**Entergy Attachment O Update**

**Informational Summary for Attachment O Rates Effective June 1, 2017**

Entergy's five operating companies (Entergy Arkansas, Inc., L.L.C. (EAI), Entergy Louisiana, LLC (ELL), Entergy Mississippi, Inc. (EMI), Entergy New Orleans, Inc. (ENO), and Entergy Texas, Inc. (ETI)) are Transmission Owners (TO’s) in the Midcontinent Independent System Operator, Inc. ("MISO"), a regional transmission operator. The Entergy TO’s transmission facilities are within one of four MISO transmission pricing zones: TPZ #28 (Entergy Arkansas), TPZ #29 (Entergy Louisiana), TPZ #30 (Entergy Mississippi), TPZ #35 (Entergy New Orleans), and TPZ #31 (Entergy Texas).

The Entergy Operating Companies update their annual MISO Attachment O transmission revenue requirements annually for rates effective June 1, 2017 through May 31, 2018 as determined by their respective transmission formula templates under MISO Tariff Attachment O. Rates for transmission service in each MISO transmission pricing zones are established through cost-based rate formulas filed with the Federal Energy Regulatory Commission and may reflect the costs of transmission facilities owned by transmission owners not affiliated with Entergy.

**Attachment O Formula Rate Templates Merged for ELL and EGSL**

May 24, 2016, the FERC, in Docket ER16-1322, approved an Attachment O transmission formula template for ELL as the successor of a business combination of Entergy Gulf States, L.L.C. and ELL. ELL’s 2017 Attachment O update calculation reflects that TPZ combination.

**Transmission Pricing Zone for Entergy New Orleans, Inc.**

April 22, 2016, the FERC in Docket ER16-967-000 approved establishment of a new Entergy New Orleans MISO TPZ effective September 1, 2016. FERC also approved ENO’s revised Attachment O formula template that reflects the Entergy New Orleans TPZ and clarified that ENO was no longer included in the Entergy Louisiana TPZ. ENO’s and ELL’s respective 2017 Attachment O update calculations reflect the TPZ changes.

**Wholesale Depreciation Rates for All Entergy Operating Companies**

March 20, 2017, the FERC in Docket ER16-227 approved the Entergy operating companies’ uncontested settlement of wholesale depreciation rates for transmission, general, and intangible plant with rates effective retroactively to January 1, 2016. The Entergy companies’ respective 2017 Attachment O update calculations reflect the settlement’s depreciation rate changes.

**MISO Return on Equity**

September 28, 2016, the FERC in Docket EL14-12 ordered the base MISO Return on Equity (ROE) be lowered from 12.38% to 10.32% and applied retroactively for certain time periods prior to 2016 and forward from the order’s date. The Entergy TO’s were subject to that base ROE change and used a prorated ROE based on days each FERC approved ROE rate was in effect for the 2017 Attachment O update calculations.