MISO TOs Annual Rate Update

For Rate Year Beginning June 1, 2016

Accounting Changes

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| Company: | Entergy Services (“ESI”) on behalf of EAI, ELL\*, EMI, ENOI, and ETI |
| Test Year: | December 2015 |

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 |
|  | * In the fourth quarter 2015, Entergy adopted ASU NO. 2015-03 “Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs” and ASU No. 2015-15 “Interest-Imputation of Interest (Subtopic 835-30): Presentation of Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements.” These implementations did not alter the FERC accounts that debt issuance costs are recorded in.
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| ii. | The initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction |
|  | * None for 2015.
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| iii. | Correction of errors and prior period adjustments that impact the revenue requirement |
|  | * None for 2015.
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| iv. | The implementation of new estimation methods or policies that change prior estimates |
|  | * In 2015, ESI changed the accounting for costs incurred for Entergy New Orleans’ (ENO) Energy Smart Program. The costs are being expensed to Account 908, Customer assistance expenses, consistent with other energy efficiency programs. Prior to this change, the Energy Smart Program costs were amortized against the bandwidth regulatory liability. Consistent with a directive from its retail regulator, ENO is applying previously received bandwidth remedy payments to its Energy Smart Program. While ESI is continuing to apply the remedy payments to the Energy Smart Program costs consistent with the Council’s directive, it has modified the accounting to properly amortize the bandwidth regulatory liability consistent with the FERC USoA.

The accounting change resulted in the following for 2015:Account 908 $3,592,257Account 557 ($3,592,257) |
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| v. | Changes to income tax elections |
|  | * There were no changes to income tax elections.
* There were two changes in tax accounting methods:
* Change in the method of accounting to treat bonuses as accrued in the taxable year in which all events have occurred that establish the fact of the liability to pay a bonus and the amount of the liability can be determined with reasonable accuracy under Section 461 of the Internal Revenue Code and related Treasury Regulations. See Appendix 19.01(2)(a), Rev. Proc. 2011-14, 2011-14 I.R.B. 330 January 10,2011, I.R.C. Section 446. (EAI, EGSL, ELL, EMI, ENOI, and ETI)
* In the fourth quarter of 2015, Entergy Louisiana adopted a new method of accounting for income tax purposes in which the companies’ nuclear decommissioning costs will be treated as production costs of electricity includable in cost of goods sold.
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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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|  | * EGSL/ELL merger - costs were excluded from the formula rate
* ELL – Algiers/ENOI merger transaction - costs were excluded from the formula rate
* Entergy/ITC transaction costs were incurred in 2015 – costs were excluded from 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 ELL and EGSL Entergy companies were merged into a single company October 1, 2015. For reporting purposes in 2015, the legacy ELL was identified as the EL Investment Company and the merged successor company was designated as Entergy Louisiana Power, which was renamed as ELL. The information for the merged companies is combined for 2015 and presented in the ELL Attachment O.