

FILED

MAY 25 2023

**MISS. PUBLIC SERVICE
COMMISSION**

Docket No. 2022-UN-137

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

ENTERGY MISSISSIPPI, LLC

EC-123-0082-00

2022-UN-137

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

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 "EML" 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 1, 2023, Entergy Mississippi filed the 2023 Evaluation Report ("2023 Evaluation Report") for the Evaluation Period consisting of the twelve months ending December 31, 2023 ("2023 Evaluation Period"), containing accounting and operational data based on actual results for the calendar year preceding the March filing, ending December 31, 2022, as adjusted for the current calendar year and pursuant to provisions of the Formula Rate Plan Rider Schedule FRP-7 (Second Revised) ("Schedule FRP-7" or "FRP-7"). The provisions of Schedule FRP-7 resulted in, for the 2023 Evaluation Period, an Entergy Mississippi Earned Rate of Return on Rate Base ("Earned Return") of 5.96% and a Benchmark Rate of Return on Rate Base ("Benchmark Return") of 7.03%. The 2023 Evaluation Report further reflected that the Earned Return was below the Lower Bandwidth Limit, thereby providing for a Point of Adjustment of

6.67% as provided for by FRP-7. The corresponding change in Schedule FRP-7 revenues was \$39,822,212. This amount is below the maximum change in revenues for the 2023 Evaluation Report which, pursuant to FRP-7, is \$55,823,297.

2. The Company also made a look-back submittal ("2022 Look-back") on March 1, 2023, containing accounting and operational data based on actual results, for the calendar year preceding the March 1 filing, the twelve months ending December 31, 2022 (the "Look-back Evaluation Period"), all pursuant to FRP-7 and adjusted pursuant to the provisions of FRP-7. 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 2022 Look-back demonstrates that the Company's Look-back Benchmark Return is 6.71%, which establishes an FRP bandwidth from 6.21% to 7.21%. The Company's Earned Return for the 2022 Look-back is 6.08%. The Look-back Earned Return falls below the Lower Limit, thereby providing for Interim Rate Adjustments to a Point of Adjustment of 6.48% as provided for by FRP-7. The resulting change in FRP revenues pursuant to the 2022 Look-back is \$21,099,357. The 2022 Look-back also shows a Demand Side Management ("DSM") True-Up of (\$1,289,182), pursuant to Attachment K to FRP-7, which provides that the DSM true-up shall be recovered outside the FRP bandwidth calculation. Accordingly, the Interim Rate Adjustments total \$19,810,175, which are temporary.

3. In accordance with Schedule FRP-7 and the Procedural Rules, EML notified customers of the filing of the 2023 Evaluation Report and 2022 Look-back on bills issued beginning March 2023.

4. In accordance with FRP-7, EML implemented a temporary rate adjustment of 2% effective with the April 2023 billing cycle to increase FRP revenue by \$27,911,648 of the \$39,822,212 revenue increase resulting from the 2023 Evaluation Report, secured by an irrevocable letter of credit.

5. On April 18, 2023, the Staff sent a letter (the "April 18 letter") notifying the Company that, in accordance with the evaluation procedures described in Paragraphs III. B. 2-3 of Schedule FRP-7, the Staff disputed the entire Evaluation Report pending the completion of the Staff's review of all data request responses.

6. On May 2, 2023, pursuant to the provisions of Schedule FRP-7, the Company filed updated workpapers that incorporate recent FERC Form 1 data regarding the Customer Price Rating Adjustment that was not available as of the March 1 filing of the 2023 Evaluation Report, described above. The updated FERC Form 1 data and workpapers increased the Customer Price Rating Adjustment, causing an increase in the Benchmark Return from 7.03% to 7.06%. The Point of Adjustment increased from 6.67% to 6.74%. The Change in FRP Revenues for the 2023 Evaluation Report changed to \$44,115,257.

7. The Staff has carried out a review of the 2023 Evaluation Report and 2022 Look-back, together with Company non-confidential and confidential workpapers supporting the data and calculations reflected and set out therein, with the assistance of United Professionals Company, LLC ("UPC"). EML answered multiple sets of data requests from the Staff, and it also conducted several virtual and in-person meetings with the Staff and/or UPC. 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 November 1, 2022. A copy of Bates White's Confidential Report regarding its

review of the T&D Plan was filed with the Commission on May 24, 2023. 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 1, 2022, in Docket 2019-UA-232, 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 24, 2023. 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 2023 Evaluation Report, the 2022 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. The Staff recognizes that allocations of costs among the Entergy Operating Companies are subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission. *Entergy Louisiana, Inc. v. Louisiana Pub. Serv. Comm'n*, 539 U.S. 39 (2003); *Nantahala Power & Light Co. v. Thornburg*, 476 U.S. 953 (1986). The Staff has reviewed the costs allocated by ESL to EML and found them to be consistent with the FRP provisions and consistent with past practices approved by the Commission. The Commission approved EML's costs allocated by ESL and found them to result in just and reasonable rates in its July 12, 2022, Order in Docket 2018-UN-205.

9. The Staff has reviewed EML's treatment of unbilled revenue and finds that such treatment is consistent with EML's treatment of unbilled revenue in its 2016 FRP submittal and thereafter. In Direct Testimony filed in 2016, EML explained the reasons for eliminating unbilled revenue from the calculation of Operating Income. The Staff agreed with EML's rationale and EML's calculation of Operating Income in both its 2015 Look-back and 2016 Evaluation Report in a Joint Stipulation. The Commission approved the Joint Stipulation in its

June 17, 2016, Order in Docket 2014-UN-132 and in subsequent FRP approval orders. The Commission approved EML's treatment of unbilled revenues and found them to result in just and reasonable rates in its July 12, 2022, Order in Docket 2018-UN-205.

10. The Staff has reviewed EML's cost of capital for the rate year ending December 31, 2023, along with supporting documentation provided by EML, and finds that it has been calculated consistent with Attachment D to Schedule FRP-7 and consistent with past FRP submittals approved by the Commission. The Commission approved EML's cost of capital and found it to result in just and reasonable rates in its July 12, 2022, Order in Docket 2018-UN-205.

11. The Staff has reviewed EML's calculation of accumulated deferred income taxes ("ADIT") and finds that it was calculated appropriately, consistent with the September 25, 2018, Order in Docket 2018-UA-39, the June 26, 2019, Order in Docket 2018-UN-205, and past Commission orders approving EML's subsequent FRP submittals. The Commission approved EML's treatment of ADIT and found it to result in just and reasonable rates in its July 12, 2022, Order in Docket 2018-UN-205.

12. As a result of Staff's thorough review, the Staff informed Entergy Mississippi that it disputed certain O&M expenses in the 2022 Look-back Evaluation Report and the 2023 Evaluation Report.

13. 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.

14. 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 2023 Evaluation Report, 2022 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, and the 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 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 stipulate and agree that EML appropriately reflected the Demand Side Management ("DSM") True-Up of (\$1,289,182), under the 2022 Look-back, pursuant to Attachment K to FRP-7, which provides that the DSM true-up shall be calculated outside the FRP bandwidth calculation.

(d) The Staff and the Company stipulate and agree to certain adjustments to the 2022 Look-back. The Staff and Company stipulate and agree to adjust certain O&M expenses, such that the effect is to increase the Company's Earned Rate of Return on Rate Base to 6.10%, which remains below the Lower Bandwidth Limit. The Staff and Company stipulate and agree that the aforementioned adjustments and stipulations provide for a rate base amount of \$3,964,620,437 with respect to the 2022 Look-back under Schedule FRP-7 and results in a change in FRP revenues under the FRP Interim Rate Adjustments as summarized below:

Rate Base	\$3,964,620,437
Earned Rate of Return on Rate Base (ERORB)	6.10%
Benchmark Rate of Return on Rate Base (BRORB)	6.71%
Range of No Change	6.21% to 7.21%
Point of Adjustment	6.48%
Change in Revenues	\$20,279,783
DSM True-up	(\$1,289,182)
Total Change in Revenues	\$18,990,601

Supporting schedules are attached hereto as ATTACHMENT A TO THE JOINT STIPULATION.

(e) The Staff and the Company stipulate and agree to certain adjustments to the 2023 Evaluation Period. The Staff and Company stipulate and agree to adjustments to realign the recovery of specified O&M expenses to certain riders and to suspend the amortization of a regulatory asset as described herein. The Staff and Company stipulate and agree to adjust certain other O&M expenses, such that the effect is to increase the Company's Earned Return to 6.27%, which remains below the Lower Bandwidth Limit. The Staff and Company further stipulate and agree to a Benchmark Return of 7.06%, which results in an FRP-7 Point of Adjustment of 6.74% consistent with the Customer Price Rating Adjustment update filed on May 2, 2023. The Staff and Company stipulate that the aforementioned adjustments and stipulations provide for a rate base amount of \$4,184,931,115 with respect to the 2023 Evaluation Report under Schedule FRP-7 and a change in FRP revenues under the FRP Annual Rate Adjustments as summarized below:

Rate Base	\$4,184,931,115
Earned Rate of Return on Rate Base (ERORB)	6.27%
Benchmark Rate of Return on Rate Base (BRORB)	7.06%
Range of No Change	6.56% to 7.56%
Point of Adjustment	6.74%
Change in Revenues	\$26,484,814

Maximum Change in Revenues for the 2023 Evaluation Report, as permitted by FRP-7 (4% of unadjusted Evaluation Period Revenue)	\$55,823,297
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Total Change in Revenues	\$26,484,814
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Supporting schedules are attached hereto as ATTACHMENT A TO THE JOINT STIPULATION.

(f) The Staff and the Company stipulate and agree that, beginning with calendar year 2023 costs, the recovery of the expense portion of long-term service agreements (“LTSA”) associated with EML’s gas turbines should be realigned from base rates to the Power Management Rider Schedule (“PMR-14”), with a revised Power Management Cost Adjustment Factor effective with the July 2023 billing cycle. This change is appropriate because MISO decides the dispatch of EML’s generating facilities, and these dispatch decisions directly affect the timing of LTSA costs.

(g) The Staff and the Company stipulate and agree that, beginning with calendar year 2023 costs, the expense portion of conductor handling and related costs should be realigned from base rates to the Grid Modernization Rider Schedule (“GMR-1”), with a revised Grid Modernization Cost Adjustment Factor effective with the July 2023 billing cycle. This change is appropriate because much of these conductor handling costs are associated with EML’s resiliency efforts, such as Resiliency Ramp Up, and pole replacements directly drive the level of conductor handling expenses.

(h) The Staff and the Company stipulate and agree that the amortization of the COVID Bad Debt Deferral should be suspended effective January 1, 2023 through December 31, 2023. The Staff and Company stipulate and agree that the Company will resume the amortization of the COVID Bad Debt Deferral during calendar year 2024 and reflect such in the 2024 Evaluation Report. This temporary suspension is appropriate at this time given the recent

phase-in of EML's fuel rate that was driven by the significant fuel under-recovery during 2022. EML's fuel costs are expected to be lower in 2024 based on current gas prices.

(i) The Staff and Company stipulate and agree that EML shall make a compliance filing to revise its Power Management Cost Adjustment Factor and its Grid Modernization Cost Adjustment Factor to reflect the cost realignments stipulated herein, effective for the July 2023 billing cycle. In recognition of recent reductions in the price of natural gas, the Staff and Company further stipulate and agree that EML's compliance filing shall also include a revision to reduce EML's Net Energy Cost Factor to a level necessary to reflect an average natural gas price of \$4.50 per mmBtu. As a result of these stipulations agreed to herein, the rates of a typical residential customer using 1,000 kWh would be \$136.80 beginning with July 2023 bills, which is \$2.09 lower than the March 2023 bills (which is the month preceding the temporary rate adjustments from the Company's 2023 FRP filing.)

(j) 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 Attachment A to Schedule FRP-7, which is attached as ATTACHMENT B TO THE JOINT STIPULATION, effective for bills rendered on and after the first billing cycle of July 2023, should be approved by the Commission.

(k) 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 2022 Look-back Evaluation Period and the 2023 Evaluation Period, reflected in the amounts set out in the 2022 Look-back and the 2023 Evaluation Report, respectively, as revised by this Joint Stipulation, are just and reasonable, and are further necessary and prudent, complying with the applicable requirements of law and the rules, regulations, orders of the Commission and with the

requirements and provisions of Schedule FRP-7; and that there is sufficient evidence before the Commission to support all the provisions of an Order accepting, approving, and adopting this Joint Stipulation.

(l) The Staff and the Company stipulate and agree that the Commission should direct the Company to cease including other post-employment benefit (“OPEB”) credits in operation and maintenance expense (“O&M”) and accruing amounts to the OPEB asset in EML’s rate base for ratemaking purposes effective January 1, 2024. Such cessation shall be reflected in the 2024 Evaluation Report and all subsequent rate filings and/or submittals, and the Company shall recover the OPEB asset in rate base over five years. The Company also shall cease allocating OPEB credits to capital expenditures effective January 1, 2024.

(m) Consistent with Procedural Rule 29, the Staff and the Company stipulate and agree that the Commission should direct the Company to begin deferring to a regulatory asset skylining/danger tree vegetation management expenses (“Skylining Regulatory Asset”) effective January 1, 2024 and to recover the Skylining Regulatory Asset through base rates. EML shall recover the Skylining Regulatory Asset through the FRP using a five-year amortization rate, with the unamortized balance included in rate base. This regulatory treatment will allow EML more flexibility to address emergent vegetation issues while promoting rate stability for customers if these costs fluctuate significantly from year-to-year.

(n) 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

15. 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.

16. 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.

17. 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.

18. 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.

19. 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 25th day of May 2023.

MISSISSIPPI PUBLIC UTILITIES STAFF

By: _____

JEFF LEE
Deputy Director

ENTERGY MISSISSIPPI, LLC

By: _____

JEREMY C. VANDERLOO
Vice President, Regulatory Affairs

ENTERGY MISSISSIPPI, LLC
RATE ADJUSTMENT REDETERMINATION FORMULA
TWELVE MONTHS ENDED December 31, 2022 (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				6.10%
2	Benchmark Rate of Return on Rate Base (BRORB)	Attachment D				6.71%
3	Equity Ratio Adjustment (ERADJ)	Attachment D (0.50% x (Ln 5 / Ln 8 from Att D))				0.23%
4	Performance Adjustment (PADJ)	Attachment F (Ln 6 / 10)				4.96
5	If Line 2 + 0.5% < Line 1		7.21%	FALSE	GO TO Section 2 Ln 8	
6	If Line 2 - 0.5% > Line 1		6.21%	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					6.48%
SECTION 3						
RATE ADJUSTMENT						
LINE NO	DESCRIPTION	REFERENCE				
10	Difference in POA and ERORB	(Line 8 or Line 9) - Line 1	0.3782%			
11	Adjusted Rate Base	Attachment B, Pg 2				3,964,620,437
12	Change in Return on Rate Base	Line 10 * Line 11				14,995,243
13	Revenue Conversion Factor	[See Note 1 Below]				1.3524
14	Change in Retail Revenues	Line 12 * Line 13				20,279,783
15	Evaluation Period Retail Revenues	Attachment B, Pg. 3, Ln 1, Col. 3				1,395,582,415
16	Maximum change in Retail Revenues	Line 15 * 4.0%				55,823,297
17	Interim Capacity Rate Adjustments Revenues	[See Note 2 Below]				
18	DSM True-up	[See Note 3 Below]				(1,289,182)
19	Change in Rider FRP Revenues	Line 17 + (Lesser of Line 14 or Line 16) [See Note 4 Below]				18,990,601

NOTES:

- (1) The Revenue Conversion Factor = 1/[(1 - State Tax Rate)(1 - Federal Tax Rate)(1 - Bad Debt Tax Rate - City Tax Rate)].
- (2) This line is not applicable to the 2022 Look-back.
- (3) Paragraph 5 of Attachment K provides for the Demand Side Management ("DSM") true-up to be recovered from or returned to customers outside of the bandwidth formula in Sections 1 and 2 above. Reference MD 1.4.
- (4) 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.

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

ENTERGY MISSISSIPPI, LLC
RATE ADJUSTMENT REDETERMINATION FORMULA
FOR THE RATE EFFECTIVE YEAR ENDING DECEMBER 31, 2023

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				6.27%
2	Benchmark Rate of Return on Rate Base (BRORB)	Attachment D				7.06%
3	Equity Ratio Adjustment (ERADJ)	Attachment D (0.50% x (Ln 5 / Ln 8 from Att D))				0.23%
4	Performance Adjustment (PADJ)	Attachment F (Ln 6 / 10)				4.09
5	If Line 2 + 0.5% < Line 1	7.56%	FALSE	GO TO Section 2 Ln 8		
6	If Line 2 - 0.5% > Line 1	6.56%	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					6.74%
SECTION 3						
RATE ADJUSTMENT						
LINE NO	DESCRIPTION	REFERENCE				
10	Difference in POA and ERORB	(Line 8 or Line 9) - Line 1	0.4679%			
11	Adjusted Rate Base	Attachment B, Pg 2				4,184,931,115
12	Change in Return on Rate Base	Line 10 * Line 11				19,583,357
13	Revenue Conversion Factor	[See Note 1 Below]				1.3524
14	Change in Retail Revenues	Line 12 * Line 13				26,484,814
15	Evaluation Period Retail Revenues	Attachment B, Pg. 3, Ln 1, Col. 3				1,395,582,415
16	Maximum change in Retail Revenues	Line 15 * 4.0%				55,823,297
17	Interim Capacity Rate Adjustments Revenues	[See Note 2 Below]				
18	DSM True-up	[See Note 3 Below]				
19	Change in Rider FRP Revenues	Line 17 + (Lesser of Line 14 or Line 16) [See Note 4 Below]				26,484,814

NOTES:

- (1) The Revenue Conversion Factor = 1/[(1 - State Tax Rate)(1 - Federal Tax Rate)(1 - Bad Debt Tax Rate - City Tax Rate)],
- (2) This line is not applicable to the 2023 Evaluation Report.
- (3) This line is not applicable to the 2023 Evaluation Report.
- (4) 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.

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

Schedule FRP-7 (Second Revised)
Attachment A
July 2023

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 2023:

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-39C, RS-39W, Other Residential Rates	\$0.02463/kWh	\$0.00158/kWh	\$0.00074/kWh	\$0.02695/kWh
General Service	GS-299, SWH-20, IPS-26, IP-33, MP-22, Other General Service Rates	\$0.02743/kWh	\$0.00174/kWh	\$0.00081/kWh	\$0.02998/kWh
Intermediate Gen. Svc.	B-34, CG-29	\$0.02344/kWh	\$0.00146/kWh	\$0.00069/kWh	\$0.02559/kWh
High Load Factor Svc.	HLF-7	\$0.01875/kWh	\$0.00118/kWh	\$0.00055/kWh	\$0.02048/kWh
Large General Service	C-29, OM-31, SE-29	\$0.01948/kWh	\$0.00123/kWh	\$0.00058/kWh	\$0.02129/kWh
Alt. Large General Svc.	ALGS-10	\$8.46/kW	\$0.54/kW	\$0.25/kW	\$9.25/kW
Lighting	PAL-17, DSL-16, LED-2 SL-37, HL-21, TF-23, UFL-16, RFL-16, Other Lighting Rates	\$0.05820/kWh	\$0.00386/kWh	\$0.00177/kWh	\$0.06383/kWh