

REGULATION G COMPLIANCE

This report includes the non-GAAP financial measure of adjusted earnings and adjusted earnings per share. The reconciliation of these measures to the most directly comparable GAAP measures is below.

GAAP to Non-GAAP Reconciliation — Adjusted Earnings and Earnings Per Share

	2019	2018
(\$ in millions, except diluted average common shares outstanding)		
Net income attributable to ETR Corp	1,241	849
Less adjustments:		
Utility		
Customer sharing associated with internal restructuring	—	(40)
Income tax effect on Utility adjustments above	—	10
Income tax benefit from 2012 / 2013 IRS settlement	—	43
Income tax benefit from internal restructuring	—	170
Tax reform	—	38
Reversal of income tax valuation allowance	41	—
Total Utility	41	222
Parent & Other		
Income tax item related to a valuation allowance for interest deductibility	(11)	—
Total Parent & other	(11)	—
EWC	147	(343)
Total adjustments	177	(121)
ETR Adjusted Earnings	1,064	970
Diluted average common shares outstanding (in millions)	197	183
(After-tax, \$ per share) ^(a)		
Net income attributable to ETR Corp	6.30	4.63
Less adjustments:		
Utility		
Customer sharing associated with internal restructuring	—	(0.16)
Income tax benefit from 2012 / 2013 IRS settlement	—	0.23
Income tax benefit from internal restructuring	—	0.93
Tax reform	—	0.21
Reversal of income tax valuation allowance	0.21	—
Total Utility	0.21	1.21
Parent & Other		
Income tax item related to a valuation allowance for interest deductibility	(0.05)	—
Total Parent & other	(0.05)	—
EWC	0.74	(1.87)
Total adjustments	0.90	(0.66)
ETR Adjusted Earnings	5.40	5.29

Calculations may differ due to rounding.

(a) Per share amounts are calculated by dividing the corresponding earnings (loss) by the diluted average number of common shares outstanding for the period.