

THIS FILING IS

Item 1: ☒ An Initial (Original)
SubmissionOR ☐ Resubmission No. _____

FERC FINANCIAL REPORT

FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Entergy Operations, Inc.

Year of Report

Dec 31, 2020

GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60**I. Purpose**

Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to §§ 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

III. How to Submit

Submit FERC Form No. 60 electronically through the Form No. 60 Submission Software. Retain one copy of each report for your files. For any resubmissions, submit the filing using the Form No. 60 Submission Software including a justification. Respondents must submit the Corporate Officer Certification electronically.

IV. When to Submit

Submit FERC Form No. 60 according to the filing date contained § 18 CFR 369.1 of the Commission's regulations.

V. Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USof A). Interpret all accounting words and phrases in accordance with the USof A.

VI. Time Period

This report covers the entire calendar year.

VII. Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

VIII. Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IX. Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

X. Date Format

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

XI. Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

XII. Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

XIII. Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

XIV. Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO),
888 First Street NE,
Washington, DC 20426
or by email to DataClearance@ferc.gov

And to:

Office of Information and Regulatory Affairs,
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal
Energy Regulatory Commission).
Comments to OMB should be submitted by email to: oir_submission@omb.eop.gov

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS
I. Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

IDENTIFICATION

01 Exact Legal Name of Respondent Entergy Operations, Inc.		02 Year of Report Dec 31, <u>2020</u>	
03 Previous Name (If name changed during the year)		04 Date of Name Change / /	
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1340 Echelon Parkway, Jackson, MS 39213		06 Name of Contact Person Gina G. Bellott	
07 Title of Contact Person Sr. Lead Accountant		08 Address of Contact Person 639 Loyola Avenue, New Orleans, LA 70113	
09 Telephone Number of Contact Person (504) 576-6753		10 E-mail Address of Contact Person gbellot@entergy.com	
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) / /	
13 Date of Incorporation 06/06/1990		14 If Not Incorporated, Date of Organization / /	
15 State or Sovereign Power Under Which Incorporated or Organized DELAWARE			
16 Name of Principal Holding Company Under Which Reporting Company is Organized: Entergy Corporation			

CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

17 Name of Signing Officer Kimberly A. Fontan	19 Signature of Signing Officer Kimberly A. Fontan	20 Date Signed (Month, Day, Year) 04/30/2021
18 Title of Signing Officer Sr. VP & Chief Accounting Officer		

List of Schedules and Accounts

1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.

Line No.	Description (a)	Page Reference (b)	Remarks (c)
1	Schedule I - Comparative Balance Sheet	101-102	
2	Schedule II - Service Company Property	103	
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104	
4	Schedule IV - Investments	105	
5	Schedule V - Accounts Receivable from Associate Companies	106	
6	Schedule VI - Fuel Stock Expenses Undistributed	107	Not Applicable
7	Schedule VII - Stores Expense Undistributed	108	Not Applicable
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	
9	Schedule IX - Miscellaneous Deferred Debits	110	
10	Schedule X - Research, Development, or Demonstration Expenditures	111	Not Applicable
11	Schedule XI - Proprietary Capital	201	
12	Schedule XII - Long-Term Debt	202	Not Applicable
13	Schedule XIII - Current and Accrued Liabilities	203	
14	Schedule XIV - Notes to Financial Statements	204	
15	Schedule XV - Comparative Income Statement	301-302	
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306	
17	Schedule XVII - Analysis of Billing – Associate Companies (Account 457)	307	
18	Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)	308	Not Applicable
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	
23	Schedule XX - Organization Chart	401	
24	Schedule XXI - Methods of Allocation	402	

Schedule I - Comparative Balance Sheet

1. Give balance sheet of the Company as of December 31 of the current and prior year.

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	15,118,954	14,321,164
3	101.1	Property Under Capital Leases	103	12,848,396	12,001,111
4	106	Completed Construction Not Classified			657,401
5	107	Construction Work In Progress	103		141,209
6		Total Property (Total Of Lines 2-5)		27,967,350	27,120,885
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	6,674,319	6,003,822
8	111	Less: Accumulated Provision for Amortization of Service Company Property		3,498,325	3,493,873
9		Net Service Company Property (Total of Lines 6-8)		17,794,706	17,623,190
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105		
13	128	Other Special Funds	105		
14		Total Investments (Total of Lines 11-13)			
15		Current And Accrued Assets			
16	131	Cash		50,931	50,305
17	134	Other Special Deposits			
18	135	Working Funds		14,801	7,705
19	136	Temporary Cash Investments		46,410,601	13,492,445
20	141	Notes Receivable			
21	142	Customer Accounts Receivable			
22	143	Accounts Receivable		1,283,423	1,266,694
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	19,319,307	31,595,087
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies			360,237
27	163	Stores Expense Undistributed	108		
28	165	Prepayments		79,062	910,077
29	171	Interest And Dividends Receivable		490	27,482
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets		962,973	
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets – Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		68,121,588	47,710,032
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets		30,945,332	31,129,577
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		5,610,146	4,509,303
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		19,162,612	17,081,327
46		Total Deferred Debits (Total of Lines 37-45)		55,718,090	52,720,207
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		141,634,384	118,053,429

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Entergy Operations, Inc.			
FOOTNOTE DATA			

Schedule Page: 101 Line No.: 3 Column: d

Includes operating leases recorded in accordance with FASB ASU No. 2016-02, Leases, as provided for in FERC Docket No. AI19-1-000. Refer to Note 4 of the Notes to the Financial Statements for further discussion.

Schedule Page: 101 Line No.: 3 Column: e

Includes operating leases recorded in accordance with FASB ASU No. 2016-02, Leases, as provided for in FERC Docket No. AI19-1-000. Refer to Note 4 of the Notes to the Financial Statements for further discussion.

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Entergy Operations, Inc.			
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 18 Column: c

The following CWIP projects were closed to plant in 2020:

Project	Amount
End User PC Refresh Program 2019	\$136,683
Other General and Intangible Plant	4,526

Total	\$141,209
	=====

Filed Date: 04/30/2021

Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property

1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.

Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant	3,493,873	4,452			3,498,325
3	306	Leasehold Improvements					
4	389	Land and Land Rights					
5	390	Structures and Improvements	4,624,338	155,645			4,779,983
6	391	Office Furniture and Equipment	885,863	389,717			1,275,580
7	392	Transportation Equipment					
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	52,075	39,056			91,131
10	395	Laboratory Equipment					
11	396	Power Operated Equipment					
12	397	Communications Equipment	164,784	44,640			209,424
13	398	Miscellaneous Equipment	276,762	41,439			318,201
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total	9,497,695	674,949			10,172,644

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Entergy Operations, Inc.			
FOOTNOTE DATA			

Schedule Page: 105 Line No.: 4 Column: c

The December 31, 2020 and 2019 balances represent investments in the Money Pool, an intra-system borrowing agreement. See Note 3 to the Financial Statements for more information.

<p align="center">Schedule XIII – Current and Accrued Liabilities</p> <p>1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).</p> <p>2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.</p>				
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Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associates Companies		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	234	Accounts Payable to Associate Companies	6,853,321	9,831,041
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	242	Miscellaneous Current and Accrued Liabilities	375,966	303,080
42				
43				
44				
45				
46				
47				
48				
49				
50		(Total)	7,229,287	10,134,121

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FOOTNOTE DATA			

Schedule Page: 203 Line No.: 24 Column: c

	Balance at Beginning of Year	Balance at Close of Year
Entergy Arkansas, LLC	\$1,445,920	\$2,086,054
Entergy Texas, Inc.	1,552	566
Entergy Louisiana, LLC	1,940,145	3,359,379
Entergy Mississippi, LLC	2,431	1,497
Entergy New Orleans, LLC	1,048	301
System Energy Resources	945,328	1,340,723
Entergy Corporation	2,378,549	2,902,554
Entergy Power Ops U.S., Inc.	-	-
Entergy Nuclear Operations	26,769	126,200
Entergy Nuclear Indian Point 2	2	-
Entergy Nuclear Palisades, LLC	13	-
Entergy Services, LLC	111,564	13,767
Total Account 234	<u>\$6,853,321</u>	<u>\$9,831,041</u>

Schedule Page: 203 Line No.: 41 Column: c

	Balance at Beginning of Year	Balance at Close of Year
Current portion OPEB	\$164,000	\$110,000
Non-qualified pension	206,848	174,322
Administer real estate	3,803	16,553
Refueling outage	1,315	-
Dry Cask Storage Costs	-	2,205
Other	<u>\$375,966</u>	<u>\$303,080</u>

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Entergy Operations, Inc.			
Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Entergy Operations, Inc. (Entergy Operations) is a nuclear management service company wholly owned by Entergy Corporation. Entergy Operations has been authorized to act as an agent in the operations, but not ownership, of Arkansas Nuclear One Steam Electric Generating Station Units 1 and 2 (ANO), River Bend Steam Electric Generating Station (River Bend), Waterford Steam Electric Generating Station Unit No. 3 (Waterford 3), and Grand Gulf Steam Electric Generating Station Unit 1 (Grand Gulf 1), subject to oversight by Entergy Arkansas, LLC, Entergy Louisiana, LLC, and System Energy Resources, Inc. (collectively, the Companies), respectively. The Companies and the Grand Gulf 1 co-owner retain their ownership interests, associated capacity, and energy entitlements and pay directly or reimburse Entergy Operations for the costs associated with the operation and maintenance of these units. Entergy Corporation entered into separate guarantee agreements with the Companies whereby Entergy Corporation guaranteed the financial ability of Entergy Operations to meet its various financial obligations to the Companies under the operating agreements, as long as the Companies continue to meet their payment obligations to Entergy Operations under the applicable operating agreements.

System of Accounts

Entergy Operations maintains its accounting records using a system of accounts which is in accordance with the system prescribed by the Federal Energy Regulatory Commission. Certain reclassifications, which have no effect on net income or shareholder's equity, may be made to previously reported amounts to conform to current account classifications.

Use of Estimates in the Preparation of Financial Statements

The preparation of Entergy Operations' financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as well as the reported amounts of revenues and expenses. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used.

Depreciation and Amortization

Depreciation is computed on a straight-line basis at rates based on the estimated service lives of the various classes of property, which range from 5 to 31-1/2 years.

Income Taxes

Accounting standards require that deferred income taxes be recorded for all temporary differences between the financial statement basis and tax basis of assets, liabilities, and loss carryforwards. Temporary differences are recorded based on enacted tax laws at tax rates that are expected to be in effect when the temporary differences reverse.

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Schedule XIV- Notes to Financial Statements			

Entergy Operations joins its parent and most of the other Entergy Corporation subsidiaries in filing a consolidated federal income tax return. Income taxes (or benefits) are allocated to Entergy Operations in proportion to its contribution to consolidated taxable income.

Cash and Cash Equivalents

Entergy Operations considers all unrestricted highly liquid debt instruments with an original maturity at acquisition of three months or less to be cash equivalents. Investments with original maturities of more than three months are classified as other temporary investments on the balance sheet.

Fair Value Disclosure

Entergy Operations considers the carrying amounts of financial instruments classified as current assets and liabilities to be a reasonable estimate of their fair value because of the short maturity of these instruments.

NOTE 2. INCOME TAXES

Deferred income tax assets (liabilities) are comprised of the following at December 31, 2020 and 2019:

	2020	2019
<u>Deferred Tax Assets:</u>		
Combined Unitary Taxes	(\$1,210)	(\$1,172)
Compensation	10,629,681	8,379,844
Contributions	388,897	299,549
Net Operating Loss	1,459,208	988
Pension and benefits (OPEB) reserves	8,969,702	10,683,648
Pension (net funding)	(3,118,566)	(3,117,290)
Other	834,900	835,760
Total	\$19,162,612	\$17,081,327
<u>Deferred Tax Liabilities:</u>		
Pension and benefits (OPEB) reserves	(\$8,053,699)	(\$8,053,291)
Plant-related basis differences	(683,763)	(703,604)
Other	(14,668)	(235,583)
Total	(\$8,752,130)	(\$8,992,478)
Net Deferred Tax Assets	\$10,410,482	\$8,088,849

Entergy Operations' effective income tax rate was 100% in 2020 and 2019 compared to the current federal statutory income tax rate of 21%. The primary reason for the difference between the effective and statutory income tax rates is that Entergy Operations collects revenue adequate to fund its income tax expense. The income tax expense for 2020 and 2019 resulted primarily from non-deductible permanent items and state income taxes. The provision for intercompany expense (benefit) in lieu of federal income taxes for the years ended December 31, 2020 and 2019 consisted of the following:

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Schedule XIV- Notes to Financial Statements			

	2020	2019
<u>Current:</u>		
Federal	\$1,132,198	\$2,534,766
State	316,697	796,349
Current Total	<u>\$1,448,895</u>	<u>\$3,331,115</u>
<u>Deferred:</u>		
Federal	(\$1,768,796)	(\$2,437,326)
State	(552,839)	(834,015)
Deferred Total	<u>(\$2,321,635)</u>	<u>(\$3,271,341)</u>
Total Income Tax Expense	<u>(\$872,740)</u>	<u>\$59,774</u>

NOTE 3. LINES OF CREDIT AND RELATED SHORT-TERM BORROWINGS

Entergy Operations participates with certain other Entergy Corporation subsidiaries in the System Money Pool (Money Pool), an intra-system borrowing arrangement designed to reduce the companies' dependence on external short-term borrowings. Entergy Operations did not borrow from the Money Pool during 2020.

NOTE 4. OPERATING LEASES

Entergy implemented ASU 2016-02, "Leases (Topic 842)," effective January 1, 2019. The ASU's core principle is that "a lessee should recognize the assets and liabilities that arise from leases." The ASU considers that "all leases create an asset and a liability," and accordingly requires recording the assets and liabilities related to all leases with a term greater than 12 months. Concurrent with the implementation of ASU 2016-02, Entergy implemented ASU 2018-01, "Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842," which provided Entergy the option to elect not to evaluate existing land easements that are not currently accounted for as leases under the previous lease standard, and ASU 2018-11, "Leases (Topic 842): Targeted Improvements," which intended to simplify the transition requirement giving Entergy the option to apply the transition provisions of the new standard at the date of adoption instead of at the earliest comparative period. In implementing these ASUs, Entergy elected the options provided in both ASU 2018-01 and ASU 2018-11. This accounting was applied to all lease agreements using the modified retrospective method, which required an adjustment to retained earnings for the cumulative effect of adopting the standard as of the effective date, and when implemented with ASU 2018-11, allowed Entergy to recognize the leased assets and liabilities on its balance sheet beginning on January 1, 2019 without restating prior periods. In adopting the standard in January 2019, Entergy Operations recognized right-of-use assets and corresponding lease liabilities totaling approximately \$1.9 million. Implementation of the standards had no material effect on consolidated net income; therefore, no adjustment to retained earnings was recorded. The adoption of the standards had no effect on cash flows.

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Schedule XIV- Notes to Financial Statements			

Entergy Operations incurred the following total lease costs for the year ended December 31, 2020:

	<u>(In Thousands)</u>
Operating lease cost	\$2,591
Finance lease cost:	
Amortization of right-of-use assets	\$1,652
Interest on lease liabilities	\$939

Included within Property, Plant, and Equipment on Entergy Operations' consolidated balance sheet at December 31, 2030 are the following amounts:

	<u>(In Thousands)</u>
Operating leases	\$12,510
Finance leases	\$339

The following lease-related liabilities are recorded within the respective Other lines on Entergy Operations' consolidated balance sheet as of December 31, 2020:

	<u>(In Thousands)</u>
Current liabilities:	
Operating leases	\$2,142
Finance leases	\$84
Non-current liabilities:	
Operating leases	\$10,369
Finance leases	\$254

The following information contains the weighted average remaining lease term in years and the weighted average discount rate for the operating and finance leases of Entergy Operations at December 31, 2020:

Weighted average remaining lease terms:	
Operating leases	5.51
Finance leases	5.39
Weighted average discount rate:	
Operating leases	4.07%
Finance leases	3.25%

At December 31, 2020, Entergy Operations had noncancelable operating leases with minimum lease payments as follows (in thousands):

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Schedule XIV- Notes to Financial Statements			

2021	\$302
2022	263
2023	161
2024	155
2025	147
Years thereafter	80
	<u>\$1,108</u>

At December 31, 2020, Entergy Operations had noncancelable financing leases with minimum lease payments as follows (in thousands):

2021	\$93
2022	68
2023	64
2024	56
2025	39
Years thereafter	47
	<u>\$367</u>

NOTE 5. EMPLOYEE BENEFITS

Stock-based Compensation

Entergy Operations participates in an Equity Ownership Plan, which grants stock options, restricted stock, performance units, and restricted stock units to certain key employees. Effective May 3, 2019, Entergy's shareholders approved the 2019 Omnibus Incentive Plan (2019 Plan). The maximum number of common shares that can be issued from the 2019 Plan for stock-based awards is 7,300,000 all of which are available for incentive stock option grants. The 2019 Plan applies to awards granted on or after May 3, 2019 and awards expire ten years from the date of grant.

As of December 31, 2020, there were 6,108,451 authorized shares remaining for stock-based awards. The costs of the stock options, restricted stock and performance units are charged to income over three years. The costs of the unrestricted stock unit awards are charged to income over the restricted period, which varies from grant to grant. Entergy Operations' costs for these awards including capitalized amounts were approximately \$3.7 million for 2020 and approximately \$3.9 million for 2019.

Defined Contribution Plans

Employees of Entergy Operations are also eligible to participate in the Savings Plans of Entergy Corporation and Subsidiaries (Savings Plans). The Savings Plans are defined contribution plans covering eligible employees of Entergy and its subsidiaries. The employing Entergy subsidiary makes matching contributions to the Savings Plans for all non-bargaining and certain bargaining employees as defined in the Plan Documents. Entergy Operations' contributions to the Savings Plans were \$16.2 million in 2020 and \$14.9 million in 2019.

Qualified Pension Plan and Other Postretirement Benefit Plans

Entergy Operations provides pension and retiree medical, dental, vision, and life insurance benefits (other

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Schedule XIV- Notes to Financial Statements			

postretirement benefits) for eligible retired employees. Substantially all employees may become eligible for these benefits if they reach retirement age while working for Entergy Operations.

Eligible employees of Entergy Operations can participate in five defined benefit qualified pension plans. The Entergy Corporation Retirement Plan for Non-Bargaining Employees, the Entergy Corporation Retirement Plan for Bargaining Employees, and the Entergy Corporation Retirement Plan III are non-contributory final average pay plans and provide pension benefits that are based on employees' credited service and compensation during employment. Non-bargaining employees whose most recent date of hire is after June 30, 2014 but before January 1, 2021 participate in the Entergy Corporation Cash Balance Plan for Non-Bargaining Employees. Certain bargaining employees hired or rehired after June 30, 2014, or such later date provided for in their applicable collective bargaining agreements, participate in the Entergy Corporation Cash Balance Plan for Bargaining Employees.

The assets of the final average pay defined benefit qualified pension plans are held in a master trust established by Entergy Corporation, and the assets of the cash balance pension plans are held in a second master trust established by Entergy Corporation. Each pension plan has an undivided beneficial interest in each of the investment accounts in its respective master trust that is maintained by a trustee. Use of the master trusts permits the commingling of the trust assets of the pension plans for investment and administrative purposes. Although assets in the master trusts are commingled, the trustee maintains supporting records for the purpose of allocating the trust level equity in net earnings (loss) and the administrative expenses of the investment accounts in each trust to the various participating pension plans in that particular trust. The fair value of the trusts' assets is determined by the trustee and certain investment managers. For each trust, the trustee calculates a daily earnings factor, including realized and unrealized gains or losses, collected and accrued income, and administrative expenses, and allocates earnings to each plan in the master trusts on a pro rata basis.

Within each pension plan, Entergy Operations' beneficial interest in the plan assets is maintained by the plan's actuary and is updated quarterly. Assets are increased for investment net income and contributions, and are decreased for benefit payments. A plan's investment net income/loss (i.e. interest and dividends, realized and unrealized gains and losses and expenses) is allocated to Entergy Operations based on the value of assets at the beginning of the quarter adjusted for contributions and benefit payments made during the quarter.

Entergy Operations' funds pension plans in an amount not less than the minimum required contribution under the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended. The assets of the plans include common and preferred stocks, fixed-income securities, interest in a money market fund, and insurance contracts.

In March 2020, Entergy announced changes to its other postretirement benefits. Effective January 1, 2021, certain retired, former non-bargaining employees age 65 and older who are eligible for Entergy-sponsored retiree welfare benefits, and their eligible spouses who are age 65 and older (collectively, Medicare-eligible participants), will be eligible to participate in a new Entergy-sponsored retiree health plan, and will no longer be eligible for retiree coverage under the Entergy Corporation Companies' Benefits Plus Medical, Dental and Vision Plans. Under the new Entergy retiree health plan, Medicare-eligible participants will be eligible to participate in a health reimbursement arrangement which they may use towards the purchase of various types of qualified insurance offered through a Medicare exchange provider and for other qualified medical expenses. In accordance with accounting standards, the effects of this change were reflected in the March 31, 2020 other postretirement obligation. The changes affecting active bargaining unit employees will be negotiated with the unions prior to implementation, where necessary, and to the extent required by law.

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Components of Qualified Net Pension Cost and Other Postretirement Cost and Other Amounts Recognized as a Regulatory Asset

Entergy Operations' qualified pension and other postretirement costs, including capitalized amounts, included the following components:

	Qualified Pension		Other Postretirement Benefits	
	2020	2019	2020	2019
	(In Thousands)			
Net periodic pension and other postretirement costs				
Service cost	\$-	\$47	\$-	\$6
Interest cost	1,245	1,635	34	75
Expected return on assets	(2,148)	(2,238)	-	-
Amortization of prior service credit	-	-	(87)	(10)
Recognized net loss	2,722	2,186	57	77
Net periodic pension and other postretirement costs	\$1,819	\$1,630	\$4	\$148

Other changes in plan assets and benefit obligations recognized as a regulatory asset

Arising this period:

Prior service credit	\$-	\$-	(\$618)	\$-
Net (gain)/loss	2,347	2,897	(146)	(\$241)
Amounts reclassified from regulatory asset to net periodic benefit cost in the current year:				
Amortization of prior service credit	-	-	87	10
Amortization of net loss	(2,762)	(2,186)	(57)	(77)
Total	(\$415)	\$711	(\$734)	(\$308)
Total recognized as net periodic benefit cost, and/or regulatory asset	\$1,404	\$2,341	(\$730)	(\$160)

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Qualified Pension and Other Postretirement Obligations, Plan Assets, Funded Status, Amounts Recognized in the Balance Sheet

The qualified pension and other postretirement benefit obligations, plan assets, funded status and amounts recognized in the balance sheet for Entergy Operations as of December 31, 2020 and 2019 were as follows:

	Qualified Pension		Other Postretirement Benefits	
	2020	2019	2020	2019
	(In Thousands)			
Change in Projected Benefit Obligation (PBO)/Accumulated Postretirement Obligation (APBO)				
Balance at beginning of year	\$47,125	\$43,091	\$2,006	\$1,985
Service cost	-	47	-	6
Interest cost	1,245	1,635	34	75
Plan amendments	-	-	(618)	-
Plan participant contributions	-	-	252	272
Actuarial (gain)/loss	4,939	6,430	(146)	(241)
Benefits paid	(3,039)	(4,078)	(180)	(91)
Balance at end of year	<u>\$50,270</u>	<u>\$47,125</u>	<u>\$1,348</u>	<u>\$2,006</u>
Change in Plan Assets				
Fair value of assets at beginning of year	\$32,810	\$29,806	\$-	\$-
Actual return on plan assets	4,740	5,771	-	-
Employer contributions	1,676	1,310	(72)	(181)
Plan participant contributions	-	-	252	272
Benefits paid	(3,039)	(4,077)	(180)	(91)
Fair value of assets at end of year	<u>\$36,187</u>	<u>\$32,810</u>	<u>\$-</u>	<u>\$-</u>
Funded status	(\$14,083)	(\$14,315)	(\$1,348)	(\$2,006)
Amounts recognized in the balance sheet				
Current liabilities	\$-	\$-	(\$110)	(\$164)
Non-current liabilities	(14,083)	(14,315)	(1,238)	(1,842)
Funded status	<u>(\$14,083)</u>	<u>(\$14,315)</u>	<u>(\$1,348)</u>	<u>(\$2,006)</u>
Amounts recognized in regulatory asset				
Prior service credit	\$-	\$-	(\$531)	(\$1)
Net loss	28,854	29,230	534	737
	<u>\$28,854</u>	<u>\$29,230</u>	<u>\$3</u>	<u>\$736</u>

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Accumulated Qualified Pension Benefit Obligation

The accumulated qualified pension benefit obligation for Entergy Operations as of December 31, 2020 and 2019 were \$50.3 million and \$47.1 million, respectively.

Non-Qualified Pension Plans

Entergy Operations also sponsors non-qualified, non-contributory defined benefit pension plans that provide benefits to certain executives. Entergy Operations recognized net periodic pension cost of \$442 thousand in 2020 and \$537 thousand in 2019. Included in the 2019 net periodic pension cost are settlement charges of \$100 thousand. The projected benefit obligation was \$5.2 million and \$4 million as of December 31, 2020 and 2019, respectively. The accumulated benefit obligation was \$4 million and \$3.1 million as of December 31, 2020 and 2019, respectively.

Entergy Operations' non-qualified, non-current liability at December 31, 2020 and 2019 was \$5 million and \$3.8 million, respectively; and its current liability was \$174 thousand and \$207 thousand, respectively. The sum of the prior service cost and net loss recognized in regulatory asset was \$2.1 million at December 31, 2020 and \$1.2 million at December 31, 2019.

Accounting for Pension and Other Postretirement Benefits

Accounting standards require an employer to recognize in its balance sheet the funded status of its benefit plans. This is measured as the difference between plan assets at fair value and the benefit obligation. Entergy Operations uses a December 31 measurement date for its pension and other postretirement plans. Employers are to record previously unrecognized gains and losses, prior service costs, and any remaining transition asset or obligation (that resulted from adopting prior pension and other postretirement benefits accounting standards) as comprehensive income and/or as a regulatory asset reflective of the recovery mechanism for pension and other postretirement benefit costs. Accounting standards also require that changes in the funded status be recorded as other comprehensive income and/or a regulatory asset in the period in which the changes occur.

With regard to pension costs, Entergy Operations calculates the expected return on pension plan assets by multiplying the long term expected rate of return on assets by the market-related value (MRV) of plan assets. In general, Entergy Operations determines the MRV of pension assets is determined by calculating a value that uses a 20-quarter phase-in of the difference between actual and expected returns.

Qualified Pension Plans' Assets

The Plan Administrator's trust asset investment strategy is to invest the assets in a manner whereby long-term earnings on the assets (plus cash contributions) provide adequate funding for retiree benefit payments. The mix of assets is based on an optimization study that identifies asset allocation targets in order to achieve the maximum return for an acceptable level of risk, while minimizing the expected contributions and pension and postretirement expense.

In the optimization studies, the Plan Administrator formulates assumptions about characteristics, such as expected asset class investment returns, volatility (risk), and correlation coefficients among the various asset classes. The future market assumptions used in the optimization study are determined by examining historical market characteristics of the various asset classes and making adjustments to reflect future conditions expected to prevail over the study period.

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The target asset allocation for pension adjusts dynamically based on the pension plans' funded status. The current targets are shown below. The expectation is that the allocation to fixed income securities will increase as the pension plans' funded status increases. The following ranges were established to produce an acceptable, economically efficient plan to manage around the targets.

Entergy Operations' qualified pension weighted-average asset allocation by asset category at December 31, 2020 and 2019 and the target asset allocation and ranges are as follows:

Pension Asset Allocation	Target	Range	Actual 2020	Actual 2019
Domestic Equity Securities	39%	32% to 46%	38%	39%
International Equity Securities	19%	15% to 23%	19%	19%
Fixed Income Securities	42%	39% to 45%	42%	41%
Other	0%	0% to 10%	1%	1%

In determining its expected long-term rate of return on plan assets used in the calculation of benefit plan costs, Entergy reviews past performance, current and expected future asset allocations, and capital market assumptions of its investment consultant and some investment managers.

The expected long-term rate of return for the qualified pension plans' assets is based primarily on the geometric average of the historical annual performance of a representative portfolio weighted by the target asset allocation defined in the table above, along with other indications of expected return on assets. The time period reflected is a long dated period spanning several decades.

Concentrations of Credit Risk

Entergy Operations' investment guidelines mandate the avoidance of risk concentrations. Types of concentrations specified to be avoided include, but are not limited to, investment concentrations in a single entity, type of industry, foreign country, geographic area and individual security issuance. As of December 31, 2020 all investment managers and assets were materially in compliance with the approved investment guidelines, therefore there were no significant concentrations (defined as greater than 10 percent of plan assets) of risk in Entergy Operations' pension and other postretirement benefit plan assets.

Fair Value Measurements

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 - Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access at the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Level 2 inputs are inputs other than quoted prices included in Level 1 that are, either directly or

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indirectly, observable for the asset or liability at the measurement date. Assets are valued based on prices derived by an independent party that uses inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Prices are reviewed and can be challenged with the independent parties and/or overridden if it is believed such would be more reflective of fair value. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If an asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Level 3 refers to securities valued based on significant unobservable inputs.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth by level within the fair value hierarchy, measured at fair value on a recurring basis at December 31, 2020, and December 31, 2019, a summary of the investments held in the master trusts for Entergy's qualified pension plans in which the Registrant Subsidiaries participate.

Qualified Defined Benefit Pension Plan Trusts

2020	Level 1	Level 2	Level 3	Total
(In Thousands)				
Equity securities:				
Corporate stocks:				
Preferred	\$15,756 (b)	\$—	\$—	\$15,756
Common	1,031,213 (b)	— (b)	—	1,031,213
Common collective trusts (c)				2,958,767
Registered investment companies	— (d)	—	—	—
Fixed income securities:				
U.S. Government securities	—	731,319 (a)	—	731,319
Corporate debt instruments	—	1,029,370 (a)	—	1,029,370
Registered investment companies (e)	81,800 (d)	3,076 (d)	—	1,128,107
Other	156 (f)	56,323 (f)	—	56,479
Other:				
Insurance company general account (unallocated contracts)	—	6,253 (g)	—	6,253
Total investments	\$1,128,925	\$1,826,341	\$—	\$6,957,264

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Cash	2,316
Other pending transactions	(29,121)
Less: Other postretirement assets included in total investments	(76,033)
Total fair value of qualified pension assets	\$6,854,426

2019	Level 1	Level 2	Level 3	Total
(In Thousands)				

Equity securities:

Corporate stocks:

Preferred	\$10,379	(b)	\$—	\$—	\$10,379
Common	857,159	(b)	—	(b)	857,159
Common collective trusts (c)					2,698,697
Registered investment companies	132,389	(d)	—	—	132,389

Fixed income securities:

U.S. Government securities	—	(b)	805,671	(a)	—	805,671
Corporate debt instruments	—		762,577	(a)	—	762,577
Registered investment companies (e)	53,842	(d)	2,903	(d)	—	1,008,371
Other	73	(f)	43,106	(f)	—	43,179

Other:

Insurance company general account (unallocated contracts)	—	40,452	(g)	—	40,452
Total investments	\$1,053,842	\$1,654,709		\$—	\$6,358,874

Cash	1,407
Other pending transactions	(22,549)
Less: Other postretirement assets included in total investments	(66,572)
Total fair value of qualified pension assets	\$6,271,160

- (a) Certain preferred stocks and certain fixed income debt securities (corporate, government, and securitized) are stated at fair value as determined by broker quotes.
- (b) Common stocks, certain preferred stocks, and certain fixed income debt securities (government) are stated at fair value determined by quoted market prices.
- (c) The common collective trusts hold investments in accordance with stated objectives. The investment strategy of the trusts is to capture the growth potential of equity markets by replicating the performance of a specified

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index. Net asset value per share of common collective trusts estimate fair value. Certain of these common collective trusts are not publicly quoted, and are valued by the fund administrators using net asset value as a practical expedient. Accordingly, these funds are not assigned a level in the fair value table, but are included in the total.

- (d) Registered investment companies are money market mutual funds with a stable net asset value of one dollar per share. Registered investment companies may hold investments in domestic and international bond markets or domestic equities and estimate fair value using net asset value per share.
- (e) Certain of these registered investment companies are not publicly quoted, and are valued by the fund administrators using net asset value as a practical expedient. Accordingly, these funds are not assigned a level in the fair value table, but are included in the total.
- (f) The other remaining assets are U.S. municipal and foreign government bonds stated at fair value as determined by broker quotes.
- (g) The unallocated insurance contract investments are recorded at contract value, which approximates fair value. The contract value represents contributions made under the contract, plus interest, less funds used to pay benefits and contract expenses, and less distributions to the master trust.

Estimated Future Benefit Payments

Based upon the assumptions used to measure the Entergy Operations' pension and postretirement benefit obligation at December 31, 2020, and including pension and postretirement benefits attributable to estimated future employee service, Entergy Operations expects that pension and other postretirement benefits to be paid over the next ten years are as follows (in thousands):

Estimated Future Benefit Payments

Year(s)	Qualified Pension	Non-Qualified Pension	Other Postretirement (before Medicare Subsidy)	Estimated Future Medicare Subsidy Receipts
2021	\$4,108	\$174	\$110	\$0
2022	\$4,119	\$279	\$105	\$0
2023	\$3,893	\$268	\$104	\$0
2024	\$3,831	\$725	\$97	\$0
2025	\$3,444	\$493	\$95	\$0
2026 – 2030	\$14,703	\$2,438	\$434	\$2

Contributions

In 2021, Entergy Operations expects to contribute approximately \$2.1 million to the qualified pension plans and \$110 thousand to its other postretirement plans.

Actuarial Assumptions

The significant actuarial assumptions used in determining the pension PBO and the other postretirement benefit APBO as of December 31, 2020 and 2019 were as follows:

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	2020	2019
Weighted-average discount rate:		
Qualified pension	2.60% - 2.81%	3.26% - 3.41%
Other postretirement	2.62%	3.26%
Non-qualified pension	1.61%	2.72%
Weighted-average rate of increase in future compensation levels	3.98% - 4.40%	3.98% - 4.40%
Interest crediting rate	2.60%	2.60%
Assumed health care trend rate:		
Pre-65	5.87%	6.13%
Post-65	6.31%	6.25%
Ultimate rate	4.75%	4.75%
Year ultimate rate is reached and beyond:		
Pre-65	2030	2027
Post-65	2028	2027

The significant actuarial assumptions used in determining the net periodic pension and other postretirement benefit costs for 2020 and 2019 were as follows:

	2020	2019
Weighted-average discount rate:		
Qualified pension:		
Service cost	3.28% - 3.52%	4.38% - 4.70%
Interest cost	2.72% - 3.02%	3.85% - 4.15%
Other postretirement:		
Service cost	3.27%	4.62%
Interest cost	2.41%	4.01%
Non-qualified pension:		
Service cost	2.71%	3.94%
Interest cost	2.25%	3.46%
Weighted-average rate of increase in future compensation levels	3.98% - 4.40%	3.98%
Expected long-term rate of return on plan assets:		

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Pension assets	7.00%	7.25%
Other postretirement non-taxable assets	6.25% - 7.00%	6.50% - 7.25%
Other postretirement taxable assets	5.25%	5.50%
Assumed health care trend rate:		
Pre-65	6.13%	6.59%
Post-65	6.25%	7.15%
Ultimate rate	4.75%	4.75%
Year ultimate rate is reached and beyond:		
Pre-65	2027	2027
Post-65	2027	2026

With respect to the mortality assumptions, Entergy used the Pri-2012 Employee and Healthy Annuitant Tables with a fully generational MP-2020 projection scale, in determining its December 31, 2020 pension plans' PBOs and the Pri.H 2012 (headcount weighted) Employee and Healthy Annuitant Tables with a fully generational MP-2020 projection scale, in determining its December 31, 2020 other postretirement benefit APBO. Entergy used the Pri-2012 Employee and Healthy Annuitant Tables with a fully generational MP-2019 projection scale, in determining its December 31, 2019 pension plans' PBOs and the Pri.H 2012 (headcount weighted) Employee and Healthy Annuitant Tables with a fully generational MP-2019 projection scale, in determining its December 31, 2019 other postretirement benefit APBO.

NOTE 6. TRANSACTIONS WITH AFFILIATES

Entergy Operations has been authorized, pursuant to certain operating agreements, to act as an agent for the Companies in the operation, but not ownership, of ANO, River Bend, Waterford 3, and Grand Gulf 1. In return, the Companies pay directly or reimburse Entergy Operations for the costs associated with operating those units. Entergy Operations also provides similar services for other Entergy companies. In 2020 and 2019, Entergy Operations was paid or reimbursed a total of \$671 million and \$627 million, respectively, from ANO, River Bend, Waterford 3, and Grand Gulf 1 for the costs associated with operating those units and also for providing similar services to other Entergy companies.

NOTE 7. OTHER DEFERRED CREDITS

Other deferred credits (Account 253) consist principally of pension and postretirement benefit liabilities, long-term incentive compensation liabilities, and employee litigation reserve in both 2020 and 2019.

Schedule XV- Comparative Income Statement				
Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	656,563,700	606,983,507
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	328,999,974	308,399,623
5	402	Maintenance Expenses	166,816,930	161,821,669
6	403	Depreciation Expenses	670,497	615,456
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property	4,452	4,039
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	29,160,332	27,379,516
13	409.1	Income Taxes, Operating Income	1,448,895	3,331,115
14	410.1	Provision for Deferred Income Taxes, Operating Income	23,428,864	21,374,566
15	411.1	Provision for Deferred Income Taxes – Credit , Operating Income	(25,750,499)	(24,645,907)
16	411.4	Investment Tax Credit, Service Company Property		
17	411.6	Gains from Disposition of Service Company Plant		
18	411.7	Losses from Disposition of Service Company Plant		
19	411.10	Accretion Expense		
20	412	Costs and Expenses of Construction or Other Services	130,663,588	108,428,723
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work		
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	655,443,033	606,708,800
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	1,120,667	274,707
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies		
26	419	Interest and Dividend Income	99,470	313,738
27	419.1	Allowance for Other Funds Used During Construction		
28	421	Miscellaneous Income or Loss		
29	421.1	Gain on Disposition of Property		
30		TOTAL OTHER INCOME (Total of Lines 25-29)	99,470	313,738
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property		
33	425	Miscellaneous Amortization		
34	426.1	Donations	463,806	567,305
35	426.2	Life Insurance		
36	426.3	Penalties		
37	426.4	Expenditures for Certain Civic, Political and Related Activities		
38	426.5	Other Deductions	755,488	2,311
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	1,219,294	569,616
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		

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Account 412 includes the costs incurred by the service company that are billed to affiliates as capital project costs or to other balance sheet accounts. 2020 and 2019 costs include the following:

	2020	2019
Capital Costs	\$84,916,511	\$73,946,245
Other Balance Sheet Accounts	45,747,077	34,482,478
	<u>\$130,663,588</u>	<u>\$108,428,723</u>

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies								
1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.								
Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
1	403-403.1	Depreciation Expense		670,497	670,497			
2	404-405	Amortization Expense		4,452	4,452			
3	407.3-407.4	Regulatory Debits/Credits – Net						
4	408.1-408.2	Taxes Other Than Income Taxes	28,688,340	471,992	29,160,332			
5	409.1-409.3	Income Taxes	362,224	1,086,671	1,448,895			
6	410.1-411.2	Provision for Deferred Taxes	5,857,216	17,571,648	23,428,864			
7	411.1-411.2	Provision for Deferred Taxes – Credit	6,437,625	19,312,874	25,750,499			
8	411.6	Gain from Disposition of Service Company Plant						
9	411.7	Losses from Disposition of Service Company Plant						
10	411.4-411.5	Investment Tax Credit Adjustment						
11	411.10	Accretion Expense						
12	412	Costs and Expenses of Construction or Other Services	125,528,053	5,135,535	130,663,588			
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies						
14	418	Non-operating Rental Income						
15	418.1	Equity in Earnings of Subsidiary Companies						
16	419	Interest and Dividend Income		99,470	99,470			
17	419.1	Allowance for Other Funds Used During Construction						
18	421	Miscellaneous Income or Loss						
19	421.1	Gain on Disposition of Property						
20	421.2	Loss on Disposition Of Property						
21	425	Miscellaneous Amortization						
22	426.1	Donations		463,806	463,806			
23	426.2	Life Insurance						
24	426.3	Penalties						
25	426.4	Expenditures for Certain Civic, Political and Related Activities						
26	426.5	Other Deductions	750,901	4,587	755,488			
27	427	Interest On Long-Term Debt						
28	428	Amortization of Debt Discount and Expense						
29	429	Amortization of Premium on Debt – Credit						
30	430	Interest on Debt to Associate Companies		843	843			
31	431	Other Interest Expense						
32	432	Allowance for Borrowed Funds Used During Construction						
33	500-509	Total Steam Power Generation Operation Expenses						
34	510-515	Total Steam Power Generation Maintenance Expenses						

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Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense		670,497	670,497
2	404-405	Amortization Expense		4,452	4,452
3	407.3-407.4	Regulatory Debits/Credits – Net			
4	408.1-408.2	Taxes Other Than Income Taxes	28,688,340	471,992	29,160,332
5	409.1-409.3	Income Taxes	362,224	1,086,671	1,448,895
6	410.1-411.2	Provision for Deferred Taxes	5,857,216	17,571,648	23,428,864
7	411.1-411.2	Provision for Deferred Taxes – Credit	6,437,625	19,312,874	25,750,499
8	411.6	Gain from Disposition of Service Company Plant			
9	411.7	Losses from Disposition of Service Company Plant			
10	411.4-411.5	Investment Tax Credit Adjustment			
11	411.10	Accretion Expense			
12	412	Costs and Expenses of Construction or Other Services	125,528,053	5,135,535	130,663,588
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies			
14	418	Non-operating Rental Income			
15	418.1	Equity in Earnings of Subsidiary Companies			
16	419	Interest and Dividend Income		99,470	99,470
17	419.1	Allowance for Other Funds Used During Construction			
18	421	Miscellaneous Income or Loss			
19	421.1	Gain on Disposition of Property			
20	421.2	Loss on Disposition Of Property			
21	425	Miscellaneous Amortization			
22	426.1	Donations		463,806	463,806
23	426.2	Life Insurance			
24	426.3	Penalties			
25	426.4	Expenditures for Certain Civic, Political and Related Activities			
26	426.5	Other Deductions	750,901	4,587	755,488
27	427	Interest On Long-Term Debt			
28	428	Amortization of Debt Discount and Expense			
29	429	Amortization of Premium on Debt – Credit			
30	430	Interest on Debt to Associate Companies		843	843
31	431	Other Interest Expense			
32	432	Allowance for Borrowed Funds Used During Construction			
33	500-509	Total Steam Power Generation Operation Expenses			
34	510-515	Total Steam Power Generation Maintenance Expenses			

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
35	517-525	Total Nuclear Power Generation Operation Expenses	198,014,721	3,814,313	201,829,034
36	528-532	Total Nuclear Power Generation Maintenance Expenses	166,055,307	761,623	166,816,930
37	535-540.1	Total Hydraulic Power Generation Operation Expenses			
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses			
39	546-550.1	Total Other Power Generation Operation Expenses			
40	551-554.1	Total Other Power Generation Maintenance Expenses			
41	555-557	Total Other Power Supply Operation Expenses			
42	560	Operation Supervision and Engineering			
43	561.1	Load Dispatch-Reliability			
44	561.2	Load Dispatch-Monitor and Operate Transmission System			
45	561.3	Load Dispatch-Transmission Service and Scheduling			
46	561.4	Scheduling, System Control and Dispatch Services			
47	561.5	Reliability Planning and Standards Development			
48	561.6	Transmission Service Studies			
49	561.7	Generation Interconnection Studies			
50	561.8	Reliability Planning and Standards Development Services			
51	562	Station Expenses (Major Only)			
52	563	Overhead Line Expenses (Major Only)			
53	564	Underground Line Expenses (Major Only)			
54	565	Transmission of Electricity by Others (Major Only)			
55	566	Miscellaneous Transmission Expenses (Major Only)			
56	567	Rents			
57	567.1	Operation Supplies and Expenses (Nonmajor Only)			
58		Total Transmission Operation Expenses			
59	568	Maintenance Supervision and Engineering (Major Only)			
60	569	Maintenance of Structures (Major Only)			
61	569.1	Maintenance of Computer Hardware			
62	569.2	Maintenance of Computer Software			
63	569.3	Maintenance of Communication Equipment			
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant			
65	570	Maintenance of Station Equipment (Major Only)			
66	571	Maintenance of Overhead Lines (Major Only)			
67	572	Maintenance of Underground Lines (Major Only)			
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)			

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)					
Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses			
71	575.1-575.8	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses			
74	590-598	Total Distribution Maintenance Expenses			
75		Total Electric Operation and Maintenance Expenses	518,819,137	10,573,623	529,392,760
76	700-798	Production Expenses (Provide selected accounts in a footnote)			
77	800-813	Total Other Gas Supply Operation Expenses			
78	814-826	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses			
81	843.1-843.9	Total Other Storage Maintenance Expenses			
82	844.1-846.2	Total Liquefied Natural Gas Terminaling and Processing Operation Expenses			
83	847.1-847.8	Total Liquefied Natural Gas Terminaling and Processing Maintenance Expenses			
84	850	Operation Supervision and Engineering			
85	851	System Control and Load Dispatching.			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses			
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses			
96	861	Maintenance Supervision and Engineering			
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains			
99	864	Maintenance of Compressor Station Equipment			
100	865	Maintenance of Measuring And Regulating Station Equipment			
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses			
104	870-881	Total Distribution Operation Expenses			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2020
Entergy Operations, Inc.			
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 12 Column: e

Account 412 includes the costs incurred by the service company that are billed to affiliates as capital project costs or to other balance sheet accounts. The 2020 costs include the following:

	Direct	Indirect	Total
Capital costs	\$81,482,269	\$3,434,242	\$84,916,511
Other balance sheet accounts	44,045,784	1,701,293	45,747,077
	-----	-----	-----
	\$125,528,053	\$5,135,535	\$130,663,588
	=====	=====	=====

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2020
Entergy Operations, Inc.			
Schedule XX - Organization Chart			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

ANNUAL REPORT OF ENTERGY OPERATIONS, INC.

For the Year Ended December 31, 2020

Organization Charts

BOARD of DIRECTORS

Director (4)

OFFICERS

President and Chief Executive Officer
Executive Vice President and General Counsel
Chief Operating Officer – Nuclear Operations (3)
Senior Vice President, Nuclear Operations
Senior Vice President, Engineering and Technical Services
Vice President and Treasurer
Vice President, Operations Support
Vice President, Plant Reliability
Vice President, Site (4)
Secretary
Assistant Secretary
Assistant Treasurer
Tax Officer (2)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2020
Entergy Operations, Inc.			
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

Represented in the table entitled "Allocation Methods by Department or Function", are the service department or function and the basis for allocation used when employees render services to more than one department or functional group. The second table, entitled "Basis for Allocation and Ratio by Billing Method", contains the numerator and denominator of each allocation method that is represented as a ratio.

Allocation Methods by Department or Function

Service Department or Function	Basis of Allocation	
Administration	EMPLOEOI	Based on Nuclear South Site employees
Corporate - Public Relations	SPLEO IPL	Based on the number of Nuclear South Plant Sites
Corporate Support - General	BWRSRBSR	Based on the number of Boiling Water Reactor Plant Sites
	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites
Finance and Accounting	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites
	SPLEUNIT	Based on the total number of Nuclear South Units
Information Technology	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites
Nuclear - Regulated	BWRSRBSR	Based on the number of Boiling Water Reactor Plant Sites
	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites
Nuclear Corporate Support	BWRSRBSR	Based on the number of Boiling Water Reactor Plant Sites
	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites
Nuclear Operations	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites
Supply Chain	EMPLOEOI	Based on Nuclear South Site employees
	SPLEO IPL	Based on the number of Nuclear South Plant Sites

Name of Respondent Entergy Operations, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2020
Schedule XXI - Methods of Allocation			

System Benefits	BWRSRBSR	Based on the number of Boiling Water Reactor Plant Sites
	EMPLOEOI	Based on Nuclear South Site employees
	SPLEOIPL	Based on the number of Nuclear South Plant Sites

Basis for Allocation and Ratio by Billing Method

Billing Method	Numerator	Denominator
BWRSRBSR	Number of Boiling Water Reactor Plant Sites per company (SERI and ELL only)	Total number of Boiling Water Reactor Plant Sites (SERI and ELL only)
EMPLOEOI	Number of EOI employees per company	Total number of EOI employees
SPLEOIPL	Number of Nuclear South Plant Sites per company	Total number of Nuclear South Plant Sites
SPLEUNIT	Number of Nuclear South Units per company	Total number of Nuclear South Units

Document Content(s)

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