Exhibit LC-15

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket Nos. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States Louisiana, LLC** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**Docket Nos. ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

DIRECT AND ANSWERING TESTIMONY AND EXHIBITS OF LANE KOLLEN ON CONSOLIDATED ANNUAL BANDWIDTH CASES

ON BEHALF OF THE
LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

July 2, 2015

GLOSSARY OF ACRONYMS

ADIT:	**Accumulated Deferred Income Taxes**
AFUDC:	**Allowance for Funds Used During Construction**
CWIP:	**Construction Work in Progress**
EAI:	**Entergy Arkansas, Inc.**
EGSL:	**Entergy Gulf States Louisiana, LLC**
ELL:	**Entergy Louisiana, LLC**
EPIS:	**Electric Plant in Service**
ESI:	**Entergy Services, Inc.**
FERC:	**Federal Energy Regulatory Commission**
LPSC:	**Louisiana Public Service Commission**
USOA:	**Uniform System of Accounts**

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket Nos. EL10-65-005**
v.	
Entergy Corporation Entergy Services, Inc. Entergy Louisiana LLC Entergy Arkansas, Inc. Entergy Mississippi, Inc. Entergy New Orleans, Inc. Entergy Gulf States Louisiana, LLC Entergy Texas, Inc.	
Entergy Services, Inc.	**Docket Nos. ER14-2085-001 ER11-3658-001 ER12-1920-001 ER13-1595-001 (Consolidated)**

**DIRECT AND ANSWERING TESTIMONY OF LANE KOLLEN
ON CONSOLIDATED ANNUAL BANDWIDTH CASES**

Q. Please state your name and business address.

A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

Q. What is your occupation and by whom are you employed?

A. I am a utility rate and planning consultant holding the position of Vice President and Principal with the firm of J. Kennedy and Associates, Inc.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Louisiana Public Service Commission ("LPSC").

Q. Did you previously file testimony in this proceeding?

A. Yes. I filed Direct testimony on May 1, 2015 addressing the Waterford 3 sale/leaseback accumulated deferred income taxes ("ADIT") issue.

Q. What is the purpose of your testimony on the consolidated Bandwidth issues?

A. The purpose of my testimony is to describe an error on Entergy Gulf States Louisiana, LLC's ("EGSL") accounting books and to recommend that this error be corrected. The effect of this accounting error is to incorrectly exclude certain plant-related costs of the River Bend nuclear generating unit from the EGSL production costs calculated pursuant to the "rough production equalization" provisions of the Entergy System Agreement ("ESA") MSS-3 tariff.

Q. Please summarize your testimony.

A. In 1991, the Louisiana Public Service Commission directed Gulf States Utilities Company, a predecessor of EGSL,[1] to restate the Allowance for Borrowed Funds Used During Construction ("AFUDC-Debt") component of the plant cost of the River Bend nuclear generating unit using its before tax cost of debt ("gross") and to separately record the ADIT related to the AFUDC-Debt.[2] This accounting is consistent with the Commission's Uniform System of Accounts ("USOA").

Prior to the LPSC Order, EGSL had recorded the River Bend AFUDC-Debt on a "net of tax" basis, which is not specifically addressed or authorized in the USOA[3] or consistent with the General Instructions for AFUDC set forth in the USOA. Under the "net of tax" methodology, EGSL reduced the AFUDC-Debt included in construction work in progress ("CWIP"), and ultimately, the plant cost, by the ADIT rather than recording

[1] Gulf States Utilities Company was acquired by Entergy in 1992 and subsequently renamed Entergy Gulf States, Inc. ("EGSI"). EGSI was separated into Entergy Gulf States Louisiana, LLC and Entergy Texas, Inc. in 2007. EGSL is the successor to EGSI and remains subject to LPSC retail jurisdiction.

[2] LPSC Order U-17282-J.

[3] The FERC USOA is codified as 18 CFR Ch.1. All utilities subject to FERC jurisdiction, including the Entergy Operating Companies, are required to comply with the requirements set forth in the FERC USOA for FERC accounting and reporting purposes.

the "gross" AFUDC-Debt and separately recording the ADIT in account 282 *Accumulated Deferred Income Taxes – Other Property*.

In response to the LPSC Order, EGSL initially and correctly recorded the increase in AFUDC-Debt in account 101 *Electric Plant in Service* ("EPIS" or "plant"), although it did not correctly record the increase to the more detailed Nuclear Production plant accounts (plant accounts 320 through 325) that "roll-up" to account 101. Instead, EGSL incorrectly recorded the increase to plant account 303 *Miscellaneous Intangible Plant*.[4]

In 1997, in response to a FERC Staff audit, which apparently misconstrued the LPSC Order, EGSL reclassified the increase in AFUDC-Debt from account 101 and plant account 303 to account 182.3 *Other Regulatory Assets.* In addition, it discontinued recording depreciation expense in account 403 *Depreciation Expense,* and commenced recording amortization expense in account 407.3 *Regulatory Debits.* This is the manner in which the additional AFUDC-Debt still is recorded in EGSL's accounting books for the Bandwidth years at issue in this proceeding.

The EGSL accounting for this AFUDC-Debt amount is incorrect and does not comply with the requirements of the USOA. The USOA does not allow a utility to record AFUDC-Debt in account 182.3. Instead, the

[4] The amounts recorded in account 101 are the sum of the amounts recorded in one or more "plant accounts" specified in the USOA, which provide further detail.

USOA requires that all AFUDC be recorded in account 107 *Construction Work in Progress* along with the direct construction costs and that the entirety of the amount in account 107 be transferred to account 101 and to the proper plant accounts (in this case, plant accounts 320 through 325) when the construction is completed and the asset is placed in service. This is true whether the accounting was correct during construction or whether it was subsequently corrected. In addition, the USOA requires that depreciation expense on AFUDC-Debt be recorded in account 403, not in account 407.3.

The EGSL accounting errors did not affect retail ratemaking, but the failure to include this AFUDC-Debt in EGSL's Nuclear Production plant accounts and the related depreciation expense in account 403 understate EGSL's actual nuclear production costs included in the Bandwidth Formula. These errors reduced EGSL's Bandwidth receipts in 2011 (based on a 2010 test year) and reduced Entergy Louisiana, LLC's bandwidth receipts in 2012 (based on a 2011 test year).[5]

I recommend that the Commission direct Entergy to correct this accounting error on EGSL's accounting books for the 2010 through 2014

[5] ELL does not hold an ownership interest in River Bend. The Bandwidth Formula provides for payments and receipts only if one or more of the Entergy Operating Companies have a disparity in their actual production costs of 11% more or less than their allocated share of Entergy System production costs. For the 2011 test year, an increase in the EGSL production costs affects the Entergy System production costs and increases ELL's disparity and its receipts even though it does not affect EGSL's receipts for the 2011 test year.

Bandwidth test years at issue in this proceeding and going forward for all future years.

I recommend that the Commission direct Entergy to recalculate the payments and receipts among the Entergy Operating Companies reflected in its annual Bandwidth filings for the 2010 through 2014 Bandwidth test years when it makes its compliance filing after the Commission issues its Order in this consolidated proceeding.

Q. What is AFUDC?

A. AFUDC is the cost to finance an asset while it is under construction. The AFUDC is recorded to account 107 during construction, along with the direct costs (materials, supplies, labor, contract services, etc.). There is an AFUDC-Debt (or "allowance for borrowed funds") component to reflect the costs of debt financing and an AFUDC-Other component to reflect the costs of equity financing. When the project is completed, the entirety of the cost, including the directs and AFUDC, is "closed" and transferred from account 107 to specific plant accounts, which in turn "roll-up" to account 101.

Q. Does the USOA specify how AFUDC is to be calculated?

A. Yes. The USOA includes a section entitled *Electric Plant Instructions* ("Plant Instructions"). The calculation of AFUDC is set forth in Plant Instruction 3 entitled *Components of Construction Cost*, paragraph (A), and subparagraph 17 entitled *Allowance for Funds Used During Constrution* in as follows:

> (17) *Allowance for funds used during construction* (Major and Nonmajor Utilities) includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used, not to exceed, without prior approval of the Commission, allowances computed in accordance with the formula prescribed in paragraph (a) of this subparagraph. No allowance for funds used during construction charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.
>
> (a) The formula and elements for the computation of the allowance for funds used during construction shall be:
>
> $A_i=s(S/W)+d(D/D+P+C)(1-S/W)$
>
> $A_e=[1-S/W][p(P/D+P+C)+c(C/D+P+C)]$
>
> A_i=Gross allowance for borrowed funds used during construction rate.
>
> A_e=Allowance for other funds used during construction rate.
>
> S=Average short-term debt.
>
> s=Short-term debt interest rate.
>
> D=Long-term debt.
>
> d=Long-term debt interest rate.
>
> P=Preferred stock.
>
> p=Preferred stock cost rate.
>
> C=Common equity.

> *c*=Common equity cost rate.
>
> *W*= Average balance in construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment and fabrication, less asset retirement costs (See General Instruction 25) related to plant under construction.
>
> (b) The rates shall be determined annually. The balances for long-term debt, preferred stock and common equity shall be the actual book balances as of the end of the prior year. The cost rates for long-term debt and preferred stock shall be the weighted average cost determined in the manner indicated in §35.13 of the Commission's Regulations Under the Federal Power Act. The cost rate for common equity shall be the rate granted common equity in the last rate proceeding before the ratemaking body having primary rate jurisdictions. If such cost rate is not available, the average rate actually earned during the preceding three years shall be used. The short-term debt balances and related cost and the average balance for construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication shall be estimated for the current year with appropriate adjustments as actual data becomes available.

Q. Please describe the tax effects of the AFUDC-Debt during construction.

A. The AFUDC-Debt represents the interest expense on construction costs during the construction period, on both short-term and long-term debt, that is capitalized to CWIP, and ultimately closed to plant in service. Although the interest expense on the River Bend CWIP was capitalized during construction for accounting purposes, it was deductible as incurred for income tax purposes. The interest deduction for income tax purposes resulted in a savings in income tax expense equivalent to the interest expense deduction times the income tax rate.

Q. What is the correct accounting for the income tax savings due to the deduction of interest for income tax purposes?

A. The correct accounting is to defer this tax savings in account 282 as an *Accumulated Deferred Income Taxes – Other Property* ("ADIT") liability.

Q. What accounting did EGSL employ during the construction of River Bend?

A. Instead of recording AFUDC-Debt on a gross basis in account 107 with the related ADIT in account 282, EGSL recorded the AFUDC-Debt on a net of tax basis by using the ADIT (tax savings) to reduce the AFUDC-Debt included in account 107. Due to netting the ADIT in account 107, EGSL did not separately record the ADIT in account 282.

Q. Does the term A_i *Gross Allowance for Borrowed Funds Used During Construction* set forth in the Plant Instruction 3(A)(17) allow a utility the discretion to reduce the AFUDC-Debt for the ADIT (income tax expense savings) due to the interest expense deduction?

A. No. The term A_i is the "gross" allowance for borrowed funds used during construction rate, not a "net" of tax allowance for borrowed funds used during construction. The formula set forth in Plant Instruction 3(A)(17) does not include a provision to reduce the AFUDC-Debt for the income tax savings.

Q. Does the USOA require that AFUDC-Debt be included in account 107, (ultimately in account 101 after the construction is closed to plant), or does the utility have the discretion to record AFUDC-Debt in account 182.3 as a regulatory asset?

A. The USOA does not allow a utility the discretion to reject the accounts that are specified for certain transactions and amounts, such as AFUDC-Debt, and pick and choose another account to record the costs. The USOA requires that AFUDC-Debt be recorded initially in account 107 during construction, and then in account 101 and the detailed plant accounts after construction is completed. AFUDC is inherently a cost of construction. It is not and cannot be a regulatory asset. The USOA definition of account 182.3 states that "This account shall include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies." The AFUDC on River Bend resulted from the construction of the generating unit and is a cost borne by ratepayers of EGSL.

Q. Please describe your testimony on this issue before the LPSC in Docket No. U-17282-J.

A. In that proceeding, I recommended that the Commission direct EGSL to restate the AFDUC-Debt from the net-of-tax amount to reflect the gross amount and to record the ADIT separately. I testified that the effect of this recommendation would be "to increase gross plant in service, which would be an increase in rate base, and at the same time, create an accumulated deferred tax reserve by an equivalent amount of the increase to gross plant in service."[6]

Q. Did the LPSC adopt your recommendation?

A. Yes, although it described the recommendation in a way that apparently confused the FERC audit staff. The Order describes the accounting -- that the debt portion of the River Bend AFUDC should be "grossed up to a before tax level . . . ." [LC-15 Order No. U-17282 at 27]. But the order also described the ratemaking treatment -- that the gross-up asset would be "treated as" a "regulatory asset and as a regulatory liability . . . ." This language did not dictate the accounting treatment.

---

[6] I have attached a copy of the relevant pages of my testimony in LPSC Docket No. U-17282-J as Exhibit LC-14.

Q. Please describe EGSL's accounting for the effects of the LPSC Order in Docket No. U-17282-J.

A. EGSL described its accounting for the effects of this Order in its 1991 Form 1 as follows:

> In accordance with the rate order in Louisiana effective March 1, 1991, the LPSC required the Company to modify its treatment of certain flow through benefits related to AFUDC recorded on capital expenditures prior to 1986. Accordingly, the Company increased electric plant in service by $71,367,000 and accumulated depreciation by $8,400,000, and accumulated deferred income taxes by $62,967,000.[7]

Q. Did EGSL record the effects of the LPSC Order consistent with your testimony on this issue, i.e., to increase gross plant in service for the increase in AFUDC-Debt and to record ADIT for the income tax savings?

A. Yes, although, as I previously noted, EGSL did not record the effects to the proper nuclear plant accounts.

Q. In response to the 1991 LPSC Order, EGSL initially recorded the increase in AFUDC in account 101, but in intangible plant account 303 rather than in nuclear plant accounts 320 through 325. Please explain

[7] I have attached a copy of the relevant pages from the 1991 EGSL Form 1 as Exhibit LC-15.

why it was correct to record the increase in account 101, but incorrect to record it in intangible plant account 303.

A. AFUDC-Debt is inherently a cost of construction and then converts to a plant cost after construction is completed and the cost of the construction is transferred from account 107 to account 101. AFUDC-Debt is the result of accounting requirements, and it reflects the costs associated with the construction of an asset. In this case the asset was the River Bend nuclear unit, not "intangible" plant.

Although it was appropriate to record the increase to account 101, it was not appropriate to record the increase to intangible plant. The increase in AFUDC-Debt was an increase to the River Bend plant cost, a nuclear power plant. Thus, the increase should have been recorded to the nuclear plant accounts, not to the intangible plant account.

The nuclear plant costs are recorded in plant accounts 320 through 325, each of which is defined in the USOA. Account 320 is used to record the costs of “land and land rights used in connection with nuclear power.” Account 321 is used to record the costs of “structures and improvements used and useful in connection with nuclear power generation.” Account 322 is used to record the costs of “reactor plant equipment.” Account 323 is used to record the costs of “turbogenerator units” in connection with nuclear power generation. Account 324 is used to record the costs of "accessory electric equipment" in connection with "the control and switching of electric energy produced by nuclear power." Account 325 is used to record the costs of "miscellaneous power plant equipment" that is installed "in and about the nuclear generating plant."

In contrast to the plant accounts 320 through 325 used to record nuclear generating plant costs, plant account 303 is used to record "miscellaneous intangible plant" costs, including the "cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account."

All of the AFUDC on River Bend recorded on a net-of-tax basis in account 107 during construction was subsequently recorded in plant accounts 320 through 325 when the plant was completed and the cost was transferred from account 107 to account 101. Any subsequent corrections or other modifications to the AFUDC-Debt to reflect the gross cost also should be recorded to the same plant accounts, not to account 303.

Q. Please describe EGSL's change in accounting for the AFUDC-Debt after the FERC Staff audit recommendations in 1997.

A. In response to a FERC Staff audit report recommendation, EGSL agreed to change its initial accounting for the increase in AFUDC-Debt resulting from the LPSC Order in Docket No. U-17282-J. Consequently, in October 1997, EGSL "reclassified" the increase in AFUDC-Debt from plant recorded in account 101, net of the accumulated depreciation in account 108, to a regulatory asset recorded in account 182.3. In conjunction with that change, EGSL discontinued depreciation of the plant in account 101, which had been recorded in account 403 *Depreciation Expense* since March 1991, and commenced recording an amortization expense in account 407.3 *Regulatory Debits.*[8]

The FERC Staff conducted an audit of EGSL's accounting books for the period January 1, 1990 through December 31, 1992 and filed a cover letter and the audit report in FERC Docket No. FA93-57-000 on June 26, 1997. In its audit report, the FERC Staff provided the following background of the issue:

> On March 1, 1991, the LPSC issued another rate order that modified the River Bend phase-in rate plan. The LPSC authorized the Company to increase the rate base for River Bend over the unit's remaining life by adjusting the AFUDC recorded during the construction period and included in the plant accounts from a net-of-tax to a gross basis. [FN 2: During construction of the unit, the Company recorded AFUDC in its accounts using a net-of-tax method]. At the same time, the LPSC decreased rate base by a similar amount over the remaining life of the phase-in.[9]

The FERC Staff audit report concluded that:

---

[8] Entergy response to LPSC 4-3 in this proceeding, a copy of which is attached as Exhibit LC-16.
[9] *Id.*

> The actions of the LPSC created a regulatory asset for River Bend. However, the Company did not record the portion of the regulatory asset and regulatory liability related to the gross-up of AFUDC in the proper accounts. It was incorrect for the company to classify the effects of the phase-in plan in Accounts 101, 108, and 282. Instead, the Company should have debited Account 182.3 for the restated AFUDC regulatory asset and credited a separate subaccount of 182.3 for the regulatory liability.[10]

Q. Was the accounting set forth in the Staff audit report correct?

A. No. EGSL's initial accounting was correct, except for the error in recording the increase in AFUDC-Debt to plant account 303 instead of to plant accounts 320 through 325.

In contrast to EGSL's initial accounting, the FERC Staff accounting was inconsistent with the AFUDC and regulatory asset requirements set forth in the USOA, as I previously discussed. It appears that the FERC Staff was unduly influenced by the use of the terms "regulatory asset" and "regulatory liability" in the LPSC Order, which may have been descriptive for retail ratemaking purposes, but were not determinative for accounting purposes or for compliance with the requirements set forth in the USOA. The order was not intended to prescribe the FERC accounting for the asset. The FERC staff may have also focused on the incorrect recording of the asset in Account 303.

---

[10] *Id.*

In recognition that the "regulatory asset" and "regulatory liability"terms were not prescriptive or consistent with the USOA, EGSL properly ignored both terms in the initial accounting entries that it recorded on its accounting books from March 1991 through September 1997.

In addition, it appears that the FERC Staff erroneously concluded that the shorter amortization period for the "regulatory liability" gave rise to the "regulatory asset," citing to the then-recently adopted Order No. 552, now reflected in part in the account 182.3 definition set forth in the USOA. However, this interpretation clearly was incorrect and inconsistent with the intent of the LPSC and the specific requirements for regulatory assets set forth in the USOA. If indeed the LPSC Order had required a regulatory asset for the shorter amortization period applied to the regulatory "liability," then the regulatory asset could only have been created prospectively in increments over the period when the amortization period for ratemaking purposes was shorter than the depreciation period for the AFUDC-Debt included in plant in service.

The FERC Staff failed to recognize that simply reclassifying the AFUDC-Debt from plant to a regulatory asset was inconsistent with the basic definition of a regulatory asset set forth in the USOA and the manner in which it would have been created over time. If it had been a regulatory asset, EGSL would not and could not have immediately recorded the increase in March 1991. Instead, the increase would have been recognized over the remainder of the phase-in period as the ADIT or "regulatory liability" was amortized over a shorter period than the increase in the River Bend plant or "regulatory asset." The definition for account 182.3 in the USOA requires that the amounts be recorded over the same period that an expense was recognized for ratemaking purposes compared to the general requirements for accounting purposes.[11]

In addition, the FERC Staff recommended that the so-called regulatory "liability" be recorded as a reduction to the regulatory asset in account 182.3 rather than recorded separately in account 254 *Other Regulatory Liabilities.* This too was a violation of the USOA, which does not authorize the netting of regulatory assets and regulatory liabilities.

Finally, the FERC Staff audit report failed to comprehend the fact that the so-called regulatory "liability" actually was an ADIT amount related to an increase in the River Bend plant cost. The USOA requires that such ADIT amounts be recorded in account 282, which is the account EGSL used from March 1991 through September 1997.

Q. Should the Commission feel bound by the accounting in a 1997 FERC Staff audit report that is clearly in violation of the USOA?

---

[11] Definition of account 182.3 in USOA.

A. No. The Commission should ensure that Entergy complies with the USOA for the Bandwidth years at issue in this proceeding and in future Bandwidth years.

Q. Have there been other instances where it was necessary for the Commission to correct Entergy's accounting or where Entergy itself agreed to change its accounting to ensure compliance with the USOA?

A. Yes. In Opinion 505,[12] the FERC directed Entergy to record amortization expense for the amortization of the Spindletop Regulatory Asset in account 501 *Fuel*, instead of 407.3 *Regulatory Debits*.

Also in Opinion 505,[13] the FERC directed Entergy to record tax refunds related to Net Operating Loss Carrybacks in account 143, *Other Accounts Receivable*, and not in account 165, *Prepayments*.

Accounts 501 and 165 are Bandwidth input accounts. Accounts 407.3 and 143 are not Bandwidth input accounts.

Q. What is the effect of EGSL's erroneous accounting?

A. The effect is to understate EGSL's costs included in the Bandwidth Formula set forth in the MSS-3 tariff, which in turn improperly reduced its

---

[12] Docket No. ER07-956 at ¶261.
[13] *Id.*, ¶190-194

Bandwidth receipts for the 2010 test year and reduced ELL's Bandwidth receipts for the 2011 test year.

The Bandwidth Formula in the MSS-3 tariff consists of various formulas with various terms that are populated with cost and other data necessary to determine each Operating Company's production costs for the test year. More specifically, the plant costs in plant accounts 320 through 325 are included in the data input for NPP, "Nuclear Production Plant in Service as recorded in FERC Plant Accounts 320 through 325." Similarly, the accumulated depreciation recorded in account 108 is included in the data input for NAD, "Nuclear Accumulated Provision for Depreciation and Amortization excluding ARO associated with NPP above, as recorded in FERC Accounts 108." The regulatory asset in account 182.3 is not included in the Bandwidth Formula.

Similarly, the depreciation expense in account 403 is included in the data input for NDE, "Nuclear Depreciation and Amortization Expense associated with (NPP) as recorded in Accounts 403." The cumulative depreciation expense is recorded in account 108. The regulatory asset amortization expense in account 407.3 is not included in the Bandwidth Formula.

Q. What are the AFUDC-Debt amounts that EGSL reflected in accounts 182.3 and 407.3 for accounting purposes instead of in the proper accounts and plant accounts for each of the Bandwith years applicable to this proceeding?

A. EGSL included $71.367 million for the River Bend AFUDC Gross-Up in account 182.3 in each of the test years 2010 through 2013. EGSL also included the related accumulated amortization as negative amounts, or reductions, to account 182.3 of $45.209 million, $47.104 million, $48.999 million, and $50.893 million, in those same test years, respectively. EGSL included $1.895 million amortization expense in account 407.3 in each of those years. I have attached a copy of the relevant Form 1 pages for each year showing these amounts as my Exhibit LC-17. The gross and accumulated amortizations amounts were shown on a net basis in the 2013 Form 1.

Q. If the Commission directs Entergy to correct EGSL's accounting and to revise the data inputs for each of the test years at issue in this proceeding, will those amounts be included in the Bandwidth formula?

A. Yes. The AFUDC-Debt amount of $71.367 million will be recorded plant in account 101 and in plant accounts 320 through 325. Accordingly, the

$71.367 million will be included in the data input for the term NPP in all years.

The accumulated amortization for each year will be recorded as accumulated depreciation in account 108. Accordingly, the $45.209 million, $47.104 million, $48.999 million, and $50.893 million will be included in the data input for the term NAD in the 2010, 2011, 2012, and 2013 test years, respectively.

Finally, the amortization expense will be recorded as depreciation expense in account 403. Accordingly, the $1.895 million will be included in the data input for the term NDE in all years.

Q. What is your recommendation?

A. I recommend that the Commission direct Entergy to correct EGSL's accounting for the River Bend AFUDC-Debt for the Bandwidth years at issue in this proceeding. More specifically, the AFUDC-Debt should be reclassified from account 182.3 to account 101 and the Nuclear Production plant accounts 320 through 325 and the accumulated depreciation reflected in account 108. Finally, the depreciation expense should be reclassified from account 407.3 to account 403.

In addition, I recommend that the Commission direct Entergy to correct the NPP, NAD, and NDE inputs for EGSL and to correct the

Bandwidth payments and receipts among the Entergy Operating Companies when it makes it compliance filing in this consolidated proceeding.

Q. Does this complete your testimony?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	
v.	**Docket Nos. EL10-65-005**
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana, LLC** **Entergy Texas, Inc.**	
Entergy Services	**Docket Nos. ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBITS

OF

LANE KOLLEN

ON BEHALF OF THE
LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

July 2, 2015

1187767v1

AFFIDAVIT

STATE OF GEORGIA)

COUNTY OF FULTON)

LANE KOLLEN, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

Lane Kollen

Sworn to and subscribed before me on this 2nd day of July 2015.

Jessica K. I

Notary Public

JESSICA K INMAN
MY COMMISSION EXPIRES
NOTARY
PUBLIC
JULY 31, 2015
CHEROKEE COUNTY, GEORGIA

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States Louisiana, LLC** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

SUMMARY OF THE
DIRECT AND ANSWERING TESTIMONY OF LANE KOLLEN
ON CONSOLIDATED
ANNUAL BANDWIDTH CASES

Lane Kollen, Vice President and a principal of J. Kennedy and Associates, Inc., testifies on behalf of the Louisiana Public Service Commission regarding an accounting error in recording the costs of the Allowance for Funds Used During Construction for the River Bend nuclear plant owned by Entergy Gulf States L.L.C. He describes an error on EGSL's accounting books and recommends that this error be corrected. The effect of this accounting error is to incorrectly exclude certain plant-related costs of the River bend nuclear generating unit from the EGSL production costs calculated pursuant to the "rough production equalization" provisions of the Entergy System Agreement ("ESA") MSS-3 tariff. The costs should be recorded in plant accounts, eligible for inclusion in the Bandwidth tariff, but instead were recorded as regulatory assets and liabilities, which are not eligible.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-16

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

1184060v.1

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-16

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

1184060v.1

LOUISIANA PUBLIC SERVICE COMMISSION

STATE OF LOUISIANA

* *

DOCKET NO. U-17282 - (PHASE III) & (PHASE IV) - GULF STATES UTILITIES COMPANY, EX PARTE. IN RE: PROPOSED REVISION OF ITS ELECTRIC RATES AND CHARGES WITHIN THE STATE OF LOUISIANA.

* *

Hearing Held pursuant to Notice, before Hearing Examiner Edward L. Gallegos, in the Auditorium, One American Place, Service Level, Corner of North and Fourth Streets, Baton Rouge, Louisiana, commencing at 9:30 A.M., Tuesday, January 15, 1991,

B E F O R E : MAE S. ELLIOTT,
CERTIFIED SHORTHAND REPORTER.

RONNEE STRICKLAND & ASSOCIATES
11941 Oakshire Avenue
Baton Rouge, Louisiana 70810
(504) 769-7499 (504) 769-7026

80715

full life of the unit would be about a $26 to $27 million reduction from the original $22.1 million that I had recommended.

Q. Are there any other accounting determinations that are embodied in your proposal that could be adjusted by the Commission?

A. Well, there really are quite a few. One in particular is something that I testified on in the Phase II detailed investigation, and that is essentially the creation of a deferred tax reflecting the tax benefit of the interest expense deduction in the AFUDC rate during the construction period of River Bend.

What this has a practical effect of doing is, initially, nothing, because the means of implementing this would be to increase gross plant in service, which would be an increase to rate base, and at the same time, create an accumulated deferred tax reserve by an equivalent amount of the increase to gross plant in service. So the net effect, initially, on rate base, would be zero.

One accounting option is to then perform this adjustment and then rapidly amortize the reduction to rate base as a reduction to cost of service -- and this would be the accumulated deferred tax component -- rapidly amortize that, for example, over the remainder of the phase-in plan and amortize the increase in gross plant in service through depreciation expense over its remaining life.

Now, what this has the effect of doing is reducing the revenue requirements for the phase-in plan in exchange for having higher revenue requirements beyond the end of the phase-in plan.

So, as I have testified before this Commission previously, the phase-in plan was a series of step increases, much like going up a stairway, and then hitting a landing or a plateau. And that would be -- with respect to our Phase IV recommendation, we would be hitting the plateau phase or the landing part of the stairway. And then there is no floor at the end of the landing. You continue to walk and you just fall off, and that is after the end of the phase-in plan, because the way a phase-in plan is structured is to have a series of increases, hit a plateau, and then after the termination of the phase-in plan, all other things being equal, rates would be reduced.

And, so, what this would have the effect of doing -- these items I have identified would have the effect of reducing the plateau, but increasing the floor to which the plateau would drop after the end of the phase-in plan, a shifting of -- a timing shift.

Q. Have you had occasion to obtain any additional information since you prepared your testimony regarding whether or not revenue growth was incorporated into the computer runs that we used to develop the phase-in plan?

A. Yes, we have had occasion to determine that. Essentially, what has happened is that the Company has treated all sales and revenue growth since the commencement of the phase-in plan as being associated with non-River Bend. In other words, we can segregate the Company into two components -- River Bend on the one hand and non-River Bend on the other hand. And as we have gone through each phase of the phase-in plan, once the rate increase in totality is

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-17

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

1184060v.1

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-17

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. U-17282

ORDER NO. U-17282-J

GULF STATES UTILITIES COMPANY EX PARTE
IN RE: PROPOSED REVISION OF ITS
ELECTRIC RATES AND CHARGES WITHIN THE
STATE OF LOUISIANA, PHASE IV

issuance of the initial River Bend rate order ("accounting order deferral") included in the rate base. The Commission had allowed the company to defer its full cost of service revenue requirement under the accounting order, including the full amount of book depreciation. The Commission in the case in chief did not reduce the amount of the accounting order deferral for a prorata share of the imprudent and disallowed River Bend investment. Consequently, the depreciation expense component of the accounting order deferral was included at one hundred percent. In the Phase III order, pursuant to the directive of the District Court, the Commission allocated the River Bend asset into regulated and a deregulated portion, with the deregulated portion representing the imprudent portion of the River Bend investment.

The company believes a tax normalization violation may result from the scheduled recovery of deferred taxes and depreciation relating to the accounting order deferral vis-a-vis the River Bend asset. Consequently, the company voluntarily proposed to reduce the accounting order deferral balance for the remaining unamortized prorata portion of the disallowed and now deregulated River Bend investment. The Staff agrees with this treatment and recommends that the Commission adopt it.

A second major change was the treatment of the AFUDC debt component of the River Bend gross plant in service balance. The Staff witnesses have recommended that the AFUDC debt component of the plant in service originally recorded at a net of tax level, be grossed up to a before tax level. The effect of the tax gross-up, as indicated in the attached phase-in plan exhibit, is treated as both a regulatory asset and as a regulatory liability, with equivalent balances as of March 1, 1991, the beginning of the Phase IV period. The Staff recommended that the regulatory asset be amortized over the remaining life of the River Bend investment and that the regulatory liability be amortized over the remaining life of the phase-in plan. The regulatory asset is treated as an increase to the regulated rate base and the regulatory liability is treated as a reduction to the regulated rate base. This recommendation reduces the revenue requirement during the remainder of the phase-in period, but increase the revenue requirement beyond the phase-in period for the remaining useful life of River Bend.

The Commission agrees with the Staff witnesses that these are appropriate adjustments to avoid potential tax normalization problems with the phase-in plan and adopts the associated adjustment reflected in the Staff's recommended Phase IV phase-in plan incorporated as an exhibit to this order.

G. Rate Design

In Phase III of this Docket, Gulf States proposed a comprehensive redesign of its rates. Testimony and some additional evidence was received on those issues in the Phase

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-18

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-18

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

1184060v.1

Check appropriate box:

☐ Original signed form

☒ Conformed copy

Form Approved
OMB No. 1902-0021
(Expires 11/30/92)

FERC Form No. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year of Report
Gulf States Utilities Company	Dec. 31, 19 91

Name of Respondent	This Report is:	Date of Report	Year of Report
Gulf States Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr)	Dec. 31, 1991

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified--Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant (Note A)	(14,648,682)	(137,557)
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	(14,648,682)	(137,557)
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	8,857,931	
9	(311) Structures and Improvements	238,122,399	283,744
10	(312) Boiler Plant Equipment	762,387,951	4,261,203
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	337,744,226	53,789
13	(315) Accessory Electric Equipment	167,968,286	3,546,174
14	(316) Misc. Power Plant Equipment	11,994,034	461,698
15	TOTAL Steam Production Plant (Enter Total of lines 8 thru 14)	1,527,074,827	8,606,608
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights	8,506,358	
18	(321) Structures and Improvements	1,329,169,971	1,454,369
19	(322) Reactor Plant Equipment	727,699,425	295,628
20	(323) Turbogenerator Units	367,929,781	103,220
21	(324) Accessory Electric Equipment	626,739,459	23,224
22	(325) Misc. Power Plant Equipment	13,411,390	612,356
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 thru 22)	3,073,456,384	2,488,797
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights		
26	(331) Structures and Improvements		
27	(332) Reservoirs, Dams, and Waterways		
28	(333) Water Wheels, Turbines, and Generators		
29	(334) Accessory Electric Equipment	218,538	
30	(335) Misc. Power Plant Equipment	32,265	
31	(336) Roads, Railroads, and Bridges		
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 thru 31)	250,803	
33	D. Other Production Plant		
34	(340) Land and Land Rights		
35	(341) Structures and Improvements		
36	(342) Fuel Holders, Products, and Accessories		
37	(343) Prime Movers		
38	(344) Generators		
39	(345) Accessory Electric Equipment		

Name of Respondent	This Report is:	Date of Report	Year of Report
Gulf States Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr)	Dec. 31, 1991

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

columns (c) and (d), including the reversals the reversals of the prior years tentative account distibutions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount to respondent's plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
				(301)	2
				(302)	3
	71,367,000		56,580,761	(303)	4
	71,367,000		56,580,761		5
					6
					7
24,780			8,833,151	(310)	8
53,168		57,141	238,410,116	(311)	9
563,901		(44,393)	766,040,860	(312)	10
				(313)	11
89,988		(926,704)	336,781,323	(314)	12
564,091		867,436	171,817,805	(315)	13
(224,468)		(16,195)	12,664,005	(316)	14
1,071,460		(62,715)	1,534,547,260		15
					16
			8,506,358	(320)	17
			1,330,624,340	(321)	18
			727,995,053	(322)	19
			368,033,001	(323)	20
		(534,573)	626,228,110	(324)	21
		534,573	14,558,319	(325)	22
			3,075,945,181		23
					24
				(330)	25
				(331)	26
				(332)	27
				(333)	28
			218,538	(334)	29
			32,265	(335)	30
				(336)	31
			250,803		32
					33
				(340)	34
				(341)	35
				(342)	36
				(343)	37
				(344)	38
				(345)	39

Name of Respondent	This Report is:	Date of Report	Year of Report
	(1) [X] An Original	(Mo, Da, Yr)	
Gulf States Utilities Company	(2) [ ] A Resubmission		Dec. 31, 1991

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Note A. Line 4, "Miscellaneous Intangible Plant," represents contra-AFUDC accrued on CWIP previously included in rate base for columns (b) and (c).

In accordance with the rate order in Louisiana effective March 1, 1991, the LPSC required the Company to modify its treatment of certain flow through benefits related to AFUDC recorded on capital expenditures prior to 1986. Accordingly, the Company increased electric plant in service by $71,367,000 and accumulated depreciation by $8,400,000, and accumulated deferred income taxes by $62,967,000. The rate order requires the Company to amortize the increase in plant in service over approximately 35 years, the estimated remaining life of River Bend, and to amortize the increase in deferred taxes over approximately seven years.

Name of Respondent	This Report is:	Date of Report	Year of Report
Gulf States Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr)	Dec. 31, 1991

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant In Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,779,397,453	1,730,183,271	49,214,182	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	173,467,260	174,233,020	(765,760)	
4	(413) Exp. of Elec. Plt. Leas. to Others				
5	Transportation Expenses-Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8	Decommissioning	2,996,505	2,996,505		
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	176,463,765	177,229,525	(765,760)	
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	14,977,384	14,977,384		
12	Cost of Removal	1,791,733	1,778,021	13,712	
13	Salvage (Credit)	3,788,094	3,787,817	277	
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	12,981,023	12,967,588	13,435	
15	Other Debit or Cr. Items (Describe): Note A	8,400,000	8,400,000		
16	Reserve Transfers	697,511	699,009	(1,498)	
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	1,951,977,706	1,903,544,217	48,433,489	

Section B. Balances at End of Year According to Functional Classifications

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant In Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
18	Steam Production	749,885,986	701,452,497	48,433,489	
19	Nuclear Production	441,324,154	441,324,154		
20	Hydraulic Production - Conventional	146,337	146,337		
21	Hydraulic Production - Pumped Storage				
22	Other Production	(22,795)	(22,795)		
23	Transmission	335,829,936	335,829,936		
24	Distribution	385,964,293	385,964,293		
25	General	38,849,795	38,849,795		
26	TOTAL (Enter Total of lines 18 thru 25)	1,951,977,706	1,903,544,217	48,433,489	

Name of Respondent	This Report is:	Date of Report	Year of Report
	(1) [X] An Original	(Mo, Da, Yr)	
Gulf States Utilities Company	(2) [ ] A Resubmission		Dec. 31, 1991

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108) (Continued)

NOTES:

Line 18 - Includes $(1,871,158) of contra-AFUDC on CWIP previously included in rate base and $(6,901,750) of a regulatory asset for depreciation for Big Cajun 2 Unit 3 that was accrued from September 1983 through June 1986.

Line 19 - Includes $10,324,004 for decommissioning, $(828,397) of contra-AFUDC accrued on CWIP previously included in rate base, and $9,886,812 of amortization described in Note A below.

Line 23 - Includes $(44,772) of contra-AFUDC on CWIP previously included in rate base.

Note A. In accordance with the rate order in Louisiana effective March 1, 1991, the LPSC required the Company to modify its treatment of certain flow through benefits related to AFUDC recorded on capital expenditures prior to 1986. Accordingly, the Company increased electric plant in service by $71,367,000 and accumulated depreciation by $8,400,000, and accumulated deferred income taxes by $62,967,000. The rate order requires the Company to amortize the increase in plant in service over approximately 35 years, the estimated remaining life of River Bend, and to amortize the increase in deferred taxes over approximately seven years.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-19

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-19

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

1184060v.1

ENTERGY SERVICES, INC.
FEDERAL ENERGY REGULATORY COMMISSION
Docket No. EL10-65-000

Response of: Entergy Services, Inc.
to the Fourth Set of Data Requests
of Requesting Party: Louisiana Public Service Commission

Prepared Under the Direction of: Kelly Louque
Filed: 6/12/15

Question No.: LPSC 4-3 Part No.: Addendum:

Question:

Please refer to page 232 in EGSL's 2011 Form 1 at line 7 related to the regulatory asset labeled "River Bend AFUDC Gross-up." Refer also to pages 204, 205, both at line 4, footnote page 207a, 219, and footnote page 219a in EGSL's (formerly GSU) 1991 Form 1. Finally, refer to page 232 in EGSL's (formerly EGSI) 1997 Form 1 at line 32.

a. Please confirm that the amount recorded in FERC account 303, Miscellaneous Intangible Plant, as an adjustment in column E during 1991 on the 1991 Form 1 is the same asset and the same gross amount of $71,367,000 that is reflected on Line 7 of the 2011 Form 1. If the Company cannot confirm, please explain why.

b. Please admit or deny that the footnote included on page 207a in the 1991 Form 1 described the asset as follows:

c. "In accordance with the rate order in Louisiana effective March 1, 1991, the LPSC required the Company to modify its treatment of certain flow through benefits related to AFUDC recorded on capital expenditures prior to 1986. Accordingly, the Company increased electric plant in service by $71,367,000 and accumulated depreciation by $8,400.000, and accumulated deferred income taxes by $62,967,000. The rate order requires the Company to amortize the increase in plant in service over approximately 35 years, the estimated remaining life of River Bend, and to amortize the increase in deferred taxes over approximately seven years."

d. Please indicate whether the amount of $71,367,000 previously reflected as plant in service from 1991 to 1997 was reclassified as a regulatory asset during 1997.

e. Please confirm that the accumulated depreciation associated with the asset was recorded in FERC account 108, Accumulated Provision for

Question No.: LPSC 4-3

Depreciation of Electric Utility Plant, and recorded on line 19, nuclear production accumulated depreciation, from 1991 until the reclassification in 1997.

f. Please provide a copy of all journal entries and associated backup used to record the 1997 reclassification of the River Bend AFUDC Gross-up asset and its associated accumulated depreciation to regulatory assets.

g. Please cite and provide copies of all authorities, such as accounting pronouncements or FERC audit recommendations, relied upon for the reclassification from plant in service to regulatory assets.

h. Please indicate whether the gross plant asset, accumulated depreciation, and depreciation expense associated with this asset were included as costs in Exhibits ETR-26 and ETR-28 from EL01-88 for the years 1991 to 1996. If so, please indicate the locations by schedule where each of those component costs were included.

Response:

a. Confirm.

b. Confirm.

c. N/A.

d. Confirm.

e. Confirm.

f. See the attached.

g. See the attached FERC audit report.

h. Those items were not included in Exhibits ETR-26 and ETR-28.

The preparer certifies that the above response is true and accurate to the best of his/her knowledge, information and belief formed after reasonable inquiry.

266

1997

Entergy

Entergy Corporation

Month of September

Journal Entry Number Z PAL - 022

Summary Description

PROPERTY ACCTG CORR

PROPERTY ACCTG CORRECTIONS

TO RECLASS RIVER BEND AFUDC GROSS UP AND RELATED ACC DEPREC AND ADIT TO REGULATORY ASSETS PER FERC AUDIT RECOMMENDATION

Per Detail Attached

Prepared By

Reviewed By

EL10-65-000

LPSC 4-3 TH164

EL10-65-000

Entergy Corporation

1997

Month of September

Journal Entry Number Z PAL - 022

Summary Description

PROPERTY ACCTG CORR

PROPERTY ACCTG CORRECTIONS

TO RECLASS RIVER BEND AFUDC GROSS UP AND RELATED ACC DEPREC AND ADIT TO REGULATORY ASSETS PER FERC AUDIT RECOMMENDATION

Per Detail Attached

LPSC 4-3 TH165

Prepared By

Reviewed By

10/2/97 13:59:08

Entergy Corporation
Journal Totals Report

Z PAL 022 9/30/97

PROPERTY ACCTG CORR

Sub Journal ID	Description	Last Modified By	Debits	Credits	Difference
001	RECLASS RB AFUDC GROSS UP	phymel	71,367,000.00	71,367,000.00	0.00
002	RECLASS ACCUM DEPREC RB AFUDC	phymel	20,145,810.00	20,145,810.00	0.00
003	RECLASS ADIT RB AFUDC GROSS UP	phymel	3,493,148.00	3,493,148.00	0.00
		Total Journal	95,005,958.00	95,005,958.00	0.00

EL10-65-000

10/2/97 13:59:25
Source: MJ

Entergy Corporation
Journal Detail Report

PROPERTY ACCTG CORR

Z PAL 022 9/30/97
Sub-Journal ID: 001

Line No	LE	Description	Phy Loc	Acct	Org	Res	Act	Prod Line	St	Org Chg	Proj	Func	Tran Dt	Orig Jnl	Orig Seq	Amt Type	Debits	Credits
100	G			10106	HU1			E	LA	HU1			10/02/97			USD		71,367,000.00
200	G			182345	HU1			E	LA	HU1			10/02/97			USD	71,367,000.00	
													Total Sub-Journal				71,367,000.00	71,367,000.00

Explanation RECLASS RB AFUDC GROSS UP FROM PLANT IN SERVICE TO REGULATORY ASSET

LPSC 4-3 TH167

EL10-65-000

10/2/97 13:59:25
Source: MJ

Z PAL 022 9/30/97
Sub-Journal ID: 002

Entergy Corporation
Journal Detail Report

PROPERTY ACCTG CORR

Line No	LE	Description	Phy Loc	Acct	Org	Res	Act	Prod Line	St	Org Chg	Proj	Func	Tran Dt	Orig Jrnl	Orig Seq	Amt Type	Debits	Credits
100	G			108052	HU1			E	LA	HU1			10/02/97			USD	20,145,810.00	
200	G			182346	HU1			E	LA	HU1			10/02/97			USD		20,145,810.00
													Total Sub-Journal				20,145,810.00	20,145,810.00

Explanation RECLASS ACCUM DEPREC RB AFUDC GROSS UP TO REGULATORY ASSET - ACCUMULATED AMORTIZATION

LPSC 4-3 TH168

10/2/97 13:59:25
Source: MJ

Entergy Corporation
Journal Detail Report

Z PAL 022 9/30/97
Sub-Journal ID: 003

PROPERTY ACCTG CORR

Line No	LE	Description	Phy Loc	Acct	Org	Res	Act	Prod Line	St	Org Chg	Proj	Func	Tran Dt	Orig Jnl	Orig Seq	Amt Type	Debits	Credits
100	G			282177	HU1			E	LA	HU1			10/02/97			USD	3,493,148.00	
200	G			182347	HU1			E	LA	HU1			10/02/97			USD		3,493,148.00
													Total Sub-Journal				3,493,148.00	3,493,148.00

Explanation RECLASS ADIT RB AFUDC GROSS UP - LA RETAIL TO REG. ASSET-RB AFUDC GROSS UP - LA RETAIL

Prepared by ______________________ Checked By ______________________

LPSC 4-3 TH169

Date: October 1, 1997

To: Dorothy Duncan
Brian Caldwell
Sylvia Browne
Herb Stein
Mike Peveto

From: Phillip Hymel

Subject: Reclass of River Bend AFUDC Gross Up to Regulatory Asset

In accordance with Entergy Gulf States, Inc.'s (EGSI) compliance with the FERC's accounting requirements and audit recommendation that EGSI reclass the River Bend AFUDC Gross Up from plant in service to a regulatory asset, the following journal entries will be made as of September 30, 1997 (journal entry Z PAL - 022):

182.345	Reg. Asset-RB AFUDC Gross Up	$71,367,000	
101.06	RB AFUDC Gross Up		$71,367,000

To reclass Electric Plant in Service - Miscellaneous Intangible Plant to Regulatory Asset.

108.052	RB AFUDC Gross Up	$20,145,810	
182.346	Reg. Asset-Accum. Amort. RB AFUDC Gross Up		$20,145,810

To reclass Accumulated Depreciation - RB AFUDC Gross Up to Regulatory Asset - Accumulated Amortization.

282.177	AFUDC Book Only Gross Fed Retail	$3,493,148	
182.347	Reg. Asset-RB AFUDC Gross Up - LA Retail		$3,493,148

To reclass Accumulated Deferred Taxes on RB AFUDC Gross Up to Regulatory Asset - RB AFUDC Gross Up - LA Retail.

In October 1997, depreciation of the Plant in Service balance and the amortization of the Accumulated Deferred Income Tax Liability will cease and amortization of the Regulatory Assets will begin. The following journal entries will be booked monthly:

407.346	Amort. Reg. Asset-RB AFUDC Gross Up	$148,681	
182.346	Reg. Asset-Accum. Amort. RB AFUDC Gross Up		$148,681

To amortize the Regulatory Asset - RB AFUDC Gross Up (40 year life).

182.347	Reg. Asset-RB AFUDC Gross Up-LA Retail	$752,834	
407.347	Amort. Reg. Asset-RB AFUDC Gross Up - LA Retail		$752,834

To amortize the Regulatory Asset - RB AFUDC Gross Up - LA Retail (amortization ends in February 1998).

pph

cc: Louis Buck
Phillip Gillam
Annwood Reedy
Dave Wright
Malcolm Dicharry
Minoo Bhujwalla
Kimberly Fontan
~~Joseph A. Frangipane~~

COPY

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

Elec. Corr.

In Reply Refer To:
OCA-AD
Docket No. FA93-57-000

JUN 26 1997

Entergy Gulf States, Inc.
Attention: Mr. Louis E. Buck, Jr.
Vice President & Chief Accounting Officer
P. O. Box 61005
New Orleans, LA 70161

Ladies and Gentlemen:

The Division of Audits of the Office of the Chief Accountant has examined the books and records of Gulf States Utilities Company for the period January 1, 1990 through December 31, 1992. 1/ The purpose of the examination was to evaluate your Company's compliance with Commission accounting and reporting regulations contained in the Uniform System of Accounts, Annual Report FERC Form No. 1, and related regulations. The examination included selective tests of the accounting records, review of the internal control structure, and other audit tests and procedures considered necessary under the circumstances.

The Division of Audits recommended corrective actions on several findings of noncompliance with the Commission's accounting, financial reporting, and related regulations. The enclosed audit report describes findings, recommendations, and related correcting entries for the compliance matters. By letter dated April 10, 1997, your Company agreed to adopt the recommended corrective actions. I hereby approve and direct the recommended corrective actions.

The Texas Public Utility Commission (TPUC) and the Louisiana Public Service Commission (LPSC) did not respond with any objections to the matters discussed in the report.

The Commission delegated authority to act in this matter to the Director, Division of Audits under 18 C.F.R. § 375.303. This letter order constitutes final agency action on the corrective actions approved and directed in this report. Within 30 days of the date of this order, your Company may file a request for rehearing with the Commission under 18 C.F.R. § 385.713.

1/ On April 22, 1996, Gulf States Utilities Company changed its name to Entergy Gulf States, Inc.

970729-0104-1

FERC DOCKETED
JUN 26 1997

This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention.

Sincerely,

Joseph A. Frangipane

Joseph A. Frangipane
Director, Division of Audits

Enclosure

Results of the Examination

of the

Books and Records

of

Entergy Gulf States, Inc. *
Docket No. FA93-57-000

For the Period

1/1/90 through 12/31/92

Conducted by

Division of Audits
Office of the Chief Accountant
Federal Energy Regulatory Commission

* Name Changed from Gulf States Utilities Company

TABLE OF CONTENTS

No.	Description	Page
	COMPLIANCE EXCEPTIONS	
1.	Accounting for Suspended Project Costs	1
2.	Accounting for Regulatory Assets	3
3.	Procedures for Calculating Fuel Billings to Wholesale Customers	6
4.	Accounting for Transmission Revenues	8
5.	Miscellaneous Accounting Classifications	10

COMPLIANCE EXCEPTIONS

Entergy Gulf States, Inc.(Company) 1/ agreed to adopt the recommendations in the following compliance matters:

1. Accounting for Suspended Project Costs

The Company used the wrong accounts to classify certain costs related to suspended projects.

Background of Issue

The Company suspended construction at the following generating stations:

A. Blue Hills

The Company originally purchased 3,021 acres at the Blue Hills plant site for two nuclear units. It abandoned construction in 1979. The Company received permission to recover a portion of the cost of the abandoned project from all rate jurisdictions.

During December 1979, the Company expensed $25,000,000 it incurred for the construction and transferred the remaining cost, including land, to Account 105, Plant Held For Future Use. At December 31, 1992, it recorded $31,150,782 for the land, site preparation and engineering, and $6,725,615 of Allowance For Funds Used During Construction (AFUDC) in Account 105.

B. Nelson

During 1981, the Company suspended construction of Nelson Unit No. 5 (Nelson).

The Company acquired generating equipment as part of a settlement with the contractor when the Company canceled Nelson. In 1982, the Company transferred $13,231,940 of generating equipment from Account 107, Construction Work In Progress--Electric, to Account 105. The Company transferred the equipment because it could be used at Nelson Unit No. 6, an identical unit.

1/ On April 22, 1996, Gulf States Utilities Company changed its name to Entergy Gulf States, Inc.

During October 1984, the Company transferred $27,665,976 of preliminary engineering work for Nelson from Account 107 to Account 105.

The Company's 10-year plan did not include any construction for either of the units.

Discussion of Accounting Requirements

Under the requirements of the Uniform System of Accounts, a company must transfer or expense the cost related to suspended projects to the appropriate expense account, unless it can demonstrate any of the costs benefit a future period, and meet the accounting classification as an asset.

The Company's accounting was not consistent with the following requirements of the Uniform System of Accounts:

1. The instructions to Account 105, Electric Plant Held For Future Use, state in part:

> A. This account shall include the original cost of electric plant (except land and land rights) owned and held for future use in electric service under a definite plan for such use. . . . [Emphasis added.]

To qualify for Account 105, the Company must have a plan for future use of all property, except land and land rights. The Company did not have definite plans to continue construction of the two units. Under the circumstances, the Company should not have classified the project costs in Account 105.

2. The instructions to Account 154, Plant Materials and Operating Supplies, state in part:

> A. This account shall include the cost of materials purchased primarily for use in the utility business for construction, operation and maintenance purposes. . . .

The Company should have classified the cost of the spare equipment in Account 154, instead of Account 105.

Further, the Company has not used the equipment since the acquisition in 1981. Therefore, it should make an evaluation to determine whether the equipment has any future use in utility service.

3. The Company did not support the continued benefit associated with any engineering, environmental, or other studies performed at the sites some 15 years earlier.

Under the circumstances, the Company should expense any engineering, environmental or study costs related to the canceled project.

Subsequent Events

The Company informed the Division of Audits that it wrote-off the related assets in December 1994.

Recommendations

We recommend the Company revise procedures to ensure that it:

(1) reviews the classification of future use property on a timely basis; and

(2) reclassifies and/or expenses the cost of projects not meeting the future use classification requirements.

2. Accounting for Regulatory Assets

The Company used the wrong account to record a portion of the regulatory assets related to a phase-in rate plan.

Background of Issue

The Company placed its River Bend Nuclear Unit (River Bend) into commercial operation during June 1986.

On December 11, 1986, the Louisiana Public Service Commission (LPSC) approved an order in Docket No. U-17282 that permitted the Company a 10-year phase-in plan to include the costs of River Bend into Louisiana retail rates. The LPSC authorized the Company to defer River Bend expenses between the in-service date and December 31, 1987, for future recovery in rates.

On March 1, 1991, the LPSC issued another rate order that modified the River Bend phase-in rate plan. The LPSC authorized the Company to increase the rate base for River Bend over the unit's remaining life by adjusting the AFUDC recorded during the construction period and included in the plant accounts from a net-of-tax to a gross basis. 2/ At the same time, the LPSC decreased rate base by a similar amount over the remaining life of the phase-in, a period of 6.97 years. The LPSC's action had the effect of reducing the immediate revenue requirement during the remainder of the phase-in period, while increasing the revenue requirement beyond the phase-in period over the remaining useful life of River Bend.

After 1991, the Company made several filings requesting to increase Louisiana retail rates and to recover amounts previously deferred as authorized in Docket No. U-17282. The LPSC granted the Company several rate increases under the phase-in plan. Furthermore, the LPSC included the regulatory asset related to the restated AFUDC as an addition to rate base and the regulatory liability as a deduction from rate base as stated in its rate order.

Company Accounting

The Company accounted for the regulatory asset related to the deferred River Bend expenses by debiting Account 186, Miscellaneous Deferred Debits 3/, and crediting Account 406, Amortization of Electric Plant Acquistion Adjustments.

The Company accounted for the restatement of AFUDC by:

- debiting Account 101, Electric Plant in Service, (Account 303, Miscellaneous Intangible Plant) for $71,367,000;
- crediting Account 108, Accumulated Provision for Depreciation of Electric Utility Plant, for $8,4000,000 for the increased depreciation on the restated AFUDC for the period of 1986 to March 1991; and
- crediting Account 282, Accumulated Deferred Income Taxes--Other Property, for $62,967,000 in deferred income taxes related to the restated asset.

The Company amortized the additional asset and liability according to the rate plan approved by the LPSC. At May 31, 1997, the Company had credited an additional amount of $11.1

2/ During contruction of the unit, the Company recorded AFUDC in its accounts using a net-of-tax method.

3/ The Company reclassified the balance to Account 182.3, Other Regulatory Assets, after the FERC created an account specifically for regulatory assets in Order 552.

million to Account 108 (leaving a balance of $19.5 million). Also, it amortized about $56.4 million of the balance recorded in Account 282 (leaving a balance of $6.5 million).

In 1993, the Company adopted Statement of Financial Accounting Standard (SFAS) No. 109, Accounting for Income Taxes. The Company recorded entries to gross up AFUDC previously recorded on a net-of-tax basis. When the Company computed the amount of the gross up it included the River Bend plant in the computation. It recorded the gross up of the net-to-tax AFUDC plant by debiting Account 182.3 and crediting Account 282. It did not make any entries to Account 101.

Commission Accounting Requirements

On March 31, 1993, the FERC issued Order No. 552 providing in part, guidelines for acounting for regulatory created assets and liabilities. Order No. 552 added Accounts 182.3, Other Regulatory Assets, and Account 254, Other Regulatory Liabilities, to record regulatory assets and liabilities not provided for in other accounts. Also, Order No. 552, added Definition No. 31 to the Uniform System of Accounts which defines regulatory assets and liabilities as follows:

> Regulatory Assets and Liabilities are assets and liabilities that result from rate actions of regulatory agencies. Regulatory assets arise from specific revenues, expense, gains, or losses that would have been included in net income determinations in one period under the general requirements of the Uniform System of Accounts but for it being probable: (1) that such items will be included in a different period(s) for purposes of developing the rates the utility is authorized to charge for its utility services. . . .

The term "probable" as used in the above definition "refers to that which can reasonably be expected or believed on the basis of available evidence or logic but is neither certain nor proved."

Conclusions

The actions of the LPSC created a regulatory asset for River Bend. However, the Company did not record the portion of the regulatory asset and regulatory liability related to the gross-up of AFUDC in the proper accounts. It was incorrect for the Company to classify the effects of the phase-in plan in Accounts 101, 108, and 282. Instead, the Company should have debited Account 182.3 for the restated AFUDC regulatory asset and credited a separate subaccount of 182.3 for the AFUDC regulatory liability.

Recommendation

We recommend the Company record a correcting entry (computed as of May 31, 1997) to its accounts by:

(1) crediting Account 101 for $71,367,000;

(2) debiting Account 108 for $19.5 million;

(3) debiting Account 282 for $6.5 million

(4) recording the contra entries for the above entries to subaccounts of Account 182.3

The Company shall submit a copy of the correcting entry to the Office of the Chief Accountant.

---

3. Procedures for Calculating Fuel Billings to Wholesale Customers

The Company included certain non-fuel costs related to power purchased from Qualifying Facilities (QFs) as a component of fuel cost in calculating fuel adjustment clause (FAC) billings to wholesale customers. Also, it removed amounts related to certain retail sales in calculating FAC billings to wholesale customers.

Background of Issues

The Company entered into long-term contracts for the purchase of power from two QFs - Nelson Industrial Steam Company (NISCO) and Agrielectric Power Partners, Ltd. (Agrielectric).

The Company included the total price paid for energy purchased from both sources as a component of fuel adjustment clause (FAC) billings to wholesale customers.

Also, the Company adjusted the generation and cost components of the FAC billings by removing the effects of the special incentive rate programs authorized by its state regulatory commissions. 4/ It removed the sales from the

---

4/ The Texas Public Utility Commission (PUCT) and the Louisiana Public Service Commission (LPSC) have authorized special incentive rates to industrial customers.

programs from the Sm factor and its incremental energy cost of such sales from the Fm factor.

Discussion of Commission Requirements

Under the Company's tariff, it can only include the total energy component of purchased power in FAC billings if such amount was less than the Company's avoided cost of generation. In the case of purchases from NISCO and Agrielectric, the price of energy purchased exceeded the Company's cost of generation or avoided cost.

Also, the contract periods exceeded twelve months. Therefore, the purchases do not qualify as economic power under the Company's tariff.

Under the tariff, the Company can recover the actual identifiable fossil and nuclear fuel cost component of such billings.

On November 1, 1991, the FERC issued a decision to Philadelphia Electric Company in Docket Nos. ER91-478-000 and EL91-42-000, involving the appropriateness of excluding sales of certain energy from FAC billings. The FERC stated:

> . . . , the proposal violates the clear language of the filed FAC and violates the Commission's FAC regulations. Section 35.14 mandates a calculation which divides eligible fuel and purchased power costs by total company sales in order to compute the cost of eligible fuel and purchased power kwh of energy sold. Thus the customer pays its pro rata share of the costs for which FAC treatment is allowed. Accordingly, Philadelphia's . . . proposal must be disallowed . . . .

Under Section 35.14 of the FERC's regulations and the Company's tariff, the Company is required to compute the fuel cost on a per kWh basis, including amounts related to the retail programs.

Recommendations

We recommend the Company revise procedures effective July 1, 1997, to ensure it:

(1) limits the costs of purchased power included as a component of the FAC billings to wholesale customers consistent with the terms of its filed tariff and the FERC's regulations; and

(2) determines fuel cost on a per kWh basis that includes amounts related to retail programs.

4. Accounting for Transmission Revenues

The Company did not recognize in operating revenue accounts the transmission charges billed to Cajun Electric Power Cooperative (Cajun) under FERC approved tariffs.

Background of Issue

The Company and Cajun entered into the Power Interconnection agreement, dated June 26, 1978, to allow transmission of power from Cajun's new generating units to customers. This agreement was amended December 17, 1980, to provide a coordinated transmission service between the two companies under Service Schedule CTOC.

The Company has a longstanding dispute with Cajun regarding the CTOC service schedule which is still being litigated in Docket Nos. EL87-51 and ER88-477. Two threshold issues under dispute are:

1. Both companies contributed their 200kv and higher rated transmission plant to be used in the coordinated service. Each Company was required to contribute plant whose value was proportionate to their usage of the facilities, or pay the "equalization charge." This charge was estimated and adjusted to actual plant investment and usage annually. The components of plant allowed and the rate to apply were in dispute.

2. Since the Company included the entire revenue requirement for its transmission plant in transmission rates (Service Schedule CITS, CSTS and CTS), Cajun received a credit on its transmission bills to reduce the Company's revenue to avoid a double recovery. This billing procedure was called the "CTOC credit." This was a fixed monthly amount, which was supposed to track the latest rate methodology. The amount and effect of the rate settlements were in dispute. 5/

5/ Beginning in November 1985, Cajun disputed the computation of plant investment and the CTOC credit. It withheld payment from the Company on the disputed portion of the billing. Subsequently, Cajun filed a complaint with the FERC.

Company Accounting

The Company initially recorded transmission revenues based on its interpretation of these approved rates. However, Cajun paid the Company based on its interpretation of such rates and withheld payment of the difference between the Company's billing and Cajun's own calculation of this billing.

As it billed for the transmission services provided, the Company recorded a receivable by debiting Account 142, Customer Accounts Receivable, and crediting Account 253, Other Deferred Credits, for the service supplied and interest accrued on the unpaid billings.

In January 1991 Cajun made a partial payment of $7,300,000. The Company recorded the $7,300,000 by reducing accounts receivable recorded in Account 142.

At December 31, 1992, the Company had balances of deferred revenues and interest amounting to $115,572,371 in Account 142 and $122,872,371 in Account 253.

Discussion of Accounting Requirements

Under General Instruction No. 11, a company is required to keep its accounts on the accrual basis for all known transactions of appreciable amounts. Also, under General Instruction No. 7, a company shall reflect all items of profit or loss during the accounting period.

The Company's accounting for the billings to Cajun was not consistent with these requirements in the following respects:

1. The accrual basis of accounting requires recognition of revenue by the reporting entity at the time it is realized.

The instructions to Account 456, Other Electric Revenues, include the following:

> This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

One of the items listed in the account instructions are "Revenues from transmission of electricity of others over transmission facilities of the utility".

The Company should have accrued all amounts billed to Cajun under FERC authorized tariffs for transmission as revenues, in Account 456.

Also, the Company should have accrued interest on the unpaid amounts from Cajun under FERC authorized tariffs for transmission services. It should have recorded the accrual of interest in Account 419.

2. A company is required to make provisions in its accounts for possible rate refunds.

The FERC established the following accounts to record provisions for rate refunds: Accounts 449.1, Provision for Rate Refunds, and 229, Accumulated Provision for Rate Refunds.

If the Company estimated that the FERC would not permit the recovery of all amounts from Cajun, it should have established a provision by charging Account 449.1 and crediting Account 229.

Recommendations

We recommend the Company:

(1) revise procedures to ensure it accounts for revenues in accordance with the requirements of the Uniform System of Accounts;

(2) record the necessary correcting entries to recognize the transmission and interest revenues in the proper accounts consistent with the previously mentioned requirements of the Uniform System of Accounts; and

(3) record any operating provisions, if appropriate, to reflect any estimated rate reductions based upon the final FERC decision in the pending proceeding, by charging Account 449.1 and crediting Account 229.

The Company shall file a copy of the correcting entry with the Office of the Chief Accountant.

5. Miscellaneous Accounting Classifications

The Company classified certain transactions in the wrong accounts. The following summary indicates (a) the nature of the item misclassified, (b) the account used by the Company, and © the proper account for each transaction:

Description	Account Used	Proper Account
Payments to Nebraskans Against Breaking Our Word	520	426.4
Transmission facility charges	555	567
Franchise Tax	408.2	408.1
Accrued expense for doubtful collection of miscellaneous accounts receivable	930.2	904
Recoverable advances for the creation of a low level radioactive waste compact	128	186
Income statement effects of deferred fuel accounting for purchased power	555	557
Income statement effects of deferred fuel accounting for coal and natural gas	501	557

Recommendations

We recommend the Company:

(1) revise procedures to ensure that it classifies the identified transactions consistent with the requirements of the Uniform System of Accounts; and

(2) record correcting entries to reclassify any balance sheet amounts to the proper accounts.

ENTERGY

Entergy Corporation

Louis E. Buck, Jr.

July 23, 1997

Mr. Joseph A. Frangipane
Director, Division of Audits
Office of Chief Accountant
Federal Energy Regulatory Commission
825 N. Capital St., Room 959 UCP
Washington, D.C. 20426

Dear Mr. Frangipane:

The following are Entergy Gulf States, Inc.'s "(EGSI)" comments on the Division of Audits' findings and recommendations on the final audit report OCA-AD Docket No. FA93-57-000 dated June 26, 1997. In those instances where the Company and your staff have reached an agreement, it is indicated in the response.

I. Compliance Exceptions

1. Accounting for Suspended Project Costs

The Company is in agreement with the FERC Staff's finding. The assets in question were written off in December 1994. The related journal entry has been supplied to the Staff previously; therefore, there does not appear to be a need for any additional filing with the Chief Accountant.

2. Accounting for Utility Plant Costs

The Company agrees to record the necessary entries to record the referenced AFUDC as a regulatory asset.

3. Procedures for Calculating Fuel Billings to Wholesale Customers

EGSI agrees, effective July 1, 1997, to limit the costs of purchased power included as a component of the FAC billings to wholesale customers consistent with the terms of its filed tariff and the FERC's regulations and to also determine fuel cost on a per kWh basis that includes amounts related to the retail program.

4. Accounting for Transmission Revenues

The Statement of Financial Accounting Standards No. 5 prohibits the Company from recording revenue and interest income for which there is not a reasonable possibility of collection. As a result of our meeting with the Staff in October 1995, the Company agreed to change its accounting to record the gross transmission revenue in FERC Account 456 and record an offsetting "reserve" in FERC Account 449 for the amount of transmission revenue that is likely unrecoverable. The Company made this change in January 1996. Based on our discussions with the Staff, we believe this satisfies its concerns regarding this item.

5. Miscellaneous Accounting Classifications

The specific items identified by the FERC Staff relative to this exception are listed below. We believe that we are presently in compliance and/or agreement with the Audit Staff on all issues relative to these Miscellaneous Accounting Classifications. In order to ensure that our understanding is correct, EGSI's position on each item is set forth below.

Payments to Nebraskans Against Breaking Our Word

This item was charged on EGSI's books to Account 520. The Company is no longer incurring these expenses. The Staff has recommended the use of Account 426.4. The FERC recommendation has been noted and will be taken into consideration if such expenditures are incurred again. EGSI does not foresee incurring these expenses again.

Transmission Facility Charges

With regard to this item the FERC audit staff has recommended using Account 567, Transmission Rents, to record the facility costs paid to Mississippi Power Company (MPC) and Southwestern Electric Power Company (SWEPCO) associated with the use of their transmission lines to transport electricity to or from their system.

As we have stated previously, EGSI agrees with the recommendation to charge account 567 for use of its transmission facilities and account 431 for interest expense on the MPC billing adjustments. We have revised our procedures to ensure compliance with FERC recommendations.

Franchise Tax

The accounting procedures for this income item have been changed prospectively to comply with the FERC Staff's recommendation.

Accrued Expense for Doubtful Collection of Miscellaneous Accounts Receivable

With regard to this expense item, the accounting procedures have been changed prospectively to comply with the FERC Staff's recommendation.

√ **Recoverable Advances for the Creation of a Low Level Radioactive Waste Compact**

EGSI has made this correction to its accounts.

Income Statement Effects of Deferred Fuel Accounting for Purchased Power

Regarding this item, the FERC audit staff recommended using account 557, Power Production Other Expenses, to record the deferred fuel and purchased power costs instead of accounts 501, Fossil Fuel Expenses, and 555, Purchased Power Expenses. EGSI agrees with the recommendation and began charging these costs to account 557 in October 1994.

Income Statement Effects of Deferred Fuel Accounting for Coal and Natural Gas

Regarding this item, the FERC audit staff recommended using account 557, Power Production Other Expenses, to record the deferred fuel and purchased power costs instead of accounts 501, Fossil Fuel Expenses, and 555, Purchased Power Expenses. EGSI agrees with the recommendation and began charging these costs to account 557 in October 1994.

Should you have any questions or comments regarding these responses, please contact me at (504) 576-4888 or David Wright at (501) 377-5695.

Sincerely,

Louis E. Buck

Louis E. Buck

LEB/dd

cc: Mr. John Gillen (Coopers & Lybrand)

Fam
Dom.
Mary

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

In Reply Refer To:
OCA-AD
Docket No. FA93-57-000

JUN 26 1997

Entergy Gulf States, Inc.
Attention: Mr. Louis E. Buck, Jr.
Vice President & Chief Accounting Officer
P. O. Box 61005
New Orleans, LA 70161

Ladies and Gentlemen:

The Division of Audits of the Office of the Chief Accountant has examined the books and records of Gulf States Utilities Company for the period January 1, 1990 through December 31, 1992. 1/ The purpose of the examination was to evaluate your Company's compliance with Commission accounting and reporting regulations contained in the Uniform System of Accounts, Annual Report FERC Form No. 1, and related regulations. The examination included selective tests of the accounting records, review of the internal control structure, and other audit tests and procedures considered necessary under the circumstances.

The Division of Audits recommended corrective actions on several findings of noncompliance with the Commission's accounting, financial reporting, and related regulations. The enclosed audit report describes findings, recommendations, and related correcting entries for the compliance matters. By letter dated April 10, 1997, your Company agreed to adopt the recommended corrective actions. I hereby approve and direct the recommended corrective actions.

The Texas Public Utility Commission (TPUC) and the Louisiana Public Service Commission (LPSC) did not respond with any objections to the matters discussed in the report.

The Commission delegated authority to act in this matter to the Director, Division of Audits under 18 C.F.R. § 375.303. This letter order constitutes final agency action on the corrective actions approved and directed in this report. Within 30 days of the date of this order, your Company may file a request for rehearing with the Commission under 18 C.F.R. § 385.713.

1/ On April 22, 1996, Gulf States Utilities Company changed its name to Entergy Gulf States, Inc.

This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention.

Sincerely,

Joseph A. Frangipane

Joseph A. Frangipane
Director, Division of Audits

Enclosure

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-20

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Public Service Commission	**Docket No. EL10-65-005**
v.	
Entergy Corporation **Entergy Services, Inc.** **Entergy Louisiana, LLC** **Entergy Arkansas, Inc.** **Entergy Mississippi, Inc.** **Entergy New Orleans, Inc.** **Entergy Gulf States of Louisiana** **Entergy Texas, Inc.**	
Entergy Services, Inc.	**ER14-2085-001** **ER11-3658-001** **ER12-1920-001** **ER13-1595-001** **(Consolidated)**

EXHIBIT LC-20

OF

LANE KOLLEN

ON BEHALF OF THE

LOUISIANA PUBLIC SERVICE COMMISSION

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

THIS FILING IS

Item 1: [X] An Initial (Original) Submission OR [ ] Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	End of 2010/Q4

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	(1) [X] An Original (2) [ ] A Resubmission	04/18/2011	End of 2010/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS: Written off During the Quarter/Year Account Charged (d)	CREDITS: Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Income Taxes	228,117,675	209,349,390	Various	203,060,760	234,406,305
2						
3	Deferred Fuel Under Recovery - Gas	5,413,102		419; 880	3,549,990	1,863,112
4						
5	Deferred Fuel - Unbilled	100,124,207				100,124,207
6						
7	River Bend AFUDC Gross-up	71,367,000				71,367,000
8						
9	Accumulated Amortization - River Bend AFUDC	(43,314,222)		407.3	1,894,800	-45,209,022
10						
11	Spindletop Gas - Amort through December 2032	34,205,733		501	1,610,000	32,595,733
12						
13	SGR Spur Capital Cost	1,176,268		407.3	156,835	1,019,433
14						
15	Postemployment Benefits	1,103,584		926	7,152	1,096,432
16						
17	Deferred Storm Restoration Costs	2,216,926	3,089,976			5,306,902
18						
19	Derivative Instruments & Hedging Activities	263,310	18,241,161	244	17,470,115	1,034,356
20						
21	Deferred Capacity	15,699,133	18,194,412	555	19,895,886	13,997,659
22						
23	Asset Retirement Obligation	17,631,838	3,003,359	407.3	2,814,401	17,820,796
24						
25	Defined Benefit Pension and Other					
26	Postretirement Plans	142,676,687	14,756,795			157,433,482
27						
28	Storm Cost Offset Rider - Katrina/Rita	303,933	70,651	407.3	189,770	184,814
29						
30	Storm Cost Offset Rider - Gustav/Ike		525,070	407.3	10,496	514,574
31						
32	Green Power Tariff	(4,603)	40,897	407.3	36,294	
33						
34	Emission Allowance Cost Deferral Rider	379,818	603,452	557	983,270	
35						
36	Planalytic Resale Gas Deferral	125,000		254	125,000	
37						
38	System Agreement Costs Under Collection	1,923,985		557	1,850,432	73,553
39						
40	SO2, O&M, and NOX adders	247,725				247,725
41						
42						
43						
44	TOTAL	579,657,099	267,875,163		253,655,201	593,877,061

THIS FILING IS

Item 1: [X] An Initial (Original) Submission OR [ ] Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	End of 2011/Q4

FERC FORM No.1/3-Q (REV. 02-04)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	(1) [X] An Original (2) [ ] A Resubmission	05/18/2012	End of 2011/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Income Taxes	161,386,375	26,301,552	Various	13,963,488	173,724,439
2						
3	Deferred Fuel Under Recovery - Gas	1,863,112		419, 880	832,294	1,030,818
4						
5	Deferred Fuel - Unbilled	100,124,207				100,124,207
6						
7	River Bend AFUDC Gross-up	71,367,000				71,367,000
8						
9	Accumulated Amortization - River Bend AFUDC	(45,209,022)		407.3	1,894,800	-47,103,822
10						
11	Spindletop Gas - Amort through December 2032	32,595,733		501	1,610,000	30,985,733
12						
13	SGR Spur Capital Cost	1,019,433		407.3	156,835	862,598
14						
15	Postemployment Benefits	1,096,432	141,568			1,238,000
16						
17	Deferred Storm Restoration Costs	5,306,902	4,517,542			9,824,444
18						
19	Derivative Instruments & Hedging Activities	1,034,356	8,572,365	244	1,034,356	8,572,365
20						
21	Deferred Capacity	13,997,659		555	13,997,659	
22						
23	Asset Retirement Obligation	17,820,796	381,967	407.3	5,417,814	12,784,949
24						
25	Defined Benefit Pension and Other					
26	Postretirement Plans	157,433,482	73,840,162			231,273,644
27						
28	Storm Cost Offset Rider - Katrina/Rita - Amort					
29	through August 2011	184,814	1,759	407.3	186,573	
30						
31	Storm Cost Offset Rider - Gustav/Ike - Amort					
32	through July 2013	514,574	24,217	407.3	186,113	352,678
33						
34	System Agreement Costs Under Collection	73,553		254; 557	73,553	
35						
36	SO2, O&M, and NOX adders	247,725	1,897,595			2,145,320
37						
38	SSTS Deferred Under Recovery		10,653			10,653
39						
40						
41						
42						
43						
44	TOTAL	520,857,131	115,689,380		39,353,485	597,193,026

THIS FILING IS	
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	End of 2012/Q4

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	(1) [X] An Original (2) [ ] A Resubmission	04/18/2013	End of 2012/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Income Taxes	173,724,439	3,646,064	282, 283	6,319,961	171,050,542
2						
3	Deferred Fuel Under Recovery - Gas	1,030,818	1,567,206			2,598,024
4						
5	Deferred Fuel - Unbilled	100,124,207				100,124,207
6						
7	River Bend AFUDC Gross-up	71,367,000				71,367,000
8						
9	Accumulated Amortization - River Bend AFUDC	(47,103,822)		407.3	1,894,800	-48,998,622
10						
11	Spindletop Gas - Amort through December 2032	30,985,733		501	1,610,000	29,375,733
12						
13	SGR Spur Capital Cost	862,598		407.3	156,835	705,763
14						
15	Postemployment Benefits	1,238,000	313,800			1,551,800
16						
17	Deferred Storm Restoration Costs	9,824,444	8,916,398			18,740,842
18						
19	Derivative Instruments & Hedging Activities	8,572,365	7,585,680	244	13,537,885	2,620,160
20						
21	Asset Retirement Obligation	12,784,949	556,083	407.3	7,257,727	6,083,305
22						
23	Defined Benefit Pension and Other					
24	Postretirement Plans	231,273,644	69,233,314			300,506,958
25						
26	Storm Cost Offset Rider - Gustav/Ike - Amort					
27	through July 2013	352,678		407.3	222,744	129,934
28						
29	SO2, O&M, and NOX adders	2,145,320		555	536,330	1,608,990
30						
31	SSTS Deferred Under Recovery	10,653		254	10,653	
32						
33	Deferred Capacity		6,839,172			6,839,172
34						
35	MISO transition costs deferral LPSC Order No.					
36	U-32148 and FERC Letter Order No. AC11-130		8,962,131			8,962,131
37						
38	LPSC rate case deferral		233,238			233,238
39						
40						
41						
42						
43						
44	TOTAL	597,193,026	107,853,086		31,546,935	673,499,177

THIS FILING IS

Item 1: [X] An Initial (Original) Submission OR [ ] Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	End of 2013/Q4

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Entergy Gulf States Louisiana, L.L.C.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Income Taxes	171,050,542	51,805,950	282, 283	10,192,416	212,664,076
2						
3	Deferred Fuel Under Recovery - Gas	2,598,024		880, 419	103,237	2,494,787
4						
5	Deferred Fuel - Unbilled	100,124,207				100,124,207
6						
7	River Bend AFUDC Gross-up and Acc. Amort.					
8	LPSC Order No. U-17282-J	22,368,378		407.3	1,894,800	20,473,578
9						
10	Spindletop Gas - Amort through December 2032	29,375,733		501	1,610,000	27,765,733
11						
12	SGR Spur Capital Cost	705,763		407.3	156,835	548,928
13						
14	ARO - River Bend FERC Jurisdiction	(1,664,546)	12,574,675	407.3	8,129,591	2,780,538
15						
16	Defined Benefit Pension and Other					
17	Postretirement Plan	300,506,958			106,307,021	194,199,937
18						
19	SO2, O&M, NOX adders	1,608,990		555	393,309	1,215,681
20						
21	Deferred Capacity	6,839,172		555	5,624,921	1,214,251
22						
23	Deferred Fuel Under Recovery - Electric		7,232,367			7,232,367
24						
25	Asset Retirement Obligation - Fossil	7,747,851	434,467			8,182,318
26						
27	Calcasieu Deferred Long Term Service Agmt					
28	LPSC Docket No. U-32759		3,548,436	254, 182.3	3,158,595	389,841
29						
30	Human Capital Management Deferral					
31	LPSC Docket No. U-32707					
32	3 year recovery period effective Dec 2014		10,031,453			10,031,453
33						
34	New Nuclear Generation Development Costs					
35	LPSC Docket No. U-32707, 8 year recovery					
36	period effective December 2014		29,471,791			29,471,791
37						
38	MISO transition costs deferral LPSC Order No.					
39	U-32707 and FERC Letter Order No. AC11-130					
40	3 year recovery period effective December 2014	8,962,131	6,320,503			15,282,634
41						
42	LPSC rate case deferral	233,238	810,308			1,043,546
43						
44	TOTAL	673,499,177	127,224,599		165,086,609	635,637,167

Document Content(s)

Kollen Direct.DOCX...1-27

kollen summary.DOCX..28-29

kollen exhibits.PDF...30-90