
**FORMULA RATE PLAN
RIDER SCHEDULE FRP-3**

1. GENERAL

Formula Rate Plan Rider Schedule FRP-3 ("Rider FRP") defines the procedure by which the rates contained in the Entergy Gulf States Louisiana, L.L.C. ("EGSL" or "Company") rate schedules designated in Attachment A to this Rider FRP ("Rate Schedules") may be periodically adjusted. Rider FRP shall apply in accordance with the provisions of Section 2.A below to all electric service billed under the Rate Schedules, whether metered or unmetered, and subject to the jurisdiction of the Louisiana Public Service Commission ("LPSC" or "Commission").

2. APPLICATION AND REDETERMINATION PROCEDURE

2.A. RATE ADJUSTMENTS

The adjustments to the Company's rates set forth in Attachment A to this Rider FRP ("Rate Adjustments") shall be added to the rates set out in the Net Monthly Bill section in the Company's Rate Schedules. The Rate Adjustments shall be determined in accordance with the provisions of Sections 2.B and 2.C below.

2.B. ANNUAL FILING AND REVIEW

2.B.1. FILING DATE

On or before May 31 of each year, beginning in 2015 through 2017, EGSL shall file a report with the Commission containing an evaluation of the Company's earnings for the calendar year prepared in accordance with the provisions of Section 2.C below ("Evaluation Report"). A revised Attachment A shall be included in each such filing containing revised Rate Adjustments determined in accordance with the provisions of Section 2.C below.

2.B.2. REVIEW PERIOD

The Commission Staff ("Staff") and all Intervenor ("Intervenor") in the immediately preceding base rate or FRP proceeding shall receive a copy of each Evaluation Report filing at the time it is filed with the Commission. While an Intervenor in prior Evaluation Report reviews shall not be precluded from participation in future reviews, Intervenor will be required to file a new intervention in the proceeding associated with each annual Evaluation Report filing. (The Staff, Intervenor and EGSL shall be referred to hereinafter, collectively as the "Parties" and shall receive copies of all filings and pleadings in FRP-related proceedings.) At the time each such Evaluation Report is filed, EGSL shall provide the other Parties with workpapers supporting the data and calculations reflected in the Evaluation Report. The other Parties may request clarification and additional supporting data.

The Parties shall then have until August 20 of the filing year to review the Evaluation Report to ensure that it complies with the requirements of Section 2.C below. If any of the Parties should detect any error(s) in the application of the principles and procedures contained in Section 2.C below or identify issues upon which further information is

required of EGSL and/or to verify any of the data or issues contained in the annual filing, such error(s), data or issues requiring verification shall be formally communicated in writing to the other Parties by August 20 of the filing year ["Dispute" or "Disputes"]. Each such indicated Dispute shall include, if available, documentation of the proposed correction. The Company shall then have until September 30 of the filing year to review any proposed corrections, to work with the other Parties to resolve any Disputes and to file a revised Attachment A containing Rate Adjustments reflecting all corrections upon which the Parties agree. The Company shall provide the other Parties with appropriate workpapers supporting any revisions made to the Rate Adjustments initially filed.

Except where there are unresolved Disputes, which shall be addressed in accordance with the provisions of Section 2.B.3 below, the Rate Adjustments initially filed under the provisions of Section 2.B.1 above, or such corrected Rate Adjustments as may be determined pursuant to the terms of this Section 2.B.2, shall become effective for bills rendered on and after the first billing cycle for the month of September or, with the consent of the LPSC Staff, October, of the filing year. Those Rate Adjustments shall then remain in effect until changed pursuant to the provisions of this Rider.

2.B.3. RESOLUTION OF DISPUTES

In the event there are Disputes regarding any Evaluation Report, the Parties shall work together in good faith to resolve such Disputes. If the Parties are unable to resolve the Disputes or reasonably believe they will be unable to resolve the Disputes by the end of the period provided for in Section 2.B.2 above, revised Rate Adjustments reflecting all revisions to the initially filed Rate Adjustments on which the Parties agree shall become effective as provided for in Section 2.B.2 above. Any remaining Disputes shall be submitted to the Commission for resolution.

If the Commission's final ruling on any Disputes requires changes in the Rate Adjustments initially implemented pursuant to the above provisions, the Company shall file a revised Attachment A containing such further modified Rate Adjustments within fifteen (15) days after receiving the Commission's order resolving the Disputes. The Company shall provide a copy of the filing to the other Parties together with appropriate supporting documentation. Such modified Rate Adjustments shall then be implemented with the next applicable monthly billing cycle after filing and shall remain in effect until superseded by Rate Adjustments established in accordance with the provisions of this Rider FRP.

Within 60 days after receipt of the Commission's final ruling on any Disputes, the Company shall determine the amount to be refunded or surcharged to customers, if any, together with interest at the legal rate of interest. Such refund/surcharge amount shall be effective as of September or, with the consent of the LPSC Staff, as of October of the filing year and shall be applied on a percentage basis pursuant to Section 2.C.4 of this Rider FRP and shall be based on the customer's applicable base revenue from the first billing cycle of September or, with the consent of the LPSC Staff, as of October of the filing year through the last date the Rate Adjustments were billed. Such refund/surcharge amount shall be applied to customers' bills in the manner prescribed by the Commission.

2.C. ANNUAL REDETERMINATION OF RATE ADJUSTMENTS

2.C.1. DEFINITION OF TERMS

a. EVALUATION PERIOD

The Evaluation Period shall be the twelve month period ended December 31 of the calendar year immediately preceding the filing of an Evaluation Report. All data

utilized in each Evaluation Report shall be based on actual results and balances for the Evaluation Period, as recorded on the Company's books in accordance with the Uniform System of Accounts or such other documentation as may be appropriate allocated to LPSC retail operations as set forth in Attachment B, except where either 13-month average balances or beginning/ending average balances will be used for determination of rate base items.

b. EARNED RATE OF RETURN ON COMMON EQUITY

The Earned Rate of Return on Common Equity ("EROE") for any Evaluation Period shall be determined in accordance with the Earned Rate of Return on Common Equity Formula set out in Attachment B. The EROE determination shall reflect the Evaluation Period Adjustments set out in Attachment C.

c. BENCHMARK RATE OF RETURN ON RATE BASE

The Benchmark Rate of Return on Rate Base ("BRORB") is the composite weighted embedded cost of capital reflecting the Company's annualized costs of Short-Term Debt, Long-Term Debt, Preferred Stock and Common Equity. The BRORB shall be determined in accordance with the Benchmark Rate of Return on Rate Base Formula set out in Attachment D.

d. EVALUATION PERIOD COST RATE FOR COMMON EQUITY

The Evaluation Period Cost Rate for Common Equity ("EPCOE") is the Company's cost rate for common equity applicable to the Evaluation Period. The EPCOE value applicable for each Evaluation Period shall be determined in accordance with the Evaluation Period Cost Rate for Common Equity Procedure set out in Attachment E.

e. RATE OF RETURN ON COMMON EQUITY BANDWIDTH

The Rate of Return on Common Equity Bandwidth ("Bandwidth") shall be the range of values with an upper limit ("Upper Band") equal to the EPCOE plus 0.80% and a lower limit ("Lower Band") equal to the EPCOE minus 0.80%.

f. ENVIRONMENTAL COST RELATED REVENUE REQUIREMENT

If during the term of this FRP, there is a change in the law or regulation related to environmental issues or environmental compliance that increases the costs to EGSL, EGSL shall have the right to request the recovery of the prudent level of such costs outside the FRP sharing mechanism. Nothing in this provision shall constitute pre-approval of the recovery of such increased costs.

g. ENERGY EFFICIENCY RELATED REVENUE REQUIREMENT

If during the term of this FRP, there is a change in law or regulation that adopts measures designed to increase the efficient use of electric energy and that results in increased costs to EGSL, EGSL shall have the right to request the recovery of the prudent level of such costs outside the FRP sharing mechanism. Nothing in this provision shall constitute the pre-approval of the recovery of such increased costs.

2.C.2. TOTAL RIDER FRP REVENUE LEVEL

Except as otherwise provided in Section 4 below, in each Evaluation Report, the Total Rider FRP Revenue level shall consist of the following components:

- a.** The Extraordinary Cost and/or Additional Capacity Cost and/or the MISO Cost Recovery, Revenue Requirement components shall be as defined in Sections 3.A, 3.D and 4, respectively;
- b.** Recovery of Realigned Costs Revenue Requirement components shall be as defined in Section 3.E, and 3.F.

- c. The Base Rider FRP Revenue shall be determined using the Rider FRP Revenue Redetermination Formula set out in Attachment F, Lines 1-27, which reflects the following rules:
- (1) The Total Revenue Requirement for the Evaluation Period shall be reduced by the Evaluation Period amounts for the items reflected in Section 2.C.2.a through 2.C.2.b above.
 - (2) The Total FRP Revenue level for the Evaluation Period shall be reduced by the annualized revenue associated with the recovery of the items reflected in Section 2.C.2.a through 2.C.2.b, above.
 - (3) If the EROE is less than the Lower Band, the Base Rider FRP Revenue level for the Evaluation Period shall be increased by the amount necessary to increase the EROE for the Evaluation Period by 60% of the difference between the Lower Band and the EROE.
 - (4) There shall be no change in Base Rider FRP Revenue level for the Evaluation Period if the EROE is less than or equal to the Upper Band and greater than or equal to the Lower Band.
 - (5) Recovery of costs as defined in Note 1 to Attachment F, respectively, shall be limited as follows: if the EROE exceeds the Upper Band, the Base Rider FRP Revenue reduction shall be equal to the lesser of 100% of the difference between the EROE and the Upper Band or the net annual cost of the extraordinary cost changes and/or new capacity costs, as defined in in Note 1 to Attachment F, respectively. In the event that the difference between the EROE and the Upper Band exceeds the net annual cost of the extraordinary cost changes and/or new capacity costs in the year in which such costs are first reflected, but not thereafter, the Base Rider FRP Revenue reduction shall be equal to 100% of the net annual cost of the extraordinary cost changes and/or new capacity costs plus 60% of the difference between the EROE and the Upper Band minus the net annual cost of the extraordinary cost changes and/or new capacity costs.
 - (6) In the event there are no new extraordinary cost changes and/or new capacity costs pursuant to Sections 3.A and 3.D, respectively, if the EROE exceeds the Upper Band, the Base Rider FRP Revenue level for the Evaluation Period shall be reduced by the amount necessary to reduce the EROE for the Evaluation Period by 60% of the difference between the Upper Band and the EROE.
 - (7) A change in the Base Rider FRP Revenue level shall not be made unless it changes the EROE for the Evaluation Period by more than 0.05% (5 basis points).
 - (8) The Section 2.C.2.c.(5) sharing mechanism provision shall not apply to the costs relating to the amounts for the items determined in Sections 2.C.2.a through 2.C.2.b. Rather, 100% of the referenced costs shall be reflected.
- d. For the test year ending December 31, 2013, there shall be no change in EGSL's Base Rider FRP Revenue. However, the Company shall be authorized to implement, effective with the first billing cycle of December 2014, the MISO Cost Recovery Mechanism ("MCRM", or sometimes referred to hereinbelow as the "MISO Cost Recovery Revenue Requirement"), approved in LPSC Docket No. U-32675, and any changes as are appropriate to the amounts to be collected during the rate effective period through the Additional Capacity Mechanism. For the test year ending December 31, 2014, there shall be no increase in EGSL's Base Rider FRP revenue.

2.C.3. RIDER FRP REVENUE ALLOCATION EXCLUDING THE MISO COST RECOVERY REVENUE REQUIREMENT

The Rider FRP Revenue excluding the MISO Cost Recovery Revenue Requirement ("FRPxMCRRR"), as determined under the provisions of Section 2.C.2 above, shall be allocated to each LPSC rate class as a percentage of total applicable base revenue for all retail rate classes pursuant to Attachment A, Page 2.

2.C.4. RATE ADJUSTMENT REDETERMINATION

All applicable retail rates and riders as noted on Attachment A on file with the Louisiana Public Service Commission will be adjusted by the appropriate percentage of the applicable base rate revenue of all bills.

3. PROVISIONS FOR OTHER RATE CHANGES

3.A. EXTRAORDINARY COST CHANGES

3.A.1. UNFORESEEN COST CHANGES

It is recognized that from time to time EGSL may experience extraordinary increases or decreases in costs that occur as a result of actions, events, or circumstances beyond the control of the Company. Such costs may significantly increase or decrease the Company's revenue requirements and, thereby, require rate changes that this Rider FRP is not designed to address. Should EGSL experience such an extraordinary cost increase or decrease having a net annual revenue requirement impact exceeding \$10 million on an LPSC jurisdictional basis, then either the Company or the Commission may initiate a proceeding to consider a pass-through of such extraordinary cost increase or decrease.

3.A.2. SYSTEM AGREEMENT CASE EFFECTS

The effects, if any, resulting from Opinion Nos. 480 or 480-A issued by the Federal Energy Regulatory Commission ("FERC") in connection with Docket No. EL01-88-001, including the annual bandwidth calculations and retail decisions incident to FERC Section 205 and/or 206 filings that have clarified and/or modified Opinion Nos. 480 and 480-A, shall be considered separately outside of the FRP.

3.A.3. NINEMILE 6

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP sharing mechanism and outside of the cap set forth in Section 2.C.2.d. herein, and consistent with Section 2.C.2. and 3.D., the payments to be made to ELL associated with the estimated revenue requirement associated with the completion of the construction of a Combined Cycle Gas Turbine at the Ninemile Station in Westwego, Louisiana ("Ninemile 6"). EGSL will purchase, via a Service Schedule MSS-4 Power Purchase Agreement ("PPA"), a portion of the output of Ninemile 6 from Entergy Louisiana, LLC. On or about twelve months prior to the expected in-service date of Ninemile 6, EGSL shall file the then-current estimate of the MSS-4 PPA costs. The Commission will permit the estimated revenue requirement determined in such proceeding to form the basis for an in-service adjustment to the Company's base rates. The recovery of this revenue requirement was approved in the LPSC Order No. U-31971, dated April 5, 2012. Nothing in this Section is intended to alter or amend the provisions of LPSC Order No. U-31971.

3.A.4. DEPRECIATION/DECOMMISSIONING RATE EFFECTS

The effects of changes in depreciation rates, and/or decommissioning accruals, increases or decreases, ordered by the LPSC, including as a result of changes in the requirement to fund the decommissioning trust that may be ordered by the Nuclear Regulatory Commission during the period that this FRP is in effect, shall be

considered separately outside of the FRP mechanism. In addition, 100% of the incremental rate base (depreciation and ADIT) effects of the depreciation rate change shall be reflected in the derivation of the change in the revenue requirement resulting from a change in the depreciation rate.

3.A.5. STORM DAMAGE ACCRUAL EFFECTS

The effects of changes in storm damage accruals, increases or decreases, ordered by the LPSC shall be considered separately outside of the FRP mechanism.

3.A.6. INTERRUPTIBLE LOAD CASE EFFECTS

Any retail effects associated with a decision in FERC Docket Nos. EL00-66-000, ER00-2854-000 and EL95-33-002 (Consolidated) shall be considered separately outside the FRP. When the FERC issues an order disposing of the Application for Clarification and Applications for Rehearing in this case, any retail effects resulting from such decision that are to be implemented at that time shall be flowed through within a reasonable time after, and in accordance with, LPSC approval of the manner in which that shall occur. However, this Rider FRP provision shall have no precedential or other effect with respect to whether a refund or surcharge is appropriate in connection with a decision in FERC Docket Nos. EL00-66-000, ER00-2854-000 and EL95-33-002 (Consolidated), or whether a stay or injunction is appropriate in the event of an appeal or rehearing of a decision in those consolidated dockets.

3.B. SPECIAL RATE FILINGS

The Company is experiencing a dynamic business environment, including integration into the regional transmission organization operated by Midcontinent Independent System Operator, Inc. ("MISO"), and increasing competition. Experimental, developmental, and alternative rate schedules may be appropriate tools for the Company to use to address these conditions. Therefore, nothing in this Rider shall be interpreted as preventing the Company from proposing to revise existing rate schedules or implement new rate schedules as may be appropriate. Any such rate changes shall be filed with the Commission and evaluated in accordance with the rules and procedures then in effect.

3.C. FORCE MAJEURE

In addition to the rights of EGSL under this Rider, or as provided by law, to make a filing for the pass-through of costs outside the provisions of this Rider FRP, if any event or events beyond the reasonable control of EGSL, including Natural Disaster, damage or unforeseeable loss of generating capacity, changes in regulation ordered by a regulatory body or other entity with appropriate jurisdiction, and orders or acts of civil or military authority, cause increased costs to EGSL or result in a deficiency in revenues to EGSL, EGSL may file for rate or other relief outside the bandwidth and sharing provisions of this Rider. Such request shall be considered by the Commission in accordance with its regulations and applicable law governing such filings.

The term "Natural Disaster" in the above paragraph shall include weather events such as hurricanes and/or tropical storms, or other events such as earthquakes, for example. If the Commission determines that a Natural Disaster causes a loss of customers for EGSL that would result in the loss of at least \$10 million in base rate revenues during the rate-effective period, EGSL may seek recovery of those base revenues outside of the provisions of this Rider FRP. EGSL shall bear the burden of proof to demonstrate to the Commission the level of base rate revenue loss during the rate effective period and that the loss was caused by the Natural Disaster.

The loss of base rate revenue during the rate effective period shall, at a minimum, take into consideration the following:

- 1) The net loss of customers caused by the Natural Disaster looking at the entire service area, adjusted for normal growth.
- 2) The usage patterns of the actual lost customers or some reasonable proxy.
- 3) Any offsets due to the decreased costs and/or due to costs that are still recovered from the remaining customers.

If this calculation produces a result less than \$10 million in the rate-effective period, no relief should be granted outside of the FRP. If the amount equals or exceeds \$10 million as approved by the Commission, EGSL shall be entitled to recover outside of the FRP the lesser of (1) the Commission approved loss in revenues, or (2) the difference between the EROE adjusted to reflect the estimated loss in revenue and the EPCOE. In succeeding years, the revenue loss will be recalculated to recognize the effect of returning customers and load. Once that revenue requirement effect falls below \$10 million, the effect of the revenue reduction will be reflected in the FRP.

3.D. ADDITIONAL CAPACITY

3.D.1. APPROVED CAPACITY ADDITION

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP sharing mechanism, and consistent with Section 2.C.2., the LPSC retail revenue requirement associated with purchased capacity costs in excess of the amount in base rates as approved by the Commission. Such new capacity costs shall include:

- (1) approval of a new purchase capacity agreement, or
- (2) approval of the recovery of previously deferred capacity costs.

In the event the Company adds to its resources by means of a capacity and/or capacity and energy purchase and in the event that such new resource is used to provide capacity and/or energy to the Company on or before the first billing cycle for the month of September of a filing year and the Commission has approved the incurrence of such costs and their level pursuant to the applicable General Order(s) of the Commission, then the Company may include all costs related to such resource under this Section 3.D.1 as a cost, so that, at the time that new rates take effect with the first billing cycle for the month of September, those new rates will reflect the costs that are represented by such generating resource.

Provided that the LPSC has approved the new purchase capacity agreement, the Company shall be allowed to defer the capacity costs associated with the new capacity purchase agreement during the period from the incurrence of the cost until such time as the rates that reflect such capacity costs take effect. The Company shall be allowed to accrue interest on the net-of-tax balance of the deferred capacity costs at the rate set forth in LPSC General Order No. U-21497 during the period in which such costs are deferred.

3.D.2. CAPACITY COST ADJUSTMENTS

The Rider FRP shall be adjusted on an interim basis for:

- (1) the expiration of a purchase capacity agreement previously recovered through Rider FRP, or
- (2) the completion of the recovery of previously deferred capacity costs.

3.D.3. CAPACITY COST TRUE-UP ADJUSTMENTS

The LPSC retail revenue requirement associated with the purchased capacity costs that are billed to EGSL pursuant to a cost of service agreement or tariff and recovered via this Rider pursuant to Section 3.D shall be compared to the actual cost of such capacity. Any difference between the revenue requirement of the capacity costs used to determine the level of this Rider during the Evaluation Period and the revenue requirement associated with the actual capacity cost during the Evaluation Period shall be included in the Evaluation Report as part of the Additional Capacity Revenue Requirement in the next Rider FRP Revenue Requirement Redetermination Formula as set out in Attachment F.

3.D.4. ACQUISITION/SELF-BUILD CAPACITY COST ADJUSTMENTS

The Company shall be allowed to recover fully through this Rider FRP, outside the FRP sharing mechanism, and consistent with Section 2.C.2., the LPSC retail revenue requirement associated with:

- (1) the modification or replacement of an existing generating facility having an annual revenue requirement exceeding \$10 million;
- (2) the acquisition of new generating facilities; and/or,
- (3) the construction of a new generating facility having an annual revenue requirement exceeding \$10 million.

3.D.5. RENEWABLE CAPACITY

As established in LPSC General Order No. 12-9-10 (U-28271-1 Subdocket B) (Corrected), dated December 9, 2010 (the "Renewable Pilot Implementation Plan G.O."), the Company shall be allowed to recover fully through this Rider FRP outside of the FRP sharing mechanism, and consistent with Section 2.C.2, the capacity costs related to any renewable contract entered into, and approved by the LPSC pursuant to the provision of Paragraph 8.2 of the Renewable Pilot Implementation Plan G.O. Further, as established in the Renewable Pilot Implementation Plan G.O., any premium above market cost as well as any cost incurred to acquire unneeded capacity ordered by the Commission (regardless of whether priced at or above market) will be recovered dollar-for-dollar and will not be considered in any FRP provision or calculation that limits the full recovery of capacity costs when the utility's earnings exceed the upper end of the earnings bandwidth (i.e. Section 2.C.2.(5). of this FRP). This section is intended to implement but not modify the provisions of General Order No. 12-9-10 (U-28271 – Subdocket B)(corrected).

3.E. RECOVERY OF REALIGNED COSTS

To the extent that, during the term of this Rider FRP-3, the Commission orders the Company to realign costs from recovery via the Fuel Adjustment Clause to base rates, or the reverse, it shall be done on a basis that, in the aggregate, is revenue-neutral to the customers.

3.F. REALIGNMENT OF SO₂ COSTS

The recovery of the regulatory asset authorized by LPSC Order No. U-27103 (November 15, 2011) and associated with the realignment of certain SO₂ emissions allowance costs shall be allowed through this Rider FRP outside of the FRP sharing mechanism in accordance with LPSC Order No. U-27103.

4. MISO COST RECOVERY REVENUE REQUIREMENT

4.A. DESCRIPTION OF COSTS

Unless otherwise extended beyond the 2015 Test Year by mutual agreement of the Commission and the Company, for Test Years 2014 and 2015, the Company shall be allowed to recover fully through this Rider FRP, outside the FRP sharing mechanism, and consistent with Section 2.C.2, the LPSC Retail costs, including but not limited to the costs described below, charged to EGSL pursuant to the MISO Federal Energy Regulatory Commission ("FERC")-approved Open Access Transmission Energy and Operating Markets Tariffs and that are not recovered via the Fuel Adjustment Clause as ordered by the LPSC in Commission Order No. U- 32675 dated November 4, 2013, in excess of the amount of such costs recovered in the Company's LPSC-approved 2011 FRP. These costs shall include:

4.A.1 NET MISO CHARGES OR CREDITS

The estimated Net MISO Charges/(Credits), as reflected on Attachment G, Pages 1 and 2, that the Company expects to incur for the twelve (12) months ended December 31 of the filing year and that are not recovered via the Fuel Adjustment Clause as ordered by the LPSC in Commission Order No. U- 32675 shall be recovered through this Rider FRP.

4.A.2 COST ASSOCIATED WITH DEFERRALS

Pursuant to LPSC Order No. U-32148, dated June 28, 2012, EGSL deferred certain costs related to the Company joining MISO ("MISO Implementation Deferral"). The Company shall recover, through this Rider FRP, carrying charges at the overall, before-tax weighted average cost of capital on the net-of-tax MISO Implementation Deferral and the amortization of MISO Implementation Deferral over thirty-six months beginning the first billing cycle of December 2014. Carrying charges on the MISO Implementation Deferral shall be calculated using the capitalization structure as of December 31 of the most recent calendar year and the EPCOE.

The Company shall defer the Net MISO Charges/(Credits) as defined on Attachment G, Page 1, Lines 1-9 from the beginning of MISO integration until November 2014 ("MISO Integration Deferral"). The Company shall recover, through this Rider FRP, carrying charges at the overall, before-tax weighted average cost of capital on the net-of-tax MISO Integration Deferral and the amortization of the MISO Integration Deferral over thirty-six months beginning the first billing cycle of December 2014. Carrying charges on the MISO Integration Deferral shall be calculated using the capitalization structure as of December 31 of the most recent calendar year and the EPCOE.

4.A.3. TRUE-UP ADJUSTMENT

Beginning in 2015, a True-up Adjustment for the difference between the Estimated MISO Cost Recovery Revenue Requirement and the Actual MISO Cost Recovery Revenue Requirement for the twelve (12) months ended December 31 of the immediately preceding calendar year as defined on Attachment G, Page 3. The True-up Adjustment shall include carrying charges based on the Company's before-tax weighted average cost of capital in this Rider FRP applied to the difference between the actual and estimated MISO Cost Recovery Revenue Requirement as shown on Attachment G, Page 3. Carrying charges on the True-up Adjustment shall be

calculated using the capitalization structure as of December 31 of the most recent calendar year and the EPCOE.

4.B. MISO COST RECOVERY REVENUE REQUIREMENT ALLOCATION

The MISO Cost Recovery Revenue Requirement as determined under the provisions of Section 4.A. above, shall be allocated to each of the applicable LPSC retail rate classes based on the applicable class Transmission High Voltage Demand Allocation Factor as a percentage of total retail Transmission High Voltage Demand for all applicable retail rate schedules pursuant to Attachment A, Page 2 of this Rider FRP.

5. EFFECTIVE DATE AND TERM

Rider FRP-3 shall continue in effect for three years with the annual Evaluation Report filings to be made on or before May 31 of 2015, 2016 and 2017 for the Evaluation Periods ended December 31, 2014, 2015 and 2016, respectively. Unless Rider FRP is extended by mutual agreement of the Commission and the Company, the Rate Adjustments resulting from the May 31, 2017 Evaluation Report filing shall continue in effect until such time as they are superseded pursuant to a final Commission order. If this Rider FRP is terminated by a future order of the Commission, the then-existing Total FRP Rate Adjustment (Att. A, p. 1, col. 4) shall continue to be in effect until new base rates reflecting the then-existing Total Rate Adjustment are duly approved and implemented. Nothing contained in this Rider FRP shall limit the right of any party to file an appeal as provided by law.

**ENTERGY GULF STATES LOUISIANA, L.L.C.
FORMULA RATE PLAN RIDER SCHEDULE FRP-3
RATE ADJUSTMENTS**

I. APPLICABILITY

This rider is applicable under the regular terms and conditions of the Company to all Customers served under any retail electric rate schedule* and/or rider schedule.*

II. NET MONTHLY RATE

The Net Monthly Bill or Monthly Bill calculated pursuant to each applicable retail rate schedule* and/or rider schedule* on file with the Louisiana Public Service Commission will be adjusted monthly by the appropriate percentage of applicable base rate revenues, before application of the monthly fuel adjustment.

*Excluded Schedules:

AFC, ASPS, DTK, EAC, EAPS, EECR-QS, EEIS, EER, EIS, EIS-I, ERDRS, FA, FIORE, FR-1, FRP, FSC-EGSL, FSCII-EGSL, FSCIII-EGSL, incremental load under LCOP, LQF-PO, MES, MVDRR, MVER, MVLMR, NFRPCEA, OBP, RCL, REP, RPCEA, RRD-V, RRD-VI, SCO, SCOI, SCOI, SMQ, SQF, SSTS, and Special Contract Rates.

Ln No.	Rate Class (1)	FRP-3 Rate for FRP	FRP-3 Rate for MCRRR	Total FRP-3 Rate Adj.
1	Residential	26.5160%	2.4778%	28.9938%
2	Small General Service	26.5160%	1.6939%	28.2099%
3	General Service	26.5160%	2.5631%	29.0791%
4	Large Power Service	26.5160%	3.3282%	29.8442%
5	High Load Factor Service	26.5160%	4.6140%	31.1300%
6	Municipal Water Pumping Service	26.5160%	2.4233%	28.9393%
7	Street & Area Lighting	26.5160%	0.2157%	26.7317%

Notes:

(1) Excludes schedules specifically identified in this Rider FRP-3.

Entergy Gulf States Louisiana, L.L.C.
Formula Rate Plan (Rider FRP-3)
Rate Development Formula
For the Test Year Ended ____

<u>Col A</u>		<u>Col B</u>	<u>Col C</u>	<u>Col D</u>	<u>Col E</u>	<u>Col F</u>	<u>Col G</u>	<u>Col H</u>	<u>Col I</u>
		FRP Revenue excluding MISO Cost Recovery Revenue Requirement (FRPxMCRRR)				MISO Cost Recovery Revenue Requirement (MCRRR)			
Ln No.	Rate Class	Class Allocation (%) (1)	FRPxMCRRR (\$) (2)	Applicable Base Rate Rev (\$) (3)	FRP-3 Rate for FRPxMCRRR (4)	Class Allocation (%) (5)	MCRRR (\$) (6)	Applicable Base Rate Rev (\$) (7)	FRP-3 Rate for MCRRR (8)
1	Residential				x.xxxx%	38.03%			x.xxxx%
2	Small General Service				x.xxxx%	4.53%			x.xxxx%
3	General Service				x.xxxx%	24.83%			x.xxxx%
4	Large Power Service				x.xxxx%	12.15%			x.xxxx%
5	High Load Factor Service				x.xxxx%	19.87%			x.xxxx%
6	Municipal Water Pumping Service				x.xxxx%	0.40%			x.xxxx%
7	Street & Area Lighting				x.xxxx%	0.19%			x.xxxx%
8	Total LA Retail		\$ -	\$ -		100.00%	\$ -	\$ -	

Notes:

- (1) The Louisiana Retail FRP Revenue excluding MISO Cost Recovery Revenue Requirements (FRPxMCRRR) shall be allocated to the retail rate classes based on the applicable class base rate revenue. See Attachment A, Page 1 for Excluded Rate Schedules.
- (2) See Attachment F, Page 1, Line 32 for the FRPxMCRRR. The class amount is the class allocation in Column B times the total LA Retail FRPxMCRRR on line 9.
- (3) The billing determinants shall be the Louisiana Retail Base Rate Revenue applicable to the portion of the FRP Revenue excluding MISO Cost Recovery Revenue Requirement for the Evaluation Period as defined on Attachment A page 1 of this Rider FRP, pursuant to Section 2.C.4 of this Rider FRP.
- (4) Column C / Column D
- (5) The MISO Cost Recovery Revenue Requirement (MCRRR) shall be allocated to the retail rate classes based on the applicable Transmission High Voltage Demand Allocation Factors, i.e., the 12 CP allocation factors, filed in the 2013 Rate Case, Docket No. U-32707. See Attachment A, page 1 of this Rider FRP for the Excluded Rate Schedules.
- (6) See Attachment G, Page 1, Line 22 for the MCRRR. The class amount is the class allocation in Column F times the MCRRR.
- (7) The billing determinants shall be the Louisiana Retail Base Rate Revenue applicable to the MISO Cost Recovery Revenue Requirement for the Evaluation Period as defined on Attachment A page 1 of this Rider FRP, pursuant to Section 2.C.4 of this Rider FRP.
- (8) Column G / Column H

ENTERGY GULF STATES LOUISIANA, L.L.C. EARNED RATE OF RETURN ON COMMON EQUITY FORMULA			
LINE NO	DESCRIPTION	ADJUSTED AMOUNT	
TOTAL ELECTRIC			
1	RATE BASE (Attachment B, Page 2, L21)		
2	BENCHMARK RATE OF RETURN ON RATE BASE (Attachment D, L6, Column D)		
3	REQUIRED OPERATING INCOME (L1 * L2)		
4	NET UTILITY OPERATING INCOME (Attachment B, Page 3, L27)		
5	OPERATING INCOME DEFICIENCY/(EXCESS) (L3 - L4)		
6	REVENUE CONVERSION FACTOR (NOTE A)		
7	REVENUE DEFICIENCY/(EXCESS) (L5 * L6)		
	PRESENT RATE REVENUES		
8	ULTIMATE CUSTOMERS (Attachment B, Page 3, L1)		
9	SALES FOR RESALE (Attachment B, Page 3, L2)		
10	TOTAL (L8 + L9)		
11	REVENUE REQUIREMENT (L7 + L10)		
LPSC RETAIL			
12	REVENUE REQUIREMENT ALLOCATION FACTOR (%) (NOTE B)	97.85%	
13	REVENUE REQUIREMENT (L11 * L12)		
14	PRESENT RATE REVENUES (Attachment B, Page 3, L1)		
15	RIVER BEND DAP REVENUE REQUIREMENT (Attachment C, Page 2, 4(C))		
16	SGT REVENUE REQUIREMENT (Attachment C, Page 2, 4(D))		
17	REVENUE DEFICIENCY/ (EXCESS) (L13 - L14 + L15 + L16)		
18	REVENUE CONVERSION FACTOR (NOTE A)		
19	OPERATING INCOME DEFICIENCY/(EXCESS) (L17 / L18)		
20	RATE BASE ALLOCATION FACTOR (%) (NOTE B)		97.69%
21	RATE BASE (L1 * L20)		
22	COMMON EQUITY DEFICIENCY/(EXCESS) (%) (L19 / L21)		
23	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%) (Attachment D, L5, Column D)		
24	WEIGHTED EARNED COMMON EQUITY RATE (%) (L23 - L22)		
25	COMMON EQUITY RATIO (%) (Attachment D, L5, Column B)		
26	EARNED RATE OF RETURN ON COMMON EQUITY (%) (L24 / L25)		

NOTE:

- (A) REVENUE CONVERSION FACTOR = $1 / [(1 - \text{COMPOSITE TAX RATE}) * (1 - \text{BAD DEBT} - \text{FRANCHISE TAX RATE} - \text{REGULATORY COMMISSION EXPENSE RATE})]$
- (B) THE LPSC RETAIL RATIO UTILIZED AS ESTABLISHED IN THE 2011 FRP.

ENTERGY GULF STATES LOUISIANA, L.L.C. RATE BASE (A)				
LINE NO	DESCRIPTION	PER BOOKS	ADJUST-MENTS (B)	ADJUSTED AMOUNT
1	GROSS PLANT IN SERVICE (H)(I)			
2	DEPRECIATION RESERVES (I)			
3	NET UTILITY PLANT (L1 + L2)			
4	PLANT HELD FOR FUTURE USE			
5	MATERIALS & SUPPLIES (C)			
6	CONSTRUCTION WORK IN PROGRESS (G)			
7	PREPAYMENTS (C)			
8	CASH WORKING CAPITAL (D)			
9	ENVIRONMENTAL RESERVE			
10	PROPERTY INSURANCE RESERVE (C)			
11	INJURIES & DAMAGES RESERVE (C)			
12	NUCLEAR REFUELING OUTAGE			
13	CUSTOMER ADVANCES			
14	CUSTOMER DEPOSITS			
15	ACCUMULATED DEFERRED INCOME TAXES			
16	FUEL INVENTORY (C)			
17	RIVER BEND AFUDC GROSS-UP			
18	COAL CAR MAINTENANCE RESERVE			
19	DOE DECOM. & DECONTAMINATION FEE			
20	OTHER (E) (F)			
21	RATE BASE (L3 + Sum of L4 – L20)			

NOTES:

- (A) BEGINNING/ENDING AVERAGE BALANCES ARE TO BE UTILIZED EXCEPT WHERE OTHERWISE NOTED.
- (B) ADJUSTMENTS AS SET OUT IN ATTACHMENT C TO THIS RIDER FRP
- (C) 13 MONTH AVERAGE BALANCES
- (D) BASED ON LEAD/LAG STUDY
- (E) OTHER ITEMS INCLUDED PURSUANT TO SECTION 9 OF ATTACHMENT C TO THIS RIDER FRP
- (F) BEGINNING & ENDING OR 13 MONTH AVERAGE AS MORE APPROPRIATE
- (G) AMOUNT NOT SUBJECT TO AFUDC ACCRUAL
- (H) PLANT IN SERVICE EXCLUDING DISALLOWED PLANT INVESTMENT
- (I) YEAR END BALANCES FOR PLANT ACQUISITIONS MADE DURING THE TEST YEAR

ENTERGY GULF STATES LOUISIANA, L.L.C. OPERATING INCOME				
LINE NO	DESCRIPTION	PER BOOKS	ADJUST- MENTS (A)	ADJUSTED AMOUNT
	REVENUES			
	SALES TO ULTIMATE CUSTOMERS			
1	LPSC RETAIL			
2	SALES FOR RESALE			
3	EPP & SYSTEM SALES			
4	OTHER ELECTRIC REVENUE			
5	TOTAL OPERATING REVENUES (Sum of L1 - L4)			
	EXPENSES			
	OPERATION & MAINTENANCE			
6	PRODUCTION			
7	TRANSMISSION			
8	REGIONAL MARKET			
9	DISTRIBUTION			
10	CUSTOMER ACCOUNTING			
11	CUSTOMER SERVICE & INFORMATION			
12	SALES			
13	ADMINISTRATIVE & GENERAL			
14	TOTAL O & M EXPENSE (Sum of L6 - L13)			
15	GAIN FROM DISPOSITION OF ALLOWANCES			
16	REGULATORY DEBITS AND CREDITS			
17	INTEREST ON CUSTOMER DEPOSITS			
18	DEPR, AMORT, DECOM, & ACCRETION EXP			
19	TAXES OTHER THAN INCOME			
20	CURRENT STATE INCOME TAX			
21	CURRENT FEDERAL INCOME TAX			
22	PROV DEF INC TAX - STATE – NET			
23	PROV DEF INC TAX - FEDERAL – NET			
24	INVESTMENT TAX CREDIT – NET			
25	OTHER (NOTE B)			
26	TTL UT. OPERATING EXP (L14 + Sum of L15 - L25)			
27	NET UTILITY OPERATING INCOME (L5 - L26)			

NOTES:

- (A) ADJUSTMENTS DEFINED IN ATTACHMENT C
 (B) OTHER ITEMS INCLUDED PURSUANT TO SECTION 9 OF ATTACHMENT C

ENTERGY GULF STATES LOUISIANA, L.L.C. INCOME TAX				
LINE NO	DESCRIPTION	PER BOOKS	ADJUSTMENTS (A)	ADJUSTED AMOUNT
1	TOTAL OPERATING REVENUES (Page 3, L5)			
2	TOTAL O&M EXPENSE (Page 3, L14)			
3	GAIN FROM DISP OF ALLOWANCES (Page 3, L15)			
4	REGULATORY DEBITS AND CREDITS (Page 3, L16)			
6	INTEREST ON CUSTOMER DEPOSITS (Page 3, L17)			
5	DEPR, AMORT, DECOM, & ACCR EXP (Pg 3, L18)			
7	TAXES OTHER THAN INCOME (Page 3, L19)			
8	OTHER (Page 3, L25)			
9	NET INCOME BEFORE INCOME TAXES (L1 - Sum of L2 - L8)			
10	ADJUSTMENTS TO NET INCOME BEFORE TAXES			
11	TAXABLE INCOME BEFORE CURRENT STATE INCOME TAX (L9 + L10)			
	COMPUTATION OF STATE INCOME TAX			
12	STATE ADJUSTMENTS			
13	STATE TAXABLE INCOME (L11 + L12)			
14	CURRENT STATE INCOME TAX [L13 * Effective State Tax Rate (see Note B)]			
15	OTHER ITEMS IMPACTING CURRENT STATE INCOME TAX			
16	TOTAL CURRENT STATE INCOME TAX (L14 +L15)			
	COMPUTATION OF FEDERAL INCOME TAX			
17	TAXABLE INCOME BEFORE CURRENT STATE INCOME TAX (L11)			
18	CURRENT STATE INCOME TAX [L14 (shown as deduction)]			
19	FEDERAL. TAXABLE INCOME (Sum of L17 - L18)			
20	CURRENT FEDERAL INCOME TAX [L19 * Federal Tax Rate (see Note B)]			
21	OTHER ITEMS IMPACTING CURRENT FEDERAL INCOME TAX			
22	TOTAL CURRENT FEDERAL INCOME TAX (L20 + L21)			

NOTE:

- (A) ADJUSTMENTS DEFINED IN ATTACHMENT C
 (B) THE TAX RATE IN EFFECT AT THE TIME THE EVALUATION REPORT IS FILED SHALL BE UTILIZED

**ENTERGY GULF STATES LOUISIANA, L.L.C.
EVALUATION PERIOD ADJUSTMENTS**

The actual (per book) data for the Evaluation Period, as reflected in Attachment B, shall be adjusted to reflect the following:

1. Special Rates

- A) Present rate revenue shall be adjusted to reflect, on an annualized basis, the Rate Adjustments in effect at the end of the Evaluation Period under this Rider FRP.
- B) The rate base, revenue and expense effects associated with any riders, or other rate mechanisms, that EGSL may have in effect during the Evaluation Period which recover specific costs including Section 2.C,2(a) of this Rider FRP are to be eliminated.

2. Interest Synchronization

All Evaluation Period interest expenses are to be eliminated and replaced with an imputed interest expense amount equal to the Evaluation Period rate base multiplied by the weighted embedded cost of debt for the Evaluation Period determined in accordance with Attachment D.

3. Income Taxes

All state and federal income tax effects including 1) adjustments to taxable income, 2) adjustments to current taxes, 3) provisions for deferred income tax (debit and credit), and 4) accumulated provision for deferred income tax (debit and credit) shall be adjusted or eliminated, as appropriate, to comport with the following principles:

- A) Effects associated with other adjustments set out in this Attachment C shall similarly and consistently be adjusted;
- B) All effects associated with the difference in the timing of transactions, where the underlying timing difference is eliminated, shall also be eliminated;
- C) The corporate state and federal income tax laws legally in effect on the date an Evaluation Report is filed under this Rider FRP shall be reflected in the calculation of all income tax amounts; and
- D) Tax effects normally excluded in prior Commission Orders regarding EGSL for ratemaking purposes shall be eliminated.

**ENTERGY GULF STATES LOUISIANA, L.L.C.
EVALUATION PERIOD ADJUSTMENTS**

4. Specific Ratemaking Adjustments

The following adjustments shall be made for each Evaluation Period to the extent they remain applicable:

- A) Adjustments to remove the River Bend Deregulated Asset Plan ("DAP") cost effects from rate base and expenses.
- B) Adjustment to remove the 30% unregulated River Bend cost effects from rate base and expense.
- C) Adjustment to Louisiana retail revenue requirement for the DAP revenue requirement.
- D) Adjustment to Louisiana retail revenue requirement for the SGT revenue requirement.
- E) Cash working capital is determined by the most recently approved lead/lag study.
- F) Nelson Rail Spur to be included in rate base and expense as if owned by EGSL.
- G) Decommissioning expense will be based on the latest approved cost estimates, escalation rates, earnings rates, and the depreciable life of River Bend.
- H) Depreciation expense shall be based on the latest approved Louisiana depreciation rates including a 60-year life for River Bend.
- I) The State Corporate Franchise Tax shall be proformed to reflect the 2007 State Corporate Franchise Tax, consistent with the terms of LPSC Order No. U-21453 (Subdocket J).
- J) Adjustment to include the Entergy System Open Access Transmission Tariff ("OATT") Revenues and Independent Coordinator of Transmission ("ICT") Expenses reflected in the Company's 2011 FRP Filing in Docket No. U-32343.
- K) Rate Case Expense Adjustment shall reflect amortization of the Deferred Rate Case Expenses incurred by EGSL with carrying charges on the net-of-tax Deferred External Rate Case Expenses deferred as ordered by the Commission over a three-year term beginning with the first billing cycle of December 2014. Carrying charges on the Deferred External Rate Case Expenses shall be calculated using the capitalization structure as of December 31 of the most recent calendar year and the EPCOE.

5. Reclassifications

- A) Revenues associated with EGSL's rates in the LPSC Retail or FERC (Sales for Resale) jurisdictions, but included in Other Electric Revenue on a per book basis (Attachment B, Page 3, Line 4), shall be reclassified to the appropriate jurisdictional rate schedule revenue category.
- B) Costs not allowable for ratemaking purposes shall be removed by adjustment from the Evaluation Period cost data. Likewise, costs that are allowed, but recorded below the utility operating income line, shall be included in the Evaluation Period cost data through appropriate reclassification adjustments. These adjustments shall include, but are not limited to: 1) the reclassification of below-the-line interest expense associated with customer deposits, 2) interest income related to ESI and EOI, and 3) Letter of Credit Fees related to MISO.

**ENTERGY GULF STATES LOUISIANA, L.L.C.
EVALUATION PERIOD ADJUSTMENTS**

6. Out-of-Period Items

Except with respect to expenses and revenues arising from a Federal Energy Regulatory Commission-jurisdictional tariff, expenses and revenues recorded in any Evaluation Period that are related to transactions occurring prior to 2004 shall be eliminated by adjustment from the Evaluation Period cost data. This shall include any associated tax adjustments.

7. Environmental Costs

To maintain neutrality in the recovery of the costs recovered via the Environmental Adjustment Clause ("EAC"), the Company shall make an adjustment to remove the Account 447 revenue associated with its affiliate-related billings of EAC costs.

8. Human Capital Management

In the 2015 Filing, the 2013 cost savings expenditures incurred to implement HCM shall be amortized over three years, inside of the earnings sharing mechanism, net of the estimated 2013 cost savings of \$ 184,000, beginning on the first day of the first billing cycle of December 2014, with the unamortized balance included in rate base. Such amortization will be annualized in the 2015 Filing.

9. Other

In addition to Adjustments 1-8 above, there may from time to time be special cost or rate effects that occur during an Evaluation Period that require adjustment of the Evaluation Period cost data. Nothing in this Rider FRP shall preclude any Party from proposing such adjustments.

ENTERGY GULF STATES LOUISIANA, L.L.C.
BENCHMARK RATE OF RETURN ON RATE BASE

		(A)	(B)	(C)	(D)
	DESCRIPTION	CAPITAL AMOUNT (1) (\$)	CAPITAL RATIO (2)	COST RATE (3)	BENCHMARK RATE OF RETURN ON RATE BASE (4)
1	SHORT-TERM DEBT				
2	LONG-TERM DEBT				
3	TOTAL DEBT				
4	PREFERRED EQUITY				
5	COMMON EQUITY	_____	_____	<u>EPCOE</u>	_____
6	TOTAL		100.00%		BRORB

NOTES:

- (1) Amounts at the end of the Evaluation Period, except Short-Term Debt not reflected in the AFUDC calculation which is a 13-month average, as adjusted for refinancing activities that occur prior to implementation of the Evaluation Report. All Long-Term Debt issues shall reflect the balance net of a) unamortized debt discount, premium, and expense; b) gain or loss on reacquired debt; and c) any adjustments required per Attachment C. All Preferred Stock issues shall reflect the balance net of discount, premium and capital stock expense. Common equity and preferred equity shall be adjusted for the net unamortized balance of gains and losses on reacquired preferred stock. Amounts related to Securitization financing will be eliminated.
- (2) Each Capital Amount divided by the Total Capital Amount. However, if the Common Equity Ratio exceeds the weighted average common equity ratio of all six Entergy Operating Companies plus 2%, the Common Equity Capital Amount shall be reduced so that the Common Equity Ratio is equal to the weighted average common equity ratio of all six Entergy Operating Companies plus 2%. Any resulting reduction in the Common Equity Capital Ratios (%) shall then be allocated to Short-Term Debt, Long-Term Debt and Preferred Equity on a pro rata basis based on the corresponding Capital Amounts.
- (3) Annualized cost of Long-Term Debt and Preferred Equity at the end of the Evaluation Period, as adjusted for refinancing activities that occur prior to implementation of the Evaluation Report, divided by the corresponding Capital Amount. The Short-Term Debt Cost Rate is the 13-month average of the Short-Term Debt interest rates on the last day of each month of the Evaluation Period and the immediately preceding December 31. The Long-Term Debt Cost Rate shall include a) annualized amortization of debt discount premium, and expense; b) annualized gain or loss on reacquired debt; and c) any adjustments required per Attachment C. The Common Equity Cost Rate shall be the Evaluation Period Cost Rate for Common Equity (EPCOE) determined in accordance with Attachment E.
- (4) The components of the Benchmark Rate of Return on Rate Base (BRORB) column are the corresponding Cost Rates multiplied by the associated Capital Ratio. The BRORB is the sum of the components so determined and expressed as a percent to two decimal places (XX.XX%).

**ENTERGY GULF STATES LOUISIANA, L.L.C.
EVALUATION PERIOD COST RATE FOR COMMON EQUITY PROCEDURE**

A. EVALUATION PERIOD COST RATE FOR COMMON EQUITY

The EPCOE applicable for any Evaluation Report pursuant to this Rider FRP shall be 9.95%. That EPCOE shall remain in effect until a new procedure for determining the EPCOE is established and implemented in connection with any extension of this Rider FRP, or until the EPCOE is reset by formal finding of the Commission in accordance with the provisions of Section B below or until the EPCOE is superseded or new base rates are duly approved and implemented, as provided in Section 4 of this Rider FRP.

**ENTERGY GULF STATES LOUISIANA, L.L.C.
RIDER FRP REVENUE REDETERMINATION FORMULA**

SECTION 1		BANDWIDTH CHECK	
<u>DESCRIPTION</u>	<u>REFERENCE</u>		
1 Earned Rate of Return on Common Equity	Attachment B, Page 1, L25		%
2 Evaluation Period Cost Rate for Common Equity	Developed per Attachment E		9.95%
3 If $L 2 + 0.75\% < L 1$			GO TO Section 2
4 If $L 2 - 0.75\% > L 1$			GO TO Section 3
5 Otherwise			No Rate Change

SECTION 2		UPPER BAND RATE ADJUSTMENT	
<u>DESCRIPTION</u>	<u>REFERENCE</u>		
6 Earned Rate of Return on Common Equity (EROE)	L 1		%
7 Upper Band	$L 2 + 0.80\%$		%
8 Reduction to Upper Band	$L 6 - L 7$		%
9 Extraordinary Cost and/or Capacity Costs	See Note 1		\$
10 Common Equity Capital Ratio	Attachment D, L5, Column B		%
11 LPSC Retail Rate Base	Attachment B, Page 1, L21		\$
12 Revenue Conversion Factor	Attachment B, Page 1, L 6		
13a Net Cost Impact on Common Equity	$L 9 / (L 10 * L 11 * L 12)$		%
13b Reduction due to Extraordinary/Capacity Costs	Lesser of L 8 or L 13a		%
13c Reduction in EROE	If $L 8 > L 13b$, then 60% ($L 8 - L 13b$); otherwise zero		%
14 Total ROE Reduction	$L 13b + L 13c$		%
15 If $L 14 \leq 0.05\%$			No Rate Change
16 If $L 14 > 0.05\%$, then Reduction in Base Rider FRP Revenue	$L 10 * L 11 * L 12 * L 14$		\$

SECTION 3		LOWER BAND RATE ADJUSTMENT	
<u>DESCRIPTION</u>	<u>REFERENCE</u>		
17 Lower Band	$L 2 - 0.80\%$		%
18 Earned Rate of Return on Common Equity	L 1		%
19 Increase to Lower Band	$L 17 - L 18$		%
20 Increase in Earned Rate of Return on Common Equity	60% of L 19		%
21 If $L 20 \leq .05\%$			No Rate Change
22 If $L 20 > 0.05\%$, then			
23 Increase in EROE	L 20		%
24 Common Equity Capital Ratio	Attachment D, L5, Column B		%
25 LPSC Retail Rate Base	Attachment B, Page 1, L21		\$
26 Revenue Conversion Factor	Attachment B, Page 1, L 6		
27 Increase in Base Rider FRP Revenue	$L 23 * L 24 * L 25 * L 26$		\$

SECTION 4 RIDER FRP REVENUE EXCLUDING MISO COST RECOVERY REVENUE REQUIREMENT			
<u>DESCRIPTION</u>	<u>REFERENCE</u>		
28 Annualized Evaluation Period FRP Revenue	See Note 2		\$
29 (Reduction)/Increase in Base Rider FRP Revenue	- L 16 or + L 27		\$
30 Extraordinary Cost Change Revenue Requirement	Per Sections 2.C.1.f, 2.C.1.g, 3.A, and 3.F of this Tariff		\$
31 Additional Capacity Revenue Requirement	Per Sec. 3.D of the Tariff		\$
32 Rider FRP Rev. before MISO Rec. Rev Req. (FRPxMCRRR)	Sum of L28 – L34		\$

SECTION 5 MISO COST RECOVERY REVENUE REQUIREMENT			
<u>DESCRIPTION</u>	<u>REFERENCE</u>		
33 MISO Rec. Rev. Requirement (MCRRR)	Per Sec. 4 & Att. G Pg. 1 L 22		\$

Note:

- (1) Per Sections 2.C.1.f, 2.C.1.g, 3.A, 3.D, 3.E, 3.F of this Tariff.
- (2) FRP Rider before MISO Cost Recovery Revenue Requirement (FRPxMCRRR) Rate Adjustments in effect at the end of the applicable Evaluation Period multiplied by the applicable Evaluation Period billing determinants for the FRPxMCRRR as defined on Attachment A, Page 1.

Entergy Gulf States Louisiana, L.L.C
Formula Rate Plan Rider Schedule FRP-3
MISO Cost Recovery Revenue Requirement Formula (1)
Projected for the Twelve Months Ended _____
(\$000'S Omitted)

Ln No.	Description	EGSL Amount	Reference
<u>Net MISO Charges/(Credits)</u>			
1	Schedule 10 Invoice	0	Att G Page 2, L6
2	Non-TO Trust Invoice	0	Att G Page 2, L12
3	TO-Trust Invoice	0	Att G Page 2, L19
4	Sch. 31 - Reliability Coordination Service Cost Recovery Adder	0	Att G Page 2, L20
5	Administrative Costs related to Market Settlements	0	Att G Page 2, L21
6	Other MISO Settlements	0	Att G Page 2, L22
7	Transmission Revenue Credit Included in Base Rates	0	Att G Page 2, L23
8	ICT Costs Included in Base Rates	0	Att G Page 2, L24
9	Net MISO Charges/(Credits)	0	Sum of Lines 1 - 8
<u>Cost Associated with MISO Implementation Deferral (2)</u>			
10	Carrying Cost on MISO Implementation Deferral		
11	Amortization of MISO Implementation Deferral		
12	Cost associated with MISO Implementation Deferral	0	Sum of Lines 10 - 11
<u>Cost Associated with MISO Integration Deferral (3)</u>			
13	Carrying Cost on MISO Integration Deferral		
14	Amortization of MISO Integration Deferral		
15	Cost associated with MISO Integration Deferral	0	Sum of Lines 13 - 14
16	Net MISO-related Costs	0	L9 + L12 + L15
17	Retail Allocation Factor (4)		
18	Revenue Related Expense Factor (5)		
19	Net Retail MISO Costs to be Recovered	0	L16 * L17 * L18
20	True-up of MISO Cost Recovery Revenue Requirement	0	Zero for Initial. Subsequent Filings Att G Page 3, L24
21	MISO Cost Recovery Revenue Requirement (MCRRR)	0	L19 + L20

Notes:

- (1) Pursuant to Section 4 of this Formula Rate Plan (Rider FRP-3)
- (2) Return of and on MISO Implementation Deferral per Section 4.A.2 of this Rider FRP-7. Amortization period is 36 months with 12 months amortization in the test year.
- (3) Return of and on MISO Integration Deferral per Section 4.A.2. of this Rider FRP-7. Amortization period is 36 months with 12 months amortization in the test year.
- (4) LA Retail Allocation Factor as approved by the Commission.
- (5) Revenue Related Expense Factor = $1 / (1 - \text{Louisiana Retail Bad Debt Rate} - \text{Revenue-Related Tax Rate} - \text{Regulatory Commission Expense Rate})$.

Entergy Gulf States Louisiana, L.L.C
Formula Rate Plan Rider Schedule FRP-3
MISO Cost Recovery Revenue Requirement Formula (1)
Projected for the Twelve Months Ended _____
(\$000'S Omitted)

Ln No.	Description	EGSL Amount	Reference
<u>Schedule 10 Invoice</u>			
1	Schedule 10 ISO Cost Recovery Adder		
2	Sch. 10 - FERC FERC Annual Charges Recovery		
3	Schedule 23 Recovery of Sch. 10 & Sch. 17 Costs from Certain GFAS		
4	Schedule 34 Allocation of Costs Associated With Penalty Assessments (1)		
5	Schedule 35 HVDC Agreement Cost Recovery Fee		
6	Total Schedule 10 Invoice	0	Sum of Lines 1 - 5
<u>Non-TO Trust Invoice</u>			
7	Schedule 1 Scheduling, System Control, and Dispatch Service		
8	Schedule 2 Reactive Power		
9	Schedule 11 Wholesale Distribution Services (2)		
10	Schedule 15 Power Factor Correction Service		
11	Schedule 20 Treatment of Station Power		
12	Total Non-TO Trust Invoice	0	Sum of Lines 7-11
<u>TO-Trust Invoice</u>			
13	Schedule 7 Long & Short-Term Firm Point-To-Point Trans. Service		
14	Schedule 8 Non-Firm Point-To-Point Transmission Service		
15	Schedule 9 Network Integration Transmission Service		
16	Schedule 26 Network Upgrade Charge From Trans. Expansion Plan		
17	Schedule 26-A Multi-Value Project Usage Rate		
18	Schedule 33 Blackstart Service		
19	Total TO-Trust Invoice	0	Sum of Lines 13-18
20	Schedule 31 - Reliability Coordination Service Cost Recovery Adder	0	
21	Administrative Costs related to Market Settlements	0	
22	Other MISO Settlements	0	
23	Transmission Revenue Credit Eliminated from Base Rates	(Note 3)	
24	ICT Costs Eliminated from Base Rates	(Note 4)	

Notes:

- (1) Cost associated with potential future NERC penalties could show up under Schedule 10 Invoice or Market Settlements.
- (2) Includes Wholesale Distribution Services, Prior Period Adjustments and Other.
- (3) Pursuant to this Rider FRP-3, Attachment C, Item 4F; amount from TY 2011 FRP - \$27.115M
- (4) Pursuant to this Rider FRP-3, Attachment C, Item 4F; amount from TY 2011 FRP - \$(3.309M)

Entergy Gulf States Louisiana, L.L.C
Formula Rate Plan Rider Schedule FRP-3
MISO Cost Recovery Revenue Requirement Formula (1)
True-up of MISO Cost Recovery Revenue Requirement
Projected for the Twelve Months Ended _____
(\$000'S Omitted)

Ln No.	Description	EGSL Amount	Reference
<u>Actual Net MISO Charges/(Credits)</u>			
1	Schedule 10 Invoice		
2	Non-TO Trust Invoice		
3	TO-Trust Invoice		
4	Schedule 31 - Reliability Coordination Service Cost Recovery Adder		
5	Administrative Costs related to Market Settlements		
6	Other MISO Settlements		
7	Transmission Revenue Credit Included in Base Rates		
8	ICT Costs Included in Base Rates		
9	Net MISO Charges/(Credits)	0	Sum of Lines 1 - 8
<u>Actual Cost Associated with MISO Implementation Deferral</u>			
10	Carrying Cost on MISO Implementation Deferral (3)		
11	Amortization of MISO Implementation Deferral (3)		
12	Cost associated with MISO Implementation Deferral	0	Sum of Lines 10 - 11
<u>Actual Cost Associated with MISO Integration Deferral</u>			
13	Carrying Cost on MISO Integration Deferral (4)		
14	Amortization of MISO Integration Deferral (4)		
15	Cost associated with MISO Integration Deferral	0	Sum of Lines 13 - 14
16	Net MISO-related Costs	0	L9 + L12 + L15
17	Louisiana Retail Allocation Factor (5)		
18	Revenue Related Expense Factor (6)		
19	Actual MISO Cost Recovery Revenue Requirement	0	L16 * L17 * L18
20	Estimated MISO Cost Recovery Revenue Requirement		Preceding Filing Att G Page 1, L21
21	Difference in Actual & Est. MISO Cost Recovery Revenue Requirement	0	L19 - L20
22	Before-Tax Weighted Average Cost of Capital		
23	Carrying Cost	0	L21 * (L22/2)
24	True-up of MISO Cost Recovery Revenue Requirement	0	L21 + L23

Notes:

- (1) Pursuant to Section 4.A.3. of this Formula Rate Plan (Rider FRP)
- (2) This schedule is not applicable for the Initial Filing.
- (3) Return of and on MISO Implementation Deferral per Section 4.A.2 of this Rider FRP-7. Amortization period is 36 months with 12 months amortization in the test year.
- (4) Return of and on MISO Integration Deferral per Section 4.A.2. of this Rider FRP-7. Amortization period is 36 months with 12 months amortization in the test year.
- (5) See Attachment G, Page 1 Note (4)
- (6) See Attachment G, Page 1 Note (5)