ENTERGY MISSISSIPPI, LLC	MISSISSIPPI PUBLIC SERVICE COMMISSION
	P.S.C. Schedule No. I-27.12
Date Filed: April 17, 2024	Rev. Schedule No. 27.12 Date: April 17, 2024
Date to be Effective: May 22, 2024	Superseded Schedule No. 27.12: December 1, 2022
Docket No. 2022-UN-135	Schedule. Consists of: 5 pages and Attachments A & B

POWER MANAGEMENT RIDER SCHEDULE PMR-14 (REVISED)

I. APPLICATION

This Power Management Rider Schedule PMR-14 (Revised) ("**Schedule PMR-14 (Revised)**" 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**").

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 "*Power Management Cost Adjustment Factor*," or the "*PCF*," shall be added to or subtracted from the Net Monthly Rate or Net Seasonal Rate. The PCF shall be redetermined annually in accordance with the provisions of this Schedule, including but not limited to Section III of this Schedule and ATTACHMENT B to this Schedule.

The *PCF* 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 or before November 7th of each year, the Company shall provide the Commission and the Mississippi Public Utilities Staff ("MPUS") an Attachment A containing a redetermined PCF to be effective for bills rendered beginning with the February billing month. The PCF, as set out in Attachment A, shall be redetermined by application of the PCF Redetermination Formula set out in Attachment B to this Schedule PMR-14 (Revised) and other provisions of this Schedule.

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

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Each annual Schedule re-determination and submittal shall reflect and incorporate the following Power Management Costs**:**

1. *"Hedging Components"* (as that term is defined in Section IV hereinbelow) that are projected to be incurred during or for the calendar year immediately following the date of the annual submittal by the Company;

2. *"Other Power Management Costs"* (as that term is defined in Section IV hereinbelow) that are projected to be incurred during the calendar year immediately following the date of the annual submittal;

3. MPSC-approved *Miss. Code Ann.* Sec. 77-3-95 *"return"* amounts, as provided for by statutory and regulatory provisions, ATTACHMENT B hereto, and Commission orders, if any;

4. "*External Legal and Consultant Costs*" (as that term is defined in Section IV hereinbelow);

5. "T*rue-up adjustments*" as provided in ATTACHMENT B to this Schedule to account for the difference between estimated costs and recoveries and actual costs and recoveries; and

6. "*Carrying Costs*" associated with the monthly ECR and PMR over-recovery or under-recovery balance, net of related ADIT (as that term is defined in Section IV hereinbelow).

7. "*Distributed Generation*" (as that term is defined in Section IV hereinbelow).

8. "Annual Ownership Costs of Clean Energy Attributes" (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 PCF initially provided hereunder, or such revised PCF as may be determined pursuant to the terms of this Section III, shall become effective in accordance with the Commission Order approving such PCF and shall remain in effect for twelve (12) billing months ("Rate Schedule Cycle") unless superseded under the provisions of this Schedule PMR-14 (Revised) or by subsequent Commission Order.

B. RESOLUTION OF DISPUTES

In the event that there is an unresolved dispute regarding any PCF 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 PCF, 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 PCF 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 PCF 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 PCF initially implemented. Such Final PCF shall then become effective at the end of ten business days after submission.

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IV. TERMS

The following six (6) terms, as and to the extent used in this Schedule (including in the ATTACHMENTS hereto), shall have the following meanings**:**

A. “**HEDGING COMPONENTS**”**:**

1. The projected costs incurred by the Company for the calendar year immediately following the date of the annual submittal by the Company in entering into and carrying out for those forward, physical, and financial contracts that were made prior to the date of the Company’s annual submittal of this Schedule PMR-14 (Revised) (such contracting also being known as “**Hedging**”) -- including, but not limited to, options and other derivatives -- as well as gains and losses that result from such contracts (with gains and losses, in the case of forward fuel contracts, being recognized when the fuel that was purchased forward is neither burned nor placed into storage but instead is sold at then-current spot market prices); plus

2. The sum that is the *“Hedging Components”* may for any given calendar month be either a positive or a negative number.

B. “**OTHER POWER MANAGEMENT COSTS**”**:**

1. The costs of purchased power ***capacity payments*** (i.e., the portions of payments made and costs incurred, in or as a part of purchasing electric power (*excluding* purchases by Entergy Mississippi from affiliates of the Company), not recovered through the Company’s ECR Rider); plus

2. Costs associated with including renewable purchase costs in rate base, plus costs resulting from changes to the accounting treatment of long-term renewable power purchase agreements that would cause debt imputation or recognition of long-term liabilities affecting EML’s balance sheet or credit metrics.

3. The costs of ***option premiums*** associated with or related to natural gas contracts and purchased power contracts; plus

4. The costs of entering into and exercising natural gas and electricity ***options***; plus

5. The costs incurred by the Company for any gas transportation and electric transmission purchased, procured, or reserved for or in connection with the entering into, execution, or exercise of any such power contracts or options.

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C. <u>"EXTERNAL LEGAL AND CONSULTANT COSTS":</u>

Costs incurred by Entergy Mississippi in connection with external consulting or legal services provided to the Commission or the Public Utilities Staff in connection with FERC litigation or other activities pursuant to Miss. Code Section 77-1-55, MISO-related activities, Entergy Mississippi post-System Agreement planning, or other regulatory filings or proceedings, when properly supported and authorized by the Commission for recovery in the PMR Schedule, and actual costs that have been authorized by the Commission for recovery in the PMR Schedule for consulting or legal services provided to Entergy Mississippi, in connection with FERC litigation or other activities pursuant to Miss. Code Section 77-1-55, MISO-related activities, Entergy Mississippi post-System Agreement planning, or other regulatory filings or proceedings which are incurred to protect the interests or provide benefits to customers.

D. <u>"CARRYING COSTS FOR ECR AND PMR</u>":

Carrying Costs for the ECR and PMR net over-recovery or under-recovery balance shall be calculated monthly.

1. The monthly net over-recovery or under-recovery balance for the Company's ECR and PMR is the net ECR and PMR 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 Formula Rate Plan pre-tax Benchmark Rate of Return on Rate Base as set out in the Company's most recently filed Formula Rate Plan Evaluation Report shall be applied to the adjusted monthly net over-recovery or under-recovery balance.

E. "<u>DISTRIBUTED GENERATION COSTS</u>":

Distributed Generation Costs shall consist of (1) costs incurred for customer communications pursuant to Commission order, (2) costs incurred by the Company associated with the cost benefit study required to be performed by the Company pursuant to the Mississippi Distributed Generation Rule ("MDGR"), and (3) any other costs the Commission approves for recovery through PMR that have been ordered by the Commission to be incurred by Entergy Mississippi or otherwise approved by the Commission to be incurred by Entergy Mississippi in connection with implementation of Entergy Mississippi's Net Energy Metering Rider Schedule, Interconnection Applications and Agreements, and/or compliance with the MDGR or the Mississippi Distributed Generator Interconnection Rule ("MDGIR") or successor or related tariffs, include incentives and customer-related offerings, all of which shall be addressed through this tariff consistent with Attachment K to EML's Formula Rate Plan.

F. "<u>ANNUAL OWNERSHIP COSTS OF CLEAN ENERGY ATTRIBUTES":</u>

The annual ownership costs ("**Annual Ownership Costs**" or "**AOC**")[1] of Company-owned clean energy generating facilities subject to a large customer supply and service agreement (the "**Clean**

[1] Such Annual Ownership Costs of Clean Energy Attributes are set out in ATTACHMENT B hereto and shall include without limitation the Company's rate of return on investment (which, for purposes of this rate schedule is set out as AOC in ATTACHMENT B) times the Company's plant investment, less any associated accumulated depreciation, accumulated amortization and accumulated deferred income taxes including costs incurred and investment made by Entergy Mississippi to connect and transmit such generation to the electric transmission system, plus without limitation the Company's operation and maintenance expenses, depreciation expense, income taxes based upon the currently-effective federal and state income tax rates, taxes other than income taxes, and any other costs associated with the Clean Energy Attributes all as addressed and delineated in further detail in ATTACHMENT B hereto.

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Energy Attributes") are the portions of all such costs not otherwise recovered through the Company's ECR Rider (including without limitation costs incurred by Entergy Mississippi to connect and transmit generation from the generating facilities to the electric transmission system).

V. VARIANCE REPORT

The Company will provide the MPUS with a report ("Variance Report") and supporting documentation by the fifteenth day of each month that reflects the actual Power Management Costs incurred and Schedule PMR-14 (Revised) revenue billed; the projected Power Management Costs and the estimated PMR-14 (Revised) revenue to be billed for the remainder of the then-current Power Management Cost Period; and a calculation of the accumulated projected ("Projected Accumulated Balance") over-recovery or under-recovery of Power Management Costs for the Power Management Cost Period. The Variance Report also shall be provided to the Commission.

VI. INTERIM ADJUSTMENT

When the Projected Accumulated Balance shown in the Variance Report is determined by the Company to require an adjustment to the PCF, or as directed by the MPUS, then the Company shall submit to the Commission and MPUS an interim adjustment ("Interim Adjustment") to the currently effective PCF,[2] including any prior Interim Adjustment(s) currently in effect, to recover the Projected Accumulated Balance's under-recovery or credit the Projected Accumulated Balance's over-recovery over six consecutive billing months, or other period determined by the Commission. For that first upcoming billing month in which the Interim Adjustment is applied, the Projected Accumulated Balance will be zero.

The MPUS shall review the Interim Adjustment and report to the Commission for a ruling on the Interim Adjustment, which shall be rendered by the Commission within 30 days of the date the Interim Adjustment is submitted to the MPUS. In the event the Commission does not issue an order within 30 days of the date of the Interim Adjustment, the Company may begin to bill the Interim Adjustment, effective for the next immediate billing cycle, subject to refund or credit to customer accounts.

VII. TERM

Schedule PMR-14 (Revised) 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 PMR-14 (Revised) at any time in the manner provided by law.

If this Schedule PMR-14 (Revised) is terminated, the PCF then in effect shall continue to be applied until the Commission approves an alternative mechanism by which the Company can recover its Power Management Costs. At that time, any cumulative over-recovery or under-recovery resulting from application of that PCF Cost Factor shall be applied to customer billings in a manner to be prescribed by the Commission.

Nothing contained in this Schedule PMR-14 (Revised) shall limit the right of any party to file an appeal as provided by law.

[2] Whenever any Interim Adjustment is proposed to the PCF, a contemporaneous Interim Adjustment shall be made under the Energy Cost Recovery Rider.

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Power Management Cost Adjustment Factor

For billing purposes, an amount equal to (1) the sum of the Net Monthly Rate or Net Seasonal Rate, excluding "Adjustments" or "Other Adjustments" as these terms are defined in the Company's rate schedule, plus revenues billed under Rider Schedules SD and FRP, multiplied by (2) the following Percentage set out herein, which is named the "**Power Management Cost Adjustment Factor**," or the "**PCF**," shall be added to or subtracted from the Net Monthly Rate or Net Seasonal Rate. This *Power Management Cost Adjustment 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 *Power Management Cost Adjustment Factor* percentage adjustment, which is effective for bills rendered on and after March 2025 is**:**

Power Management Cost Adjustment Factor (%)**:**	5.16395%

"POWER MANAGEMENT COST ADJUSTMENT FACTOR" REDETERMINATION FORMULA

PCF = **Power Management Cost Adjustment Factor** (%)

$$PCF = \frac{HC + PMC + LC + DGC + RT + PPTUA + CC}{REVENUE} + \frac{AOC}{REVENUE} + IA$$

Where,

HC = *"Hedging Components"*[3] that are projected to be incurred or occur or result during or for the calendar year immediately following the date of the annual submittal by the Company to the MPUS, which submittal is provided by the Company under Section III of this Schedule.

PMC = *"Other Power Management Costs"* that are projected to be incurred or to occur during the calendar year immediately following the date of the Company's annual submittal.

LC = *"External Legal and Consulting Costs"* that are projected to be incurred or to occur or result during or for the calendar year immediately following the date of the Company's annual submittal.

DGC = *"Distributed Generation Costs"* that are projected to be incurred or to occur or result during or for the calendar year immediately following the date of the Company's annual submittal.

RT = The *Miss. Code Ann.* Sec. 77-3-95 *"return"* amount, if any, that is established (for the calendar year that immediately follows the date of the Company's annual submittal) by an applicable Commission Order (establishing a Sec. 77-3-95 return) entered prior to the date of the annual submittal. For any renewable power purchase entered into after July 1, 2020, the "return" amount that is establish (for the calendar year that immediately follows the date of the Company's annual submittal) shall be as follows:

Return = (PPAP * EP) * BROB

Where,

PPAP = PPA Price ($/MWh) for the calendar year that immediately follows the date of the Company's annual submittal

BROB = The pre-tax Benchmark Rate of Return Base as set out in the Company's most recently filed Formula Plan Evaluation Report

EP = Energy production (MWh) for the calendar year that immediately follows the date of the Company's annual submittal

[3] This amount may, for any given cost period, be either a positive number or a negative number.

PPTUA = The *"True-Up Adjustment"*[4] to be billed during the 12-calendar-month period beginning with the February billing month that immediately follows the date of the Company's annual submittal**:**

PPTUA = CPPMC + CPTUA – CPR + PCC

Where,

CPPMC = Actual (A) "Hedging Components," (B) *"Other Power Management Costs,"* (C) "External Legal and Consultant Costs," and (D) if the Commission has so ordered (with regard to a particular purchased-power contract or contracts), of *"77-3-95 'returns' "* -- all for the 12 calendar months ended September 30th immediately ***preceding*** the date of the Company's annual submittal.

CPTUA = "*True-Up Adjustment"* ("*PPTUA*") that was billed during the 12 calendar months ended September 30th immediately ***preceding*** the date of the Company's annual submittal.

CPR = PMR Rate Revenue (including True-Up Adjustment (PPTUA) revenue and excluding AOC revenue) that was billed during the 12 calendar months ended September 30th immediately ***preceding*** the date of the Company's annual submittal.

PCC = Actual "*Carrying Costs*," for the 12 calendar months ended September 30th immediately ***preceding*** the date of the Company's annual submittal.

CC = *"Carrying Costs"* associated with the monthly ECR and PMR (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.

$$CC = \sum_{j=1}^{12} (PMROU_j + ECROU_j) * (1\text{-}TR) * BRORB_j / 12$$

Where,

$PMROU_j$ = PMR (Over)/Under Recovery Balance for month *j*.

$$PMROU_j = PMROU_{j-1} + MCC_j – CPRA_j$$

Where,

MCCj = The capacity costs for month j of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

[4] The True-Up Adjustment shall include those months and amounts that have not been included in a previous true-up.

$MCC_j = PHC_j + PPMC_j + PLC_j + PRT_j + PAOC_j$

Where,

PHC_j = Actual "Hedging Components" for month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal by the Company to the MPUS, which submittal is provided by the Company under Section III of this Schedule.

$PPMC_j$ = *Other Power Management Costs* that occur during month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

PLC_j = External Legal and Consulting Costs that occur during month j of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

PRT_j = The Miss. Code Ann. Sec. 77-3-95 "*return*" amount, if any, that is established (for month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal) by an applicable Commission Order (establishing a Sec. 77-3-95 return).

$PAOC_j$ = Ownership costs with respect to Clean Energy Attributes for month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

$CPRA_j$ = PMR Rate Revenue (including True-Up Adjustment (PPTUA) revenue and AOC revenues) for month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

$ECROU_j$ = ECR (Over)/Under Recovery Balance for month *j*.

$ECROU_j = ECROU_{j-1} + EC_j – RR_j$

Where,

EC_j = ECR Energy Cost for month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

RR_j = ECR Revenue plus the Fuel Cost Recovery Portion of Revenue Billed Under any other Rate Schedule or Special Rate Contract which provides for recovery of average energy costs for month *j* of the 12 calendar months ended September 30th immediately preceding the date of the Company's annual submittal.

TR = The Composite Tax Rate effective in Mississippi as of the date of the Company's annual submittal.

$BRORB_j$ = The most recently filed Formula Rate Plan pre-tax Benchmark Rate of Return on Rate Base of each month *j*.

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 Power Management Rate Schedule into the contract; and (2) revenues billed under the company's storm damage rate schedule and Formula Rate Plan.

IA = Interim Adjustment applied to the PCF

$IA = PAB / PREV_{PAB}$

Where,

PAB = Projected Accumulated Balance of over-recovery or under-recovery of Power Management Costs in the Recovery Period

$PREV_{PAB}$= Projected Revenue in the interim adjustment period beginning the billing month following the month that the Interim Adjustment is submitted.

AOC = Estimated Annual Ownership Costs with respect to Clean Energy Attributes.

AOC = OM + DEP + TOI + ROI + ROC + IT + TUA - CECR

Where,

OM = Estimated Non-Fuel Operation and Maintenance Expenses for and with respect to Clean Energy Attributes for the upcoming calendar year.

DEP = Estimated Depreciation Expense and Amortization Expense for and with respect to Clean Energy Attributes for the upcoming calendar year.

TOI = Estimated Taxes Other Than Income, excluding Ad-Valorem Taxes, for and with respect to Clean Energy Attributes for the upcoming calendar year.

ROI = Estimated Return on Net Plant Investment for and with respect to Clean Energy Attributes for the upcoming calendar year.

Where:

ROI = RROI x NPI

RROI = Rate of Return on Investment shall be the Benchmark Rate of Return on Rate Base (“BRORB”) as set out in the Company’s most recently filed Formula Rate Plan Evaluation Report.

NPI = Estimated average of Net Plant Investment, based on the FERC Method, with respect to Clean Energy Attributes, is equal to Total Plant Investment, including acquisition adjustments, less Accumulated Reserve for Depreciation, Accumulated Provision for Amortization, and any Accumulated Deferred Income Taxes for the upcoming calendar year.

ROC = Estimated Return on Construction Work in Progress for and with respect to Clean Energy Attributes for the upcoming calendar year.

Where:

ROC = RROI x CWIP

RROI = Rate of Return on Investment shall be the Benchmark Rate of Return on Rate Base (“BRORB”) as set out in the Company’s most recently filed Formula Rate Plan Evaluation Report.

CWIP = Construction Work in Progress for and with respect to Clean Energy Attributes not yet in service, calculated using the Company average balances based in the FERC Method, for the upcoming calendar year.

IT = Estimated Income Taxes for and with respect to Clean Energy Attributes for the upcoming calendar year.

Where:

IT = ((NPI +CWIP) x (RROI - (LTD x LTDR))) x (CTR / (1 - CTR))

Where:

LTD = Total Long-Term Bond Debt and Quarterly Income Preferred Securities (QUIPS) Cost Rate as set out in the Company’s most recently filed Formula Rate Plan Evaluation Report.

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

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

TUA = *"Clean Energy Attributes True-Up Adjustment"* to be billed during the upcoming calendar year**:**

TUA = AAOC + PTUA – AOCR

Where:

AAOC = Actual *"Annual Ownership Costs"* with respect to Clean Energy Attributes for the twelve-month period ended December 31st of the immediately *preceding* calendar year.

PTUA = "*Clean Energy Attributes True-Up Adjustment"* ("*TUA*") that was billed during the twelve-month period ended December 31st of the immediately *preceding* calendar year.

AOCR = Actual AOC Revenue with respect to Clean Energy Attributes that was billed during the twelve-month period ended December 31st of the immediately *preceding* calendar year.

CECR = "*Clean Energy Charge Revenue*" estimated to be billed in the upcoming calendar year pursuant to a large customer supply and service agreement.