

ENERGY MISSISSIPPI, LLC

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MISSISSIPPI PUBLIC SERVICE COMMISSION

P.S.C. Schedule No. I-27.17
Revised Schedule No. 27.17, Date: December 1, 2018
Superseded Schedule No. 27.17, September 29, 2014
Sch. Consists of: 4 pages and Attachments A and B

ENERGY EFFICIENCY COST RECOVERY RIDER SCHEDULE EE-2 (SECOND REVISED)

I. APPLICATION

This Energy Efficiency Cost Recovery Rider Schedule EE-2 (Second Revised) ("**Rider Schedule EE-2 (Second Revised)**") "**Schedule EE-2 (Second Revised)**," "Rider," 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. RECOVERY OF ENERGY EFFICIENCY COSTS

The purpose of Schedule EE-2 (Second Revised) is to establish the Rate(s) by which the Company will recover its energy efficiency Quick Start Plan program costs approved by the Commission, including (1) the incremental energy efficiency program costs ("Incremental Program Costs") and (2) lost contribution to fixed cost ("LCFC") (collectively, the "Recoverable Costs"), all as described in Rule 29, "Conservation and Energy Efficiency Programs," of the Commission's Rules and Regulations Governing Public Utility Service, and as approved by the Commission in Docket 2010-AD-2 on July 11, 2013. Recovery of Incremental Program Costs is limited to costs that are not already included in the then current rates of the Company.

Schedule EE-2 (Second Revised) defines and sets out the procedure by which Entergy Mississippi shall recover its Recoverable Costs, as those costs are defined in this Schedule EE-2 (Second Revised).

III. BILLING

The factors for recovery of Recoverable Costs ("Energy Efficiency Cost Adjustment Factors" or "EE Cost Adjustment Factors") set forth in ATTACHMENT A to this Schedule EE-2 (Second Revised) will be added to the Net Monthly Rates or Net Seasonal Rates set forth in Entergy Mississippi's currently effective rate schedules, or such superseding rate schedules as may be ordered by the Commission, or such other rate schedules of Entergy Mississippi subject to Schedule EE-2 (Second Revised) 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 the Schedule into the contract. The EE Cost Adjustment Factors shall be redetermined in accordance with the provisions of this Schedule EE-2 (Second Revised), including but not limited to Section VI herein and ATTACHMENT B hereto.

IV. TRACKING AND MONITORING PROGRAM COSTS AND BENEFITS

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Mississippi Public Utilities Staff ("Public Utilities Staff" or "Staff"), which provide for separate tracking, accounting, and reporting of all program costs incurred by the Company. The procedures shall enable Incremental Program Costs to be readily identified and clearly separated from all other costs. The Company shall provide all documents necessary to verify the validity of the Incremental Program Costs for which it is seeking recovery, as well as information that will allow

the Commission to assess the effectiveness of the programs. Such documents may include information such as customer data, energy audit details, application and rebate details, installed measure data, and energy savings, as well as information regarding invoice processing, budget/invoice/expense tracking, energy savings calculators, and energy saving measures catalog.

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Staff, which provide for separate tracking, accounting, and reporting of revenues collected through Schedule EE-2 (Second Revised). The procedures shall enable the revenues collected through Schedule EE-2 (Second Revised) to be readily identified and clearly separated from all other revenues. The Company shall provide documents necessary to verify the accuracy of the revenues collected through Schedule EE-2 (Second Revised). Such documents shall include, but shall not be limited to, billing determinants, journal entries, and summary revenue reports.

V. LCFC

Through Rider Schedule EE-2 (Second Revised), the Company shall have the option of submitting for recovery LCFC calculated in a manner to be reviewed and approved by the Public Utilities Staff. Any such LCFC calculations shall set out energy savings caused by the Company's energy efficiency programs, and thus not sales reductions due to weather, changes in population, or background increases or decreases in customers' self-funded energy efficiency efforts. Should the Company choose to calculate and submit for recovery LCFC, then the Company shall maintain and provide adequate data for the calculations of LCFC. Such data collection shall ensure that LCFC is not collected for measures for which the measure life has expired.

VI. REDETERMINATION OF ENERGY EFFICIENCY COST ADJUSTMENT FACTORS

A. ANNUAL REDETERMINATIONS AND SUBMITTALS

Entergy Mississippi shall make annual submittals to the Commission and the Public Utilities Staff under this Rider providing and setting out redeterminations of the *Energy Efficiency Cost Adjustment Factors*. On or about -November 10 of each year, the Company shall provide the Commission and Public Utilities Staff an ATTACHMENT A containing redetermined *Energy Efficiency Cost Adjustment Factors* to be applied commencing with the first billing cycle of the billing month of January of the following year.¹ The *Energy Efficiency Cost Adjustment Factors*, as set out in ATTACHMENT A, shall be redetermined by application of the formula set out in ATTACHMENT B hereto and of the other provisions of this Schedule EE-2 (Second Revised), including those of this Section. The Company shall provide to the Public Utilities Staff documentation supporting the data and calculations utilized in redetermining the *Energy Efficiency Cost Adjustment Factors* set out in each such annual submission.

Each Schedule EE-2 (Second Revised) re-determination and submittal shall reflect and incorporate: (1) the "*Incremental Program Costs*" (as that term is defined in Section VII hereinbelow) that are projected to be incurred during the effective period of the proposed rate ("Projected Energy Efficiency Cost Period")² and (2) a "*True-Up Adjustment*," as provided in ATTACHMENT B to this Schedule EE-2 (Second Revised), reflecting any over-recovery or under-recovery of Incremental Program Costs for the prior period ("Energy Efficiency Cost Period"), to account for the difference between actual costs incurred and revenues collected

¹ For the initial filing, the *Energy Efficiency Cost Adjustment Factors* shall be applied commencing with the first billing cycle of the billing month of October 2014.

² Additionally, the initial submittal under this Schedule EE-2 (Second Revised) also shall include the uncollected First Steps Program costs.

under this Schedule. Costs and associated revenues accounted for under this Schedule shall be included in the Company's Formula Rate Plan Rider Schedule revenues and costs.

B. REVIEW PERIOD

The Public Utilities Staff shall have forty-five (45) days ("**Forty-five-Day Period**") from the date the Public Utilities Staff receives the redetermined *Energy Efficiency Cost Adjustment Factors* 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 *Forty-five-Day Period*. Similarly, if the Company should determine that revisions are necessary subsequent to the submission of any redetermined *Energy Efficiency Cost Adjustment Factors*, it shall notify the Commission and the Public Utilities Staff in writing within the *Forty-five-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 revised *Energy Efficiency Cost Adjustment Factors*.

Except where there is an unresolved dispute, which shall be addressed as described in Section VI.C below, the redetermined *Energy Efficiency Cost Adjustment Factors* initially provided hereunder, or such revised *Energy Efficiency Cost Adjustment Factors* as may be determined pursuant to the terms of this Section VI, shall become effective in accordance with the Commission Order approving such Energy Efficiency Cost Adjustment Factors and shall remain in effect for all subsequent billing months until lawfully superseded under the provisions of this Schedule or by subsequent Commission Order.

C. RESOLUTION OF DISPUTES

In the event that there is an unresolved dispute regarding any *Energy Efficiency Cost Adjustment Factors* 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 Projected Energy Efficiency Cost Period, then disputed issues shall be submitted to the Commission, which shall issue a ruling no later than forty-five (45) days after submission. In the event that the Commission fails to issue a ruling within the forty-five (45) day period specified herein, the disputed portion of the *Energy Efficiency Cost Adjustment Factors* shall become effective on and after the first billing cycle of the next billing month until changed again pursuant to the terms of this Schedule.

If the Commission's Order resolving the dispute requires changes to any of the *Energy Efficiency Cost Adjustment Factors* implemented under the provisions of Sections VI.A and IV.B above, then the Company shall make a compliance submittal to reflect and incorporate the effect of the Commission's ruling within 30 days of the Company's receipt of the Commission's Order.

VII. TERMS

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

"INCREMENTAL PROGRAM COSTS"

The payments made and costs incurred by the Company in performing and carrying out any programs approved by the Commission that have a purpose or goal of directly or indirectly promoting efficient use of energy; said payments and costs include, but are not limited to:

1. Costs of materials, including, but not limited to, items such as compact fluorescent light bulbs (“CFLs”), weather stripping, caulking, air filter alarms, switch plates and outlet insulators, plastic film window insulation packets, energy saving tips brochures and hot water heater water temperature gauges.
2. Costs of promoting the programs, consisting of communications, marketing and public relations. The objective is to promote awareness of the programs to all customers by utilizing advertising channels such as bill message, bill inserts, newspaper and/or television ads, website promotion, promotional flyers and brochures, as well as customer service presentations and public relations opportunities.
3. Costs associated with customer incentives and rebates, marketing and delivery, evaluation, measurement and validation (“EM&V”), and program administration.
4. Costs of website enhancements.
5. Costs associated, directly or indirectly, with selection, hiring and supervision of third party administrator, including costs charged by the third party administrator to implement energy efficiency programs.
6. Costs associated with the training and staffing of personnel to support energy efficiency programs.
7. Costs associated with the recruiting, training and certification of qualified vendors for energy efficiency services.
8. Other incremental costs incurred as a result of the development and implementation of energy efficiency programs, including but not limited to incremental labor, administrative and employee costs.

VIII. EFFECTIVE DATE AND TERM

Schedule EE-2 (Second Revised) shall be effective with bills rendered on and after December 1, 2018, and shall continue in effect until modified or terminated in accordance with the provisions of this Schedule or applicable regulations or laws. Nothing herein shall prevent the Commission or the Company from proposing elimination of this Schedule at any time in the manner provided by law.

Schedule EE-2 (Second Revised)
Attachment A

Energy Efficiency Cost Adjustment Factors

For billing purposes, the factors for recovery of Recoverable Costs (“Energy Efficiency Cost Adjustment Factors”) set forth below will be added to the Net Monthly Rates or Net Seasonal Rates set forth in Entergy Mississippi’s currently effective rate schedules, or such superseding rate schedules as may be ordered by the Commission, or such other rate schedules of Entergy Mississippi subject to Schedule EE-2 (Revised) 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 the Rider into the contract. The following *Energy Efficiency Cost Adjustment Factors* shall be effective for bills rendered on and after the first billing cycle of February 2022:

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>EE Cost Factor</u>
Residential	RS-38C, RS-38W, Other Residential Rates	\$ 0.000000 /kWh
General Service	GS-298, SWH-20, IPS-26, IP-33, MP-22, Other General Service Rates	\$ 0.000000 /kWh
Intermediate Gen. Svc.	B-34, CG-29	\$ 0.000000 /kWh
High Load Factor Svc.	HLF-7	\$ 0.000000 /kWh
Large General Service	C-29, OM-31, SE-29	\$ 0.000000 /kWh
Alt. Large General Svc.	ALGS-10	\$ 0.000000 /kW
Lighting	PAL-17, DSL-16, LED-2, SL-37, HL-21, TF-23, UFL-16, RFL-16, Other Lighting Rates	\$ 0.000000 /kWh

“ENERGY EFFICIENCY COST ADJUSTMENT FACTORS”

REDETERMINATION FORMULA

$EECF_k =$ **Energy Efficiency Cost Adjustment Factors (\$/kWh) By Rate Class (“K”)**

$$EECF_k = \frac{EEPC_k + LCFC + TUA_k}{PES_k}$$

WHERE,

$EEPC_k$ = INCREMENTAL PROGRAM COSTS BY RATE CLASS PROJECTED TO BE INCURRED FOR THE PROJECTED ENERGY EFFICIENCY COST PERIOD

$LCFC$ = PROJECTED LOST CONTRIBUTION TO FIXED COSTS

TUA_k = TRUE-UP ADJUSTMENT BY RATE CLASS (“K”)

$$= TUA_k = \sum_{j=1}^{12} (EE_j - RR_j + PTU_j)$$

WHERE,

EE_j = INCREMENTAL PROGRAM COSTS FOR THE MONTH_j OF THE PRIOR ENERGY EFFICIENCY COST PERIOD BY RATE CLASS (“K”)

RR_j = REVENUE BILLED UNDER SCHEDULE EE-2 (SECOND REVISED) FOR THE PRIOR ENERGY EFFICIENCY COST PERIOD BY RATE CLASS (“K”)

PTU_j = PRIOR PERIOD TRUE-UP ADJUSTMENT APPLICABLE FOR MONTH_j OF THE PRIOR ENERGY EFFICIENCY COST PERIOD BY RATE CLASS (“K”)

PES_k = PROJECTED SALES (kWh) FOR THE PROJECTED ENERGY EFFICIENCY COST PERIOD BY RATE CLASS (“K”)

Notes:

- 1) The initial submittal under this Schedule EE-2 (Second Revised) also shall include the uncollected First Steps Program costs.

Schedule EE-2 (Second Revised)
Attachment B
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- 2) The Projected Energy Efficiency Cost Period is the 12-month period commencing with January 1 of each year, except that the first such period shall be the 15-billing-month period commencing with the October 2014 billing month.
- 3) The Prior Energy Efficiency Cost Period is the 12-month period ending December 31 of each year, except that the first such period shall be the 15-billing-month period commencing with the October 2014 billing month.
- 4) The value of PTU_j for the month j of the Prior Energy Efficiency Cost Period shall be equal to one-twelfth of the True-Up Adjustment (TUA) previously determined under the provisions of this Schedule EE-2 (Second Revised) for the immediately preceding Prior Energy Efficiency Cost Period.