

ENTERGY MISSISSIPPI, LLC

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MISSISSIPPI PUBLIC SERVICE COMMISSION

P.S.C. Schedule No. I-27.19
Revised Schedule No. 27.19 Date: December 10, 2018
Superseded Schedule No. 27.19 Date: December 1, 2018
Schedule consists of: 4 pages and Attachments A - D

MISO COST & REVENUE RIDER SCHEDULE MISO-2

I. APPLICATION

This MISO Cost & Revenue Rider Schedule MISO-2 ("**Schedule MISO-2**" or the "**Schedule**") is applied in conjunction with the currently applicable Entergy Mississippi, LLC, ("**Entergy Mississippi**" or the "**Company**") rates on file with the Mississippi Public Service Commission (the "**Commission**") to allow EML to recover the costs associated with Midcontinent Independent System Operator, Inc. ("**MISO**") membership that cannot be recovered through EML's Energy Cost Recovery Rider Schedule, while at the same time crediting customers with any MISO-related revenues that are not otherwise credited through the Energy Cost Recovery Rider Schedule. MISO is a regional transmission organization ("**RTO**") regulated by the Federal Energy Regulatory Commission ("**FERC**") that bills Entergy Mississippi for services provided pursuant to FERC-jurisdictional tariffs.

II. BILLING

As an adjustment to Entergy Mississippi's Rate Schedules, 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 Rider Schedules SD and FRP, multiplied by (2) the following Percentage, which is named the "**MISO Factor**," shall be added to or subtracted from the Net Monthly Rate or Net Seasonal Rate. The *MISO Factor* shall be redetermined annually in accordance with the provisions of this Schedule. The *MISO Factor* shall be applied in accordance with the provisions set out in this Schedule, including as set out in ATTACHMENT A hereto.

III. ANNUAL REDETERMINATION**A. ANNUAL REDETERMINATIONS AND SUBMITTALS**

On November 7th of each year, the Company shall provide the Commission and the Mississippi Public Utilities Staff ("**MPUS**") an Attachment A containing a redetermined *MISO Factor*. The *MISO Factor*, as set out in Attachment A, shall be redetermined by application of the *MISO Factor Redetermination Formula* set out in Attachment B to this Schedule MISO-2 and other provisions of this Schedule.

The redetermined *MISO Factor* shall reflect the projected MISO costs and revenues ("**MISO Costs**") for the calendar year immediately following the submission of each annual *MISO Factor* redetermination ("**MISO Cost Period**") together with a true-up adjustment reflecting any over-recovery or under-recovery of MISO Costs as of September 30th immediately preceding the submission of each annual redetermination ("**Historical MISO Cost Period**"). The Company shall provide the MPUS with supporting data and calculations utilized in re-determining the *MISO Factor* in each such annual submission.

Each annual Schedule re-determination and submittal shall reflect and incorporate the following MISO Costs:

1. **"MISO Revenue Requirement"** (as that term is defined in Section IV herein below) that is projected to be incurred during or for the calendar year immediately following the date of the annual submittal by the Company;
2. **"Annual Ownership Costs of RTO-related Metering and Related Equipment"** (as that term is defined in Section IV herein below);
3. **"True-up Adjustments"**¹ as provided in ATTACHMENTS B and C to this Schedule to account for the difference between estimated costs, revenues and recoveries and actual costs, revenues and recoveries; and
4. **"Carrying Costs"** associated with the monthly MISO Rider over-recovery or under-recovery balance, net of related ADIT (as that term is defined in Section IV hereinbelow).

Except where there is an unresolved dispute, which shall be addressed as described in Section III.B below, the redetermined *MISO Factor* initially provided hereunder, or such revised *MISO Factor* as may be determined pursuant to the terms of this Section III, shall become effective in accordance with the Commission Order approving such *MISO Factor* and shall remain in effect for twelve (12) billing months ("**Rate Schedule Cycle**") unless superseded under the provisions of this Schedule MISO-2 or by subsequent Commission Order.

Nothing in this Schedule precludes the Company from requesting an interim adjustment to the MISO Factor. Any such interim adjustment must be approved by Commission order.

B. RESOLUTION OF DISPUTES

In the event that there is an unresolved dispute regarding any *MISO Factor* redetermination, the Company and the MPUS shall work together in good faith to resolve the dispute. If the Company and the MPUS are unable to resolve the dispute prior to the first billing cycle of the immediately following February, then the undisputed portion of the *MISO Factor*, as initially submitted by the Company, or as revised by the Company, shall become effective as provided for in Sections III.A above. Disputed issues shall then be submitted to the Commission, which shall issue a ruling no later than ninety (90) days after submission.

If the Commission's Order resolving the dispute requires adjustments to a *MISO Factor* previously implemented under the provisions of Sections III.A above, then the Company shall reflect and incorporate the effect of the Commission's ruling in a revised Attachment A as soon as practicable after receiving such order. In addition to reflecting the Commission's ruling on the disputed issues, the *Final MISO Factor* shall also reflect the adjustments necessary to recover or credit the estimated revenue increase, or decrease, that would have resulted had the Commission's findings on the disputed issues been reflected in the *MISO Factor* initially implemented. Such *Final MISO Factor* shall then become effective at the end of ten business days after submission.

IV. TERMS

The following terms, as and to the extent used in this Schedule (including in the ATTACHMENTS hereto), shall have the following meanings:

¹ The true-up to be included in the annual submittal under the MISO Rider shall include a true-up for actual MEAM revenues received by EML for the period after February 1, 2015.

A. "MISO REVENUE REQUIREMENT":

The *MISO Revenue Requirement* is the sum of the charges/credits to be incurred by Entergy Mississippi pursuant to the MISO FERC-approved Open Access Transmission Energy and Operating Markets Tariffs, and any other MISO-related costs to be incurred, during or for the calendar year immediately following the date of the Company's annual submittal, and that are not otherwise recovered or to be recovered or credited through the Company's ECR Rider.

The costs included in the MISO Factor shall be based on:

The net MISO charges/(credits) that the Company expects to incur during or for the calendar year immediately following the date of the Company's annual submittal that results from the Company's participation in MISO, as reflected on Attachment C, and that are not recovered via the Energy Cost Recover Rider, plus;

Carrying charges and amortization on the MISO Implementation and 2014 MISO Revenue Requirement Deferrals², as defined below during or for the calendar year immediately following the date of the Company's annual submittal, plus;

Costs will include a true-up of the actual net MISO Revenue Requirement to the actual MISO Revenues for the Historical MISO Cost Period.

B. "ANNUAL OWNERSHIP COSTS OF RTO-RELATED METERING AND RELATED EQUIPMENT":

EML is implementing capabilities to support a Local Balancing Authority ("LBA") for EML. Additionally, MISO requires Market Participants that own assets to report load and generation volumes. The *Annual Ownership Costs of RTO-related Metering and Related Equipment* shall be the annual revenue requirement associated with the installation of metering, instrumentation and other facilities that could be used to support the requirements for an EML LBA.

C. "CARRYING COSTS FOR MISO RIDER":

Carrying Costs for the MISO Rider net over-recovery or under-recovery balance shall be calculated monthly.

1. The monthly net over-recovery or under-recovery balance for the MISO Rider is the net MISO Rider over-recovery or under-recovery ending balance for the immediately preceding calendar month.
2. The adjusted monthly net over recovery or under recovery balance shall be the monthly net over-recovery or under-recovery balance adjusted to be net of related ADITs.
3. The Prime Rate equal to the Federal Reserve Board's Bank Prime Loan Rate for the last day of the week as quoted in the final weekly Federal Reserve Statistical Release of each month shall be applied to the adjusted monthly net over-recovery or under-recovery balance.

² The Company deferred certain costs related to the pursuit of MISO membership ("*MISO Implementation Deferral*"). The Company is allowed to recover through this MISO Revenue Requirement a return on and of the MISO Implementation and 2014 MISO Revenue Requirement Deferrals. The carrying charges shall be accrued at the Federal Reserve Board's Bank Prime Loan Rate. The MISO Implementation Deferral shall be amortized over thirty-six (36) months beginning February 1, 2015.

V. TERM

Schedule MISO-2 shall remain in effect until modified or terminated in accordance with applicable regulations or laws. Nothing herein shall prevent the Commission or the Company from proposing elimination of this Schedule MISO-2 at any time in the manner provided by law.

If this Schedule MISO-2 is terminated, the *MISO Factor* then in effect shall continue to be applied until the Commission approves an alternative mechanism by which the Company can recover its MISO Costs. At that time, any cumulative over-recovery or under-recovery resulting from application of that *MISO Factor* shall be applied to customer billings in a manner to be prescribed by the Commission.

Nothing contained in this Schedule MISO-2 shall limit the right of any party to file an appeal as provided by law.

MISO 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 Rate Schedules SD and FRP multiplied by (2) the following Percentage, which is named the “**MISO Factor**,” shall be added to or subtracted from the Net Monthly Rate or Net Seasonal Rate. This *MISO Factor* percentage adjustment shall not be applied to 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 *MISO Factor* percentage adjustment, which is effective for bills rendered on and after the first billing cycle of February 2025, is:

MISO Factor (%):

(4.11249%)

“MISO FACTOR” REDETERMINATION FORMULA

$$\text{MISO Factor (\%)} = \frac{\text{MRCR} + \text{MTUA} + \text{CC} + \text{LBAC}}{\text{REVENUE}}$$

Where,

MRCR = MISO Rider Costs/(Revenues) that are projected to be incurred or to occur during the calendar year immediately following the date of the annual submittal, all as set out in Attachment C to this MISO Rider Schedule.

MTUA = The “True-Up Adjustment” for the over/(under) recovery balance to be billed during the billing months beginning with the February billing month immediately following the date of the Company’s annual submittal, all as set out in Attachment C to this MISO Rider Schedule.

CC = “Carrying Costs” associated with the monthly MISO Rider (Over)/Under Recovery Balance, net of related ADITs that occur or result during or for the 12 calendar months ended September 30th immediately preceding the date of the Company’s annual submittal, to be calculated as set out in Attachment D to this MISO Rider Schedule.¹

REVENUE = Projected Upcoming Calendar Year Entergy Mississippi retail revenue, to be billed under the Company’s retail Rate Schedules, equal to the sum of (1) the Net Monthly Rate or Net Seasonal Rate, excluding (a) “Adjustments” or “Other Adjustments” as these terms are defined in the Company’s rate schedules, and (b) any revenues to be billed under special contracts entered into pursuant to *Miss. Code Ann. Sec. 77-3-35(1)* that do not incorporate this Rider Schedule into the contract; and (2) revenues billed under the company’s storm damage rate schedule and Formula Rate Plan.

LBAC = Estimated Annual Costs with respect to LBA metering and related equipment.²

$$\text{LBAC} = \text{OMA} + \text{DEPA} + \text{TOIA} + \text{ROIA} + \text{ITA} + \text{LBATUA}$$

Where,

OMA = Estimated Non-Fuel Operation and Maintenance Expenses for and with respect to RTO metering equipment and LBA operations for the upcoming calendar year.

DEPA = Estimated Depreciation Expense for and with respect to RTO metering equipment and LBA operations for the upcoming calendar year.

¹ The Carrying Costs calculation in the initial Schedule MISO-1 shall include only those months and amounts that are applicable.

² The initial MISO Factor, to be billed beginning with the February 2015 billing month and to be subsequently trued-up as per the provisions of this Schedule, will incorporate a general estimate for LBAC.

TOIA = Estimated Taxes Other Than Income for and with respect to RTO metering equipment and LBA operations for the upcoming calendar year.

ROIA = Estimated Return on Net Plant Investment for and with respect to RTO metering equipment and LBA operations for the upcoming calendar year.

Where:

$$ROIA = RROIA \times NPIA$$

RROIA = Rate of Return on Investment shall be the Benchmark Rate of Return on Rate Base ("BRORB") less the Performance Rate Adjustment multiplied by the Common Equity Ratio as set out in the Company's most recently approved Formula Rate Plan Evaluation Report.

NPIA = Estimated beginning and end of year average Net Plant Investment is, with respect to RTO metering equipment and LBA operations, equal to Total Plant Investment less Accumulated Reserve for Depreciation and any Accumulated Deferred Income Taxes for the upcoming calendar year.

ITA = Estimated Income Taxes for and with respect to RTO metering equipment and LBA operations for the upcoming calendar year.

Where:

$$ITA = NPIA \times (RROIA - (LTD \times LTDR)) \times (CTR / (1 - CTR))$$

Where:

LTD = Total Long-Term Bond Debt as set out in the Company's most recently approved Formula Rate Plan Evaluation Report.

LTDR= The Total Debt Capital Ratio as set out in the Company's most recently approved Formula Rate Plan Evaluation Report.

CTR = The Company's most recent composite Federal and State Income Tax Rate.

LBATUA = "LBA True-Up Adjustment" to be billed during the upcoming calendar year:

$$LBATUA = ALBAC + PLBATUA - LBAR$$

Where:

ALBAC = Actual RTO metering equipment and LBA operations for the twelve-month period ended September 30th of the immediately preceding calendar year.

PLBATUA = "LBA True-Up Adjustment" ("LBATUA") that was billed during the twelve-month period ended September 30th of the immediately preceding calendar year.

LBAR = Actual LBA Revenue billed during the twelve-month period ended September 30th of the immediately preceding calendar year.

ENTERGY MISSISSIPPI, LLC
MISO FACTOR
PROJECTED FOR THE COST PERIOD ENDED DECEMBER _____

"MISO FACTOR" REDETERMINATION FORMULA

MISO Factor	Estimated MISO Revenue Requirement	Amount	Reference
MISO Factor =	$\frac{\text{MRCR} + \text{MTUA} + \text{CC} + \text{LBAC}}{\text{REVENUE}}$		
MRCR =	MISO Rider Costs/(Revenues) that are projected to be incurred or to occur during the calendar year immediately <u>following</u> the date of the Company's annual submittal	= \$ -	
	$\text{MRCR} = \text{NMC} + \text{MID} + \text{MRRD} + \text{MEAM}$		
	Where,		
NMC =	Net MISO Charges/(Credits) that are projected to be incurred or to occur during the calendar year immediately <u>following</u> the date of the Company's annual submittal	= \$ -	Att C Pg 2, L 1
MID =	MISO Implementation Deferral Costs that are projected to be amortized during the calendar year immediately <u>following</u> the date of the Company's annual submittal	= \$ -	Att C Pg 2, L 2
MRRD =	MISO 2014 Revenue Requirement Costs that are projected to be amortized during the calendar year immediately <u>following</u> the date of the Company's annual submittal	= \$ -	Att C Pg 2, L 3
MEAM =	The true-up to be included in the annual submittal under the MISO Rider shall include a true-up for actual MEAM revenues received by EML during the Historical MISO Cost Period until such true-up is complete.	= \$ -	Att C Pg 2, L 5
MTUA =	The "True-Up Adjustment" for the over/(under) recovery balance to be billed during the billing months beginning with the February billing month immediately <u>following</u> the date of the Company's annual submittal	= \$ -	Att C Pg 2, L 6 less CC
	$\text{MTUA} = \text{AMCR} + \text{MPTUA} - \text{MPR}$		
	Where,		
AMCR =	Total Actual MISO Costs/(Revenues) for the 12 calendar months immediately <u>preceding</u> the date of the Company's annual submittal	= \$ -	
MPTUA =	True-Up Adjustment that was billed during the 12 calendar months immediately <u>preceding</u> the date of the Company's annual submittal	= \$ -	
MPR =	MISO Rider Revenue (including True-Up Adjustment (MTUA) revenue that was billed during the 12 calendar months ended September 30th immediately <u>preceding</u> the date of the Company's annual submittal	= \$ -	
CC =	"Carrying Costs" associated with the monthly MISO Rider (Over)/Under Recovery Balance, net of related ADITs that occur or result during or for the 12 calendar months ended September 30th immediately <u>preceding</u> the date of the Company's annual submittal	= \$ -	Att C Pg 2, L 6
LBAC =	Estimated Annual Costs with respect to LBA metering and related equipment.	= \$ -	Att C Pg 2, L 4
	$\text{MRR} = \text{MRCR} + \text{MTUA} + \text{CC} + \text{LBAC}$	= \$ -	Calculated
REVENUE =	Projected Upcoming Calendar Year Entergy Mississippi retail revenue, to be billed under the Company's retail Rate Schedules, equal to the sum of (1) the Net Monthly Rate or Net Seasonal Rate, excluding (a) "Adjustments" or "Other Adjustments" as these terms are defined in the Company's rate schedules, and (b) any revenues to be billed under special contracts entered into pursuant to Miss. Code Ann. Sec. 77-3-35 (1) that do not incorporate this MISO Schedule into the contract; and (2) revenues billed under the Company's storm damage rate schedule and Formula Rate Plan.	= \$ -	
MISO Factor	(MRCR + MTUA + CC + LBAC) / REVENUE	= \$ -	Calculated

ENTERGY MISSISSIPPI, LLC
MISO REVENUE REQUIREMENT FORMULA (1)
PROJECTED FOR THE COST PERIOD ENDED DECEMBER _____

Ln No.	Description	Amount	Reference
1	Net MISO Charges/(Credits)		Att C Page 3, L31
2	Annual Amortization of MISO Implementation Deferral (2)		
3	Annual Amortization of MISO 2014 Revenue Requirement Deferral (2)		
4	Annual Ownership Costs of RTO-Related Metering and Related Equipment (3)		
5	MEAM Revenue for 2015 (4)		
6	True-up of MISO Revenue Requirement (Over/Under Recovery Balance)	_____	
7	MISO Rider Revenue Requirement	=====	Sum of L 1 - L 6

Notes:

- (1) Pursuant to Section IV of this Rider MISO-1
- (2) Return of and on MISO Implementation Deferral and MISO 2014 Revenue Requirement per Section IV of this Rider MISO- Amortization period is 36 months with 12 months amortization in the cost period.
- (3) Annual Ownership Costs of RTO-Related Metering and related Equipment to support Local Balancing Authority ("LBA") for
- (4) The true-up to be included in the annual submittal under the MISO Rider shall include a true-up for actual MEAM revenues received by EML for the period after February 1, 2015.

ENTERGY MISSISSIPPI, LLC
MISO REVENUE REQUIREMENT FORMULA
PROJECTED FOR THE COST PERIOD ENDED DECEMBER _____

	Description	2015 Estimate	Reference
	<u>Schedule 10 Invoice</u>		
1	Schedule 10 ISO Cost Recovery Adder		
2	Sch. 10 - FERC FERC Annual Charges Recovery		
3	Schedule 23 Recovery of Sch. 10 & Sch. 17 Costs from Certain GFAS		
4	Schedule 34 Allocation of Costs Associated With Penalty Assessments (1)		
5	Schedule 35 HVDC Agreement Cost Recovery Fee		
6	Total Schedule 10 Invoice		Sum of Lines 1 - 5
	<u>Non-TO Trust Invoice</u>		
7	Schedule 1 Scheduling, System Control, and Dispatch Service		
8	Schedule 2 Reactive Supply & Voltage Control from Generation or Other Source Service		
9	Schedule 11 Wholesale Distribution Services (2)		
10	Schedule 15 Power Factor Correction Service		
11	Schedule 20 Treatment of Station Power		
12	Total Non-TO Trust Invoice		Sum of Lines 7-11
	<u>TO-Trust Invoice</u>		
13	Schedule 7 Long & Short-Term Firm Point-To-Point Trans. Service		
14	Schedule 8 Non-Firm Point-To-Point Transmission Service		
15	Schedule 9 Network Integration Transmission Service		
16	Schedule 26 Network Upgrade Charge From Trans. Expansion Plan		
17	Schedule 26-A Multi-Value Project Usage Rate		
18	Schedule 33 Blackstart Service		
19	Schedule 42A AFUDC IPP Prepayments		
20	Schedule 42B Interest for AFUDC IPP Prepayments		
21	Schedule 47 Entergy Operating Companies MISO Transition Cost Recovery		
22	Total TO-Trust Invoice		Sum of Lines 13-21
23	Schedule 31 - Reliability Coordination Service Cost Recovery Adder		
	<u>New Accts related to New MISO Schedules (3)</u>		
24	Expenses		
25	Revenue		
26	Total New MISO Schedules		Sum of Lines 24-25
27	Administrative Costs related to Market Settlements (4)		
28	Other MISO Market Settlements		
29	MISO Line of Credit Fees		
30	Planning Resource Auction Costs/Revenues		
31	Net MISO Charges/(Credits)		L6+ L12+ L22+ L23+L26+ L27+ L28+ L29+ L30

Notes:

- (1) Cost associated with potential future NERC penalties could show up under Schedule 10 Invoice or Market Settlements.
- (2) Includes Wholesale Distribution Services, Prior Period Adjustments and Other.
- (3) To the extent schedules are billed under existing schedules or new schedules, this will reflect any changes to schedules per MISO.
- (4) MISO Schedules 16 and 17

ENTERGY MISSISSIPPI, LLC
CARRYING COSTS *
FOR THE PERIOD OCTOBER ____ THROUGH SEPTEMBER ____

Ln No.	Month	(1) MISO Recovery Balance	(2) Tax Rate	(3) Calculated ADIT	(4) MISO (Over)/Under Rec. net of calculated ADIT	(5) Prime Rate	(6) Carrying Costs	(7) Carrying Costs True Up	(8) Total Carrying Costs
1	October	\$ -	-	\$ -	-	-	\$ -	-	\$ -
2	November	\$ -	-	\$ -	-	-	\$ -	-	\$ -
3	December	\$ -	-	\$ -	-	-	\$ -	-	\$ -
4	January	\$ -	-	\$ -	-	-	\$ -	-	\$ -
5	February	\$ -	-	\$ -	-	-	\$ -	-	\$ -
6	March	\$ -	-	\$ -	-	-	\$ -	-	\$ -
7	April	\$ -	-	\$ -	-	-	\$ -	-	\$ -
8	May	\$ -	-	\$ -	-	-	\$ -	-	\$ -
9	June	\$ -	-	\$ -	-	-	\$ -	-	\$ -
10	July	\$ -	-	\$ -	-	-	\$ -	-	\$ -
11	August	\$ -	-	\$ -	-	-	\$ -	-	\$ -
12	September	\$ -	-	\$ -	-	-	\$ -	-	\$ -
13							TOTAL \$	-	-

Notes:

* With adjustments for the Initial Filing.

(1) As set out in the applicable schedule.

(2) The Tax Rate shall be the effective Composite Tax Rate for EML.

(3) The calculated Accumulated Deferred Income Taxes associated with the Over/Under Recovery Balance.

(4) The Monthly (Over)/Under Recovery Balance Net of Calculated ADIT

(5) The Prime Rate shall be the Federal Reserve Board's Bank Prime Loan Rate for the last day of the week as quoted in the final weekly Federal Reserve Statistical Release of each month -- initially 3.25%.

(6) The Carrying Costs are the Monthly Prime Rate * Column 4.

(7) Carrying Costs True-Ups

(8) Total Carrying Costs