

ENTERGY MISSISSIPPI, INC.

Date Filed: April 15, 2009
Date to be Effective: April 30, 2009
Docket No. 2008-AD-381

MISSISSIPPI PUBLIC SERVICE COMMISSION

P.S.C. Schedule No. I-27.12
Rev. Schedule No. 27.12 Date: April 30, 2009
Superseded Schedule No. 27.12: November 1, 2006
Sched. Consists of: 4 pages and Attachments A and B

POWER MANAGEMENT RIDER SCHEDULE PMR-6 (Revised)

I. APPLICATION

This Power Management Rider Schedule PMR-6 (Revised) ("**Rider Schedule PMR-6 (Revised)**," "**Rider PMR-6 (Revised)**," or the "**Rider**") is applied in conjunction with the currently applicable Entergy Mississippi, Inc., ("**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 *Power Management Cost Adjustment Factor* shall be redetermined quarterly in accordance with the provisions of this Rider, including but not limited to Section III of this Rider and ATTACHMENT B to this Rider.

The *Power Management Cost Adjustment Factor* shall be applied in accordance with the provisions set out in this Rider, including as set out in ATTACHMENT A hereto.

III. QUARTERLY REDETERMINATION OF POWER MANAGEMENT COST ADJUSTMENT FACTOR**A. QUARTERLY REDETERMINATIONS AND SUBMITTALS**

Entergy Mississippi shall make quarterly submittals to the Mississippi Public Utilities Staff ("**Public Utilities Staff**") under this Rider providing and setting out redeterminations of the *Power Management Cost Adjustment Factor*. On or before the 45th day of each calendar quarter, the Company shall provide the Public Utilities Staff an ATTACHMENT A containing a redetermined *Power Management Cost Adjustment Factor* to be applied commencing with the first billing cycle of the first billing month of the subsequent calendar quarter. The *Power Management Cost Adjustment Factor*, as set out in ATTACHMENT A, shall be redetermined by application of the formula set out in ATTACHMENT B to this Rider PMR-6 (Revised) and of the other provisions of this Rider, including those of Section III hereof. The Company shall provide to the Public Utilities Staff documentation supporting the data and calculations utilized in redetermining the *Power Management Cost Adjustment Factor* set out in each such quarterly submission.

Each quarterly Rider PMR-6 (Revised) re-determination and submittal shall reflect and incorporate: (1) the "*Hedging Components*" (as that term is defined in Section IV hereinbelow) that occur or result during or for the calendar quarter immediately preceding the date of the quarterly submittal by the Company; (2) the "*Other Power Management Costs*" (as that term is defined in Section IV hereinbelow) that are projected to be incurred during the calendar quarter immediately following the date of the quarterly submittal; (3) any 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) the “*Annual Ownership Costs of Attala*” (as that term is defined in Section IV hereinbelow); (5) “*true-up adjustments*” as provided in ATTACHMENT B to this Rider to account for the difference between estimated cost and recoveries and actual costs and recoveries and (6) the “*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). Provided however, the “*Annual Ownership Costs of Attala*” shall be recalculated and trued-up annually in the Company’s November quarterly redetermination and submittal under this Rider. Costs and associated revenues accounted for under this Rider shall be included in the Company’s Formula Rate Plan Rider Schedule revenues and costs.

B. REVIEW PERIOD

The Public Utilities Staff shall have thirty (30) days (“**Thirty-Day Period**”) from the date the Public Utilities Staff receives the redetermined *Power Management Cost Adjustment Factor* to review the information and may request clarification and additional data, if necessary. Entergy Mississippi shall provide the Public Utilities Staff such clarification and additional data as soon as possible. Any revision(s) that the Public Utilities Staff feels should be made shall be communicated in writing to the Commission and the Company on or before the end of the *Thirty-Day Period*. Similarly, if the Company should determine that revisions are necessary subsequent to the submission of any redetermined *Power Management Cost Adjustment Factor*, it shall notify the Commission and the Public Utilities Staff in writing within the *Thirty-Day Period*. All revisions communicated by either the Public Utilities Staff or the Company shall include workpapers supporting the proposed revision(s). The Company shall then have seven (7) days following notice of the revisions to provide the Public Utilities Staff a revised ATTACHMENT A containing a revised *Power Management Cost Adjustment Factor*.

Except where there is an unresolved dispute, which shall be addressed as described in Section III.C below, the redetermined *Power Management Cost Adjustment Factor* initially provided hereunder, or such revised *Power Management Cost Adjustment Factor* as may be determined pursuant to the terms of this Section III, shall become effective for bills rendered on and after the first billing cycle of the first billing month of the calendar quarter immediately following the date of the quarterly submittal and shall remain in effect for all subsequent billing months until lawfully superseded.

C. RESOLUTION OF DISPUTES

In the event that there is an unresolved dispute regarding any *Power Management Cost Adjustment Factor* redetermination, the Company and the Public Utilities Staff shall work together in good faith to resolve the dispute. If the Company and the Public Utilities Staff are unable to resolve the dispute prior to the first billing cycle of the then-coming calendar quarter (or of the then-coming billing month, as the case may be (see Section V hereinbelow)), then the undisputed portion of the *Power Management Cost Adjustment Factor*, as initially submitted by the Company, or as revised by the Company, shall become effective as provided for in Sections III.A and III.B 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 changes to the *Power Management Cost Adjustment Factor* implemented under the provisions of Sections III.A and III.B above, then the Company shall reflect and incorporate the effect of the Commission’s ruling in the *next quarterly submittal* provided by the Company to the Public Utilities Staff pursuant to Section III.A above, or, in the case where such Commission Order is entered *after* such next Company quarterly submission but during the *Thirty-Day Period*, the effect of the Commission’s ruling shall be reflected in and incorporated into the revisions to be provided between the Public Utilities Staff and the Company during that *Thirty-Day Period*.

IV. TERMS

The following four (4) terms, as and to the extent used in this Rider (including in the ATTACHMENTS hereto), shall have the following meanings:

A. **"HEDGING COMPONENTS"**:

1. The actual payments made and costs incurred by the Company in entering into and carrying out forward, physical, and financial contracts (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 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 contracts.

The sum that is the "*Hedging Components*" may for any given calendar quarter 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. The costs of **option premiums** associated with or related to natural gas contracts and purchased power contracts; plus
3. The costs of entering into and exercising natural gas and electricity **options**; plus
4. 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.

C. **"ANNUAL OWNERSHIP COSTS OF ATTALA"** :

The annual ownership costs ("**Annual Ownership Costs**" or "**AOC**")¹ of the Attala generating facility (the "**Attala Generating Facility**" or "**Attala**") (i.e., 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 Attala to the electric transmission system), where the Commission has issued a

¹ Such Attala Annual Ownership Costs are set out in ATTACHMENT B hereto and shall include without limitation the Company's rate of return on investment (which, for purposes of AOC under this Rider is set out in ATTACHMENT B) times the Company's plant investment, less any associated accumulated depreciation and accumulated deferred income taxes including costs incurred and investment made by Entergy Mississippi to connect and transmit Attala 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 Attala all as addressed and delineated in further detail in ATTACHMENT B hereto.

Certificate of Public Convenience and Necessity (“**CCN**”) to Entergy Mississippi to acquire Attala and the closing on the transaction has occurred. In the event the Company or the Commission initiates a general rate proceeding for the Company while this Rider PMR-6 (Revised) is in effect, the *Annual Ownership Costs* for the Attala shall be incorporated in the Company’s base rates and any rate adjustments for such *Annual Ownership Costs* under Rider PMR-6 (Revised) shall be set to zero. Such revised adjustment shall become effective on the effective date of the revised rates resulting from such a general rate proceeding.

D. "CARRYING COSTS FOR ECR AND PMR" :

1. The monthly net over recovery or under recovery balance for the Company’s ECR and PMR is the net ECR and PMR ending balance for the months in the quarter immediately preceding the date of the Company’s filing.
2. The adjusted monthly net over recovery or under recovery balance is 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 will be applied to the adjusted monthly net over recovery or under recovery balance.

V. EFFECTIVE DATE AND TERM

Rider PMR-6 (Revised) shall be effective April 30, 2009, and shall continue in effect until modified or terminated in accordance with the provisions of this Rider or applicable regulations or laws. Nothing herein shall prevent the Commission or the Company from proposing elimination of this Rider at any time in the manner provided by law.

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, 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 Rider into such contract. This *Power Management Cost Adjustment Factor* percentage adjustment, which is effective for bills rendered *on and after December 30, 2011* is:

Power Management Cost Adjustment Factor (%):	3.3266%
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“POWER MANAGEMENT COST ADJUSTMENT FACTOR” REDETERMINATION FORMULA

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

$$PCF = \frac{HC + PMC + RT + PPTUA + CC}{REVENUE} + \frac{AOC}{AREVENUE}$$

Where,

- HC = “*Hedging Components*”² that occur or result during or for the calendar quarter immediately *preceding* the date of the quarterly submittal by the Company to the Public Utilities Staff, which submittal is provided by the Company under Section III of this Rider
- PMC = “*Other Power Management Costs*” that are projected to be incurred or to occur during the calendar quarter immediately *following* the date of the Company’s quarterly submittal
- RT = The *Miss. Code Ann. Sec. 77-3-95* “*return*” amount, if any, that is established (for the calendar quarter that immediately *follows* the date of the Company’s quarterly submittal) by an applicable MPSC Order (establishing a *Sec. 77-3-95* return) entered prior to the date of the quarterly submittal
- PPTUA = The “*True-Up Adjustment*” to be billed during the calendar quarter immediately *following* the date of the Company’s quarterly submittal:

$$PPTUA = CPPMC + CPTUA - CPR + PQCC$$

Where,

- CPPMC = (A) Actual “*Other Power Management Costs*,” as well as (B) a reconciliation³ (i) of actual “*Hedging Components*,” and (ii) if the Commission has so ordered (with regard to a particular purchased-power contract or contracts), of “*77-3-95 ‘returns’*” -- all for the calendar quarter immediately *preceding* the date of the Company’s quarterly submittal.
- CPTUA = “*True-Up Adjustment*” (“*PPTUA*”) that was billed during the calendar quarter immediately *preceding* the date of the Company’s quarterly submittal.
- CPR = PMR Rider Revenue (including True-Up Adjustment (PPTUA) revenue and excluding AOC revenue) that was billed during the calendar quarter immediately *preceding* the date of the Company’s quarterly submittal.
- PQCC = A reconciliation of actual “*Carrying Costs*,” for the calendar quarter immediately *preceding* the date of the Company’s quarterly submittal.

² This amount may, for any given calendar quarter, be either a positive number or a negative number.

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 calendar quarter immediately *preceding* the date of the Company’s quarterly submittal.

$$CC = \sum_{j=1}^3 (PMROU_j + ECROU_j) * (1-TR) * PR_j/12$$

Where,
PMROU_j = EMI’s PMR (Over)/Under Recovery Balance for month *j*.

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

Where,

MCC_j = The capacity costs for month *j* of the quarter immediately preceding the date of the Company’s quarterly submittal

$$MCC_j = PQHC_j + PQPMC_j + PQRT_j + PQAOC_j$$

Where,

PQHC_j = *Hedging Components* that occur or result during or for month *j* of the calendar quarter immediately preceding the date of the quarterly submittal by the Company to the Public Utilities Staff, which submittal is provided by the Company under Section III of this Rider

PQPMC_j = *Other Power Management Costs* that occur during month *j* of the quarter immediately preceding the date of the Company’s quarterly submittal

PQRT_j = The Miss. Code Ann. Sec. 77-3-95 “*return*” amount, if any, that is established (for month *j* of the quarter immediately preceding the date of the Company’s quarterly submittal) by an applicable MPSC Order (establishing a Sec. 77-3-95 return)

PQAOC_j = Ownership costs with regard to Attala for month *j* of the quarter immediately preceding the date of the Company’s quarterly submittal

CPRA_j = PMR Rider Revenue (including True-Up Adjustment (PPTUA) revenue and AOC revenue) for month *j* of the quarter immediately preceding the date of the Company’s quarterly submittal.

ECROU_j = EMI's ECR (Over)/Under Recovery Balance for month *j*.

$$\text{ECROU}_j = \text{ECROU}_{j-1} + \text{EC}_j - \text{RR}_j$$

Where,

EC_j = ECR Energy Cost for month *j* of the Prior Quarter Energy Cost Period

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 Prior Quarter Energy Cost Period

TR = The Composite Tax Rate effective in Mississippi in the calendar quarter immediately *preceding* the date of the Company's quarterly submittal.

PR_j = 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 *j*.

REVENUE = Projected Next-Calendar-Quarter 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 Rider Schedule into the contract; and (2) revenues billed under Rider Schedule SD and FRP.

AOC = Estimated Annual Ownership Costs with regard to Attala.

$$\text{AOC} = \text{OM} + \text{DEP} + \text{TOI} + \text{ROI} + \text{IT} + \text{ATUA}$$

Where,

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

DEP = Estimated Depreciation Expense for and with respect to Attala for the upcoming calendar year.

- TOI = Estimated Taxes Other Than Income for and with respect to Attala for the upcoming calendar year.
- ROI = Estimated Return on Net Plant Investment for and with respect to Attala for the upcoming calendar year.

Where:

$$\text{ROI} = \text{RROI} \times \text{NPI}$$

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 recent Formula Rate Plan's Evaluation Report.

NPI = Estimated beginning and end of year average Net Plant Investment is, with respect to Attala, equal to Total Plant Investment less Accumulated Reserve for Depreciation and any Accumulated Deferred Income Taxes for the upcoming calendar year.

IT = Income Taxes

Where:

$$\text{IT} = \text{NPI} \times (\text{RROI} - (\text{LTD} \times \text{LTDR})) \times (\text{CTR} / (1 - \text{CTR}))$$

Where:

LTD = Total Long-Term Bond Debt and Quarterly Income Preferred Securities (QUIPS) Cost Rate as set out in the Company's most recent Formula Rate Plan submittal.

LTDR = The Total Debt Capital Ratio as set out in the Company's most recent Formula Rate Plan submittal.

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

ATUA = "Attala True-Up Adjustment" to be billed during the upcoming calendar year:

$$\text{ATUA} = \text{AAOC} + \text{PATUA} - \text{AO CR}$$

Where:

AAOC = Actual "Attala Ownership Costs" for the twelve-month period ended December 31st of the immediately preceding calendar year.

PATUA = “*True-Up Adjustment*” (“*ATUA*”) that was billed during the twelve-month period ended December 31st of the immediately *preceding* calendar year.

AOCR = Actual AOC Revenue that was billed during the twelve-month period ended December 31st immediately *preceding* calendar year.

AREVENUE = Projected Entergy Mississippi retail revenue to be billed for the upcoming calendar year 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 Rider Schedule into the contract; and (2) revenues billed under Rider Schedule SD and FRP.