MISO TOs Annual Rate Update

Accounting Changes

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| Company: | Entergy Services filing on behalf of EAI, EGSL, ELL, EMI, ENOI, and ETI |
| Test Year: | December 2013 |

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 for 2013 |
| ii. | The initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction |
|  | * None for 2013 |
| iii. | Correction of errors and prior period adjustments that impact the revenue requirement |
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| iv. | The implementation of new estimation methods or policies that change prior estimates |
|  | * In February 2013, ESI modified the cost allocation methodologies that were based on high voltage substations to include any substation with 69kV or higher. The revision caused a shift in allocation percentages among the OPCOs – EAI ($306,483); ELL ($141,844); EGSL $369,405; EMI ($169,505); ENOI ($29,458); ETI $277,886 * In June 2013, Entergy began recording transmission facility charges in FERC account 565 rather than Transmission rent account 567 for charges paid to third parties for the use of its assets. * Effective in October 2013, Entergy began charging communications charges tracked in activity code TCPO to functional accounts rather than account 930.2. |
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| v. | Changes to income tax elections |
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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 Entergy’s current formula is on an historical basis |

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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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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|  | II.D.8.a.iv – Accounting Changes: New estimation methods or policy changes  – The February 2013 modification of cost allocation methodologies based on high voltage substations to include any substation 69KV or higher voltage was immaterial to the charges billed under the formula rate.  – The June 2013 change to record transmission facility charge payments in FERC Account 565 (Transmission of Electricity by Others) rather than Account 567 (Transmission Rents) for the use of third party transmission assets was immaterial to the charges billed under the formula rate.  – The October 2013 change to record communications charges tracked in Activity Code TCPO to functional accounts rather than FERC Account 930.2 was immaterial to the charges billed under the formula rate. |