



## **Backgrounder**

### ***-The Mississippi Attorney General's Actions Against Entergy Mississippi***

Since August, 2008, in the wake of the high electricity rates resulting from skyrocketing natural gas prices, Mississippi Attorney General Jim Hood has made several accusations about Entergy Mississippi, Inc.'s business practices. He called into question the trustworthiness of the company and our 1,900 employees.

Entergy Mississippi has maintained that our business practices are in the best interest of our customers. For 85 years we have worked diligently every day to provide our customers with reliable electricity at the lowest reasonable cost.

It is Entergy Mississippi's position that the statements made by the Attorney General about Entergy Mississippi have been misleading and at times altogether inaccurate. Because our company's integrity has been questioned, we have put together this fact-based background document as a reference.

- The Mississippi Attorney General has stated that Entergy Mississippi has been overcharging our customers. This statement is not true.
- Entergy Mississippi is a privately-held, public utility company. Our business operations are highly regulated by the Mississippi Public Service Commission, the Federal Energy Regulatory Commission. A host of audits are conducted both internally and externally throughout the year.
- Just like the gas that powers your car; electric power plants require fuel to run. Fuels costs, which hit record highs in 2008, make it more expensive to drive a car and much more expensive to operate power plants. At Entergy Mississippi we are continually working and planning for the long-term to stabilize and minimize the impact of these costs on our customers.
- Several times each year, our fuel purchasing practices are audited, verified and approved by the Mississippi Public Service Commission and the Federal Energy Regulatory Commission to ensure that our customers are paying the lowest price possible for electricity. By law, Entergy Mississippi cannot profit from fuel costs. If Entergy Mississippi pays a dollar for fuel, our customer pays a dollar for fuel.
- While the attorney general continues to make false and misleading statements about Entergy Mississippi, we continue to provide the proper regulatory authorities with the information necessary to review and audit our fuel procurement and fuel adjustment procedures.
- As part of his allegations, the attorney general regularly cites the Gordon and Delaney cases which involved two Louisiana utilities and their fuel and purchased

power costs that were primarily incurred in the 1990s and were handled by the Louisiana Public Service Commission and the New Orleans City Council as the regulators of those utilities, not the courts. Also, it is important to recognize that although refunds ordered in the Delaney case related primarily to natural gas provided to Entergy Louisiana under the Evangeline contract, that contract was not deemed imprudent, unreasonable or not in the public interest by the LPSC.

- Entergy Mississippi has maintained that, as the regulatory body established by the Mississippi State Legislature for electric utilities, the MPSC is the proper forum for the Attorney General to address these issues, not the courts.
- Entergy Mississippi believes that the recent MPSC-commissioned independent performance audit of our fuel procurement and fuel adjustment clause, conducted by Vantage Consulting, Inc., demonstrates that our business practices are in the best interest of our customers or otherwise reasonable. We pledge to work with the MPSC to make improvements in procedures based on the report's recommendations.
- Entergy Mississippi has an 85-year history of providing reliable power, as well as being a strong community partner in helping bring more jobs and opportunities to the state. We provide electricity to 433,000 customers in 45 counties in Mississippi. Our 1,900 employees and 1,000 retirees are active members of their communities and take pride in their work, because they live here too.