ENTERGY SERVICES, INC.
FEDERAL ENERGY REGULATORY COMMISSION
2015 Attachment O Annual Rate Update

Response of: Entergy Services, Inc.
to the Second Set of Data Requests
of Requesting Party: Arkansas Electric
Cooperative Corporation

Filed: 3/23/16

Question No.: AECC 2-8 Part No.: Addendum:

Question:

With reference to the attachment provided in Entergy's response to AECC 1-13, the line item labeled as "Oth Insurance & Loss Reserves", please:

a. Provide a detailed description of the nature of this line item which was booked to Account 924 during 2013 and 2014.

b. Explain the significant variance in the accruals for this line item during 2014 [$24,658,677] compared to 2013 [$15,773,975].

c. Reconcile the 2014 accruals of $24,658,677 for this line item to the storm damage accruals of $23,057,124 reflected in worksheet "WP10 Storm", line 27, of the formula rate.

Response:

a. The nature of the line item "Oth Insurance & Loss Reserves" booked to account 924 during 2013 and 2014 includes the annual storm reserves as approved by the APSC.

b. In 2014, per APSC Docket No.13-028-U, the annual storm reserve was increased from $13,858,032 to $23,057,124, an increase of $9,199,092. "WP10 Storm" does not include the environmental liability recorded in account 924 of $1,601,553.

c. Please see the attached reconciliation.