

ENTERGY NEW ORLEANS, INC.
GAS SERVICE

RIDER SCHEDULE GFRP-3

Effective: June 1, 2009
Filed: May 1, 2009
Supersedes: New Schedule
Schedule Consist of: Three Sheets Plus
Attachments A - F

GAS FORMULA RATE PLAN RIDER SCHEDULE

I. GENERAL

This Gas Formula Rate Plan Rider Schedule GFRP-3 ("Rider GFRP") defines the procedure by which the rates contained in the Entergy New Orleans, Inc. ("ENO" or "Company") gas rate schedules designated in Attachment A to this Rider GFRP ("Rate Schedules") may be periodically adjusted. Rider GFRP shall apply in accordance with the provisions of Section II.A below to all gas service billed under the Rate Schedules, whether metered or unmetered, and subject to the jurisdiction of the Council of the City of New Orleans ("CNO" or "Council").

II. APPLICATION AND REDETERMINATION PROCEDURE**A. RATE ADJUSTMENT**

The adjustments to the Company's rates set forth in Attachment A to this Rider GFRP ("Rate Adjustments") shall be added to the rates set out in the monthly bills in accordance with the Company's Rate Schedules. The Rate Adjustments shall be determined in accordance with the provisions of Sections II.B and II.C below.

B. ANNUAL FILING AND REVIEW**1. FILING DATE**

On or before May 31 of each year, beginning in 2010, ENO shall file a report with the Council containing an evaluation of the Company's earnings for the immediately preceding calendar year prepared in accordance with the provisions of Section II.C below ("Evaluation Report"). A revised Attachment A shall be included in each such Filing containing the Company's proposed revised Rate Adjustments determined in accordance with the provisions of Section II.C below.

2. REVIEW PERIOD

The Council's Advisors ("Advisors") and all intervenors ("Intervenors"), which together with ENO shall be referred to hereinafter, collectively, as the "Parties," shall receive a copy at the time it is filed with the Council of each Evaluation Report together with all subsequent filings in the related proceeding. All Intervenors in Docket UD-08-03 shall be recipients of each such Evaluation Report filing. At the time each such Evaluation Report is filed, ENO shall provide all Parties with workpapers supporting the data and calculations reflected in the Evaluation Report. The Parties may request such clarification and additional supporting data as each deems necessary and within the scope of normal discovery to adequately review the Evaluation Report and ENO's proposed revised Rate Adjustments. ENO shall provide such clarifications and additional supporting data sought by the other Parties within fifteen (15) days for each and every request.

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The Parties shall then have until August 15 of the filing year or 75 days after the filing, whichever is longer, to review the Evaluation Report to ensure that it complies with the requirements of Section II.C below. If any of the Parties should detect an error(s) (as distinguished from a regulatory issue(s)) in the application of the principles and procedures contained in Section II.C below, such error(s) shall be formally communicated in writing to the Company and/or other Parties by August 15 of the filing year. Each such indicated error shall include documentation of the proposed correction. The Company shall then have twenty-five (25) days to review any proposed corrections, to work with the other Parties to resolve any differences 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 work papers supporting any revisions made to the Rate Adjustments initially filed.

Except where there is an unresolved dispute, which shall be addressed in accordance with the provisions of Section II.B.3 below, the Rate Adjustments initially filed under the provisions of Section II.B.1 above, or such corrected Rate Adjustments as may be determined pursuant to the terms of this Section II.B.2, shall become effective for bills rendered on and after the first billing cycle for the following month of October ("October Adjustment"). Those Rate Adjustments shall then remain in effect until changed pursuant to the provisions of this Rider GFRP.

3. RESOLUTION OF DISPUTED ISSUES

In the event there is a dispute regarding any Evaluation Report, the Parties shall work together in good faith to resolve such dispute. If the Parties are unable to resolve the dispute by the end of the twenty-five (25) day period provided for in Section II.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 II.B.2 above. Any disputed issues shall be submitted to the Council for the setting of an Administrative Hearing before its designated Hearing Officer and a subsequent Resolution of the Council pursuant to the provisions of the Home Rule Charter.

If the Council's final ruling on any disputed issues requires changes to the October Adjustment referenced in Paragraph II.B.2 above, the Company shall file a revised Attachment A ("Final Adjustment") containing such further modified Rate Adjustments within fifteen (15) days after receiving the Council's order resolving the dispute. The Company shall provide a copy of the filing to the Council together with appropriate supporting documentation. Such modified Rate Adjustments shall then be implemented with the first billing cycle of the month after the date of the ruling if the ruling is received by the 5th day of the month, otherwise, the modified Rate Adjustments shall then be implemented with the first billing cycle of the second subsequent month after the date of the ruling and shall remain in effect until superseded by Rate Adjustments established in accordance with the provisions of this Rider GFRP.

Within 60 days after receipt of the Council's final ruling on disputed issues, the Company shall determine the amount to be refunded or surcharged to customers, if any, together with interest at a Council mandated rate of interest. Such refund/surcharge amount shall be based on customers' revenue from the first billing cycle of October of the filing year through the last date the interim Rate Adjustments were billed. Such refund/surcharge amount shall be applied to customers' bills in the manner prescribed by the Council.

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RIDER SCHEDULE GFRP-3 (Cont.)

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GAS FORMULA RATE PLAN RIDER SCHEDULE

C. ANNUAL REDETERMINATION OF RATE ADJUSTMENTS

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. All data utilized in each Evaluation Report shall be based on actual results for the Evaluation Period as recorded as gas operations on the Company's books in accordance with the Uniform System of Accounts or such other documentation as may be appropriate.

b. EARNED RATE OF RETURN ON COMMON EQUITY

The Earned Return on Common Equity ("EROE") for any Evaluation Period shall be determined in accordance with the EROE 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") shall be determined in accordance with the BRORB formula set out in Attachment D. The BRORB is the composite weighted embedded cost of capital reflecting the Company's annualized costs of Long-term Debt, Preferred Stock, and Common Equity as of the end of the Evaluation Period. The Debt, Preferred Stock and Equity capitalization ratios, as set out in Attachment D, shall be the actual equity capitalization ratio as of December 31 of the calendar year immediately preceding the filing adjusted for financing activity and the exclusion of Affiliate notes arising in connection with ENO's exit from bankruptcy.

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 Attachment E.

e. ANNUALIZED EVALUATION PERIOD GFRP REVENUE

The Annualized Evaluation Period GFRP Revenue is the Rider GFRP Rider Rate Adjustment (Final Adjustment) in effect at the end of the Evaluation Period multiplied times the applicable Evaluation Period Billing Revenues.

f. TOTAL RIDER GFRP REVENUE

The Total Rider GFRP Revenue is the Annualized Evaluation Period GFRP Revenue plus the reduction/increase in Rider GFRP Revenue as calculated in Attachment F.

g. RATE OF RETURN ON COMMON EQUITY BANDWIDTH

The Rate of Return on Common Equity Bandwidth ("Bandwidth") shall be an Upper Band equal to the EPCOE plus 0.50% (50 basis points) and a Lower Band equal to the EPCOE minus 0.50% (50 basis points).

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2. TOTAL RIDER GFRP REVENUE

In each Evaluation Period, the Total Rider GFRP Revenue level shall be determined using the Rider GFRP Revenue Redetermination Formula set out in Attachment F, which reflects the following rules:

- a. If the EROE is less than the Lower Band, the ROE Adjustment shall be equal to the EPCOE minus the EROE.
- b. If the EROE is greater than the Upper Band the ROE Adjustment shall be equal to the EPCOE minus the EROE.
- c. There shall be no change in Rider GFRP 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.

3. RIDER GFRP REVENUE ALLOCATION

The Total Rider GFRP Revenue, as determined under the provisions of Section II.C.2, will be allocated to each applicable rate schedule based on an equal percentage of base rate revenue. This percentage will be developed by dividing the Total Rider GFRP Revenue by the total applicable base rate revenue, calculated pursuant to Attachment B.

4. RATE ADJUSTMENT REDETERMINATION

All applicable retail rate and rider schedules on file with the Council will be adjusted through Rider Schedule GFRP by the percentage as determined under Section II.C.3.

III. PROVISIONS FOR OTHER RATE CHANGES

A. EXTRAORDINARY COST CHANGES

It is recognized that from time to time ENO 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 GFRP is not designed to address. Should ENO experience such an extraordinary cost increase or decrease having an annual revenue requirement impact exceeding \$0.750 million on a total gas Company basis, then either the Company or the Council may initiate a proceeding to consider a pass-through of such extraordinary cost increase or decrease.

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GAS FORMULA RATE PLAN RIDER SCHEDULE

B. SPECIAL RATE FILINGS

The Company is experiencing a changing business environment 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, or requiring the Council to approve, any revisions to existing rate schedules or implement new rate schedules as may be appropriate. Any such rate changes shall be filed with the Council and evaluated in accordance with the rules and procedures then in effect.

C. FORCE MAJEURE

In addition to the rights of ENO under this Rider, or as provided by law, to make a filing for the pass-through of costs outside the provisions of the Rider GFRP, if any event or events beyond the reasonable control of ENO 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 ENO or result in a deficiency of revenues to ENO which is not readily capable of being addressed in a timely manner under this Rider GFRP, ENO may file for rate or other relief outside the provisions of the Rider GFRP. Such request shall be considered by the Council in accordance with applicable law governing such filings.

IV. EFFECTIVE DATE AND TERM

Rider GFRP shall continue in effect for three years with annual Evaluation Report filings to be made on or before May 31 of 2010, 2011, and 2012 for the test years 2009, 2010, and 2011, respectively. The Rate Adjustments resulting from the May 31, 2012 Filing shall continue in effect until such time as new rates become effective pursuant to a final Council order.

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**ENTERGY NEW ORLEANS, INC.
GAS FORMULA RATE PLAN
FOR THE PERIOD ENDED DECEMBER 31, 20XX**

TABLE OF CONTENTS to EVALUATION REPORT & WORKPAPERS

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| 3 | Attachment B - Earned Rate of Return on Common Equity Rate Base Operating Income Income Tax |
| 4 | Attachment E - Evaluation Period Cost Rate for Common Equity |
| 5 | Attachment D - Benchmark Rate of Return on Rate Base |
| 6 | Attachment C - Adjustment Descriptions Rate Base Adjustments Operating Income Statement Adjustments Income Tax Adjustments |
| 7 | Other Rate Changes |
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| 8 | Per Book Evaluation Period Result |
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| 11 | Benchmark Rate of Return on Rate Base |

Effective 9-29-11

ATTACHMENT A

**ENTERGY NEW ORLEANS, INC.
GAS FORMULA RATE PLAN RIDER SCHEDULE GFRP-3
RATE ADJUSTMENTS**

The following Rate Adjustments will be applied to the rates set out in the monthly bills of Entergy New Orleans, Inc.'s ("ENO") Rate Schedules identified below, or such additional rate schedules of ENO subject to the Gas Formula Rate Plan Rider Schedule GFRP-3 that may become effective, but not including special contracts that do not specifically provide for the application of the Rider GFRP-3. The Rate Adjustments shall be effective for bills rendered on and after the first billing cycle of October of the filing year.

The Net Monthly Bill calculated pursuant to each applicable retail rate schedule* on file with the City Council of the City of New Orleans will be adjusted monthly by a percentage of -3.5509% before application of the monthly purchase gas adjustment except this Rider will not apply to the following:

*Excluded Schedules: MGS-Gas Miscellaneous Rate Schedule, GR-1- Retail Rate Adder Rider, PGA-Purchased Gas Adjustment, GOBP-Gas Optional Billing Plan, GPAD-Gas Pick a Date, EOGS-Extension of Gas Service, and GSRES-Gas Storm Reserve Rider.

Base rates producing GFRP percent increases or decreases will be based upon Exhibit 5, Column I to the Agreement in Principle in Docket UD-08-03.

Attachment B

| ENTERGY NEW ORLEANS, INC. – GAS EARNED RATE OF RETURN ON COMMON EQUITY FORMULA | | |
|---|--|-------------------|
| Line No. | Description | Adjusted Amount |
| TOTAL COMPANY | | |
| 1 | RATE BASE | P 2, L 18 |
| 2 | BENCHMARK RATE OF RETURN ON RATE BASE | Att D, L 4, Col D |
| 3 | REQUIRED OPERATING INCOME | L 1 * L 2 |
| 4 | NET UTILITY OPERATING INCOME | P 3, L 24 |
| 5 | OPERATING INCOME DEFICIENCY/(EXCESS) | L 3 - L 4 |
| 6 | REVENUE CONVERSION FACTOR (1) | |
| 7 | REVENUE DEFICIENCY/(EXCESS) | L 5 * L 6 |
| 8 | PRESENT RATE REVENUES ULTIMATE CUSTOMERS | P 3, L 1 |
| 9 | REVENUE REQUIREMENT | L 7 + L 8 |
| 10 | PRESENT RATE REVENUES | P 3, L 1 |
| 11 | REVENUE DEFICIENCY/(EXCESS) | L 9 - L 10 |
| 12 | REVENUE CONVERSION FACTOR (1) | |
| 13 | OPERATING INCOME DEFICIENCY/(EXCESS) | L 11/L 12 |
| 14 | RATE BASE | P 2, L 18 |
| 15 | COMMON EQUITY DEFICIENCY/(EXCESS) | L 13/L 14 |
| 16 | WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%) | Att D, L 3, Col D |
| 17 | WEIGHTED EARNED COMMON EQUITY RATE (%) | L 16 - L 15 |
| 18 | COMMON EQUITY RATIO (%) | Att D, L 3, Col B |
| 19 | EARNED RATE OF RETURN ON COMMON EQUITY (%) | L 17/L 18 |

Notes:

(1) Revenue Conversion Factor = $1 / [(1 - \text{Composite Tax Rate}) * (1 - \text{Bad Debt})]$

Attachment B

| ENTERGY NEW ORLEANS, INC. - GAS RATE BASE (A) | | | | |
|--|--|-----------|-----------------|-----------------|
| Line No. | Description | Per Books | Adjustments (B) | Adjusted Amount |
| 1 | PLANT IN SERVICE | | | |
| 2 | ACCUMULATED DEPRECIATION | | | |
| 3 | NET UTILITY PLANT (L 1+ L 2) | | | |
| 4 | PLANT HELD FOR FUTURE USE | | | |
| 5 | CONSTRUCTION WORK IN PROGRESS (C) | | | |
| 6 | MATERIALS AND SUPPLIES (D) | | | |
| 7 | PREPAYMENTS (D) | | | |
| 8 | CUSTOMER ADVANCES | | | |
| 9 | CUSTOMER DEPOSITS | | | |
| 10 | PROVISION FOR INJURIES & DAMAGES RESERVE (D) | | | |
| 11 | GAS STORED UNDERGROUND (D) | | | |
| 12 | ACCUMULATED DEFERRED INCOME TAXES | | | |
| 13 | ACCUMULATED DEFERRED ITC PRE-1971-NET | | | |
| 14 | CASH WORKING CAPITAL (E) | | | |
| 15 | OTHER (F) (G) | | | |
| 16 | NET UNAMORTIZED HURRICANE KATRINA & RITA DEFERRED O&M | | | |
| 17 | PENSION LIABILITY EXCLUDING SFAS 158 | | | |
| 18 | RATE BASE (L3 + Sum of L4 through L17) | | | |

Notes:

- (A) Ending balances are to be utilized except where otherwise noted
- (B) Adjustments as set out in Attachment C to this rider GFRP
- (C) Amount not subject to AFUDC accrual
- (D) 13-month average balances
- (E) Cash Working Capital is deemed to be zero.
- (F) Other items included pursuant to Section 6 of Attachment C
- (G) Beginning & Ending or 13-mos average as more appropriate

Attachment B

| ENTERGY NEW ORLEANS, INC. - GAS OPERATING INCOME | | | | |
|---|---|--------------|--------------------|--------------------|
| Line No. | Description | Per Books | Adjustments (A) | Adjusted Amount |
| | REVENUES | | | |
| 1 | SALES TO ULTIMATE CUSTOMERS | | | |
| 2 | OTHER GAS REVENUE | | | |
| 3 | TOTAL OPERATING REVENUES (L 1 + L 2) | | | |
| | EXPENSES | | | |
| | GAS O&M | | | |
| 4 | PRODUCTION -- GAS PURCHASES | | | |
| 5 | TRANSMISSION | | | |
| 6 | DISTRIBUTION | | | |
| 7 | CUSTOMER ACCOUNTING | | | |
| 8 | CUSTOMER SERVICE & INFORMATION | | | |
| 9 | SALES | | | |
| 10 | ADMINISTRATIVE & GENERAL | | | |
| 11 | TOTAL GAS O&M EXPENSES (Sum of L 4 through L 10) | | | |
| 12 | GAIN FROM DISPOSITION OF ALLOWANCES | | | |
| 13 | REGULATORY DEBITS & CREDITS (C) | | | |
| 14 | DEPRECIATION & AMORTIZATION EXPENSES | | | |
| 15 | INTEREST ON CUSTOMER DEPOSITS | | | |
| 16 | TAXES OTHER THAN INCOME | | | |
| 17 | STATE INCOME TAX | | | |
| 18 | FEDERAL INCOME TAX | | | |
| 19 | PROV DEF INC TAX - STATE -- NET | | | |
| 20 | PROV DEF INC TAX - FED -- NET | | | |
| 21 | INVESTMENT TAX CREDIT | | | |
| 22 | OTHER (B) | | | |
| 23 | TOTAL UTILITY OPERATING EXPENSES (L11 + Sum of L12 through L22) | | | |
| 24 | NET UTILITY OPERATING INCOME (L 3 - L 23) | | | |

Notes:

- (A) Adjustments defined in Attachment C
- (B) Other items included pursuant to Section 6 of Attachment C
- (C) Including, but not limited to, the amortization of regulatory assets and liabilities established in the Agreement in Principle in UD-08-03.

Attachment B

| ENTERGY NEW ORLEANS, INC. - GAS INCOME TAX | | | | | |
|---|---|------------------------------|-----------|-----------------|-----------------|
| Line No. | Description | Reference | Per Books | Adjustments (A) | Adjusted Amount |
| 1 | TOTAL OPERATING REVENUES | P 3, L 4 | | | |
| 2 | TOTAL O&M EXPENSE | P 3, L 12 | | | |
| 3 | GAIN FROM DISPOSITION OF ALLOWANCES | P 3, L 13 | | | |
| 4 | REGULATORY DEBITS & CREDITS | P 3, L 14 | | | |
| 5 | DEPRECIATION & AMORTIZATION EXPENSE | P 3, L 15 | | | |
| 6 | INTEREST ON CUSTOMER DEPOSITS | P 3, L 16 | | | |
| 7 | TAXES OTHER THAN INCOME | P 3, L 17 | | | |
| 8 | NET INCOME BEFORE INCOME TAXES | L 1 - Sum of L 2 through L 7 | | | |
| 9 | ADJUSTMENTS TO NET INCOME BEFORE TAXES | | | | |
| 10 | TAXABLE INCOME | L 8 + L 9 | | | |
| | COMPUTATION OF STATE INCOME TAX | | | | |
| 11 | STATE TAXABLE INCOME | L 10 | | | |
| 12 | STATE ADJUSTMENTS | | | | |
| 13 | TOTAL STATE TAXABLE INCOME | Sum of L 11 through L 12 | | | |
| 14 | STATE INCOME TAX BEFORE ADJUSTMENTS (B) | L 13*Eff. Tax Rate | | | |
| 15 | ADJUSTMENTS TO STATE TAX | | | | |
| 16 | STATE INCOME TAX | L 14 + L 15 | | | |
| | COMPUTATION OF FEDERAL INCOME TAX | | | | |
| 17 | TAXABLE INCOME | L 10 | | | |
| 18 | STATE INCOME TAX | L 14 as deduction | | | |
| 19 | FEDERAL ADJUSTMENTS | | | | |
| 20 | TOTAL FEDERAL TAXABLE INCOME | Sum of L 17 through L 19 | | | |
| 21 | FEDERAL INCOME TAX BEFORE ADJUSTMENTS (B) | L 20* Eff. Tax Rate | | | |
| 22 | ADJUSTMENTS TO FEDERAL TAX | | | | |
| 23 | FEDERAL INCOME TAX | L 21+ L 22 | | | |

Notes:

- (A) Adjustments as defined in Attachment C
 (B) The Tax Rate in effect at the time the Evaluation Report is filed shall be utilized.

Attachment C

ENTERGY NEW ORLEANS, INC.

EVALUATION PERIOD ADJUSTMENTS

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

1. Rate Annualization Adjustment

- A) Present base rate revenue shall be adjusted to reflect, on an annualized basis, the Rate Adjustment in effect at the end of the Evaluation Period under this Rider GFRP.
- B) The rate base, revenue and expense effects associated with any riders, or other rate mechanisms, that ENO may have in effect during the Evaluation Period, which recover specific costs 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 GFRP Rider shall be reflected in the calculation of all income tax amounts; and
- D) Tax effects normally excluded for ratemaking purposes shall be eliminated.

4. Ratemaking Adjustments for Evaluation Report Based on Test Year 2009

- A) Present base rate revenue shall be adjusted to reflect, on an annualized basis, the rate actions set forth in the Agreement in Principle in UD-08-03 including an appropriate adjustment for NJ margins.
- B) The depreciation of Gas Plant in Service shall be annualized.
- C) The amortization of Account 301 Organization Costs shall be annualized.
- D) The amortization of Hurricane Katrina and Rita Deferred O&M shall be annualized.
- E) All non-capital charges found not to be related to Hurricane Gustav/Ike in the audit of Hurricane Gustav/Ike costs shall be removed. All fully-loaded, direct labor (i.e., straight time labor) associated with non-capital activities related to Hurricane Gustav/Ike shall be removed.
- F) Extraordinary Cost Change

5. Ratemaking Adjustments for Evaluation Report Based on Test Years 2010 and 2011

- A) Extraordinary Cost Change

6. **Reclassifications**

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 the reclassification of below-the-line interest expense associated with customer deposits as interest on customer deposits expense.

7. **Out-of-Period Items**

Expenses and revenues recorded in any Evaluation Period that are related to transactions occurring prior to the Evaluation Period used in the first Evaluation Report shall be eliminated by adjustment from the Evaluation Period cost data. This shall include any associated tax adjustments.

8. **Other**

In addition to Adjustments 1 through 7 above, there may, from time-to-time, be special costs or rate effects that occur during an Evaluation Period that require adjustments of the Evaluation Period cost data. Nothing in this Rider GFRP shall preclude any Party from proposing such adjustments.

Attachment D

ENERGY NEW ORLEANS, INC.

BENCHMARK RATE OF RETURN ON RATE BASE

| <u>Description</u> | (A) Capital Amount (1) (\$) | (B) Capital Ratio (%) | (C) Cost Rate (2) (%) | (D) Benchmark Rate of Return on Rate Base(3) |
|--------------------|-----------------------------------|-----------------------------|-----------------------------|--|
| 1 LONG-TERM DEBT | | | | |
| 2 PREFERRED EQUITY | | | | |
| 3 COMMON EQUITY | | | | |
| 4 TOTAL | | 100.00% | | |

Notes:

- (1) Amounts at the end of the Evaluation Period as adjusted for refinancing activities. 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. The Affiliate Notes shall be excluded from the calculation of the BRORB.
- (2) Annualized cost of Long-Term Debt and Preferred Equity at the end of the Evaluation Period divided by the corresponding Capital Amount. The Long-Term Debt Cost Rates 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.
- (3) The components of the 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 % to two decimal places (XX.XX%).

Attachment E

ENTERGY NEW ORLEANS, INC.

EVALUATION PERIOD COST RATE FOR COMMON EQUITY PROCEDURE

EVALUATION PERIOD COST RATE FOR COMMON EQUITY

The EPCOE applicable for any Evaluation Report pursuant to this Rider GFRP shall be 10.75%.

Attachment F

**ENTERGY NEW ORLEANS, INC. - GAS
RIDER GFRP REVENUE REDETERMINATION FORMULA**

| <u>SECTION 1</u> | | | |
|----------------------------|---|---|-------|
| BANDWIDTH CHECK | | | |
| Line No. | DESCRIPTION | REFERENCE | |
| 1 | Earned Rate of Return on Common Equity ("EROE") | Attachment B, P 1, L 19 | _____ |
| 2 | Evaluation Period Cost Rate for Common Equity ("EPCOE") | Developed per Attachment E | _____ |
| 3 | Upper Band ROE | L 2 + 50 basis points | _____ |
| 4 | Lower Band ROE | L 2 - 50 basis points | _____ |
| <u>SECTION 2</u> | | | |
| ROE BAND RATE ADJUSTMENT | | | |
| Line No. | DESCRIPTION | REFERENCE | |
| 5 | Earned Rate of Return on Common Equity | L 1 | _____ |
| 6 | ROE Adjustment if Earnings Above Upper Band ROE | If L1 > L3, then Adjustment = L2 - L1, but no adjustment if L1 ≤ L3. | _____ |
| 7 | ROE Adjustment if Earnings Below Lower Band ROE | If L1 < L4, then Adjustment = L2 - L1, but no adjustment if L1 ≥ L4. | _____ |
| 8 | Common Equity Capital Ratio | Attachment D, L3, Column B | _____ |
| 9 | Rate Base | Attachment B, P1, L1 | _____ |
| 10 | Revenue Conversion Factor | Attachment B, P1, L 6 | _____ |
| 11 | Total Change in Rider GFRP Revenue | (L6 or L7) * L8 * L9 * L10 | _____ |
| <u>SECTION 3</u> | | | |
| TOTAL BAND RATE ADJUSTMENT | | | |
| Line No. | DESCRIPTION | REFERENCE | |
| 12 | Annualized Evaluation Period GFRP Revenue (1) | | _____ |
| 13 | Change in Rider GFRP Revenue | L11 | _____ |
| 14 | Extraordinary Cost Change Revenue Requirement | Per Sec. III.A of the Tariff | _____ |
| 15 | Total Rider GFRP Revenue (2) | L12 + L13 + L14 | _____ |

Note:

- (1) Rider GFRP Rate Adjustments in effect at the end of the applicable Evaluation Period multiplied by the applicable Evaluation Period revenues.
- (2) The Total Rider GFRP Revenue reflects the total credit or surcharge to be applied to customer bills based on the results of the Rider GFRP Redetermination Formula.