114 |
| **TOTAL** | 169,287 | 255,055 | 348,587 |
| **INTEREST AND OTHER CHARGES** | | | |
| Interest on long-term debt | 500,898 | 506,089 | 498,451 |
| Other interest - net | 133,290 | 155,995 | 75,502 |
| Allowance for borrowed funds used during construction | (25,267) | (25,032) | (23,931) |
| Preferred dividend requirements and other | 19,969 | 25,105 | 27,783 |
| Distributions on preferred securities of subsidiaries | - | - | - |
| **TOTAL** | 628,890 | 662,157 | 577,805 |
| **INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | 1,823,564 | 1,649,266 | 1,576,142 |
| Income Taxes | 602,998 | 514,417 | 443,044 |
| **INCOME FROM CONTINUING OPERATIONS** | 1,220,566 | 1,134,849 | 1,133,098 |
| **LOSS FROM DISCONTINUED OPERATIONS (net of income tax expense)** | - | - | (496) |
| **CUMMULATIVE EFFECT OF ACCOUNTING CHANGES** | - | - | - |
| **CONSOLIDATED NET INCOME** | 1,220,566 | 1,134,849 | 1,132,602 |

Source: Entergy Corporation, 2009 Annual Report, p. 59, http://files.shareholder.com/downloads/ETR/704427766x0xS65984-09-62/65984/filing.pdf, accessed September 2009.

**Exhibit 4** Performance of Entergy Corporation Shares Compared to S&P Index




Source: Thomson ONE Banker, accessed September 2009.

**Exhibit 5** Notable Awards & Recognitions

### 2001

- Edison Electric Institute Emergency Response Award
- Edison Electric Institute Customer Service Award for Outstanding Electric Utility National Accounts Programs
- Occupational Safety and Health Administration's Voluntary Protection Program Star Status
- Nuclear Energy Institute of America – 2000 Top Industry Practice Awards
- The Financial Times Global Energy Awards – finalist for the "Energy Company of the Year" and for the "Successful Investment Decision of the Year Award"
- Utility Safety Magazine Emergency Assistance Award
- Public Relations Society of America Award of Excellence in the Crisis Communication Category
- U.S. Small Business Administration Minority Small Business Advocate Award

### 2002

- Platts/BusinessWeek Global Energy Awards – "Global Power Company of the Year"
- Edison Electric Institute "Emergency Response Award"
- Dow Jones Sustainability Index
- Investor Relations Magazine Awards – honorable mention in the following categories: best disclosure policy and best senior management communications
- The Institute of Internal Auditors – Commitment to Quality Improvement Award
- Electric Industry's Top Prize – The Edison Award
- Employers of Choice 500

### 2003

- Platts/BusinessWeek Global Energy Awards – "Global Power Company of the Year"
- Southeastern Electric Exchange Industry Excellence Awards
- Governance Metrics International – Perfect Score
- Edison Electric Institute's Emergency Assistance Award
- Edison Electric Institute Customer Service Award for Outstanding Electric Utility National Accounts Programs
- Dow Jones Sustainability Index
- Fortune Magazine – America's Most Admired Companies List
- Edison Electric Institute Index Award
- PR Week – "Public Affairs Program of the Year Award"
- American Business Awards – "Best Communication Team"
- Energy and Power Risk Management Magazine Awards – Energy-Koch Trading recognized for "Corporate Leadership of the Year"
- Arkansas Wildlife Federation – "Corporate Conservationist of the Year Award"
- Economic Development Award of Excellence – Entergy Louisiana received the "Private Sector Award of Excellence"
- Nuclear Energy Institute Top Industry Practice Award
- American Red Cross Southeast Louisiana Chapter – "Disaster Fundraiser of the Year"
- International Economic Development Council – Entergy Arkansas received the best overall campaign memento award
- Presidential Award for Leadership in Federal Energy Management
- National Energy Resources Organization – "Energy Conservation Award"

### 2004

- PR Newswire Corporate Social Responsibility Award
- Dow Jones Sustainability Index
- Community Action Partnership's first ever Corporate Champion Award
- Nuclear Energy Institute Top Industry Practice Awards
- Edison Electric Institute Index Award
- Edison Electric Institute – Outstanding Electric Company Customer Service – National Accounts
- Edison Electric Institute's Emergency Assistance Award
- Investor Relations Magazine Awards – Best disclosure policy and honorable mention for Best overall investor relations among mega-cap and large-cap companies

### 2005

- Women of Color Technology All Stars and Rising Stars
- The Black Professionals Magazine – Top 25 Companies for African Americans
- Dow Jones Sustainability Index
- Edison Electric Institute – The Edison Award
- Edison Electric Institute – Supplier Diversity Award
- Edison Electric Institute – Outstanding Electric Company Customer Service – National Accounts
- Edison Electric Institute's Advocacy Excellence Award
- Governance Metrics International – Perfect Score
- Department of Labor Exemplary Voluntary Efforts Award
- The New York Urban League – Champions of Diversity Award
- Profiles in Diversity Journal – Top Ten Companies for Innovation in Diversity Awards

### 2006

- Platts Top 250 Energy Company for 2006
- Storebrand Investments SRI – "Best in Class" for leading environmental and social performance
- Carbon Disclosure Project – Climate Leadership Index – "Best in Class"
- Dow Jones Sustainability Index
- PR Week – Crisis Communications Award and Overall Public Relations Performance of the Year
- Institutional Investors Magazine – Top Electric Utility for Investor Relations Communications
- Public Relations Society of America – Silver Anvil
- League of American Communications Professionals – Bronze Award
- Institutional Investor Magazine - #3 Ranking in America's Most Shareholder –Friendly Electric Utilities
- Fortune Magazine's Most Admired Companies List
- Edison Electric Institute - Outstanding Electric Company Customer Service – National Accounts
- Edison Electric Institute's Emergency Assistance Award

### 2007

- League of American Communications Professionals – Platinum Award
- U.S. Chamber of Commerce Business Civic Leadership Center – Corporate Citizenship Award
- Carbon Disclosure Project – Best in Class
- U.S. Environmental Protection Agency -2007 Climate Protection Award
- Corporate Responsibility Officer Magazine – Best Corporate Citizen in Utility Industry
- Dow Jones Sustainability Index

- National Fuel Funds Network – Best Overall Fundraising Efforts
- Nuclear Energy Institute – Top Industry Practice Awards
- Information Week – Top 250 Innovators
- Forbes List of America's Most Trustworthy Companies
- Edison Electric Institute – Outstanding Electric Company Customer Service – National Accounts
- Edison Electric Institute's Emergency Assistance Award and Advocacy Excellence Award

**2008**

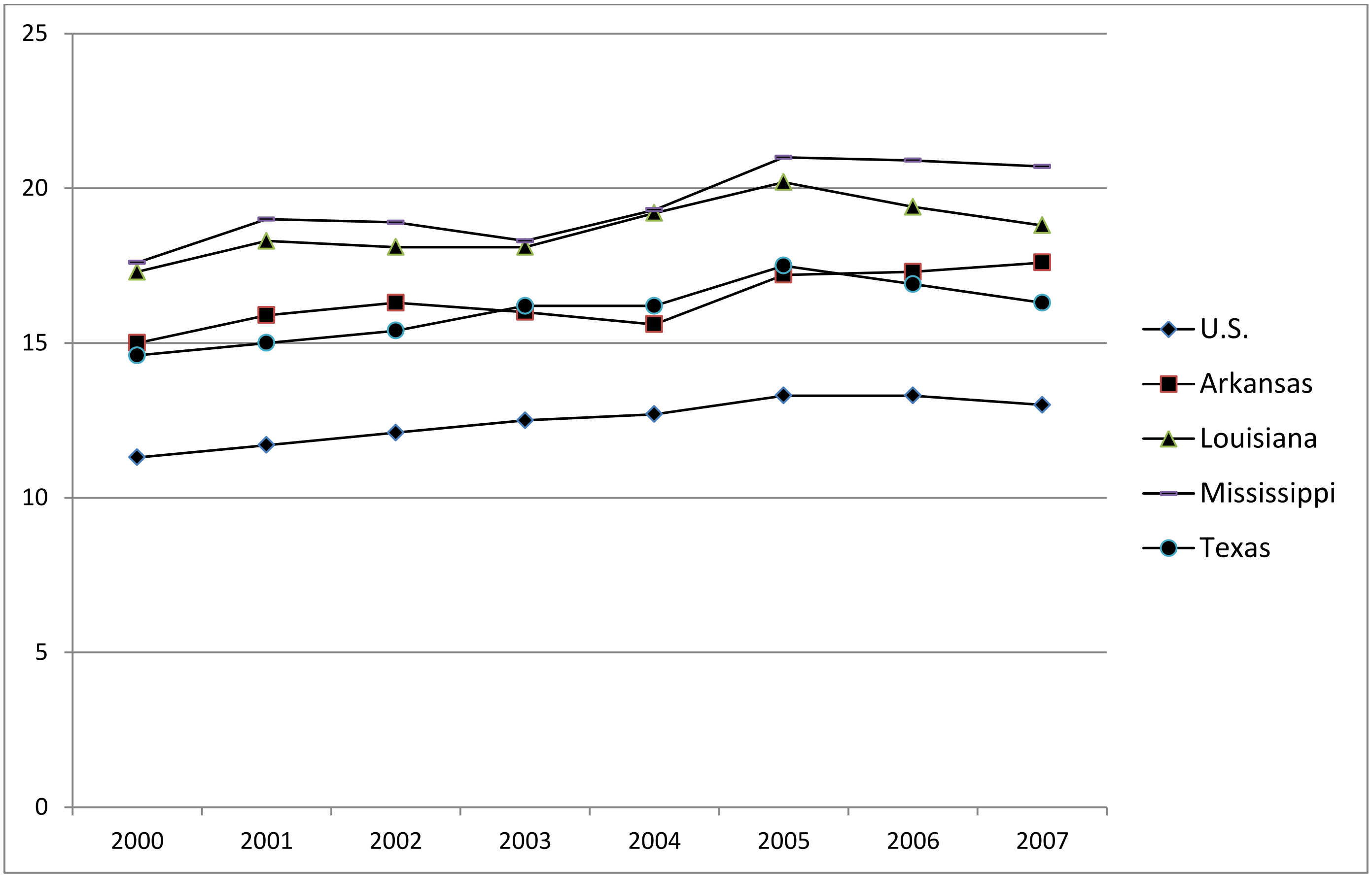
- Platts Global Energy Awards – Award of Excellence
- Dow Jones Sustainability Index
- GovernanceMetrics International- Best in Class in Corporate Governance
- Most Innovate Firms – Information Week
- IR Magazine Awards – Top Ranked Utility in a Recent Investor Perception Study
- Nuclear Energy Institute – Top Industry Practice Award
- Forbes List of America's Most Trustworthy Companies
- Institutional Investor Magazine – "Corporate Standouts" Rankings
- Corporate Responsibility Officer Magazine – 100 Best Corporate Citizens
- Edison Electric Institute's Emergency Assistance Award
- Edison Electric Institute's Advocacy Excellence Award

**2009**

- Business Week – Best Places to Launch a Career
- GovernanceMetrics International- Best in Class in Corporate Governance
- Dow Jones Sustainability Index
- Chartwell Inc. – Best Practices Award for Serving Low-Income Customers
- Edison Electric Institute's Emergency Assistance Award and Emergency Recover Award
- Fortune Magazine – World's Most Admired Companies
- Corporate Responsibility Officer Magazine – 10 Best Corporate Citizens
- Storebrand – Best in Class for Environmental and Social Performance
- The Sustainability Index – 2009 Bronze Class

Source: Entergy Corporation, "Awards and Recognitions," http://www.entergy.com/about_entergy/awards.aspx, accessed September 2009.

**Exhibit 6** Poverty Rate in U.S. and Entergy Utility Service Areas for 2000–2007 (% of population, all ages)




Source: U.S. Census Bureau, "State and County Data—Small Area Income and Poverty Estimates," http://www.census.gov/did/www/saipe/county.html, accessed October 2009.

**Exhibit 7** Entergy Corporation Board of Directors, 2005–2009

| 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|
| **Board of Directors** | **Continuing Directors** | **Continuing Directors** | **Continuing Directors** | **Continuing Directors** |
| Maureen Bateman | Maureen Bateman | Maureen Bateman | Maureen Bateman | Maureen Bateman |
| Frank Blount | Frank Blount | Frank Blount | Frank Blount | Frank Blount |
| Simon deBree | Simon deBree | Simon deBree | Simon deBree | Gary Edwards |
| Claiborne Deming | Gary Edwards | Gary Edwards | Gary Edwards | Alexis Herman |
| Alexis Herman | Alexis Herman | Alexis Herman | Alexis Herman | Donald Hintz |
| Donald Hintz | Donald Hintz | Donald Hintz | Donald Hintz | Wayne Leonard |
| Wayne Leonard | Wayne Leonard | Wayne Leonard | Wayne Leonard | Stuart Levenick |
| Bob Luft | Stuart Levenick | Stuart Levenick | Stuart Levenick | Stewart Myers |
| Kathleen Murphy | Bob Luft | James Nichols | James Nichols | James Nichols |
| James Nichols | James Nichols | William Percy, II | William Percy, II | William Percy, II |
| William Percy, II | William Percy, II | Billy Tauzin | Billy Tauzin | Billy Tauzin |
| Dennis Reilley | Billy Tauzin | Steven Wilkinson | Steven Wilkinson | Steven Wilkinson |
| Steven Wilkinson | Steven Wilkinson | | | |
| | **Directors Who Left** | **Directors Who Left** | | **Directors Who Left** |
| | Claiborne Deming | Bob Luft | | Simon deBree |
| | Kathleen Murphy | | | |
| | **Directors Added** | | | **Directors Added** |
| | Gary Edwards: August 2005 | | | Stewart Myers: September 2009 |
| | Stuart Levenick: July 2005 | | | |
| | Billy Tauzin: September 2005 | | | |

Source: Compiled from Entergy Corporation, 2005, 2006, 2007, 2008, and 2009 Proxy Statements, accessed September 2009.

**Exhibit 8** Background of Board Members, 2009

| Name | Director Since | Background |
|---|---|---|
| Maureen Bateman *♦ | 2000 | General Counsel, Manhattanville College<br>Former Special Counsel, Bank of America Corporation<br>Former Executive VP and General Counsel of State Street Corporation<br>Former Managing Director and General Counsel of U.S. Trust Co. of NY |
| Frank Blount *× | 1987 | Chairman & CEO of JI Ventures, Inc.<br>Former Chairman & CEO of Cypress Communications, Inc.<br>Former CEO and Director of Telstra Communications Corporation<br>Former Group President of AT&T, Inc. |
| Gary Edwards □*▼ | 2005 | Former Senior VP of Conoco, Inc<br>Former Executive Vice President of Conoco<br>Former Senior Vice President of DuPont<br>Director of Sunoco, Inc. |
| Alexis Herman □* | 2003 | Chair & CEO of New Ventures, Inc.<br>Former Secretary of Labor of the United States of America (1997-2001 )<br>Former White House Assistant to the President of the United States of America |
| Donald Hintz ♦×▼ | 2004 | Former President, Entergy Corporation and Entergy Service, Inc.<br>Former President and CEO of Entergy Operations, Inc.<br>Former President and COO of System Energy Resources, Inc. |
| Wayne Leonard▼ | 1999 | Former President, Cinergy Capital & Trading, Inc.<br>Former President, Energy Commodities Business Unit of Cinergy Corp.<br>Former Group Vice President and CFO of Cinergy Corp. |
| Stuart Levenick √ ♦ | 2005 | Group President & Executive Office Member of Caterpillar, Inc. |
| Stewart Myers | 2009 | Professor of Financial Economics at the MIT Sloan School of Management |
| James Nichols √ ♦ | 1986 | Partner, Nichols & Pratt, LLP, Attorney and Chartered Financial Analyst<br>Partner, Nichols & Pratt Advisors |
| William Percy, II □× | 2000 | Chairman & CEO of Greenville Compress Company<br>Chairman of Enterprise Corporation of the Delta |
| Billy Tauzin □* | 2005 | President & CEO, Pharmaceutical Research and Manufacturers of America<br>Former United States Congressman for the State of Louisiana |
| Steven Wilkinson √ × | 2003 | Retired Audit Partner, Arthur Anderson, LLP |

√ Audit Committee; □ Corporate Governance Committee; * Personnel Committee; ♦ Finance Committee; × Nuclear Committee; ▼Executive Committee

Source: Entergy Corporation, 2009 Proxy Statement, accessed September 2009.

**Exhibit 9** Proposed Amendments to Entergy's Corporate Governance Guidelines, October 26, 2006

| **Purpose of Amendments** | **To incorporate concept of "Presiding Director" in charter documents where appropriate** |
|---|---|
| Summary of Proposed Amendments | • Selection of Presiding Director (section two)<br>    • Recommended by Corporate Governance Committee<br>    • Elected by a Majority of Independent Directors<br>• Term of office: 3 years<br>• Incorporate Job Description of Presiding Director<br>• Other Changes:<br>    • Both Chairman <u>and</u> Presiding Director to be consulted about committee and chair assignments (section four)<br>    • Presiding Director presides as chair of Executive Committee (section 10)<br>    • Presiding Director <u>and/or</u> Chairman o f the Board to be consulted prior to director's accepting other Board positions (section 18)<br>    • Presiding Director <u>and</u> Chairman of the Board to be consulted about new director candidates (section 19)<br>    • Presiding Director or Chairman of the Board to receive resignation of directors failing to win a majority (section 20)<br>    • Presiding Director <u>and</u> Chair of Personnel Committee to communicate results of CEO's evaluation (section 25) |
| Charter Approval Process | Committee Recommends; Board Approves |
| Public Disclosure: | Amended charter to be posted on corporate website |

Source: Entergy Corporation.

**Exhibit 10** Succession Timeline of CEO, Chairman, and Presiding Director

**1985–1998:** Lupberger served as CEO and Chairman

- *April 1998*: Leonard joined Entergy as COO
- *November 1998*: Leonard named CEO to be effective January 1, 1999; and Luft named Chairman to be effective January 1, 1999

**1999–2006**: Leonard served as CEO; and Luft served as Chairman

- *August 2006*: Leonard named CEO and Chairman when Luft retired from the Board
- *October 2006*: Edwards elected Presiding Director

**2006–2009**: Leonard served as CEO and Chairman; and Edwards served as Presiding Director

Source: Entergy Corporation, "Leadership," Entergy Corporation website, http://www.entergy.com/about_entergy/leadership.aspx, accessed September 2009.