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**MISS. PUBLIC SERVICE
COMMISSION**

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Katrina Huttie, CPA
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November 5, 2021

Transmitted electronically

Katherine Collier
Executive Secretary
Mississippi Public Service Commission
Woolfolk Building, 2nd Floor
Jackson, Mississippi

Re: Entergy Mississippi, LLC Grid Modernization Rider Schedule GMR-1 (Second Revised)
Docket 2017-UN-198

Dear Katherine:

Entergy Mississippi's Grid Modernization Rider Schedule GMR-1 (Second Revised) provides for annual submittals to the Mississippi Public Service Commission and the Mississippi Public Utilities Staff that set out a re-determination of the Grid Modernization Cost Adjustment Factor.

Under Procedural Rule 29, Mississippi utilities may leverage their communication infrastructure to expand broadband to meet the operational needs of the utility and provide enhanced services to its customers. Enhanced Grid Investments present opportunities to address the utility's need for additional bandwidth to securely manage the increasing amount of data available from advanced meters and other smart grid technology, while allowing customers to fully unlock the value of benefits available through these technology improvements. Given the increasing demands for bandwidth, Entergy Mississippi will continue to explore opportunities to leverage and/or expand its electric utility assets to assist broadband providers in making reliable, cost-effective broadband Internet service accessible to unserved or underserved customers within EML's service territory.

Enclosed is Entergy Mississippi's submittal under Schedule GMR-1 (Second Revised) for the twelve-month billing period February 2022 through January 2023. A Grid Modernization Cost Adjustment Factor of 0.29576% is reflected in Attachment A and will become effective, subject to Commission approval, for bills rendered for the first billing cycle of February 2022. The adjustment factor increased over the prior period factor of 0.20294% due to higher projected depreciation and/or amortization expenses resulting from new fiber projects closing to plant in 2021 and a correction in depreciation from 20 years to 10 years, combined with a lower over-recovery compared to the previous year. The estimated impact of the re-determined Grid Modernization Cost Adjustment Factor on the monthly bill of a typical residential customer using 1,000 kWh per month is an increase of \$0.11 per month beginning with the first billing cycle of February 2022.

Entergy Mississippi will submit the following factor updates today:

| Docket | Description | Schedule | Current Residential Factor | Proposed Residential Factor | Residential Bill Impact Based on 1000 kWh Usage |
|-----------------------|----------------------|------------------------|----------------------------|-----------------------------|---|
| 2009-UN-64 | Energy Efficiency | EE-2 (Second Revised) | \$0.000043 | \$0.000000 | (\$0.04) |
| January Impact | | | | | (\$0.04) |
| 2013-UN-178 | Energy Cost Recovery | ECR-4 (Revised) | (\$0.019957) | (\$0.008816) | \$11.14 |
| 2017-UN-198 | Grid Modernization | GMR-1 (Second Revised) | 0.20294% | 0.29576% | \$0.11 |
| 2017-UA-189 | MISO Cost & Revenue | MISO-2 | -2.98907% | -4.03862% | (\$1.17) |
| 2014-UN-132 | Power Management | PMR-12 (Revised) | 0.89759% | -0.95553% | (\$2.05) |
| 2018-UN-258 | Restructuring Credit | RC-1 (Revised) | -0.40082% | -0.36451% | \$0.04 |
| 2014-UN-132 | Unit Power Cost | UPC-4 (Revised) | 2.67221% | 2.32926% | (\$0.38) |
| February Impact | | | | | \$7.69 |
| Combined Total Impact | | | | | <u>\$7.65</u> |

The combined total impact of the November annual submittals on the monthly bill of a typical residential customer using 1,000 kWh per month is an increase of \$7.65 per month.

The GMR-1 (Second Revised) Grid Modernization Cost Adjustment Factor shall become effective in accordance with a Commission Order approving such revised factor. A copy of this letter and supporting workpapers are being submitted to Ms. Sally Doty for the Mississippi Public Utilities Staff's review.

Sincerely,



Katrina Huttie

Enclosures

cc: Sally Doty
Emily Kruger
Sam Mabry

Schedule GMR-1 (Second Revised)
Attachment A

Grid Modernization Cost Adjustment Factor

For billing purposes, an amount equal to (1) the sum of the Net Monthly Rate or Net Seasonal Rate, excluding "Adjustments" or "Other Adjustments" as these terms are defined in the Company's rate schedule, plus revenues billed under Schedule Schedules SD and FRP multiplied by (2) the following Percentage, which is named the "**Grid Modernization Cost Adjustment Factor**," or the "**GCF**," shall be added to or subtracted from the Net Monthly Rate or Net Seasonal Rate. This *Grid Modernization Cost Adjustment Factor* percentage adjustment shall not be applied to lighting schedules and any special contract entered into pursuant to *Miss. Code Ann. Sec. 77-3-35(1)* that does not incorporate this Schedule into such contract. This *Grid Modernization Cost Adjustment Factor* percentage adjustment, which is effective for bills rendered on and after February 1, 2022 is:

| | |
|--|----------|
| Grid Modernization Cost Adjustment Factor (%): | 0.29576% |
|--|----------|