

Rate Stabilization Plan Rider
Entergy Louisiana, LLC - Gas
Evaluation Period Adjustments
Evaluation Period Ended September 30, 2023

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

1. Rate Annualization Adjustment

- A) Present rate revenue shall be adjusted to reflect jurisdictional revenues, on an annualized basis, the Rate Adjustment in effect at the end of the Evaluation Period under this Rider RSP.
- B) Present rate jurisdictional revenue shall be adjusted for weather using the company's methodology as set forth in Attachment "B" to Settlement Term Sheet approved by LPSC Order No. U-33983. Any changes to the methodology used in the development of the weather normalization factors that form the basis of the weather normalization adjustment shall be mutually agreed upon by the LPSC Staff and ELL.
- C) 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 are to be eliminated.
- D) Non-jurisdictional revenues for CNG (Compressed Natural Gas) customers will be shared with customers with 30% of the CNG-NJ revenue being retained by the company and 70% of the CNG-NJ revenue applied to offset the jurisdictional revenue requirement.

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 C.

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 B 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 RSP shall be reflected in the calculation of all income tax amounts; and
- D) Tax effects normally excluded for rate making purposes shall be eliminated.

4. Wage and Salary

- A) An adjustment shall be made to reflect annualized wage, salary and benefit levels in effect at the end of the twelve-month period ending September 30.
- B) Benefit expense shall be adjusted to eliminate Long-Term Incentive Plan ("LTIP"), Equity Awards Program and Restricted Share Awards.

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5. Reclassifications

- A) Revenues associated with ELL's Gas Retail rates in the Commission's jurisdiction, but included in Other Gas Revenue on a per book basis (Attachment A, Page 3, Line 2), shall be reclassified as rate schedule revenue.
- 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, the reclassification of below-the-line interest expense associated with Customer deposits as interest on Customer deposits expense.

6. 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.

7. Normalization

Injuries and Damages expense over three years, and Uncollectibles expense over five years will be normalized consistent with the methodology in this case.

8. Other

- A) In addition to Adjustments 1-7 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.
- B) The revenue requirement allocated to the one non-jurisdictional customer that is taking gas service as of the effective date of this Rider and is not a CNG customer will be calculated using the specific assignment of costs agreed upon in Docket U-28035 and the revenues derived from this customer shall be excluded from the retail cost of service (COS) and adjusted to zero. To the extent that non-CNG NJ customer(s) should begin to take gas service subsequent to the effective date of this Rider, ELL shall notify the Commission Staff of the addition of such customer(s) through the relevant Evaluation Report filing and the appropriate treatment of revenue derived such future non-CNG NJ customer(s) shall be determined on a case by case basis.