BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSISSIPPI

ENTERGY MISSISSIPPI, INC.

DOCKET NO. 2016-UA-006

IN RE:

APPLICATION OF ENTERGY MISSISSIPPI, INC. FOR APPROVAL OF AGREEMENTS FOR ELECTRIC SERVICE

ORDER

COMING THIS DAY, to be considered Entergy Mississippi, Inc.'s ("Entergy Mississippi" or the "Company") Application for Approval by the Commission ("Application") of an Agreement for Electric Service and related Reimbursement Agreement (the "Agreements"), between Entergy Mississippi and a new industrial customer who plans to construct and operate a manufacturing facility and related operations ("Customer"), for the provision of electric service to Customer's facilities located within Entergy Mississippi's certificated service area in Hinds County, Mississippi, this Commission, being fully advised in the premises, and upon the recommendation of the Mississippi Public Utilities Staff (the "Public Utilities Staff" or the "Staff"), finds as follows:

- Entergy Mississippi is an electric public utility as defined in Miss. Code Ann. §
 77-3-3(d) (i) of the Act.
- 2. Entergy Mississippi proposes to provide electric service to Customer under the Agreements as a special contract pursuant to Miss. Code Ann. § 77-3-35(1) of the Act and RP 27.100.
- 3. Customer is a manufacturer that meets the requirements of Miss. Code Ann. §77-3-35(1)(a), and as such, Entergy Mississippi may enter into contracts with Customer without reference to the rates or other conditions which may be established or fixed pursuant to Miss.

**MPSC Electronic Copy ** 2016-UA-6 Filed on 02/02/2016 **

Code Ann. § 77-3-1 et seq., said contracts to become effective upon approval by the Commission.

- 4. The Company filed its Application on January 21, 2016. The Agreements, which were filed separately as confidential <u>EXHIBIT A</u> to the Application pursuant to RP 4.100.3, are addressed in the Direct Testimony of Mr. Dorman Davis, Manager of Regulatory Affairs of Entergy Mississippi, which written testimony was attached to the Application as <u>EXHIBIT B</u>. The Company's Application stated that the Agreements are conditioned upon other time-sensitive activities that must happen before the Agreements become binding on Customer, which conditions are clearly set out in <u>EXHIBIT A</u> to the Application. The Company asserted that, as such, the public convenience or necessity requires that this matter be disposed of as soon as practicable pursuant to Miss. Code Ann. §77-3-47. On January 26, 2016, the Commission issued an order granting a waiver of the 20-day notice period for good cause shown and set this matter for disposition on February 2, 2016.
- 5. No objections or protests to the granting of the Application have been filed, no protestants appeared with regard to this matter, and no objections have been made to the granting and issuance of this Order.
- 6. The Public Utilities Staff has carried out a review of the Application, together with a review of Company non-confidential and confidential workpapers supporting the data and calculations reflected and set out therein. The Staff has propounded data requests to the Company and has reviewed responses thereto.
- 7. On February 1, 2016, the Company and Staff filed a Joint Stipulation in this Docket. Pursuant to the Joint Stipulation, the Commission finds that the Agreements contain trade secrets and/or confidential commercial or financial information because independent

economic value to EMI and its customers is derived from prohibiting the content of these Agreements from being generally known, or being readily ascertainable by proper means, by other persons who can obtain economic value from their disclosure or use. The Commission further finds that in order for Entergy Mississippi successfully to negotiate special contracts, and thereby achieve the benefits to be derived from such special contracts, including those benefits related to the overall economic development of the State of Mississippi, as well as the more direct benefits to Entergy Mississippi's other customers, the terms and conditions of EXHIBIT A must remain confidential pursuant to RP 6.109. Such confidential treatment of EXHIBIT A likewise protects Customer from having its competitors obtain the information contained in EXHIBIT A that has commercial value to Customer.

- 8. The Commission finds that terms and conditions of the Agreements, including the prices for electric service, are the result of confidential negotiations and discussions between Entergy Mississippi and Customer. The Agreements achieve the necessary goals of a special contract, including that they recover sufficient revenues to meet incremental costs of service to Customer, contain a price sufficiently competitive to attract Customer, and that the revenues received by Entergy Mississippi from the Agreements will provide a contribution margin above Entergy Mississippi's incremental cost of service. These contribution margins will benefit Entergy Mississippi's other retail customers. The Commission finds that both Agreements are in the public interest of the State of Mississippi.
- 9. Customer has requested particular terms of service from Entergy Mississippi that require additional investment by Entergy Mississippi in transmission and related facilities that deviate from the terms of Entergy Mississippi's Commission-approved service policies. The confidential Reimbursement Agreement that is included in <u>EXHIBIT A</u> contains provisions

related to those facilities that benefit Entergy Mississippi's other customers. The Commission finds that Entergy Mississippi's provision of the facilities described in the Agreements is necessary to serve the Customer in the manner described in the Agreements, and that like the Agreements, said facilities are in the public interest and are required for the public convenience and necessity.

IT IS, THEREFORE, ORDERED AND ADJUDGED by this Commission that:

- (1) The Commission hereby adopts as its own the Joint Stipulation entered between the Public Utilities Staff and Entergy Mississippi on February 1, 2016, and said Joint Stipulation, including confidential Attachment 1 to said Joint Stipulation is incorporated by reference into this Order, and the provisions outlined therein are hereby ordered by the Commission.
- (2) The Agreement for Electric Service and related Reimbursement Agreement between Entergy Mississippi and Customer are in the public interest.
 - (3) The Application hereby is granted, and the Agreements are hereby approved.
 This Order is effective immediately.

Chairman Brandon Presley voted W; Vice Chairman Cecil Brown voted ; and Commissioner Samuel F. Britton voted W.

Dated, this the day of February, 2016.

MISSISSIPPI PUBLIC SERVICE COMMISSION

BRANDON PRESLEY, CHAIRMAN

CECIL BROWN, VICE CHAIRMAN

SAMUEL F. BRITTON, COMMISSIONER

ATTEST: A TRUE COPY

KATHERINE COLLIER, Executive Secretary

Effective this the day of February, 2016.