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

Response of: Entergy Services, Inc.
to the First Set of Data Requests
of Requesting Party: South Mississippi
Electric Power Association

Filed: 01/22/2016

Question No.: SMEPA 1-15 Part No.: Addendum:

Question:

Refer to the worksheet titled Appendix A, line 44, ADIT Credit – Account 255, please explain why a zero value was inputted into Appendix A rather than the referenced FERC Form 1 amount of $4,805,098.

Response:

Please see note "I" to Appendix A and Appendix A, line 152, Amortization Investment Tax Credit-Elect – Account 255.

Note "I" states in part, "…. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T). A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income. …."