BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

ENTERGY MISSISSIPPI, LLC
EC123-0082-00

DOCKET NO. 2022-UN-137

IN RE: NOTICE OF INTENT OF ENTERGY MISSISSIPPI, LLC's 2023 FORMULA RATE PLAN FILING

ORDER

COMES NOW, The Mississippi Public Service Commission (The Commission), and enters this Order regarding the 2023 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 (Second Revised) ("Schedule FRP-7" or "FRP-7"). The Commission, having considered the 2023 Evaluation Report along with the testimony and other evidence filed in the record in this matter, 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 therefore states as follows:

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 ending December 31, 2022, as adjusted for the current calendar year, pursuant to provisions of Schedule FRP-7. The provisions of Schedule FRP-7, for the 2023 Evaluation Period, resulted in 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 is $39,822,212. This amount is below the maximum change in revenues for the 2023 Evaluation Report pursuant to FRP-7, which is $55,823,297.

2. Pursuant to the provisions of Schedule FRP-7, on May 2, 2023, the Company filed updated workpapers that reflected a revised Customer Price Rating Adjustment based upon recently updated FERC Form 1 data that was not available as of the filing of the 2023 Evaluation Report. The updated FERC Form 1 data and workpapers increased the overall benchmark Rate of Return from 7.03% to 7.06%. The Point of Adjustment increased from 6.67% to 6.74%. The resulting change in Schedule FRP-7 revenues is $44,115,257.

3. The Company also made a look-back submittal ("2022 Look-back") on March 1, 2023, 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 ending December 31, 2022 (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 to determine how much of a revenue adjustment, if any, 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 2021 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), per Attachment K to

FRP-7, which provides that the DSM true-up shall be recovered or returned outside the FRP bandwidth calculation. Accordingly, the Interim Rate Adjustments total $19,810,175, which are temporary.

4. In accordance with Schedule FRP-7 and the Commission Rules of Practice and Procedure ("Procedural Rules"), EML notified customers of the filing of the 2023 Evaluation Report and 2022 Look-back in bills issued beginning in March 2023.

5. In accordance with FRP-7, EML implemented a temporary rate adjustment of 2% effective with the April 2023 billing cycle, secured by an irrevocable letter of credit, to increase FRP revenue by $27,911,648 of the $39,822,212 revenue increase resulting from the 2023 Evaluation Report filed March 1.

6. 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.

7. The Staff carried out a review of the 2023 Evaluation Report and 2022 Look-back, together with Company 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. The Staff, with the assistance of Bates White, has also

conducted a review of the Company's Energy Delivery Plan that was submitted on November 1, 2022, 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.

8. The Commission finds that, in conducting its review, the Staff had the benefit of data and information supplied by the Company on an ongoing basis and extensive discovery pertaining to the 2022 Evaluation Period, the 2021 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 in the 2022 Look-back Evaluation Report and the 2023 Evaluation Report.

10. On May 25, 2023, the Staff and the Company entered into a Joint Stipulation (the "Joint Stipulation") that was filed with the Commission in this Docket. This Joint Stipulation was the result of the filings by the Company in this Docket and the 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 2023 Evaluation Report filed by Entergy Mississippi complies with all statutory filing requirements, requirements of Schedule FRP-7, 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 (attached as EXHIBIT 1 TO THIS ORDER), which are based upon the expenditures and operating expenses incurred by the Company in, for, and with regard to, the 2022 Look-back and 2023 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 further finds that certain adjustments to the 2022 Look-back are appropriate, to decrease certain O&M expenses. The Commission finds that the Company's Earned Rate of Return on Rate Base is 6.10%, which remains below the Lower Bandwidth Limit. The Commission finds 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 as ATTACHMENT A TO THE JOINT STIPULATION.

14. Pursuant to the Joint Stipulation, the Commission finds that EML appropriately reflected the DSM True-Up of ($1,289,182) under the 2022 Look-back pursuant to Attachment K to FRP-7.

15. Pursuant to the Joint Stipulation, the Commission also finds that certain adjustments to the 2023 Evaluation Period are appropriate. The Commission finds that the adjustments to O&M expenses, including realigning O&M expenses to certain rider schedules and suspending the amortization of a regulatory asset, have the effect of increasing the Company's Earned Rate of Return on Rate Base to 6.27%, which is below the Lower Bandwidth Limit. The Commission hereby finds that the Benchmark Rate of Return on Rate Base should be 7.06%, which results in an FRP-7 Point of Adjustment of 6.74%. The Commission further finds that the aforementioned adjustments and stipulations provide for a rate base amount of $4,184,931,115, and result in 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	$55,823,297
Total Change in Revenues	$26,484,814

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

16. Pursuant to the Joint Stipulation, the Commission finds that, beginning with calendar year 2023 costs, the recovery of the expense portion of long-term service agreements ("LTSAs") 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 becoming 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.

17. Pursuant to the Joint Stipulation, the Commission further finds that, beginning with calendar year 2023 costs, conductor handling expenses 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 becoming 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.

18. Pursuant to the Joint Stipulation, the Commission next finds that the amortization of the COVID Bad Debt Deferral should be suspended effective January 1, 2023, through December 31, 2023. The Company shall 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.

19. The Company is ordered to 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 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 the stipulations agreed to herein, the bill of a typical residential customer using 1,000 kWh would be $136.80 beginning with July 2023 bills, which is $7.08 lower than the current comparable residential bill.

20. 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 (ATTACHMENT B TO THE JOINT STIPULATION), which is a part of EXHIBIT 1 TO THIS ORDER *in globo*, should be approved, effective for bills rendered on and after the first billing cycle of July 2023.

21. 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 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 the Joint Stipulation, are just and reasonable and are 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.

22. Pursuant to the Joint Stipulation, the Commission directs the Company to cease including other post-employment benefit ("OPEB") credits in O&M expense and cease 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 shall also cease allocating OPEB credits to capital expenditures effective January 1, 2024.

23. Consistent with Procedural Rule 29 and pursuant to the Joint Stipulation, the Commission further directs the Company to begin deferring skylining/danger tree vegetation management expenses to a regulatory asset ("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.

24. 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 2023 Evaluation Report and 2022 Look-back 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; and that there is sufficient evidence before the Commission to support all the provisions of this Order.

IT IS THEREFORE, ORDERED, that:

1. The pleadings, data, documentation, and exhibits submitted in connection with the 2022 Look-back and 2023 Evaluation Report and otherwise in this matter, being a part of the full record, 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.

2. The Commission accepts, approves, and adopts as its own the Joint Stipulation, attached as EXHIBIT 1 TO THIS ORDER, 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 (ATTACHMENT B TO THE JOINT STPULATION), which are part of EXHIBIT 1 TO THIS ORDER *in globo*, effective for bills rendered on and after the first billing cycle of July 2023.

4. The Commission hereby authorizes, approves, and orders that, beginning with calendar year 2023 costs, the recovery of the expense portion of LTSA costs associated with EML's gas turbines shall be realigned from base rates to the Power Management Rider Schedule, with a revised Power Management Cost Adjustment Factor becoming effective for the July 2023 billing cycle.

5. The Commission hereby authorizes, approves, and orders that, beginning with calendar year 2023 costs, conductor handling expenses and related costs should be realigned from base rates to the Grid Modernization Rider Schedule, with a revised Grid Modernization Cost Adjustment Factor becoming effective for the July 2023 billing cycle.

6. The Commission hereby authorizes, approves, and orders that the amortization of the COVID Bad Debt Deferral should be suspended effective January 1, 2023, through December 31, 2023. The Commission further orders that the Company shall resume the amortization of the COVID Bad Debt Deferral beginning with calendar year 2024 and reflect such in the 2024 Evaluation Report.

7. The Commission authorizes and directs that the Company 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 authorized herein, becoming effective for the July 2023 billing cycle. In recognition of recent reductions in the

price of natural gas, the Commission orders that the compliance filing 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.

8. The Commission authorizes and directs the Company to cease including OPEB credits in O&M expense 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. The Commission further directs that the Company shall cease allocating OPEB credits to capital expenditures and shall begin recovering the OPEB asset in rate base over five years, both effective January 1, 2024.

9. Consistent with Procedural Rule 29, the Commission hereby authorizes and directs the Company to begin deferring skylining/danger tree vegetation management expenses to the Skylining Regulatory Asset effective January 1, 2024, and to recover the Skylining Regulatory Asset through Schedule FRP-7. EML shall recover the Skylining Regulatory Asset through the FRP using a five-year amortization rate, with the unamortized balance included in rate base.

10. 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 13th day of June 2023.

MISSISSIPPI PUBLIC SERVICE COMMISSION

DANE MAXWELL, CHAIRMAN

BRENT BAILEY, COMMISSIONER

BRANDON PRESLEY, COMMISSIONER

ATTEST: A True Copy

KATHERINE COLLIER
Executive Secretary

EXHIBIT 1

FILED

MAY 25 2023

MISS. PUBLIC SERVICE COMMISSION

Docket No. 2022-UN-137

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		
2022-UN-137		

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
Total Change in Revenues	$26,484,814

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 ("LTSAs") 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
JEREMY C. VANDERLOO
Vice President, Regulatory Affairs

ATTACHMENT A
TO THE JOINT
STIPULATION

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.

Equity Ratio Adjustment (ER_{ADJ}) = 0.50% x (Common Equity / 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.

Equity Ratio Adjustment (ER_{ADJ}) = 0.50% x (Common Equity / Total Capital)

ATTACHMENT B
TO THE JOINT
STIPULATION

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:

		(A)	(B)	(C)	(A) + (B) + (C)
Rate Class	Rate Schedules	Annual Rate Adjustments	Interim Rate Adjustments	Interim Capacity Rate Adjustments	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