

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE
STATE OF MISSISSIPPI**

ENTERGY MISSISSIPPI, LLC
EC123008200

DOCKET NO. 2018-UN-205

IN RE: NOTICE OF INTENT OF ENTERGY MISSISSIPPI, INC. TO IMPLEMENT
REVISIONS TO THE FORMULA RATE PLAN

ORDER

COMING THIS DAY to be considered the 2021 Evaluation Report (“2021 Evaluation Report”) filed in this matter by Entergy Mississippi, LLC (“Entergy Mississippi,” “EML,” or the “Company”) pursuant to the terms and provisions of the Entergy Mississippi Formula Rate Plan Rider Schedule FRP-7 (Revised) (“Schedule FRP-7 (Revised)” or “FRP-7”), this Commission, having considered the 2021 Evaluation Report along with the filed testimony and other evidence in the record in this matter, and being fully advised in the premises, and upon recommendation of the Mississippi Public Utilities Staff (the “Staff”), finds that it has full jurisdiction of the Company and of the subject matter, and further finds as follows:

1. On March 3, 2021, Entergy Mississippi filed the 2021 Evaluation Report (“2021 Evaluation Report”) for the Evaluation Period consisting of the twelve months ending December 31, 2021 (“2021 Evaluation Period”), containing accounting and operational data based on actual results for the calendar year preceding the March filing, ending December 31, 2020, as adjusted for the current calendar year, pursuant to provisions of the Formula Rate Plan Rider Schedule FRP-7 Revised (“Schedule FRP-7 (Revised)” or “FRP-7”). The provisions of Schedule FRP-7 (Revised) resulted in, for the 2021 Evaluation Period, an Entergy Mississippi Earned Rate of Return on Rate Base (“Earned Return”) of 4.71% and a Benchmark Rate of Return on Rate Base (“Benchmark Return”) of 6.85%. The 2021 Evaluation Report further reflected that the Earned

Return was below the Lower Bandwidth Limit, thereby providing for a Point of Adjustment of 6.69% as provided for by FRP-7. The corresponding change in Schedule FRP-7 (Revised) revenues is \$95,448,742; however, the maximum change in revenues for the 2021 Evaluation Report pursuant to FRP-7 is \$44,252,376. Additionally, the 2021 Evaluation Report identifies two other revenue changes. The 2021 Evaluation Report shows a revenue change of \$3,923,439 for the Demand-Side Management (“DSM”) revenue requirement pursuant to Paragraph 4 of the Order dated November 4, 2020, and Attachment K to FRP-7. The 2021 Evaluation Report further shows, pursuant to Order dated December 11, 2019, in Docket 2018-UN-205, that \$59,195,037 of revenue is being realigned from the current Interim Capacity Rate Adjustments associated with the Choctaw Generating Unit into the Annual Rate Adjustments. The revenue realignment of \$59,195,037 is not a revenue change under the FRP because that revenue requirement was being recovered from customers through the current Interim Capacity Rate Adjustments.

2. Pursuant to the provisions of Schedule FRP-7 (Revised), the Company filed updated workpapers that reflected a revised Customer Price Rating based upon recently updated FERC Form 1 data that was not available as of the filing of the 2021 Evaluation Report. The updated FERC Form 1 data and workpapers had no effect on the Point of Adjustment or FRP Net Rate Adjustments.

3. The Company also made a look-back submittal (“2020 Look-back”) on March 3, 2021, containing accounting and operational data based on actual results, all per FRP-7 and as adjusted pursuant to provisions of FRP-7, for the calendar year preceding the March 3 filing, the twelve months ending December 31, 2020 (the “Look-back Evaluation Period”). This annual look-back provides information sufficient for the Staff to conduct a review of the Company’s

expenses, capital accounts (rate base), revenues, and operational performance, and in so doing the filing indicates whether and how much of a rate adjustment may be necessary based on actual performance. The Company's 2020 Look-back demonstrates that the Company's Look-back Benchmark Return on Rate Base is 6.82%, which establishes an FRP bandwidth from 6.32% to 7.32%. The Company's Earned Return on Rate Base for the 2020 Look-back is 6.09%. The Look-back Earned Return falls below the Lower Limit by 0.23%, thereby providing for a Point of Adjustment of 6.51% as provided for by FRP-7. The resulting change in FRP revenues pursuant to the 2020 Look-back is \$16,781,063. The 2020 Look-back also shows an Annual Capacity Cost ("ACC") True-Up of \$1,721,338 pursuant to Schedule FRP-7 (Revised) Sections III.C and III.D. The Interim Rate Adjustments total \$18,502,401, are temporary and will cease automatically pursuant to FRP-7.

4. In accordance with Schedule FRP-7 (Revised) and the Commission Rules of Practice and Procedure ("Procedural Rules"), EML notified customers of the filing of the 2021 Evaluation Report and 2020 Look-back in bills issued in March 2021.

5. In accordance with FRP-7, EML implemented a temporary rate adjustment of 2% effective with the April 2021 billing cycle to increase FRP revenue by \$22,126,188 of the \$44,252,376 revenue increase resulting from the 2021 Evaluation Report, secured by an irrevocable letter of credit. Additionally, in April 2021, EML commenced recovery of the \$3,923,439 DSM revenue requirement through the Annual Rate Adjustments and realigned the Choctaw revenue requirement of \$59,195,037 to the Annual Rate Adjustments. Simultaneously, EML ceased the Interim Capacity Rate Adjustments. Further, EML commenced recovery of the ACC True-Up of \$1,721,338 through the Interim Rate Adjustments.

6. On April 20, 2021, the Staff sent a letter (the “April 20 letter”) notifying the Company that, in accordance with the evaluation procedures described in Paragraphs III. B. 2-3 of Schedule FRP-7 (Revised), the Staff disputed the entire Evaluation Report pending the completion of the Staff’s review of all data request responses.

7. The Staff has carried out a review of the 2021 Evaluation Report and 2020 Look-back, together with Company non-confidential and confidential workpapers supporting the data and calculations reflected and set out therein. Additionally, the Staff, with the assistance of Bates White Economic Consulting (“Bates White”), has conducted a review of the Company’s Transmission & Distribution Plan (“T&D Plan”) that was submitted on October 30, 2020, in conjunction with the 2021 Evaluation Report. A copy of Bates White’s Confidential Report regarding its review of the T&D Plan was filed with the Commission on May 28, 2021. Also, the Staff, with the assistance of Bates White, has conducted a review of the Company’s Energy Delivery Plan that was submitted on November 2, 2020, pursuant to Procedural Rule 29. A copy of Bates White’s Confidential Report regarding its review of the Energy Delivery Plan was filed with the Commission on May 28, 2021.

8. The Commission finds that, in conducting its review, the Staff had the benefit of data and information supplied by the Company on an on-going basis and extensive discovery pertaining to the 2021 Evaluation Period, the 2020 Look-back, the T&D Plan, and the Energy Delivery Plan. The Staff also had the benefit of its regular reviews of the business, rates, and expenses of the Company.

9. As a result of Staff’s thorough review, the Staff informed Entergy Mississippi that it disputed certain O&M expenses and rate base items in the 2020 Look-back Evaluation Report and the 2021 Evaluation Report.

10. On June 1, 2020, the Staff and the Company entered into a Joint Stipulation (the “Joint Stipulation”) that was filed with the Commission in Docket 2018-UN-205. This Joint Stipulation was the result of the filings by the Company in this Docket and research and investigation conducted by the Staff in this proceeding.

11. Upon review of the Joint Stipulation and of the record in this matter, the Commission hereby finds that the 2021 Evaluation Report filed by Entergy Mississippi complies with all of the statutory filing requirements, the requirements of Schedule FRP-7 (Revised), and the Commission’s Procedural Rules. The Commission finds that Entergy Mississippi has provided all the information relevant to and supporting its filing, including relevant and supporting information pursuant to the Mississippi Code of 1972, as amended, and the Commission’s Procedural Rules. The Commission finds that the Staff has had complete access to the books and records of Entergy Mississippi.

12. The Commission hereby finds that the rate adjustments reflected in ATTACHMENT B to the Joint Stipulation, which are based upon the expenditures and operating expenses incurred by the Company in, for, and with regard to the 2020 Look-back and 2021 Evaluation Report, and as adjusted by the Joint Stipulation, are just and reasonable and consistent with applicable law and the rules of this Commission. The Commission further finds that the Joint Stipulation should be adopted. The Commission has reviewed the data and evidence submitted by the Company, and the Commission concludes and finds that the Company and Staff have provided substantial evidence in the record to support this Order.

13. Pursuant to the Joint Stipulation, the Commission hereby finds that certain adjustments to the 2020 Look-back are appropriate. The Commission finds that these adjustments to rate base and O&M expenses have the effect of increasing the Company’s Earned

Rate of Return on Rate Base to 6.12%, which remains below the Lower Bandwidth Limit. The Commission finds that the aforementioned adjustments and stipulations provide for a rate base amount of \$2,954,028,827 with respect to the 2020 Look-back under Schedule FRP-7 (Revised) and results in a change in FRP revenues under the FRP Interim Rate Adjustments as summarized below:

Rate Base	\$2,954,028,827
Earned Rate of Return on Rate Base (ERORB)	6.12%
Benchmark Rate of Return on Rate Base (BRORB)	6.82%
Range of No Change	6.32% to 7.32%
Point of Adjustment	6.51%
Change in Revenues	\$15,816,468
ACC True-Up	\$1,721,338
Total Change in Revenues	\$17,537,806

Supporting schedules are attached as ATTACHMENT A to the Joint Stipulation.

14. Pursuant to the Joint Stipulation, the Commission finds that EML and the Staff shall work with Bates White to reach a consensus on the recommendations Bates White made in its Confidential Report on the Company's T&D plan and its Confidential Report on the Company's Energy Delivery Plan by August 31, 2021.

15. Pursuant to the Joint Stipulation, the Commission finds that no adjustments to the ACC True-Up shown above are necessary and that the actual Annual Ownership Costs for the Choctaw Generating Unit for the calendar year 2020 are \$60,916,000.

16. Pursuant to the Joint Stipulation, the Commission finds that recovery through the 2020 Look-back of the non-bad debt COVID-related expenses, which EML originally deferred in 2020, is reasonable and benefits customers by eliminating the need for the recovery of carrying costs. The Commission finds that the Company deferred these expenses pursuant to the

Commission's April 14, 2020 Order in Docket No. 2018-AD-141, regarding deferral of certain expenses resulting from the COVID-19 pandemic ("COVID-19 Deferral Order"). One category of non-bad debt COVID-related expenses are convenience fees that third parties charge for processing payments via credit/debit and electronic checks. As part of the Company's Enhanced Customer Assistance Plan, implemented in 2020 in response to COVID-19, the Company began crediting customers' bills for these convenience fees. The Commission finds that the Company will continue this as a routine business practice and recover these convenience fees through the Schedule FRP. The Commission further finds that EML will stop deferring non-bad debt COVID-related expenses effective January 1, 2021, and those expenses will be included in the 2021 Look-back.

17. Pursuant to the Joint Stipulation, the Commission finds that the Company's quantification and methodology for calculating COVID-related incremental bad debt expenses are consistent with the COVID-19 Deferral Order and are appropriate and reasonable. The Commission further finds that EML may continue to defer the COVID-related incremental bad debt expenses pursuant to the COVID-19 Deferral Order. The Commission further finds that EML will propose an amortization schedule of the COVID-related incremental bad debt regulatory asset when the Company has more information regarding actual write-offs, which information is anticipated to be available for the filing of the 2022 Evaluation Report.

18. Pursuant to the Joint Stipulation, the Commission finds consistent with past Commission orders, that Entergy Corporation's Compensation Programs, including the annual short-term incentive and base pay portions of employees' annual compensation and the related costs incurred on behalf of EML that are included in EML's revenue requirement, are reasonable and necessary. The Commission further finds that the Company should be authorized to recover

its short-term incentive compensation consistent with the terms of the Joint Stipulation and this Order. Beginning with the 2021 Evaluation Report, for purposes of proposed known and measurable adjustments under FRP-7 (or its successor schedules) or in a base rate proceeding, one hundred percent of target short-term incentive compensation shall be deemed the known and measurable level of short-term incentive compensation expense. For purposes of Look-back reports under FRP-7, one hundred percent of the Look-back evaluation period amount of short-term incentive compensation expense shall be included in EML's revenue requirement, beginning with the 2021 Look-back.

19. Pursuant to the Joint Stipulation, the Commission hereby finds that certain adjustments to the 2021 Evaluation Period are appropriate. The Commission finds that the adjustments to rate base and O&M expenses have the effect of increasing the Company's Earned Rate of Return on Rate Base to 4.81%, which is below the Lower Bandwidth Limit. The Commission hereby finds that the Benchmark Rate of Return on Rate Base should be 6.85%, which results in an FRP-7 Point of Adjustment of 6.69%. The Commission further finds that the aforementioned adjustments and stipulations as summarized below:

Rate Base	\$3,575,138,360
Earned Rate of Return on Rate Base (ERORB)	4.81%
Benchmark Rate of Return on Rate Base (BRORB)	6.85%
Range of No Change	6.35% to 7.35%
Point of Adjustment	6.69%
Change in Revenues	\$90,908,386
Maximum Change in Revenues for the 2021 Evaluation Report	\$44,252,376
Interim Capacity Rate Adjustment Revenues	\$59,195,037
DSM Recovery	\$3,923,439
Total Change in Revenues	\$48,175,816

Supporting schedules are attached as ATTACHMENT A to the Joint Stipulation.

20. Pursuant to the Joint Stipulation, the Commission finds that the realignment of the \$59,195,037 from the Interim Capacity Rate Adjustments to the FRP Annual Rate Adjustments complies with Section III.D of Schedule FRP-7 (Revised) and has no incremental effect on customers' rates. The Commission further finds that the DSM revenue requirement of \$3,923,439 and the Estimated DSM Revenue Deficiency of \$2,546,982 (i.e., a reduction in FRP revenues) included in the Net Utility Operating Income calculation in the 2021 Evaluation Report comply with Attachment K to FRP-7.

21. Pursuant to the Joint Stipulation, the Commission finds that the Annual Rate Adjustments, Interim Rate Adjustments, Interim Capacity Rate Adjustments, and resulting Net Rate Adjustments reflected on the Attachment A to Schedule FRP-7 (Revised), which are attached to the Joint Stipulation as ATTACHMENT B *in globo*, should be approved, effective for bills rendered on and after June 30, 2021; March 31, 2022; and June 30, 2022, respectively.

22. Pursuant to the Joint Stipulation, the Commission finds that the expenditures and operating expenses incurred by the Company in, for, and with regard to the 2020 Look-back Evaluation Period and the 2021 Evaluation Period, reflected in the amounts set out in the 2020 Look-back and the 2021 Evaluation Report, respectively, as revised by the Joint Stipulation, are just and reasonable.

23. The Commission has reviewed all the foregoing, along with and including the full record in this matter. The Commission finds that the pleadings, data, exhibits, documentation, and other materials submitted in connection with the 2021 Evaluation Report and otherwise in this matter, all being a part of the record in this matter, including the Joint Stipulation, comply with the applicable requirements of law and the rules, regulations, and orders of the Commission

and with the requirements and provisions of Schedule FRP-7 (Revised); and that there is sufficient evidence before the Commission to support all the provisions of this Order.

IT IS THEREFORE ORDERED by this Commission that:

1. The pleadings, data, documentation, and exhibits submitted in connection with the 2021 Evaluation Report and otherwise in this matter, being a part of the full record in this matter, comply with the applicable requirements of law and the rules, regulations, and orders of the Commission and with the requirements and provisions of Schedule FRP-7 (Revised).

2. The Commission accepts, approves, and adopts as its own the Joint Stipulation, as attached in EXHIBIT "A", and provisions thereof.

3. The Commission hereby authorizes, approves, and orders into effect the Annual Rate Adjustments, Interim Rate Adjustments, Interim Capacity Rate Adjustments, and resulting Net Rate Adjustments, reflected on ATTACHMENT A to Schedule FRP-7 (Revised), which are attached to the Joint Stipulation as ATTACHMENT B *in globo*, effective for bills rendered on and after June 30, 2021; March 31, 2022; and June 30, 2022, respectively.

4. The Commission hereby orders that the Company is authorized to continue as a routine business practice crediting to or otherwise not individually charging customers the convenience fees that third parties charge for processing payments via credit/debit and electronic checks and further authorized to recover those fees through the Schedule FRP.

5. The Commission hereby orders that the Company stop deferring non-bad debt COVID-related expenses effective January 1, 2021, and shall include those expenses in the 2021 Look-back.

6. The Commission hereby orders that the Company is authorized and may continue to defer the COVID-related incremental bad debt expenses consistent with the Company's

quantification and methodology for calculating the COVID-related incremental bad debt expenses and the COVID-19 Deferral Order. The Commission further orders the Company to propose an amortization schedule of the COVID-related incremental bad debt regulatory asset when the Company has more information regarding actual write-offs, which the Company anticipates information to be available for the filing of the 2022 Evaluation Report.

7. The Commission hereby orders and authorizes the Company to recover its annual short-term incentive compensation in the manner described in the Joint Stipulation.

8. The Commission hereby orders that the Staff and Company work in good-faith with Bates White to reach a consensus on Bates White's recommendations for the Company's T&D Plan and Energy Delivery Plan in a manner that is mutually agreeable to the Staff, the Commission staff, and the Company by August 31, 2020.

9. This order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

Chairman Dane Maxwell voted

Aye X Nay _____

Commissioner Brent Bailey voted

Aye X Nay _____

Commissioner Brandon Presley voted

Aye X Nay _____

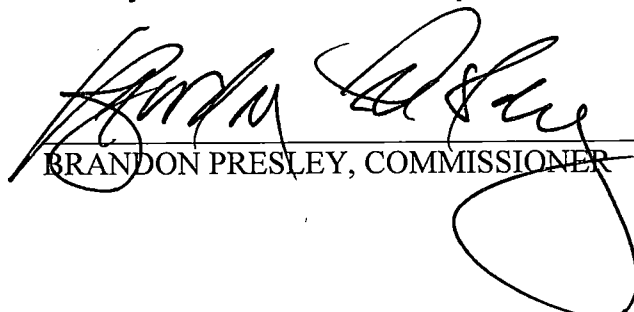
SO ORDERED, this the 6th day of June, 2021.

MISSISSIPPI PUBLIC SERVICE COMMISSION





DANE MAXWELL, CHAIRMAN


BRENT BAILEY, COMMISSIONER


BRANDON PRESLEY, COMMISSIONER

ATTEST: A True Copy


KATHERINE COLLIER
Executive Secretary

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

ENTERGY MISSISSIPPI, LLC

IN RE: NOTICE OF INTENT OF ENTERGY
MISSISSIPPI, INC. TO IMPLEMENT
REVISIONS TO THE FORMULA RATE
PLAN

EC-123-0082-00

2018-UN-205

JOINT STIPULATION

This Joint Stipulation is entered into by and between the Mississippi Public Utilities Staff (the "Staff") and Entergy Mississippi, LLC ("Entergy Mississippi" or the "Company") pursuant to the Mississippi Public Utilities Act of 1956, Section 77-3-1, *et seq.*, of the Mississippi Code of 1972, as amended, (the "Act") and the Mississippi Public Service Commission's ("MPSC" or the "Commission") Public Utilities Rules of Practice and Procedure ("Procedural Rules").

PROCEDURAL HISTORY

1. On March 3, 2021, Entergy Mississippi filed the 2021 Evaluation Report ("2021 Evaluation Report") for the Evaluation Period consisting of the twelve months ending December 31, 2021 ("2021 Evaluation Period"), containing accounting and operational data based on actual results for the calendar year preceding the March filing, ending December 31, 2020, as adjusted for the current calendar year, pursuant to provisions of the Formula Rate Plan Rider Schedule FRP-7 Revised ("Schedule FRP-7 (Revised)" or "FRP-7"). The provisions of Schedule FRP-7 (Revised) resulted in, for the 2021 Evaluation Period, an Entergy Mississippi Earned Rate of Return on Rate Base ("Earned Return") of 4.71% and a Benchmark Rate of Return on Rate Base ("Benchmark Return") of 6.85%. The 2021 Evaluation Report further reflected that the Earned Return was below the Lower Bandwidth Limit, thereby providing for a Point of Adjustment of 6.69% as provided for by FRP-7. The corresponding change in Schedule FRP-7 (Revised)



revenues is \$95,448,742; however, the maximum change in revenues for the 2021 Evaluation Report pursuant to FRP-7 is \$44,252,376. Additionally, the 2021 Evaluation Report identifies two other revenue changes. The 2021 Evaluation Report shows a revenue change of \$3,923,439 for the Demand-Side Management (“DSM”) revenue requirement pursuant to Paragraph 4 of the Order dated November 4, 2020 and Attachment K to FRP-7. The 2021 Evaluation Report further shows, pursuant to Order dated December 11, 2019 in Docket 2018-UN-205, that \$59,195,037 of revenue is being realigned from the current Interim Capacity Rate Adjustments associated with the Choctaw Generating Unit into the Annual Rate Adjustments. The revenue realignment of \$59,195,037 is not a revenue change under the FRP because that revenue requirement was being recovered from customers through the current Interim Capacity Rate Adjustments.

2. Pursuant to the provisions of Schedule FRP-7 (Revised), the Company filed updated workpapers that incorporate FERC Form 1 data regarding the Customer Price Rating that was not available as of the filing of the 2021 Evaluation Report. The updated FERC Form 1 data and workpapers had no effect on the Point of Adjustment or FRP Net Rate Adjustments.

3. The Company also made a look-back submittal (“2020 Look-back”) on March 3, 2021 containing accounting and operational data based on actual results, all per FRP-7 and as adjusted pursuant to provisions of FRP-7, for the calendar year preceding the March 3 filing, the twelve months ending December 31, 2020 (the “Look-back Evaluation Period”). This annual look-back provides information sufficient for the Staff to conduct a review of the Company’s expenses, capital accounts (rate base), revenues, and operational performance, and in so doing the filing indicates whether and how much of a rate adjustment may be necessary based on actual performance. The Company’s 2020 Look-back demonstrates that the Company’s Look-back

Benchmark Return on Rate Base is 6.82%, which establishes an FRP bandwidth from 6.32% to 7.32%. The Company's Earned Return on Rate Base for the 2020 Look-back is 6.09%. The Look-back Earned Return falls below the Lower Limit by 0.23%, thereby providing for Interim Rate Adjustments to a Point of Adjustment of 6.51% as provided for by FRP-7. The resulting change in FRP revenues pursuant to the 2020 Look-back is \$16,781,063. The 2020 Look-back also shows an Annual Capacity Cost ("ACC") True-Up of \$1,721,338 pursuant to Schedule FRP-7 (Revised) Sections III.C and III.D. The Interim Rate Adjustments total \$18,502,401, are temporary and will cease automatically pursuant to FRP-7.

4. In accordance with Schedule FRP-7 (Revised) and the Commission Rules of Practice and Procedure ("Procedural Rules"), EML notified customers of the filing of the 2021 Evaluation Report and 2020 Look-back in bills issued in March 2021.

5. In accordance with FRP-7, EML implemented a temporary rate adjustment of 2% effective with the April 2021 billing cycle to increase FRP revenue by \$22,126,188 of the \$44,252,376 revenue increase resulting from the 2021 Evaluation Report, secured by an irrevocable letter of credit. Additionally, in April 2021, EML commenced recovery of the \$3,923,439 DSM revenue requirement through the Annual Rate Adjustments and realigned the Choctaw revenue requirement of \$59,195,037 to the Annual Rate Adjustments. Simultaneously, EML ceased the Interim Capacity Rate Adjustments. Further, EML commenced recovery of the ACC True-Up of \$1,721,338 through the Interim Rate Adjustments.

6. On April 20, 2021, the Staff sent a letter (the "April 20 letter") notifying the Company that, in accordance with the evaluation procedures described in Paragraphs III. B. 2-3 of Schedule FRP-7 (Revised), the Staff disputed the entire Evaluation Report pending the completion of the Staff's review of all data request responses.

7. The Staff has carried out a review of the 2021 Evaluation Report and 2020 Look-back, together with Company non-confidential and confidential workpapers supporting the data and calculations reflected and set out therein. Additionally, the Staff, with the assistance of Bates White Economic Consulting (“Bates White”), has conducted a review of the Company’s Transmission & Distribution Plan (“T&D Plan”) that was submitted on October 30, 2020. A copy of Bates White’s Confidential Report regarding its review of the T&D Plan was filed with the Commission on May 28, 2021. Also, the Staff, with the assistance of Bates White, has conducted a review of the Company’s Energy Delivery Plan that was submitted on November 2, 2020, pursuant to Procedural Rule 29. A copy of Bates White’s Confidential Report regarding its review of the Energy Delivery Plan was filed with the Commission on May 28, 2021. In conducting its review, the Staff had the benefit of data and information supplied by the Company on an on-going basis and extensive discovery pertaining to the 2021 Evaluation Report, the 2020 Look-back, the T&D Plan, and the Energy Delivery Plan. The Staff has also had the benefit of its regular reviews of the business, rates, and expenses of the Company.

8. As a result of Staff’s thorough review, the Staff informed Entergy Mississippi that it disputed certain O&M expenses and rate base items in the 2020 Look-back Evaluation Report and the 2021 Evaluation Report.

9. This Joint Stipulation is entered into as a result of the filings by the Company in this Docket and review conducted by the Staff in this proceeding.

10. It is hereby stipulated and agreed between the Staff and Entergy Mississippi as follows:

(a) The Staff and the Company stipulate and agree that the Commission has jurisdiction over the parties and subject matter in this proceeding.

(b) The Staff and the Company stipulate and agree that the 2021 Evaluation Report, 2020 Look-back, the T&D Plan, and the Energy Delivery Plan filed by Entergy Mississippi comply with all of the statutory filing requirements, the requirements of Schedule FRP-7 (Revised), and the Commission's Procedural Rules. The Staff and the Company agree that Entergy Mississippi has provided all the information relevant to and supporting its filings, including relevant and supporting information pursuant to the Mississippi Code of 1972, as amended, and the Commission's Procedural Rules. The Staff has complete access to the books and records of Entergy Mississippi and has relied thereon and upon information made available to the Commission and Staff in this and other docketed matters.

(c) The Staff and the Company agree that certain adjustments to the 2020 Look-back are appropriate. The Staff and Company agree to adjustments to rate base and O&M expenses that have the effect of increasing the Company's Earned Rate of Return on Rate Base to 6.12%, which remains below the Lower Bandwidth Limit. The Staff and Company stipulate that the aforementioned adjustments and stipulations provide for a rate base amount of \$2,954,028,827 with respect to the 2020 Look-back under Schedule FRP-7 (Revised) and results in a change in FRP revenues under the FRP Interim Rate Adjustments as summarized below:

Rate Base	\$2,954,028,827
Earned Rate of Return on Rate Base (ERORB)	6.12%
Benchmark Rate of Return on Rate Base (BRORB)	6.82%
Range of No Change	6.32% to 7.32%
Point of Adjustment	6.51%
Change in Revenues	\$15,816,468
ACC True-Up	\$1,721,338
Total Change in Revenues	\$17,537,806

Supporting schedules are attached hereto as ATTACHMENT A.

(d) The Staff and the Company agree that they will work with Bates White to reach a consensus on the recommendations Bates White made in its confidential report on the Company's T&D Plan and its confidential report on the Company's Energy Delivery Plan by August 31, 2021.

(e) The Staff and the Company agree that no adjustments to the ACC True-Up shown above are necessary and agree that the actual Annual Ownership Costs for the Choctaw Generating Unit for the calendar year 2020 are \$60,916,000.

(f) The Staff and the Company further agree that recovery through the 2020 Look-back of the non-bad debt COVID-related expenses, which EML originally deferred in 2020, is reasonable and benefits customers by eliminating the need for the recovery of carrying costs. The Company deferred these expenses pursuant to the Commission's April 14, 2020 order in Docket No. 2018-AD-141, regarding deferral of certain expenses resulting from the COVID-19 pandemic. ("COVID-19 Deferral Order"). One category of non-bad debt COVID-related expenses are convenience fees that third parties charge for processing payments via credit/debit and electronic checks. As part of the Company's Enhanced Customer Assistance Plan, implemented in 2020 in response to COVID-19, the Company began crediting customers' bills for these convenience fees. The Staff and Company agree that the Company will continue this as a routine business practice and recover these convenience fees through the Schedule FRP. The Staff and Company agree that EML will stop deferring non-bad debt COVID-related expenses effective January 1, 2021, and those expenses will be included in the 2021 Look-back.

(g) The Staff and Company agree that the Company's quantification and methodology for calculating COVID-related incremental bad debt expenses are consistent with the COVID-19 Deferral Order and are appropriate and reasonable. The Staff and Company further agree that

EML may continue to defer the COVID-related incremental bad debt expenses through December 31, 2021 pursuant to the COVID-19 Deferral Order. The Staff and Company further agree that EML will propose an amortization schedule of the COVID-related incremental bad debt regulatory asset when the Company has more information regarding actual write-offs, which information is anticipated to be available for the filing of the 2022 Evaluation Report.

(h) Consistent with past Commission orders, the Staff and the Company agree that the Entergy Corporation's Compensation Programs, including the annual short-term incentive and base pay portions of employees' annual compensation and the related costs incurred on behalf of EML that are included in EML's revenue requirement, are reasonable and necessary. The Staff and Company further agree that the Company should be authorized to recover 100% of its short-term incentive compensation. Beginning with the 2021 Evaluation Report, for purposes of proposed known and measurable adjustments under FRP-7 (or its successor schedules) or in a base rate proceeding, one hundred percent of target short-term incentive compensation shall be deemed the known and measurable level of short-term incentive compensation expense. For purposes of Look-back reports under FRP-7, one hundred percent of the Look-back evaluation period amount of short-term incentive compensation expense shall be included in EML's revenue requirement, beginning with the 2021 Look-back.

(i) The Staff and the Company agree that certain adjustments to the 2021 Evaluation Period are appropriate. The Staff and Company agree to adjustments to rate base and O&M expenses that have the effect of increasing the Company's Earned Rate of Return on Rate Base to 4.81% which remains below the Lower Bandwidth Limit. The Staff and Company further stipulate and agree to a Benchmark Rate of Return on Rate Base of 6.85%, which results in an FRP-7 Point of Adjustment of 6.69%. The Staff and Company stipulate that the aforementioned

adjustments and stipulations provide for a rate base amount of \$3,575,138,360 with respect to the 2021 Evaluation Report under Schedule FRP-7 (Revised) and a change in FRP revenues under the FRP Annual Rate Adjustments as summarized below:

Rate Base	\$3,575,138,360
Earned Rate of Return on Rate Base (ERORB)	4.81%
Benchmark Rate of Return on Rate Base (BRORB)	6.85%
Range of No Change	6.35% to 7.35%
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Change in Revenues	\$90,908,386
Maximum Change in Revenues for the 2021 Evaluation Report	\$44,252,376
Interim Capacity Rate Adjustment Revenues	\$59,195,037
DSM Recovery	\$3,923,439
Total Change in Revenues	\$48,175,816

Supporting schedules are attached hereto as ATTACHMENT A.

(j) The Staff and the Company agree that the realignment of the \$59,195,037 from the Interim Capacity Rate Adjustments to the FRP Annual Rate Adjustments complies with Section III.D of Schedule FRP-7 (Revised) and has no incremental effect on customers' rates. The Staff and the Company further agree that the DSM revenue requirement of \$3,923,439 and the Estimated DSM Revenue Deficiency of \$2,546,982 (i.e., a reduction in FRP revenues) included in the Net Utility Operating Income calculation in the 2021 Evaluation Report comply with Attachment K to FRP-7.

(k) The Staff and the Company agree that the Annual Rate Adjustments, Interim Rate Adjustments, Interim Capacity Rate Adjustments, and resulting Net Rate Adjustments reflected on the attached three Attachments A to Schedule FRP-7 (Revised), which are attached as

ATTACHMENT B *in globo* to this Joint Stipulation, effective for bills rendered on and after June 30, 2021; March 31, 2022; and June 30, 2022, should be approved by the Commission.

(l) The Staff and the Company stipulate and agree that the expenditures and operating expenses incurred by the Company in, for, and with regard to the 2020 Look-back Evaluation Period and the 2021 Evaluation Period, reflected in the amounts set out in the 2020 Look-back and the 2021 Evaluation Report, respectively, as revised by this Joint Stipulation, are just and reasonable.

(m) The Staff and the Company agree that the stipulations contained herein are just and reasonable and consistent with applicable law and the rules of this Commission.

OTHER PROVISIONS

11. It is agreed that the Staff and the Company shall not be considered as necessarily agreeing with or conceding the applicability of any principle, or any method of ratemaking or cost of service determination, or design of rate schedules, or terms or conditions of service, or the applicability of any rule or interpretation of law, that may underlie, or be thought to underlie, this Joint Stipulation.

12. The Staff and the Company understand and expressly agree that, except as previously stated, the stipulations made herein are for the purpose of this proceeding only and shall not apply to or be used as precedent in any other proceeding of Entergy Mississippi or any other utility, including without limitation for costs of the same type that were included in the adjustments agreed to in this filing. Nothing herein shall operate to prevent the Company or the Staff from making any filing or proposing any change in rates. Both the Staff and the Company fully reserve their respective rights under state and federal law, and the Company fully reserves its rights under state or federal law regarding the recovery of costs through retail rates.

13. Nothing in this Joint Stipulation shall constitute a waiver by Entergy Mississippi of its rights with respect to matters within the jurisdiction of the Federal Energy Regulatory Commission, the Securities and Exchange Commission, or any other agency or governmental body having jurisdiction over Entergy Mississippi.

14. It is agreed that this Joint Stipulation is expressly conditioned upon acceptance by the Commission of all its provisions. It is also specifically understood and agreed that this Joint Stipulation is interdependent, non-separable, and cannot be severed. If the Commission does not accept this Joint Stipulation in its entirety, it is agreed that neither the Staff nor Entergy Mississippi will be thereafter bound by any of its provisions.

15. The Staff and Company stipulate and agree that the matters set out in this Joint Stipulation are just, reasonable, and in the best interest of the customers, the Company, and the general public.

SO STIPULATED this the 1st day of June 2021.

MISSISSIPPI PUBLIC UTILITIES STAFF

By: 

SALLY DOTY
Executive Director

ENTERGY MISSISSIPPI, LLC

By: 

JEREMY C. VANDERLOO
Vice President, Regulatory Affairs

ATTACHMENT A

Attachment G
Page 1 of 2

ENTERGY MISSISSIPPI, LLC RATE ADJUSTMENT REDETERMINATION FORMULA TWELVE MONTHS ENDING DECEMBER 31, 2020 (Look-back)

SECTION 1 RETURN RANGE CHECK FOR RATE SCHEDULE FRP					
LINE NO	DESCRIPTION	REFERENCE			
1	Earned Rate of Return on Rate Base (ERORB)	Attachment B, Pg 1, Ln 3			6.12%
2	Benchmark Rate of Return on Rate Base (BRORB)	Attachment D			6.82%
3	Equity Ratio Adjustment (ERADJ)	Attachment D (0.50% x (Ln 5 / Ln 8 from Att D))			0.25%
4	Performance Adjustment (PADJ)	Attachment F (Ln 6 / 10)			4.27
5	If Line 2 + 0.5% < Line 1	7.32%	FALSE	GO TO Section 2 Ln 8	
6	If Line 2 - 0.5% > Line 1	6.32%	TRUE	GO TO Section 2 Ln 9	
7	Otherwise			No Rate Change Under Section 2	
SECTION 2 POINT OF ADJUSTMENT					
LINE NO	DESCRIPTION				
8	Point of Adjustment (POA) - Upper Band If PADJ < 2, then POA = BRORB or If 2 ≤ PADJ < 5, then POA = BRORB + (0.5% - ERADJ) - (((5 - PADJ) / 3) x (0.5% - ERADJ)) or If 5 ≤ PADJ < 9, then POA = BRORB + 0.5% - (((9 - PADJ) / 4) x ERADJ) or If PADJ ≥ 9, then POA = BRORB + 0.5%				
9	Point of Adjustment (POA) - Lower Band If PADJ < 2, then POA = BRORB - 0.5% or If 2 ≤ PADJ < 5, then POA = BRORB - ERADJ - (((5 - PADJ) / 3) x (0.5% - ERADJ)) or If 5 ≤ PADJ < 9, then POA = BRORB - (((9 - PADJ) / 4) x ERADJ) or If PADJ ≥ 9, then POA = BRORB				6.51%
SECTION 3 RATE ADJUSTMENT					
LINE NO	DESCRIPTION	REFERENCE			
10	Difference in POA and ERORB	(Line 8 or Line 9) - Line 1	0.3957%		
11	Adjusted Rate Base	Attachment B, Pg 2			2,954,028,827
12	Change in Return on Rate Base	Line 10 * Line 11			11,690,476
13	Revenue Conversion Factor	[See Note 1 Below]			1.3529
14	Change in Retail Revenues	Line 12 * Line 13			15,816,468
15	Evaluation Period Retail Revenues	Attachment B, Pg. 3, Ln 1, Col. 3			1,106,309,406
16	Maximum change in Retail Revenues	Line 15 * 4.0%			44,252,376
17	ACC True-up	[See Note 2 Below]			1,721,338
18	Change in Rider FRP Revenues	Line 17 + (Lesser of Line 14 or Line 16) [See Note 3 Below]			17,537,806

NOTES:

- (1) The Revenue Conversion Factor = $1 / [(1 - \text{State Tax Rate})(1 - \text{Federal Tax Rate})(1 - \text{Bad Debt Tax Rate} - \text{City Tax Rate})]$.
- (2) This line shall be used to incorporate the true-up of the Annual Capacity Costs ("ACC") previously recovered through the Interim Capacity Rate Adjustments. Such true-up is provided for in Sections IV.C and IV.D, and recovery or return of the true-up shall occur even if no rate change would occur under Sections 1 and 2 above.
- (3) Any Change in Rider FRP Revenues that is a decrease shall not be a greater decrease than the Maximum Change in Retail Revenues when taken as a negative value.

$$\text{Equity Ratio Adjustment (ER}_{\text{ADJ}}) = 0.50\% \times (\text{Common Equity} / \text{Total Capital})$$

EXHIBIT

tabbles

1 A

ATTACHMENT A

Attachment G
Page 1 of 2

ENTERGY MISSISSIPPI, LLC RATE ADJUSTMENT REDETERMINATION FORMULA FOR THE RATE EFFECTIVE YEAR ENDING DECEMBER 31, 2021

SECTION 1					
RETURN RANGE CHECK FOR RATE SCHEDULE FRP					
LINE NO	DESCRIPTION	REFERENCE			
1	Earned Rate of Return on Rate Base (ERORB)	Attachment B, Pg 1, Ln 3			4.81%
2	Benchmark Rate of Return on Rate Base (BRORB)	Attachment D			6.85%
3	Equity Ratio Adjustment (ERADJ)	Attachment D (0.50% x (Ln 5 / Ln 8 from Att D))			0.24%
4	Performance Adjustment (PADJ)	Attachment F (Ln 6 / 10)			6.29
5	If Line 2 + 0.5% < Line 1	7.35%	FALSE	GO TO Section 2 Ln 8	
6	If Line 2 - 0.5% > Line 1	6.35%	TRUE	GO TO Section 2 Ln 9	
7	Otherwise			No Rate Change Under Section 2	
SECTION 2					
POINT OF ADJUSTMENT					
LINE NO	DESCRIPTION				
8	Point of Adjustment (POA) - Upper Band If PADJ < 2, then POA = BRORB or If 2 ≤ PADJ < 5, then POA = BRORB + (0.5% - ERADJ) - (((5 - PADJ) / 3) x (0.5% - ERADJ)) or If 5 ≤ PADJ < 9, then POA = BRORB + 0.5% - (((9 - PADJ) / 4) x ERADJ) or If PADJ ≥ 9, then POA = BRORB + 0.5%				
9	Point of Adjustment (POA) - Lower Band If PADJ < 2, then POA = BRORB - 0.5% or If 2 ≤ PADJ < 5, then POA = BRORB - ERADJ - (((5 - PADJ) / 3) x (0.5% - ERADJ)) or If 5 ≤ PADJ < 9, then POA = BRORB - (((9 - PADJ) / 4) x ERADJ) or If PADJ ≥ 9, then POA = BRORB				6.69%
SECTION 3					
RATE ADJUSTMENT					
LINE NO	DESCRIPTION	REFERENCE			
10	Difference in POA and ERORB	(Line 8 or Line 9) - Line 1	1.8795%		
11	Adjusted Rate Base	Attachment B, Pg 2			3,575,138,360
12	Change in Return on Rate Base	Line 10 * Line 11			67,193,401
13	Revenue Conversion Factor	[See Note 1 Below]			1.3529
14	Change in Retail Revenues	Line 12 * Line 13			90,908,386
15	Evaluation Period Retail Revenues	Attachment B, Pg. 3, Ln 1, Col. 3			1,106,309,406
16	Maximum change in Retail Revenues	Line 15 * 4.0%			44,252,376
17	Interim Capacity Rate Adjustments Revenues	[See Note 2 Below]			59,195,037
18	DSM Recovery	[See Note 3 Below]			3,923,439
19	Change in Rider FRP Revenues	Line 18 + (Lesser of Line 14 or Line 16) [See Note 4 Below]			48,175,816

NOTES:

- The Revenue Conversion Factor = $1 / [(1 - \text{State Tax Rate})(1 - \text{Federal Tax Rate})(1 - \text{Bad Debt Tax Rate} - \text{City Tax Rate})]$.
- This line shall be used to incorporate the revenues associated with the Interim Capacity Rate Adjustments into the Annual Rate Adjustments pursuant to Section III.D, and such incorporation through a change in Rider FRP Revenues shall occur even if no rate change would occur under Sections 1 and 2 above.
- This line is included in the 2021 Evaluation Report pursuant to Paragraph 4 of the Order dated November 4, 2020. Therein, the Commission found that the Demand Side Management ("DSM") revenue requirement should not be subject to the 4% cap on the change in FRP revenues and the 2% cap on temporary Rate Adjustments in the 2021 Evaluation Report and 2021 Look-back. See MD 1.5 for the workpaper supporting the DSM revenue requirement.
- Any Change in Rider FRP Revenues that is a decrease shall not be a greater decrease than the Maximum Change in Retail Revenues when taken as a negative value.

$$\text{Equity Ratio Adjustment (ERADJ)} = 0.50\% \times (\text{Common Equity} / \text{Total Capital})$$

ATTACHMENT B

Rider Schedule FRP-7 (Revised)
Attachment A
July 2021

RATE ADJUSTMENTS

The following Net Rate Adjustments will be added to the Net Monthly Rates or Net Seasonal Rates set forth in Entergy Mississippi, LLC ("EML") currently effective rate schedules identified below, or such superseding rate schedules as may be ordered by the Commission, or such other rate schedules of EML subject to the Schedule FRP that may become effective, whether or not such schedules supersede any of the rate schedules below, but not including special contracts entered into pursuant to Miss. Code Ann. Sec. 77-3-35(1) that do not specifically and explicitly incorporate this Schedule into the contract. The Net Rate Adjustments shall be effective for bills rendered on and after the first billing cycle of July 2021:

Rate Class	Rate Schedules	(A) Annual Rate Adjustments	(B) Interim Rate Adjustments	(C) Interim Capacity Rate Adjustments	(A) + (B) + (C) Net Rate Adjustments
Residential	RS-38C, RS-38W, Other Residential Rates	\$0.01595/kWh	\$0.00153/kWh	\$0.00000/kWh	\$0.01748/kWh
General Service	GS-298, SWH-20, IPS-26, IP-33, MP-22, Other General Service Rates	\$0.01758/kWh	\$0.00167/kWh	\$0.00000/kWh	\$0.01925/kWh
Intermediate Gen. Svc.	B-34, CG-29	\$0.01491/kWh	\$0.00136/kWh	\$0.00000/kWh	\$0.01627/kWh
High Load Factor Svc.	HLF-7	\$0.01199/kWh	\$0.00113/kWh	\$0.00000/kWh	\$0.01312/kWh
Large General Service	C-29, OM-31, SE-29	\$0.01248/kWh	\$0.00119/kWh	\$0.00000/kWh	\$0.01367/kWh
Alt. Large General Svc.	ALGS-10	\$5.43/kW	\$0.50/kW	\$0.00/kW	\$5.93/kW
Lighting	PAL-17, DSL-16, LED-2 SL-37, HL-21, TF-23, UFL-16, RFL-16, Other Lighting Rates	\$0.03626/kWh	\$0.00354/kWh	\$0.00000/kWh	\$0.03980/kWh

EXHIBIT

"B"

ATTACHMENT B

Rider Schedule FRP-7 (Revised)
Attachment A
April 2022

RATE ADJUSTMENTS

The following Net Rate Adjustments will be added to the Net Monthly Rates or Net Seasonal Rates set forth in Entergy Mississippi, LLC ("EML") currently effective rate schedules identified below, or such superseding rate schedules as may be ordered by the Commission, or such other rate schedules of EML subject to the Schedule FRP that may become effective, whether or not such schedules supersede any of the rate schedules below, but not including special contracts entered into pursuant to Miss. Code Ann. Sec. 77-3-35(1) that do not specifically and explicitly incorporate this Schedule into the contract. The Net Rate Adjustments shall be effective for bills rendered on and after the first billing cycle of April 2022:

Rate Class	Rate Schedules	(A) Annual Rate Adjustments	(B) Interim Rate Adjustments	(C) Interim Capacity Rate Adjustments	(A) + (B) + (C) Net Rate Adjustments
Residential	RS-38C, RS-38W, Other Residential Rates	\$0.01595/kWh	\$0.00138/kWh	\$0.00000/kWh	\$0.01733/kWh
General Service	GS-298, SWH-20, IPS-26, IP-33, MP-22, Other General Service Rates	\$0.01758/kWh	\$0.00151/kWh	\$0.00000/kWh	\$0.01909/kWh
Intermediate Gen. Svc.	B-34, CG-29	\$0.01491/kWh	\$0.00123/kWh	\$0.00000/kWh	\$0.01614/kWh
High Load Factor Svc.	HLF-7	\$0.01199/kWh	\$0.00102/kWh	\$0.00000/kWh	\$0.01301/kWh
Large General Service	C-29, OM-31, SE-29	\$0.01248/kWh	\$0.00107/kWh	\$0.00000/kWh	\$0.01355/kWh
Alt. Large General Svc.	ALGS-10	\$5.43/kW	\$0.45/kW	\$0.00/kW	\$5.88/kW
Lighting	PAL-17, DSL-16, LED-2 SL-37, HL-21, TF-23, UFL-16, RFL-16, Other Lighting Rates	\$0.03626/kWh	\$0.00319/kWh	\$0.00000/kWh	\$0.03945/kWh

ATTACHMENT B

Rider Schedule FRP-7 (Revised)
Attachment A
July 2022

RATE ADJUSTMENTS

The following Net Rate Adjustments will be added to the Net Monthly Rates or Net Seasonal Rates set forth in Entergy Mississippi, LLC ("EML") currently effective rate schedules identified below, or such superseding rate schedules as may be ordered by the Commission, or such other rate schedules of EML subject to the Schedule FRP that may become effective, whether or not such schedules supersede any of the rate schedules below, but not including special contracts entered into pursuant to Miss. Code Ann. Sec. 77-3-35(1) that do not specifically and explicitly incorporate this Schedule into the contract. The Net Rate Adjustments shall be effective for bills rendered on and after the first billing cycle of July 2022:

Rate Class	Rate Schedules	(A) Annual Rate Adjustments	(B) Interim Rate Adjustments	(C) Interim Capacity Rate Adjustments	(A) + (B) + (C) Net Rate Adjustments
Residential	RS-38C, RS-38W, Other Residential Rates	\$0.01595/kWh	\$0.00000/kWh	\$0.00000/kWh	\$0.01595/kWh
General Service	GS-298, SWH-20, IPS-26, IP-33, MP-22, Other General Service Rates	\$0.01758/kWh	\$0.00000/kWh	\$0.00000/kWh	\$0.01758/kWh
Intermediate Gen. Svc.	B-34, CG-29	\$0.01491/kWh	\$0.00000/kWh	\$0.00000/kWh	\$0.01491/kWh
High Load Factor Svc.	HLF-7	\$0.01199/kWh	\$0.00000/kWh	\$0.00000/kWh	\$0.01199/kWh
Large General Service	C-29, OM-31, SE-29	\$0.01248/kWh	\$0.00000/kWh	\$0.00000/kWh	\$0.01248/kWh
Alt. Large General Svc.	ALGS-10	\$5.43/kW	\$0.00/kW	\$0.00/kW	\$5.43/kW
Lighting	PAL-17, DSL-16, LED-2 SL-37, HL-21, TF-23, UFL-16, RFL-16, Other Lighting Rates	\$0.03626/kWh	\$0.00000/kWh	\$0.00000/kWh	\$0.03626/kWh