

February 4, 2020

Ms. Katherine Collier
Executive Secretary
Mississippi Public Service Commission
P.O. Box 1174
Jackson, MS 39215-1174

RE: MPSC Docket No. 2019-UA-232

RESPONSE TO MOTION TO INTERVENE OBJECTION

Dear Ms. Collier:

Attached is the Response to Motion to Intervene Objection in the above captioned proceeding.

Thank you for your assistance in this matter, and please contact me should you have any questions or need additional information.

Respectfully,

Bryan W. Estes
Managing Director
Flora Real Estate & Development, LLC
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P.O Box 70
Flora, MS 39071-0070
769-233-4006

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

ENTERGY MISSISSIPPI, LLC

DOCKET NO. 2019-UA-232

EC-123-0082-00

IN RE: ENTERGY MISSISSIPPI, LLC'S RESPONSE IN OPPOSITION TO FLORA REAL ESTATE & DEVELOPMENT, LLC'S MOTION TO INTERVENE

RESPONSE TO MOTION TO INTERVENE OBJECTION

COMES NOW Flora Real Estate & Development, LLC ("FRED") pursuant to RP 6.121 of the Mississippi Public Service Commission's ("MPSC") Public Utilities Rules of Practice and Procedure ("Rules") and files this Response/Answer to Entergy Mississippi, LLC's (the "EML") Objection to FRED's Motion to Intervene ("Motion") in the above styled and numbered Docket ("IRP").

OVERVIEW

It is not surprising that EML is opposing FRED's and most every other intervention filing in this proceeding, as more consumer-oriented information provided to the MPSC is a threat to EML's business model's primary measure of success-shareholder returns. EML even protested the intervention of Cooperative Energy in MPSC Docket 2018-UA-39 using similar arguments to those made in EML's opposition to FRED's. Fortunately, the MPSC allowed Cooperative Energy's intervention over EML's objection, and that action by the MPSC provides guidance to the MPSC to allow Fred's and other intervenors in this proceeding.

Furthermore, EML and its' affiliates have been the subject of a U.S. Department of Justice Antitrust Division investigation, which stated in a 2012 Press Release, "The division has been investigating the effect of several of Entergy's practices on competition and barriers to entry. The division has also evaluated professed efficiency and regulatory justifications, which have not been persuasive." Given that EML failed to comply with the DOJ's recommendation to divest of its transmission system and since the the Security and Exchange Commission ("SEC") ratepayer protections afforded by the Public Utility Holding Company Act of 1935 ("PUHCA") have been removed, it is even more critical that the MPSC avail itself of all contributors' expertise and information in order to issue rulings that are in the ratepayers' best interest.

A. FRED does have substantial interest in EML's IRP proceeding.

FRED, as an owner, manager, and developer of residential, commercial, and industrial properties, has a substantial interest in a proceeding that affects the cost, reliability, and likely many other topics to be discussed relative to electricity provided by EML in this proceeding.

FRED is not only a customer of EML via numerous properties, FRED has extensive interactions with EML in the provision of service to FRED and its customers.

FRED also has a substantial interest in this proceeding due to future provisions and costs of electricity. As electricity costs rise and EML's quality of service diminish, these directly and substantially impact the success of FRED. Due to EML's current monopoly status, FRED must weigh EML's cost and reliability in all financial and strategic decisions.

FRED is also extensively involved in the design and implementation of construction standards and practices that directly impact energy efficiency outcomes for itself and its' properties that it manages and develops. FRED also owns properties that are currently in various stages of feasibility analyses pertaining to the installation of renewable energy sources.

B. The MPSC, Mississippi Public Utilities Staff ("MPSC"), and the Mississippi Attorney General ("AG") Are Not Able to Adequately Represent the General Interests of FRED.

It is evident by the consistent use of outside consultants, auditors, law firms, and other entities in regulatory matters involving EML that the MPSC, MPUS, and AG are not legislatively well-funded, properly-staffed, or possess the in-house expertise to represent the general interests of FRED. EML, on the other hand, has vast resources to promote their goals and objectives that typically are structured and implemented to benefit shareholders at the expense of ratepayers.

One ongoing example of the need for increased scrutiny of EML is the lack of transparency in EML's current ad campaign touting "Historically low rates, 10 years and counting". While proclaiming the purported "low rates" for 10 years, the chart in the ad indicates a dramatic increase in rates from 2016 to 2018. Hopefully, FRED and other intervenors will be granted full intervenor status in order to work with the MPSC, MPUS, and AG in determining why EML increased its rates almost 22% in the time period relative to the graph.

Another example is EML and Entergy Corporation's ("EC") enormous capital spending plans touted to shareholders in presentations on numerous occasions. In November 2019, EC stated that by the end of 2022, EC would spend an additional \$11.4 billion, with no state-specific estimate of the impact on rates. FRED and other prospective intervenors working with the MPSC, MPUS, and AG collectively will be able to expose the full cost impact and prudence of EML's expenditures that directly affect FRED and other captive ratepayers.

Unfortunately, Mississippi does not have a "consumer advocate" division that is properly resourced and staffed in order to fully and purely represent the interests of FRED and ratepayers in general. FRED is in a position to provide information to the MPSC from its' and others' consumer perspectives. While FRED is certainly not a "default" consumer advocate division, it can provide the perspective of numerous actual types of ratepayers with which it is directly involved, including FRED's involvement specifically as a direct and indirect ratepayer in multiple locations.

C. Flora Real Estate & Development’s Presence as an Intervenor Would Result in Inefficiency and Risk of Increased Customer Costs in the EML IRP Process.

It is absurd that EML states that anyone other than EML is the primary driver of “inefficiencies and increased customer risks”. It is EML that rebuttably ran to failure both units of Baxter Wilson, created tremendous reliability and cost issues yet to be publicly disclosed at Grand Gulf, has failed to properly maintain its generation, transmission, and distribution assets, and chased for decades failed unregulated investments at the expense of regulated utility ratepayers.

EML’s business model is simple-spend as much money as possible and secure regulatory approval as rate-based assets with a high as possible allowed rate of return on equity. This shareholder-driven plan is thwarted when transparency is interjected and information is provided to regulatory proceedings that aid the MPSC, MPUS, and AG in their statutory duties. The ultimate “level playing field” contributed to by FRED and other intervenors working with the MPSC, MPUS, and AG will result in efficiencies and less risk of customer costs.

D. Allowing Flora Real Estate & Development to Participate Only as a Public Witness Fails to Honor the Intention of the IRP Rule while Simultaneously Honoring the Intervention Rule.

EML’s consistent attempt to relegate FRED and numerous other intervenors to the “Public Witness Room” suggests a need for introspection of exactly what is it that EML is trying to hide. EML has already filed an IRP that discloses much of what EML is planning, and those efforts predominantly drive additions to EML’s rate base.

FRED and other EML-opposed intervenors have extensive knowledge and expertise that will undoubtedly provide the MPSC, MPUS, and AG significantly more and better-informed perspectives than those self-serving positions presented by EML. Therefore, FRED’s response to EML’s suggestion to join the “public witness” category is similar to that of U.S. Army General Anthony McAuliffe’s response during the Battle of the Bulge to a German surrender ultimatum-“Nuts”.

WHEREFORE, Flora Real Estate & Development, LLC prays that the Mississippi Public Service Commission will enter an order that will grant it leave to intervene as a party and to fully participate as a party in this docket.

RESPECTFULLY SUBMITTED, this the 4th day of February 2020.

Bryan W. Estes
Managing Director
Flora Real Estate & Development, LLC

CERTIFICATE OF SERVICE

I, Bryan W. Estes, Managing Director of Flora Real Estate & Development, LLC, that in compliance with RP6.122(2) of the Commission's Public Utilities Rules of Practice and Procedure (the "Rules").

(1) An original and twelve (12) true and correct copies of the filing have been filed with the Commission by United States Postal Service this date to:

Katherine Collier
Executive Secretary Mississippi Public Service Commission
501 N. West Street, Suite 201-A
Jackson, MS 39201

(2) An electronic copy of the filing has been filed with the Commission via e-mail to the following address: efile.psc@psc.state.ms.us

(3) An electronic copy of the filing has been served via e-mail to the following address:

Frank.farmer@psc.state.ms.us

Virden.jones@psc.state.ms.us

Tad.campbell@psc.state.ms.us

traby@entergy.com

This the 4th day of February, 2020.

Bryan W. Estes