MISO TOs Annual Rate Update

Accounting Changes

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| Company: | Entergy Services filing on behalf of EAI, ELL, EMI, ENOI, and ETI |
| Test Year: | December 2016 |

II.D.8. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):

a. Identify any Accounting Changes, including

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| i. | The initial implementation of an accounting standard or policy |
|  | * None |
| ii. | The initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction |
|  | * None |
| iii. | Correction of errors and prior period adjustments that impact the revenue requirement |
|  | * In 2016, the allocation of an outside contractor cost for the CCS system was corrected. EMI was charged 100% of the costs that should have been allocated to EAI, ELL, EMI, and ENOI. |
| iv. | The implementation of new estimation methods or policies that change prior estimates |
|  | * None |
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| v. | Changes to income tax elections |
|  | * Elected Mark to Market for Entergy Louisiana effective 2016 return |

b. Identify items included in the formula rate at an amount other than on a historic cost basis (e.g., fair value adjustments)

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|  | N/A |

c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the formula rate

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|  | N/A |

d. Provide, for each item identified pursuant to items II.D.8.a - II.D.8.c of these protocols, a narrative explanation of the individual impact of such changes on charges billed under the formula rate.

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|  | * The prior period adjustment identified in item II.D.8.a.iii:   EAI $396,678 to account 923  ELL $544,764 to account 923  ENOI $159,708 to account 923  EMI ($1,212,150) to account 923   * The prior period adjustment identified in item II.D.8.a.v:   For tax year 2016 and forward, Entergy Louisiana will employ for tax purposes an adjustment for mark-to-market on energy contracts. This will either increase or decrease current taxes payable each year with an off-setting ADIT balance being recorded. The initial effect on current tax payable will be a decrease for 2016. |