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In the Dark: Data Centers Could be Costing Mississippi Households

New laws, secret contracts, and the need for greater transparency into utility spending on data centers in Mississippi

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EXECUTIVE SUMMARY

In 2024, the Mississippi Legislature passed Senate Bill 2001 (SB2001). This unprecedented legislative action curtailed the standard oversight role of the Public Service Commission (PSC) over energy infrastructure, making it easier and faster to expand the electrical grid for data centers. The investments needed to accommodate these new loads will be measured in the billions of dollars. By limiting the role of the PSC, Mississippi legislators transferred significant risk to residential consumers, who as a class of ratepayers, have now lost a key transparency and fairness check on Entergy Mississippi (Entergy or company), the largest electricity provider in the state. This report addresses major concerns with this loss of transparency – namely, that the costs associated with data center growth and the grid improvements that these new customers have sought may be borne by residential consumers and other ratepayers.[1]

Today, Entergy has several very large contracts with data centers. Under SB2001, it has been much easier for Entergy to enter into such contracts and recover the associated costs from ratepayers, all while cloaking information about the incremental system costs associated with these contracts in nondisclosure agreements. This bold abandonment of public transparency for what has historically been seen as a "common good" –electricity– has no known analogue anywhere else in the country.

Using publicly filed information, we estimate that Entergy's residential ratepayers in Mississippi have already paid approximately $38 million as of March 2026 for investments related to serving these data centers, and that they will contribute $74 million by the end of 2026. As a result, the average residential customer's bill is now about $10.60 per month higher. We stress that these are estimates and that there is considerable uncertainty about impacts given that much of the key information is not publicly available.

While it is possible that data centers could be offsetting some or all of their incremental costs through separate financial arrangements with Entergy, this would be unverifiable since the key rate filings are confidential. And, based on review of publicly available dockets and filings by Entergy, some system costs are scheduled to be included in ratepayers' bills moving forward. Further, recent claims by Entergy that such contracts with large-load customers produce cost savings for other customers are not supported by any documentation from Entergy, and thus, these claims similarly cannot be validated. Indeed, we have serious concerns about the assumptions that Entergy is making when projecting overall savings.

We provide a suite of recommendations to ensure that residential ratepayers and other customers are not subject to cost increases due to data center–related investments. We recommend establishing standardized contractual terms that would serve as a basis for the individual agreements that Entergy

[1] In this report, "data center" and "large load" are used interchangeably.

enters into with large-load customers, and which would specify minimum contract length, establish equitable formulas for determining the minimum monthly charge and exit fee, establish collateral requirements to protect against stranded costs, require cost-reflective rate design, ensure transparency and reporting standards, and mandate direct assignment of certain costs to data centers. This recommended approach is consistent with developments in many jurisdictions across the United States. It is needed now more than ever for Mississippi since the legislature has eliminated standard protections.

1. INTRODUCTION

Rapid growth in data centers and other large, energy-intensive loads is transforming electricity systems across the country. These large-load customers can provide economic development benefits and help utilities spread fixed costs over more kilowatt-hours, but they also present significant risks and may even raise rates for existing customers.

Mississippi is no exception to the surge in data center electricity demand. In 2024, Amazon Web Services (AWS) announced plans for two large data centers in Madison County.[2] Amazon subsequently announced plans to develop another data center campus in Warren County.[3] Meanwhile, Entergy is moving forward with its "Superpower Mississippi" strategy, which includes three new combined-cycle natural gas power plants, Delta Blues, Vicksburg, and Traceview. These plants each have a generation capacity equal to roughly 750 MW, and Entergy has specifically estimated the cost for Delta Blues and Vicksburg at about $1.2 billion each.[4,5,6,7] And in August 2025, Entergy sought approval of a confidential special contract to provide service to another data center hub, AVAIO.[8] Entergy has begun making investments in electrical-system upgrades and has already sought cost recovery for millions of dollars of expenditures, all in an attempt to secure these data centers.

Through its "Fair Share Plus" pledge, Entergy argues that the addition of data centers within its corporate footprint, including in Mississippi, will help to reduce residential customer bills.[9] However, since the

[2] Amazon. AWS plans to invest $10 billion in Mississippi, the largest capital investment in the state's history. January 25, 2024. Available at: https://www.aboutamazon.com/news/aws/aws-10-billion-investment-mississippi

[3] Amazon News, *Amazon plans to invest at least $3 billion in Warren County, Mississippi, for next-generation data center campus*. Available at: https://www.aboutamazon.com/news/company-news/amazon-3-billion-mississippi-data-center-investment

[4] Proctor, Darrell. Entergy Mississippi Adding Third Gas-Fired Power Plant to 'Superpower' Strategy. Power Magazine. October 23, 2025. Available at: https://www.powermag.com/entergy-mississippi-adding-third-gas-fired-power-plant-to-superpower-strategy/

[5] Entergy. Entergy Mississippi breaks ground on Delta Blues Advanced Power Station. November 7, 2024. Available at: https://www.entergy.com/news/entergy-mississippi-breaks-ground-on-delta-blues-advanced-power-station

[6] Entergy. Next phase of Superpower Mississippi builds highly efficient, more cost-effective power generation source in Vicksburg. October 21, 2025. Available at: https://www.entergy.com/news/next-phase-of-superpower-mississippi-builds-highly-efficient-more-cost-effective-power-generation-source-in-vicksburg

[7] Entergy. Traceview Advanced Power Station. Available at: https://www.entergymississippi.com/generation/traceview

[8] Entergy Mississippi. Application for Approval of Agreement for Electric Service between Entergy Mississippi and ADP Rankin Data Hub, LLC. August 19, 2025. Docket EC-123-0082-00. Available at: https://ctsportal.psc.ms.gov/portal/ViewFile?fileId=BaacVNgdXtY%3D.

[9] Bill savings are quantified for Entergy in its factsheet accessible via Entergy's data center page. Entergy, *Data Centers and Entergy*, available at: https://www.entergy.com/datacenters.

passage of SB2001, Commission review of Entergy's contracts is conducted confidentially, leaving customers to take Entergy at its word about purported rate savings. Moreover, SB2001 restricted the role of the state's PSC to ensure that these costs are not disproportionally paid for by other consumers, including residential customers.

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Greater transparency is needed regarding the massive levels of investments that are being undertaken to accommodate these new large loads, particularly as some announcements for growth have not materialized. When contracts with large-load customers are confidential and utility investments are not subject to the normal review process, risks are transferred to customers. There may be significant cost shifting and rate increases if the costs associated with serving these data centers are not properly assigned, or if these new large-load customers depart the system early (potentially leaving stranded assets). While Entergy suggests that new generation investments to serve the data centers would be made anyway irrespective of these new large-load customers, this is a strong claim that requires evidence. We are concerned that Entergy is employing a set of favorable assumptions in evaluating the cost impacts of new large loads that make these loads look benign and confuse the issue of whether current residential consumers will be paying for costs that they have not caused.

The report is organized as follows. Section 2 discusses the unique risks associated with new large loads and explores some of the specific ways that jurisdictions across the country are responding to these challenges with robust customer protections, through standardized tariffs and other interventions. Section 3 presents the current landscape for data center growth in Mississippi, covering recent legislative developments and describing how ratemaking mechanisms may shift costs associated with data centers onto all customers. Section 4 carefully examines Entergy's claims that new large loads are benefiting all customers, considering what the evidence does (and does not) suggest about the rate impacts of new data center investments and new data center sales. This section also discusses how the confidential nature of the related filings makes public review difficult. Section 5 provides recommended contractual provisions to enhance customer protections and ensure that large-load customers do not increase rates for all other customers. The report also includes an appendix with a more detailed review of the publicly available information relating to Entergy's investments and cost recovery associated with large loads to date.

2. Risks of Large Loads and Emerging Best Practices

The risks posed by large-load customers fall into four main categories: cost shifting issues, stranded assets, reliability and resource adequacy impacts, and transparency and governance concerns. For each category of risk, we describe the general risk, identify specific concerns in Entergy's service territory, and summarize the practices that jurisdictions across the country have adopted to address the risk. Ultimately, we recommend that Mississippi establish standardized large-load contractual terms, to enshrine key practices and ensure that large loads do not adversely impact other customers.

2.1. Potential Risks Associated with Data Centers

Cost Shifting

If the rates that data centers pay are below the costs of serving them, then other customers will effectively be subsidizing these data centers, as the other customers pay rates that are *higher* than their respective costs of service. Traditional approaches to cost allocation aim to limit cost shifting between customer classes by segmenting customers into a reasonable set of customer classes, with "similarly situated" customers—i.e., those with similar usage characteristics — grouped together within given customer classes, and with the use of cost-reflective allocators to assign responsibility for system costs to the various customer classes. Large-load customers pose a major challenge to the legacy cost allocation framework and increase the risk of cost shifting—a risk that is not wholly mitigated even if these large-load customers are placed into a dedicated rate class and even if cost allocation among the classes is conducted in a wholly transparent fashion (neither of which is true in Entergy's case). New large loads present challenges to fair cost allocation because their usage characteristics may be quite different from those of other customers, and because individual large-load customers often drive new additions that would not occur but for their individual load. Thus, the traditional cost allocation model and its customary allocators may fail to appropriately assign responsibility for costs to individual large-load customers.

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Jurisdictional fragmentation poses another challenge to fair cost allocation. The FERC is principally responsible for the allocation of interstate transmission costs, while wholesale energy and capacity market impacts from large loads (borne by all customers) are not subject to the regulatory oversight of state public utility commissions.

Concerns about Cost Shifting in Entergy's Service Territory

The risks of cost shifting may be even greater in Entergy's service territory because of confidentiality and lack of transparency engendered by SB2001.

Entergy claims that data center customers pay their costs of service, and potentially more. However, the company provides no public workpapers or any other documentation demonstrating that these claims are true, instead stating that "some of the terms of these new data center customers' service agreements are competitively sensitive to the customer and not publicly disclosed."[10] Thus, it is not possible to assess using publicly available data whether the data centers are paying their cost to serve nor to compare the revenues paid by the data centers to the costs imposed by the data centers.

Any cost shifting may be particularly burdensome on residential customers within Entergy's service territory, as at least 20 percent of Entergy's residential customers are below the poverty line.[11] Thus, if costs are shifted onto the residential class, this would likely increase the energy burden for particularly vulnerable residential customers.

Best Practices to Mitigate the Risk of Cost Shifting

Special attention rather than status quo ratemaking is required to ensure that large-load customers do not shift costs onto other customers. It is critically important to track the costs associated with serving each new large-load customer, and to ensure that each large-load customer is contributing revenues that are equal to or greater than their respective costs of service – an obligation that should be enshrined in a formal revenue guarantee.

The onus should be on the utility to demonstrate that there is no cost shifting. As just one example of this requirement in practice, Michigan has required Consumers Energy to demonstrate that costs will not be shifted onto other customers as a condition of large-load service approval.[12]

Several jurisdictions have established dedicated rate classes for large-load customers. Incremental costs associated with serving new large-load customers, which would not be undertaken but for these customers, should be directly assigned to either the large-load class or the individual large-load customer. To ensure that large-load customers yield the necessary level of revenues to cover their costs on an ongoing basis, a minimum bill should be set based upon the customer's expected or contracted load.

[10] Entergy, *Data Centers and Entergy*, available at: https://www.entergy.com/datacenters.

[11] Entergy, *Superpower Mississippi: Our bold plan to cut power outages in half … at less cost to customers,* October 10, 2025. Available at: https://www.entergy.com/blog/superpower-mississippi-our-bold-plan-to-cut-power-outages-in-halfat-less-cost-to-customers.

[12] Michigan Public Service Commission, *Order in the matter of the application of Consumers Energy Company for ex parte approval of certain amendments to Rate GDP, Docket U-2859*, November 6, 2025, p. 117.

Stranded Assets

Serving large-load customers can require investments in new or upgraded substations, high-voltage lines, and distribution feeders, reinforcements to the local transmission network, and additional generation or capacity procurement. These investments are often customer specific, but data center load can be volatile: projects can be canceled before construction, expansions can be scaled back, and technology or market shifts (e.g., moving to another jurisdiction, changing computational workloads) can cause abrupt changes in load. If the data center load ultimately does not materialize, under-builds relative to its original commitment, or exits early, the utility and its remaining customers may be left paying for stranded or under-utilized assets for decades.

Concerns about Stranded Costs in Entergy's Service Territory

Although Entergy claims that it has included provisions in customer agreements "such as prepayment requirements, multi-year contract terms, credit and collateral requirements, and early termination penalties" to protect other customers from these types of risks, the terms of the contracts are confidential.[13]

[13] Entergy, Entergy announces $5B in customer savings delivered by data center agreements; issues ''Fair Share Plus'' pledge, March 5, 2026. Available at: https://www.entergy.com/news/5b-in-customer-savings-delivered-by-data-center-agreements-issues-fair-share-plus-pledge.

Entergy has not demonstrated that it is adequately protecting customers from costs being shifted onto them through minimum contract terms, exit fees that cover at least a portion of remaining capital costs, and collateral requirements sized to ensure those exit fees are actually collected. Without knowing what the terms are of Entergy's secret contracts with large-load customers, it is impossible to determine whether customers are adequately shielded from these risks

Best Practices to Mitigate the Risk of Stranded Assets

The most effective protection against stranded asset risk is ensuring that large-load customers bear the costs they cause if they exit early or fail to materialize. This can be accomplished through several avenues:

1. Direct assignment: Directly assigning customer-specific infrastructure costs upfront—through contributions-in-aid-of-construction (CIAC) or prepayment requirements—reduces the pool of potentially stranded costs from the outset.

2. Minimum contract terms: To the extent that there is any cost socialization, defining a minimum contract term tied to the economic life of the relevant assets ensures that large-load customers remain on the system long enough to recover those investments. For example, in Michigan, the Public Service Commission recently established a 15-year minimum term for large-load customers of Consumers Energy.[14]

3. Exit fees: These fees should be sized to cover the present value of remaining unrecovered costs and provide a backstop if a customer exits before the contract term ends.

4. Collateral requirements: These instruments may include letters of credit or surety bonds and help ensure that exit fees are actually collectible.

Entergy has not demonstrated that it is adequately protecting customers from costs being shifted onto them through minimum contract terms, exit fees that cover at least a portion of remaining capital costs, and collateral requirements sized to ensure those exit fees are actually collected. Without knowing what the terms are of Entergy's secret contracts with large-load customers, it is impossible to determine whether customers are adequately shielded from these risks.

Reliability and Resource Adequacy Impacts

Data centers may operate at high load factors and can create large, relatively flat demand blocks. In constrained regions, this can increase the need for peaking capacity, transmission upgrades, or both. Large-load customers may also alter local voltage and stability conditions, and they can increase exposure to extreme-weather reliability events. Regulators in several states have highlighted the need for large-load customers to contribute fairly to resource adequacy and reliability costs and, where possible, to participate in demand response or flexible-load programs, rather than simply being served as inflexible "must-serve" load.[15]

[14] Michigan Public Service Commission. Case No. U-21859. Order, November 6, 2025, p. 107.

[15] While demand response/flexibility can provide significant grid benefits, it can also simply result in the data center relying more on its backup diesel generators, thereby leading to significant local community impacts.

Concerns about Reliability and Resource Adequacy Impacts in Entergy's Service Territory

While Entergy lists grid reliability and power quality among its principles for large-load customers within its Fair Share Plus pledge, there is no clear provision made to actually ensure that these large loads will not adversely impact reliability and resource adequacy. Large-load customers that operate as inflexible, must-serve load may impose disproportionate reliability and resource adequacy costs on the system. Layering additional reliability costs driven by data center load onto existing customers compounds an already significant burden.

Best Practices to Mitigate Reliability and Resource Adequacy Impacts

Best practices require that large-load customers contribute fairly to reliability and resource adequacy costs rather than free-riding on infrastructure sized to serve them—specifically through coincident peak demand charges that reflect their actual contribution to system peak, participation in demand response or interruptible service programs where feasible, and direct allocation of resource adequacy costs driven by large-load additions to those customers rather than recovering these costs from all customers. Pennsylvania's model tariff, for example, includes rate options specifically designed to incentivize flexible service during peak demand periods.

2.2. STANDARDIZED TARIFFS AND LEGISLATION TO MINIMIZE RISKS

The use of confidential special contracts in Entergy's service territory restricts the ability of stakeholders and regulators to assess whether these contract terms are in the public interest. Details on cost allocation and rates, minimum charges and exit fees, collateral, and curtailment and flexibility provisions may all be hidden. This lack of detail can make it difficult to ensure that other customers are adequately protected.

Standardized Large-load Tariffs and Related Provisions

Jurisdictions across the country have responded to concerns about large-load impacts by establishing standardized large-load tariffs. As of March 2026, it was reported that 19 states had approved at least one large-load tariff, while large-load tariffs were pending in another nine states.[16] This reflects a growing regulatory consensus that existing rate structures are inadequate to protect ordinary customers from cost shifts driven by hyperscale electricity users.[17] Further, at least 18 states introduced bills in 2025 creating special rate classes for large energy users. State legislatures are also responding to data center

Regulators and other stakeholders should seek to ensure that attempts at load management do not precipitate these undesired spillover impacts.

[16] Natalie Mims Frick and Vinita Srinivasan, *2026 Large Load Literature Review and Data Sources,* March 2026, Available at: https://emp.lbl.gov/publications/2026-large-load-literature-review citing Electric Edison Institute, *Large Load Projects and Tariffs (March 2026)*

[17] Colorado Sun, *More data centers are coming to Colorado, demanding more power than they'll need. Will customers foot the bill?*, December 10, 2025. Available at: https://coloradosun.com/2025/12/10/data-center-power-demands-colorado-xcel-tri-state/

development, as more than 300 data center-related bills had been filed across more than 30 states in just the first six weeks of 2026."[18] This marks a rapid shift in the political landscape from incentive-focused policies toward cost accountability and ratepayer protection. The following are examples of developments in some key states.

Ohio

In July 2025, the Public Utilities Commission of Ohio approved a stipulation containing an updated Data Center Tariff for AEP Ohio, applicable to new customers consuming 25 MW or more in aggregate.[19] The PUC of Ohio found that the updated tariff "represents a well-balanced package that safeguards non-data center customers on an industrial and residential level while establishing a dependable and reasonable environment for data centers to continue to thrive."[20] Key provisions include a minimum bill requirement of 85 percent of contracted demand regardless of actual usage; a minimum contract term of eight years plus a load ramp period of at-most four years; collateral of half of the customer's minimum charges, and an exit fee available five years after ramping up customer load.[21]

Pennsylvania

In November 2025, the Pennsylvania Public Utility Commission (PUC) proposed a statewide model tariff for large-load customers.[22] The tariff defines large-load customers as using 50 MW individually or 100 MW in aggregate.[23] The model tariff includes a load ramp period of at most five years, a contract term of a minimum of five additional years, minimum monthly demand charges of 80% of demand for the contract term, collateral to fully cover network improvement costs and interconnection facility costs, an exit fee covering the greater of unpaid costs of upgrades, or the remaining minimum charge through the term of

[18] MultiState, *State Data Center Legislation in 2026 Tackles Energy and Tax Issues*, February 20, 2026. Available at: https://www.multistate.us/insider/2026/2/20/state-data-center-legislation-in-2026-tackles-energy-and-tax-issues

[19] Public Utilities Commission of Ohio, *Opinion and Order*, Case No. 24-0508-EL-ATA, July 9, 2025. Available at: https://puco.ohio.gov/news/puco-orders-aep-ohio-to-create-data-center-specific-tariff

[20] Public Utilities Commission of Ohio, *PUCO orders AEP Ohio to create data center specific tariff,* July 9, 2025. Available at: https://puco.ohio.gov/news/puco-orders-aep-ohio-to-create-data-center-specific-tariff

[21] Public Utilities Commission of Ohio, *Opinion and Order*, Case No. 24-0508-EL-ATA, July 9, 2025, pp. 14-23, 94.

[22] Pennsylvania Public Utility Commission, *PUC Advances Plan to Balance Data Center Growth and Consumer Protection*, press release, November 6, 2025. Docket No. M-2025-3054271. Available at: https://www.puc.pa.gov/press-release/2025/puc-advances-plan-to-balance-data-center-growth-and-consumer-protection-11062025 ↩

[23] Pennsylvania Public Utility Commission, *Tentative Order on Interconnection and Tariffs for Large Load Customers*, Docket No. M-2025-3054271, November 22, 2025, Model Tariff, Availability, Available at: https://www.puc.pa.gov/pcdocs/1901687.pdf.

the contract.[24] The PUC also tentatively supported interruptible service as a tool to reduce demand and subsequent minimum demand charges.[25]

Virginia

Virginia, home to the largest concentration of data centers in the world, has faced the impacts of large-load growth most acutely. A 2024 study by the state's Joint Legislative Audit and Review Commission (JLARC) found that the massive infrastructure buildout required to serve unconstrained data center demand could drive generation- and transmission-related costs up by an estimated $14 to $37 per month for a typical residential Dominion Energy customer by 2040.[26] In November 2025, the SCC approved a new "GS-5" rate class for large digital customers to be effective January 2027.[27] Under the new class, customers would be subject to a 14-year minimum contract term and would be required to pay a minimum of 85 percent of contracted distribution and transmission demand and 60 percent of generation demand.[28]

Kansas

In November 2025, the Kansas Corporation Commission (KCC) approved a new Large-Load Power Service (LLPS) tariff for Evergy, applicable to any new facility projecting a peak load of 75 MW or more.[29] The tariff was the product of negotiations among Evergy, consumer advocates, data center companies (including Google), school districts, and environmental organizations — and has been described by an Evergy executive as a potential "model for the rest of the United States."[30] Key provisions include a maximum five-year load ramp period with an additional minimum contract term of 12 years, a minimum monthly bill requirement equal to 80 percent of contracted demand, a collateral of two years of minimum monthly

[24] Pennsylvania Public Utility Commission, *Tentative Order on Interconnection and Tariffs for Large Load Customers*, Docket No. M-2025-3054271, November 22, 2025, Model Tariff, Availability, Available at: https://www.puc.pa.gov/pcdocs/1901687.pdf.

[25] Pennsylvania Public Utility Commission, *Tentative Order on Interconnection and Tariffs for Large Load Customers*, Docket No. M-2025-3054271, November 22, 2025, p. 39, Availability, Available at: https://www.puc.pa.gov/pcdocs/1901687.pdf.

[26] Joint Legislative Audit and Review Commission, *Data Centers in Virginia*, December 2024. Available at: https://jlarc.virginia.gov/landing-2024-data-centers-in-virginia.asp

[27] American Action Forum, *Virginia's New Data Center Electricity Rate Class*, January 8, 2026. Available at: https://www.americanactionforum.org/insight/virginias-new-data-center-electricity-rate-class/

[28] American Action Forum, *Virginia's New Data Center Electricity Rate Class*, January 8, 2026. Available at: https://www.americanactionforum.org/insight/virginias-new-data-center-electricity-rate-class/

[29] Kansas Corporation Commission, *KCC Approves Large-load Rate Plan with Consumer Protections*, press release, November 6, 2025. Available at: https://www.kcc.ks.gov/news-11-6-25

[30] Kansas Reflector, *Proposed Kansas utility plan seeks to fairly allocate costs from big users*, September 11, 2025. Available at: https://kansasreflector.com/2025/09/11/proposed-kansas-utility-plan-seeks-to-fairly-allocate-costs-from-big-users/

bills, and four clean and renewable energy riders.[31] KCC staff estimated that large-load customers under the tariff will pay 7 to 10 percent more than existing industrial customers.[32]

3. THE LANDSCAPE FOR DATA CENTERS IN MISSISSIPPI

Mississippi has rapidly become a focal point for large-scale data center development, with billions of dollars in announced investments tied to Amazon Web Services and other hyperscale projects. At the same time, Senate Bill 2001 and Entergy Mississippi's existing Formula Rate Plan have created an unusually favorable regulatory environment for rapid utility investment and cost recovery associated with these new loads. Together, these developments have reduced transparency into utility spending and shifted substantial authority away from the Public Service Commission, raising concerns about oversight, cost allocation, and the potential impacts on existing customers.

Since January 2024, Entergy has contracted for several large data center projects in the state, including three Amazon Web Services (AWS) campuses in Madison and Warren Counties and an AVAIO Digital campus in Rankin County. The AWS campuses represent a total announced investment of $13 billion, while the AVAIO campus is planned at $6 billion. [33,34]

To secure the AWS investment alone, the state initially committed $44 million in direct appropriations, a $215 million state loan, and a package of tax incentives (including a 30-year rolling tax exemption) in exchange for a promise of at least 1,000 direct jobs in Madison County and 200 jobs in Warren County.[35]

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[31] State Corporation Commission of the State of Kansas, *Order approving unanimous settlement agreement,* Available at: https://estar.kcc.ks.gov/estar/ViewFile.aspx/25-315_Settlement_Agreement.pdf?Id=f65c8223-c3d3-47a7-b83b-877f318cf355&utm_medium=email&utm_source=govdelivery and Utility Dive, *Kansas, Michigan regulators approve large-load rules for Evergy, Consumers Energy*, November 10, 2025. Available at: https://www.utilitydive.com/news/kansas-michigan-data-center-large-load-evergy-consumers/805115/

[32] Utility Dive, *Kansas, Michigan regulators approve large-load rules for Evergy, Consumers Energy*, November 10, 2025. Available at: https://www.utilitydive.com/news/kansas-michigan-data-center-large-load-evergy-consumers/805115/

[33] Amazon News, *Amazon plans to invest at least $3 billion in Warren County, Mississippi, for next-generation data center campus*. Available at: https://www.aboutamazon.com/news/company-news/amazon-3-billion-mississippi-data-center-investment

[34] AVAIO, *Taurus Brandon, Mississippi.* September 10, 2025. Available at: https://www.avaiodigital.com/developments/brandon-mississippi

[35] These values may have changed since the initial commitment. See: Mississippi Today, *Amazon coming to Mississippi with plans to create jobs... and electricity*, January 25, 2024. Available at: https://mississippitoday.org/2024/01/25/amazon-data-center-mississippi-entergy/; Governor Tate Reeves, *Governor Tate Reeves announces Amazon plans to invest $3 billion in Vicksburg*, press release, November 20, 2025.

Entergy and state officials have promoted these projects as economic development wins. While the investments do bring jobs, tax revenue, and construction activity, critics have noted that direct job creation is modest relative to the scale of capital involved, and that the public subsidies and utility infrastructure commitments required to attract these projects are substantial.[36]

Meanwhile, SB2001 greatly reduced transparency into the investments made by Entergy to serve this new load. When coupled with Entergy's existing formula rate plan mechanism (explained in greater detail below), the regulatory environment is highly favorable to Entergy and data centers — permitting easy and expeditious cost recovery of billions in new investments from *all customers*. The next sections explain how SB2001 and the formula rate mechanism can allow for socialization of investments made to serve new data centers with little public oversight.

3.1. MISSISSIPPI SENATE BILL 2001

Mississippi SB2001, enacted in January 2024 and codified at Miss. Code Ann. § 77-3-271, created a bespoke regulatory framework for utility facilities serving large data center customers, removing the protections that normally apply when a utility seeks to recover billions of dollars in new investment from ratepayers.[37] The statute permits a public utility to enter into a "large customer supply and service agreement" with terms and pricing for electric service "without reference to the rates or other conditions that may be established or fixed" under Mississippi utility law—meaning the rate AWS pays is not set through any public regulatory process. No Commission approval of such an agreement is required. Critically, the terms of such agreements are confidential and exempt from the Mississippi Public Records Act.

SB2001 further entrenches these arrangements through provisions that limit the Commission's ability to protect ratepayers after the fact. Under Section 22(3)(c), the Commission "shall not assign or impute a revenue requirement to the customer or the public utility in connection with a general retail rate proceeding ... in a manner that assigns or imputes a revenue requirement in an amount and allocation different than addressed by ... the agreement." In plain terms, once the Entergy-AWS contract sets a cost allocation, that allocation is locked in. The Commission cannot revisit it even if future rate proceedings reveal that it is unfair to other customers. The agreement itself is also "not subject to alteration or any other modification or cancellation by the commission, for the entire term of the agreement." This

Available at: https://governorreeves.ms.gov/governor-tate-reeves-announces-amazon-plans-to-invest-3-billion-in-vicksburg/

[36] Katherine Lin, Mississippi Today, *Amazon announces $3 billion data center planned for Warren County*, November 20, 2025. Available at: https://mississippitoday.org/2025/11/20/amazon-data-center-warren-county-mississippi/; WBHM/Gulf States Newsroom, *Data centers bring billions to Mississippi, but few jobs*, March 19, 2025. Available at: https://wbhm.org/2025/data-centers-bring-billions-to-mississippi-are-the-investments-worth-the-risk/

[37] The 2024 version of the code is available at: Mississippi Code § 77-3-271 (2024) - Large customer supply and service agreements; definitions; provision of electric service on exclusive basis to certain projects; terms of the agreement :: 2024 Mississippi Code :: U.S. Codes and Statutes :: U.S. Law :: Justia

combination of confidentiality and immutability means that whatever deal Entergy strikes with AWS will govern cost allocation for the life of the contract, with no avenue for correction.

The remaining provisions of SB2001 further tilt the playing field toward Entergy and its large-load customers and away from ordinary ratepayers. Construction costs incurred before permits are obtained are "deemed used and useful ... irrespective of whether said permits or requests are granted or approved"—eliminating the traditional requirement that facilities actually be in service before their costs are recovered. Contracts for construction, facilities, or energy purchases are exempt from competitive bidding requirements. And cost recovery "shall not be subject to any cost caps applicable to or provided within the public utility's formula rate plan." This means that the normal 4 percent annual rate increase cap that protects residential customers from sudden bill spikes does not apply to Amazon-related investments. Taken together, these provisions describe a regulatory regime designed not to balance the interests of large-load customers and ordinary ratepayers, but to prioritize the former at the expense of the latter.

One further feature of SB2001 warrants attention. To qualify for Section 22 treatment, a generating facility must meet at least two of three statutory criteria: enhancing grid resiliency, contributing to fuel diversity, or implementing processes to reduce or minimize risk related to regulated air emissions.[38] Critically, there is no requirement that a data center *not* cause the rates paid by other customers to increase.

These three criteria are broad enough that virtually any modern combined-cycle gas plant constructed in Mississippi would satisfy them. More significantly, no independent body is tasked with verifying that a new generation facility actually meets the criteria before Section 22 treatment applies. The determination appears to rest principally with the utility itself. Once construction begins, the statute requires Entergy to hire an independent public accounting firm to audit its construction and purchase costs, though the statute does not define the scope of that audit. PSC staff is authorized, but not required, to hire its own independent consultant to review prudence, and that consultant is also paid for by Entergy. Given the political and legislative momentum favoring data center investment, and with the Commission having publicly praised the resulting investments, the conditions for a rigorous and impartial prudence review are not obviously present.

3.2. Formula Rate Plan and Data Center Investments

Entergy operates under a Formula Rate Plan (FRP) that allows it to recover costs through annual and interim rate adjustments without filing a general rate case. SB2001 and the FRP work in tandem to create an unusually low-friction path for recovering data center investment costs from ratepayers. Under normal

[38] Miss. Code Ann. § 77-3-271(3)(e) (2024). The emissions criterion references "regulated air emissions" and does not include carbon dioxide, which is not currently subject to regulation as an air emission under applicable Mississippi or federal law in this context. Hydrogen-ready combined-cycle gas plants, such as those Entergy is building, readily satisfy this criterion through design features intended to support future emissions capture or fuel switching.

FRP rules, annual rate increases are capped at 4 percent, limiting bill volatility for customers.[39] SB2001 removed that cap entirely for data center–related costs and increased Entergy's ability to begin recovering costs almost immediately.[40] The mechanism through which those costs flow to customers is the interim facilities rate adjustment (IFR Adjustment), a sub-component of the FRP that allows Entergy to begin recovering construction costs before a facility is in service.[41,42] SB2001 permitted that data center investments be funded on a Construction Work in Progress (CWIP) basis, under which ratepayers begin paying during the construction period itself.[43] Entergy Mississippi President and CEO Haley Fisackerly has claimed this shift saves customers approximately $400 million in financing costs.[44]

Entergy operates under a Formula Rate Plan (FRP) that allows it to recover costs through annual and interim rate adjustments without filing a general rate case. SB2001 and the FRP work in tandem to create an unusually low-friction path for recovering data center investment costs from ratepayers.

The investments subject to this cost recovery framework are substantial. Entergy has pre-certified approximately $3.9 billion in generation investments tied to data processing load — three combined-cycle natural gas plants (Delta Blues, Vicksburg, and Traceview, with capacity totaling 2,262 MW) and two solar facilities (with capacity totaling 270 MW). None of these facilities are yet in service, but they soon will be, with completion dates ranging from late 2027 through 2029 (see Appendix A, Table 1). Entergy spent $757.6 million on these facilities in 2025 alone—roughly 20% of total projected costs—and at $3.9 billion, these investments would represent approximately 84% of Entergy Mississippi's current rate base of $4.634 billion if allocated solely to its Mississippi subsidiary.[45] IFR Adjustment filings to recover these ongoing

[39] Entergy Mississippi, *Formula Rate Plan Rider Schedule FRP-7 (Third Revised)*, p. 4. Available at: https://www.entergymississippi.com/wp-content/uploads/eml_frp.pdf

[40] Entergy Mississippi, *Formula Rate Plan Rider Schedule FRP-7 (Third Revised)*, p. 9. Available at: https://www.entergymississippi.com/wp-content/uploads/eml_frp.pdf

[41] Entergy uses the phrase "Interim Facilities Rate Adjustment" or "IFR Adjustment" in its FRP filings. See, for example, the Direct Testimony of Chris Barrilleaux, FRP-7 for Calendar Year 2026, Docket 2025-UN-112, February 27th, 2026, p. 13.

[42] We believe the "IFR Adjustment" to be synonymous with the "Interim Capacity & Facilities Rate Adjustment" in the IFR Adjustment Reports. This term is used through most of the IFR Reports in docket 2023-UN-142. The most recent version of this report transitioned to calling the identical rate adjustment the "Interim Capacity Rate Adjustment." See Entergy Mississippi, *Interim Facilities Rate Adjustments Report for Recovery of Section 22 Facilities Revenue Requirements,* November 25, 2025, Docket 2023-UN-142.

[43] Energy Central Power Perspectives, *How this utility CEO helped land Amazon's $16 billion power investment*, August 16, 2025. Available at: https://podcasts.apple.com/us/podcast/how-this-utility-ceo-helped-land-amazons-%2416-billion/id1488804391?i=1000722561735 (remarks by Mr. Fisackerly at minutes 22–23).

[44] Energy Central Power Perspectives, *How this utility CEO helped land Amazon's $16 billion power investment*, August 16, 2025. Available at: https://podcasts.apple.com/us/podcast/how-this-utility-ceo-helped-land-amazons-%2416-billion/id1488804391?i=1000722561735 (remarks by Mr. Fisackerly at minutes 22–23).

[45] Entergy 2025 10-K, pp. 389–391 (investment costs and spending); Mississippi PSC, Order on Entergy Mississippi LLC's Formula Rate Plan Filing, Docket 2024-UN-129, Filed June 17, 2025, p. 6 (rate base figure).

construction costs have been filed in a steady sequence since 2024 within dockets 2023-UN-142, 2024-UN-129, and 2025-UN-112. The requests provide minimal detail, stating only that Entergy seeks to increase each customer class's rate by a specified amount of cents per-kWh or cents per-kW, and that the adjustment relates, in part or full, to the revenue requirement of Section 22 facilities. Entergy does not identify the specific facility causing the costs to increase.

Residential customers bear a disproportionate share of these costs. The IFR Adjustment allocators assign just under half of all IFR Adjustment-related revenue recovery to the residential class, which is the largest share of any customer class. Our analysis of publicly available FRP filings, SEC disclosures, and docket records quantifies the residential rate impact of these adjustments to date, as described in Appendix A.

4. ENTERGY'S RATE CLAIMS CANNOT BE VERIFIED

Entergy recently released public materials asserting that data centers will lower rates for all customers (described as the "Fair Share Plus" pledge). These claims are not supported by publicly available evidence. The rates that data centers pay are confidential under SB2001, the cost allocation methodology is not publicly disclosed, and the analytical basis for Entergy's savings projections has not been filed in any public docket.

4.1. ENTERGY'S FAIR SHARE PLUS PLEDGE

In Entergy's March 2026 "Fair Share Plus" pledge, the company makes an explicit commitment that data centers will cover their marginal costs and contribute additionally to total utility revenues. The pledge also includes a set of features that would apply to large-load customers and any contractual agreements between these customers and the company: "sufficiently long contract terms for service agreement, strong collateral requirements, guarantee adequate revenues, maintain grid reliability, maintain power quality, clean power support, and strong Commission oversight."[46]

Many of these contractual features reflect the best practices in large-load tariff design (see Section 2). However, there are no explicit commitments that contracts will be structured in any specific fashion, and as discussed above, Mississippi legislators have excluded Entergy from "strong Commission oversight." The pledge is, in effect, a statement of aspirations, rather than an enforceable set of obligations. Without specific, publicly reviewable commitments tied to existing contracts, the pledge provides no basis for customers or regulators to verify whether data centers are actually paying their fair share.

[46] Entergy, Entergy announces $5B in customer savings delivered by data center agreements; issues "Fair Share Plus" pledge, March 5, 2026. Available at: https://www.entergy.com/news/5b-in-customer-savings-delivered-by-data-center-agreements-issues-fair-share-plus-pledge.

4.2. ENTERGY'S CLAIMS ABOUT DATA CENTER COSTS AND BENEFITS

Entergy has also made various specific commitments relating to the costs and benefits of new large loads. However, these statements have not been supported with adequate detail or specific documentation:

- Entergy states that Amazon will pay 100 percent of the cost to extend service to the new data center facilities.[47]
- Entergy claims that its Mississippi customers will save $1.3 billion from accelerating the timing of advanced power generation investments, $700 million on fuel due to the efficiency of those investments, and $300 million on grid reliability projects from AWS revenue.[48] Entergy specifically states that it increased its planned grid improvements over the period 2025 and 2030 by $300 million to support data centers, and that this increase will be entirely funded by data center customers.[49]
- Entergy claims that these savings correspond to a reduction in bill *increases* equal to 16 percent between 2025 and 2030.[50]

In a separate report produced by consulting firm E3 on data center tariff design, which was sponsored by Amazon, E3 states that in 2025, Entergy's customers did not experience a rate increase due to Amazon-provided revenue.[51] Finally, in Entergy's 2024 10-K, the company states that it "anticipates recovering the incremental cost to serve the customer [Amazon Web Services] through the revenues it *expects* to collect under the large customer supply and service agreement."[52]

We have concerns about the framing of these claims. First, it is not clear what the timelines are for the projected savings. In one source, Entergy claims that the $700 million in fuel cost savings occur over the

[47] Entergy, *AWS is good for Mississippi and great for Entergy customers.* Factsheet available at: https://www.entergy.com/datacenters

[48] Entergy, *AWS is good for Mississippi and great for Entergy customers.* Factsheet available at: https://www.entergy.com/datacenters

[49] Superpower Mississippi: Our bold plan to cut power outages in half … at less cost to customers. October 10, 2025. Available at: https://www.entergy.com/blog/superpower-mississippi-our-bold-plan-to-cut-power-outages-in-halfat-less-cost-to-customers.

[50] Entergy Mississippi, *Next Phase of Superpower Mississippi builds highly efficient, more cost-effective power generation source in Vicksburg,* October 21, 2025. Available at: https://www.entergy.com/news/next-phase-of-superpower-mississippi-builds-highly-efficient-more-cost-effective-power-generation-source-in-vicksburg

[51] E3, *Tailored for Scale: Designing Electric Rates for Tariffs for Large-loads, A Guidebook of Industry Best Practices and Examples from Real-World Amazon Data Center Case Studies,* December 2025. Available at: E3 Study for Amazon Identifies Rate Design Best Practices to Manage Large-Load Growth - E3. Citing Mr. Fisackerly, Magnolia Tribune: AWS: Good for Mississippi, great for Entergy customers. July 10, 2025. Available at: AWS: Good for Mississippi, great for Entergy customers - Magnolia Tribune

[52] Entergy, Form 10-K For the Fiscal Year Ended December 31, 2024, p. 81.

life of the new gas units, which is not provided.[53] The $1.3 billion in savings is attributed to savings from inflationary trends in material and construction costs.[54] Meanwhile, a different source states that savings are projected over the next 20 years after approval by the Commission.[55]

The key question is how Entergy defines savings. The company states that customer savings are calculated by comparing data center revenues, inclusive of mandatory riders, to incremental and embedded costs. The addition of new customers allows system costs to be spread across a larger customer base, resulting in savings.[56] Yet there is much uncertainty about these calculations:

- Are Entergy's assumptions about revenues from large-load customers accurate?
- Is Entergy appropriately assigning large-load customers responsibility for their costs in this calculation, or is Entergy inappropriately assuming that certain incremental costs from large-load customers would be incurred anyway and so are not the responsibility of the large-load customers?
- Is Entergy accounting for all costs that large-load customers will cause?
- Is there an alternative, fairer scenario in which large-load customers would pay more, and other customers would receive greater benefits?

This picture is further confounded by the fact that rates are going up. In a recent interview, Mr. Fisackerly conceded that rates will be increasing in either case, but he contends that the interconnection of new data center loads will results in a *lesser* increase.[57] This claim is difficult to assess in the abstract, without additional evidence. The company should be comparing one scenario with data centers against a second scenario without data centers, and it should appropriately reduce the revenue requirement in the "without" case to account for investments that would not be made but for the data centers. Surely, some of the investments that the company must make to accommodate data center loads would not be made if the data centers were not to materialize. It appears that Entergy may be making favorable assumptions—assuming that certain incremental investments to serve data center load would necessarily

[53] Entergy Mississippi, *Next Phase of Superpower Mississippi builds highly efficient, more cost-effective power generation source in Vicksburg,* October 21, 2025. Available at: https://www.entergy.com/news/next-phase-of-superpower-mississippi-builds-highly-efficient-more-cost-effective-power-generation-source-in-vicksburg

[54] Entergy Mississippi, *Next Phase of Superpower Mississippi builds highly efficient, more cost-effective power generation source in Vicksburg,* October 21, 2025. Available at: https://www.entergy.com/news/next-phase-of-superpower-mississippi-builds-highly-efficient-more-cost-effective-power-generation-source-in-vicksburg

[55] Entergy, *Entergy announces $5B in customer savings delivered by data center agreements; issues "Fair Share Plus" pledge*, March 5, 2026, Available at: https://www.entergy.com/news/5b-in-customer-savings-delivered-by-data-center-agreements-issues-fair-share-plus-pledge

[56] Entergy, Entergy announces $5B in customer savings delivered by data center agreements; issues "Fair Share Plus" pledge, March 5, 2026. Available at: https://www.entergy.com/news/5b-in-customer-savings-delivered-by-data-center-agreements-issues-fair-share-plus-pledge.

[57] Mississippi Today, *Entergy Mississippi CEO Fisackerly answers questions on data centers and electricity rates*, September 17, 2025. Available at: Entergy Mississippi CEO Fisackerly answers questions on data centers and electricity rates - Mississippi Today.

be made in any case. This favorable framing results in data center rate contributions being "all upside," since the company assumes that the data centers do not increase revenue requirements, but rather only reduce rates by contributing revenues to defray a fixed cost total. Unfortunately, it is not possible to assess Entergy's analytical approach, since its projections of rate benefits have not been made public for review.

4.3. CONFIDENTIALITY OBSCURES ANY CONTRIBUTIONS MADE BY LARGE-LOAD CUSTOMERS

In the best case, large-load customers would make separate contributions to help defray the incremental costs they impose on the system. Entergy makes several statements that suggest that this is occurring.

In an editorial in the *Magnolia Tribune*, Mr. Fisackerly makes several statements that appear to suggest that large-load customers are covering both incremental costs and some share of existing system costs (consistent with the Fair Share Plus pledge). He states, "[w]e designed the AWS pricing consistent with other past special contracts so AWS would be paying the costs of the facilities that are being built to serve them—and chipping in to support the part of the grid that serves everyone else. Because of these legislative protections, Entergy Mississippi's existing customers' future bills will be substantially lower than they otherwise would have been if AWS had not come to Mississippi." [58]

Mr. Fisackerly also states, "If [large-load customers] were not sharing the grid costs with their higher bills, residential and business customers alone would bear all grid expenses."[59] This statement could be read to suggest special contributions from large-load customers, but it also raises concerns that the company may not be treating incremental large-load customer costs as truly *incremental*—as discussed in the prior section.

Meanwhile, within the formula-rate-plan filing, there are several statements suggestive of additional contributions from large-load customers. In the testimony filed with the FRP, witness David Gibbs states that "EML's 2026 Evaluation Report would have produced a rate increase for customers, but for the inclusion of the known and measurable revenue change" which is "revenue changes for known, new large customers, when determining rate levels … through Adjustment AJ05Q. This known and measurable revenue adjustment uses the agreed-to monthly payment formula, and demonstrated large customer load to-date."[60] What is not clear is how to reconcile Mr. Gibbs statement with the existence of Section 22 specific rate increases. Nor is it clear how large-load revenues and rates compare with those assessed

[58] Entergy Mississippi President and CEO Haley Fisackerly, Magnolia Tribune: AWS: Good for Mississippi, great for Entergy customers. July 10, 2025. Available at: AWS: Good for Mississippi, great for Entergy customers - Magnolia Tribune

[59] Entergy Mississippi President and CEO Haley Fisackerly, Magnolia Tribune: AWS: Good for Mississippi, great for Entergy customers. July 10, 2025. Available at: AWS: Good for Mississippi, great for Entergy customers - Magnolia Tribune

[60] Direct Testimony of David Gibbs, *Evaluation Report Filing under Formula Rate Plan Rider Schedule FRP-7 (Third Revised) for Calendar Year 2026,* Docket 2025-UN-112, Filed February 27, 2026. Pages 12-13.

on other customers. Public testimony on Adjustment AJ05Q includes no quantitative information relevant to this issue.

The MS PSC notes in its order on the 2025 Formula Rate Plan that:

> [T]he Company properly excluded from rate base the customer contributions (deferred revenue and prepaid contributions in aid of construction "CIAC") received from one or more large customers …
>
> Both customer contributions constitute contract liabilities resulting from a confidential electric service agreement with a customer(s) who is/are paying the contributions to support the cost of serving the customer(s).
>
> The Commission finds that EML should treat future customer contributions, like those considered in this FRP, in the same manner as it has in the 2025 FRP filing.[61]

The MS PSC's statements indicate that there have been payments related to the construction of these facilities, but the details of such payment are confidential. These payments may relate to the AJ05Q adjustment, but given that both are confidential, it is unclear how they relate, if they do relate.

5. Recommendations to Protect Customers in Mississippi

To avoid subsidizing large-load customers, it is essential that the rates for these customers be set to fully recover the incremental cost of serving data center load, plus a contribution to the rest of the system. Entergy has committed to this approach under its "Fair Share Plus" pledge, but it has not demonstrated how it will meet this commitment.

In this section, we provide recommendations for contract provisions to protect customers in Mississippi and ensure that data centers do not raise rates for everyone else. While we recognize that there are certain limitations to what the Commission may require under SB2001, we suggest that Entergy could proactively commit to establishing reasonable, customer-protective provisions through a standardized contract. Entergy should make a clear commitment, which would be enshrined in the standardized contract, that data center customers shall not be subsidized by other customer classes, consistent with cost-causation principles.

[61] Mississippi Public Service Commission, Order: In Re: Entergy Mississippi LLC's 2025 Formula Rate Plan Filing. Docket No. 2024-UN-129. June 17, 2025, p. 6.

(1) Establish Standard Contracts

Entergy should establish a "Large Load" or "Data Center" standardized contract with clear eligibility criteria and definitions, and with required customer protection provisions (discussed below).

(2) Cost Allocation

There are two primary recommendations for cost allocation.

First, all facilities that solely benefit the data center (e.g., dedicated line extensions, dedicated substation) should be directly assigned to the customer via up-front contributions in aid of construction (CIAC) or equivalent mechanisms. It is not currently clear to what extent Entergy will directly allocate these costs to data center customers.

Second, where infrastructure investments benefit both data center and other customers, costs allocated to the data center must at a minimum recover the incremental costs to serve data center load and must be allocated according to cost causation principles.

(3) Minimum Contract Terms

Entergy should require minimum initial contract terms of at least 15 years, with an optional load ramp period of up to five years during which load moves toward full contract capacity.

(4) Minimum Charges

Contracts should include minimum charges that reflect the fixed costs incurred to serve the data center, regardless of actual usage, which should be based upon the contracted capacity. At a minimum, monthly charges should include a demand component sized to recover the fixed costs associated with dedicated infrastructure, regardless of whether the data center operates at full capacity in a given month. We recommend a minimum billing demand of at least 80 percent.

(5) Exit Fees and Stranded-Cost Protections

Exit fees are necessary to protect existing customers if a data center terminates service before the end of the contract term. Exit fees may also be applied to reductions in contract capacity.

Exit fees should be calculated based upon the present value of remaining unrecovered costs, unless costs can be reassigned to new customers. Further, there should be an explicit commitment that no stranded asset costs can be recovered from other customers. All such costs must be covered by the data center through exit fees, pre-funded contributions, or shareholder absorption. Finally, contracts should specify a minimum notice requirement for exit.

(6) Collateral and Financial Security

Exit fees are only meaningful if they can be collected. Accordingly, data center contracts must include robust collateral and financial security provisions, sized to the anticipated exit fee value. Not all forms of

financial assurance are equally reliable. While utilities may accept corporate parent guarantees as collateral, such guarantees raise serious enforceability concerns, particularly in the event of a customer's bankruptcy or corporate restructuring. More reliable forms of collateral — such as irrevocable letters of credit, surety bonds, or cash deposits — provide direct recourse against a third-party financial institution, independent of the financial condition of the contracting entity or its parent and are enforceable even in the event of the customer's bankruptcy. Corporate parent guarantees, by contrast, are unsecured obligations that may be difficult to collect if a parent company is in financial distress or restructuring. Mississippi should require that collateral securing large load contracts take one of these more reliable forms rather than relying on corporate guarantees that may prove difficult to enforce when they are most needed. The Mississippi legislature should consider codifying these financial assurance requirements as new data center developments continue to be announced across the state.

(7) Rate Design

Rates should be grounded in cost-causation principles and ensure that data centers pay their fair share of investment in capacity (generation, transmission, distribution), operating and maintenance costs, and resource adequacy and reliability.

(8) Transparency and Reporting Requirements

To address governance and oversight concerns, all data center service should be documented in standard form contracts, with limited and clearly defined negotiable terms. Utilities should be required to file executed service agreements with confidential commercial details redacted as necessary, so regulators and stakeholders can verify compliance with standardized terms and conditions.

Periodic reporting should be mandated on data center loads and usage patterns, revenues collected versus costs imposed on the system, status of interconnection and network improvements, and any exit or capacity reduction events and associated exit fees assessed and/or other mitigations applied (i.e., reassignment of capacity to other customers). Additionally, Entergy should periodically provide a standardized and uniform update on data center-related investments, contracts, revenues, and costs. This would synthesize the information that is currently spread across many disparate dockets related to data center investments in a single report to enhance transparency.

Appendix A. Recovery of Utility Data Center Costs in Mississippi

5.1. Description of Cost Recovery Process for Data Center Costs

Under the current cost recovery framework, Entergy may request interim cost recovery of data center-related investments prior to the investment being used and useful through the Interim Facilities Rate Adjustment (IFR Adjustment).[62,63] Mr. Fisackerly stated that SB2001 allowed Entergy to reduce the carrying costs of investments for power and grid infrastructure through a shift from the Allowance for Funds Used During Construction mechanism to a Construction Work in Progress mechanism for recovery of costs.[64] A CWIP allows a utility to recover construction costs while the project is being constructed rather than deferring these costs until after the investment is placed in service or used and useful.

After a project has been in service for one year, and its costs are deemed prudent, they are removed from the IFR Adjustment and are "realigned" into the annual rate adjustment, as defined by the FRP -7 rider.[65] Entergy's most recent formula rate plan shifted $7.7 million in costs from the IFR Adjustment to the annual rate adjustment.[66]

IFR Adjustment Mechanism

The IFR Adjustment is authorized to recover "non-fuel-related revenue requirement associated with generation, transmission or distribution facilities, along with related property and rights-of-way, constructed, acquired, owned, operated, maintained or improved by Company in order to directly or indirectly provide electric service to a customer in connection with a project as defined in Section 57-75-5(f)(xxxiii) ("Section 22 Facilities").[67]

[62] See: Entergy Mississippi, LLC, 2024 Interim Facilities Rate Adjustment Report for Recovery of Section 22 Facilities Revenue Requirement, Docket 2023-UN-142, May 30, 2024.

[63] Further, this Section 22 Revenue Requirement is presented, but redacted, in Attachment L of Rider Schedule FRP-7. Unfortunately, we have not been able to obtain an unredacted version. See: Docket 2022-UN-135, Attachment A – Revised, Rider Schedule FRP-7 (Third Revised) Attachment L, Section 22 Facilities Revenue Requirement, Filed April 17, 2024.

[64] Energy Central Power Perspectives, *How this utility CEO helped land Amazon's $16 billion power investment*, August 16, 2025. Available at: https://podcasts.apple.com/us/podcast/how-this-utility-ceo-helped-land-amazons-%2416-billion/id1488804391?i=1000722561735, minutes 22 through 23.

[65] Entergy Mississippi, *Formula Rate Plan Rider Schedule FRP-7 (Third Revised)*, pp. 8-9. Available at: https://www.entergymississippi.com/wp-content/uploads/eml_frp.pdf

[66] Entergy Mississippi, LLC, *Evaluation Report Filing Under Formula Rate Plan Rider Schedule FRP-7 (Third Revised) For Calendar Year 2026.* Filed February 27, 2026. p. 29; Columns C3 and A3.

[67] Entergy Mississippi, *Formula Rate Plan Rider Schedule FRP-7 (Third Revised)*, p. 8. Available at: https://www.entergymississippi.com/wp-content/uploads/eml_frp.pdf

Within Entergy's FRP filings, the IFR Adjustment is not differentiated from recovery of interim capacity costs. There is a single column in these filings that is labeled "Interim Capacity & Facilities Rate Adjustments." The evidence that we have reviewed strongly suggests that the adjustment to rates through this consolidated column reflects just the IFR Adjustment, which recovers costs associated with data centers. Unfortunately, given the high degree of aggregation in reporting and the extensive redaction of key information, it is not possible to determine with absolute certainty whether the values appearing in the Interim Capacity and Facilities & Rate Adjustment column incorporate any incremental capacity costs unrelated to data centers.

Rate adjustments associated with IFR Adjustment are filed in the form of dollars-per-kWh or dollars-per-kW increases in rates for given customer classes, with a term that is typically between six months and a year. The adjustments do not describe the total amount of money collected due to the filing for the residential class or overall utility.

The IFR Adjustment mechanism allocates the costs according to a set of allocators. Per this allocation scheme, nearly half of these costs appear to be assigned to the residential class.

5.2. Overview of Key Dockets and Data Center Investments

Information about the investments that Entergy is making to support data centers in Mississippi is scattered across two categories of dockets: project-specific dockets and formula rate plan dockets. For example, Project Cosmos includes substation and distribution investments and is part of docket 2024-UA-101. The advanced power stations, such as Delta Blues, are covered in docket 2024-UA-144.

The initial docket containing the IFR Adjustment filings for data center costs is 2023-UN-142. It captures a steady sequence of IFR Adjustment filings, dated from 2024 to the present. This docket was initiated with the formula rate plan filing for 2024. Subsequent changes to the IFR Adjustment are filed within this docket. Additionally, dockets 2024-UN-129 and 2025-UN-112 contain the 2025 and 2026 formula rate plan filings, respectively. Each formula rate plan filing contains an annual reconciliation of IFR Adjustments for that year, as well as a description of whether any interim adjustments are transferred to non-interim rate adjustments.

Known data center-related investments

The following investments were pre-certified as being tied to data center projects.[68] The projects are not yet in service, but their expected dates-of-service are provided in the table below. Further, in required filings with the SEC, Entergy stated that it spent $757.6 million on the listed facilities in 2025, about 20

[68] Entergy, Form 10-K For the Fiscal Year Ended December 31, 2025, pp. 389-391

percent of the total costs.[69] These investments, if allocated solely to Entergy Mississippi, would represent 84 percent of Entergy's rate base, which was $4.634 billion in 2025.[70]

Table 1. Summary of generation projects associated with data processing–related load

Facility	Capacity	Location	Estimated Cost	Estimated In Service Date
Combined-Cycle Combustion Turbine Facilities				
Delta Blues Advanced Power Station	754 MW	Washington County, MS	$1,200 million	May 2028
Vicksburg Advanced Power Station	754 MW	City of Vicksburg, Warren County, MS	$1,200 million	August 2028
Traceview Advanced Power Station	754 MW	Madison County, MS	Excess of $1,000 million	2029
Subtotal–Combined Cycle	*2,262 MW*		*$3,400 million*	
Solar Facilities				
Delta Solar	80 MW	Bolivar County, MS	$157.2 million	End of 2027
Penton Solar	190 MW	DeSoto County, MS	$327.2 million	Early 2028
Subtotal Solar	*270 MW*		*$484.4 million*	
Total	**2,532 MW**		**$3,884.4 million**	

Additionally, while not the subject of this analysis, reporting within Mississippi Department of Environmental Quality filings show that 700 diesel generators will be housed in Amazon's Madison County campuses, producing nearly 2,000 MW if running concurrently.[71]

5.3. Estimated Total Residential Rate Recovery of Section 22 Costs to Date

Using publicly available documents, we estimate that residential ratepayers have already contributed $38 million to data center–related investments and will contribute more than $74 million by the end of 2026, assuming no further Interim Capacity & Facilities Rate Adjustment is filed this year. It is not clear which specific data center–related investments residential customers are funding. Further, there is no public evidence that AWS has been offsetting these contributions.

Entergy does not specify how much money each Interim Capacity & Facilities Rate Adjustment is recovering, but rather only provides the per-class change in revenue. Only through reviewing the annual

[69] Entergy, Form 10-K For the Fiscal Year Ended December 31, 2025, 386.

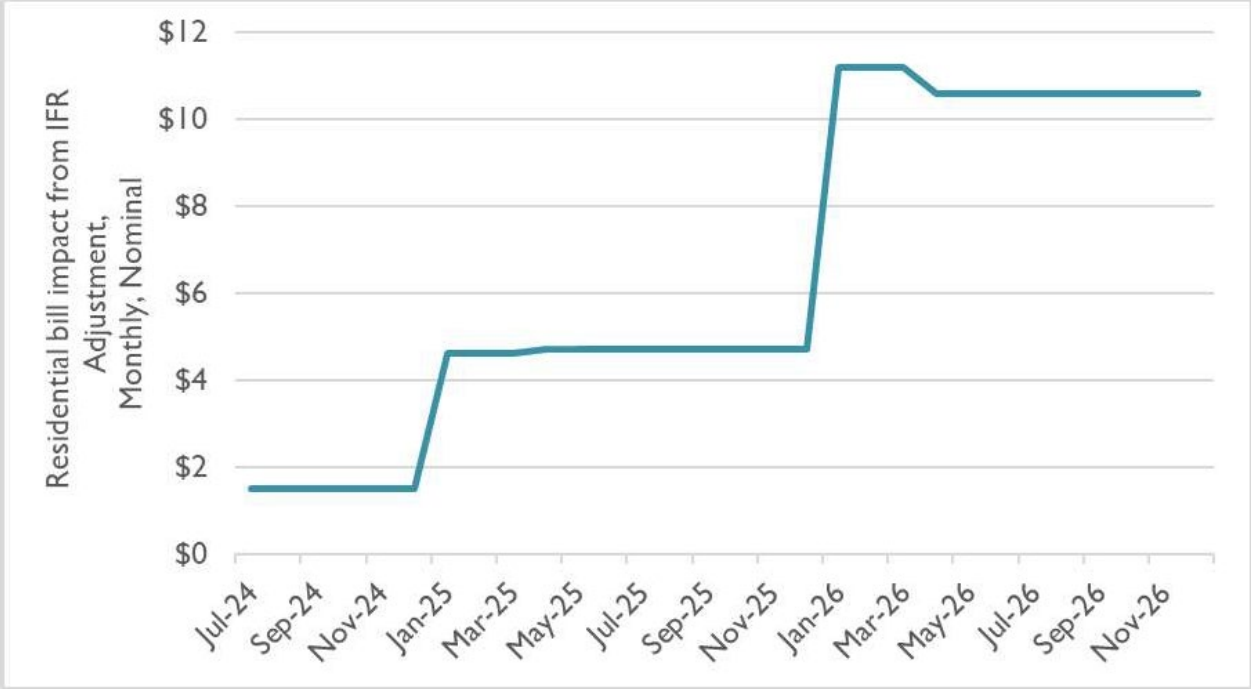
[70] Mississippi PSC, Order on Entergy Mississippi LLC's Formula Rate Plan Filing, Docket 2024-UN-129, Filed June 17, 2025, p. 6.

[71] Illan Ireland, Mississippi Free Press, *Amazon's Canton Data Center Promises Prosperity. For Neighbors, It's Bringing Dust, Noise and Pollution Fears.* February 13, 2026. Available at: https://www.mississippifreepress.org/amazons-canton-data-center-promises-prosperity-for-neighbors-its-bringing-dust-noise-and-pollution-fears/

docket filings and Entergy's annual 10-K and quarterly 10-Q filed with the SEC were we able to calculate the total amount of money recovered through individual FRP filings. As shown in Figure 1, the total monthly recovery from the residential class for all Section 22 charges through Interim Capacity & Facilities Rate Adjustment changes considerably from month to month. Figure 2, further below, provides the average total residential monthly bill impact for the same Interim Capacity & Facilities Rate Adjustment.

Figure 1. Monthly residential revenues associated with the Interim Capacity & Facilities Rate Adjustment

Figure 2. Average impact to monthly residential bills from the Interim Capacity & Facilities Rate Adjustment



Using the publicly available data in Entergy's 10-K and 10-Q filings, we were able to identify some of the projects being recovered through the IFR Adjustment. These project costs included:

- $8.7 million in costs are directly associated with the Delta Blues Advanced Power Station.[72]
- An additional $0.977 million true-up for under-recovery of costs in the initial filing is also tied to the Delta Blues Advanced Power Station.[73]
- $46.7 million in costs are associated with data centers to be recovered between January 2025 and December 2025. However, the corresponding project is not specified.[74]

As noted, the IFR Adjustment is not indicated on customer bills. Rather, customers pay a single "energy charge" as shown in Figure 3[75] The actual energy rate that customers are charged, which determines the "energy charge" when multiplied by consumption, reflects the net of rate adjustment calculated in the FRP proceedings to date. Thus, residential customers have no way of knowing that their bills are increasing due to the IFR Adjustment, or any other adjustments for that matter.

[72] Entergy, Form 10-K For the Fiscal Year Ended December 31, 2024, p. 379.

[73] Entergy Form 10-Q for the quarterly period ending September 30, 2025, p. 149.

[74] Entergy, Form 10-K For the Fiscal Year Ended December 31, 2024, p. 80.

[75] FRP-7 Third Revised for Calendar Year 2025, Attachment H, *Notice to customers was issued to customers during the March 2025 billing cycle. EML is supplementing the filing with copies of the notice*, Docket 2024-UN-129, Filed May 15th, 2025. p. 10.

Figure 3. Example notice to customers in March 2025

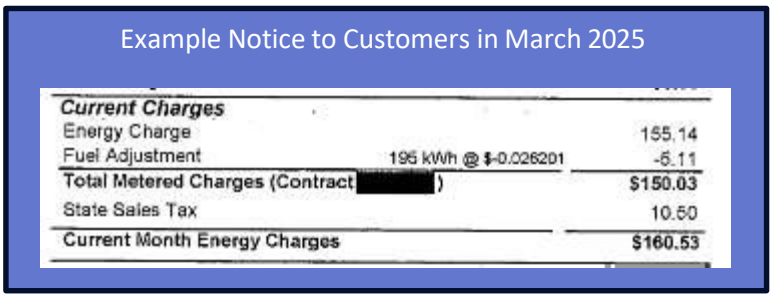


Figure 4 shows the total revenue recovered for the residential class, in cumulative terms.

Figure 4. Cumulative revenue recovered from residential customers for Interim Capacity & Facilities Rate Adjustment

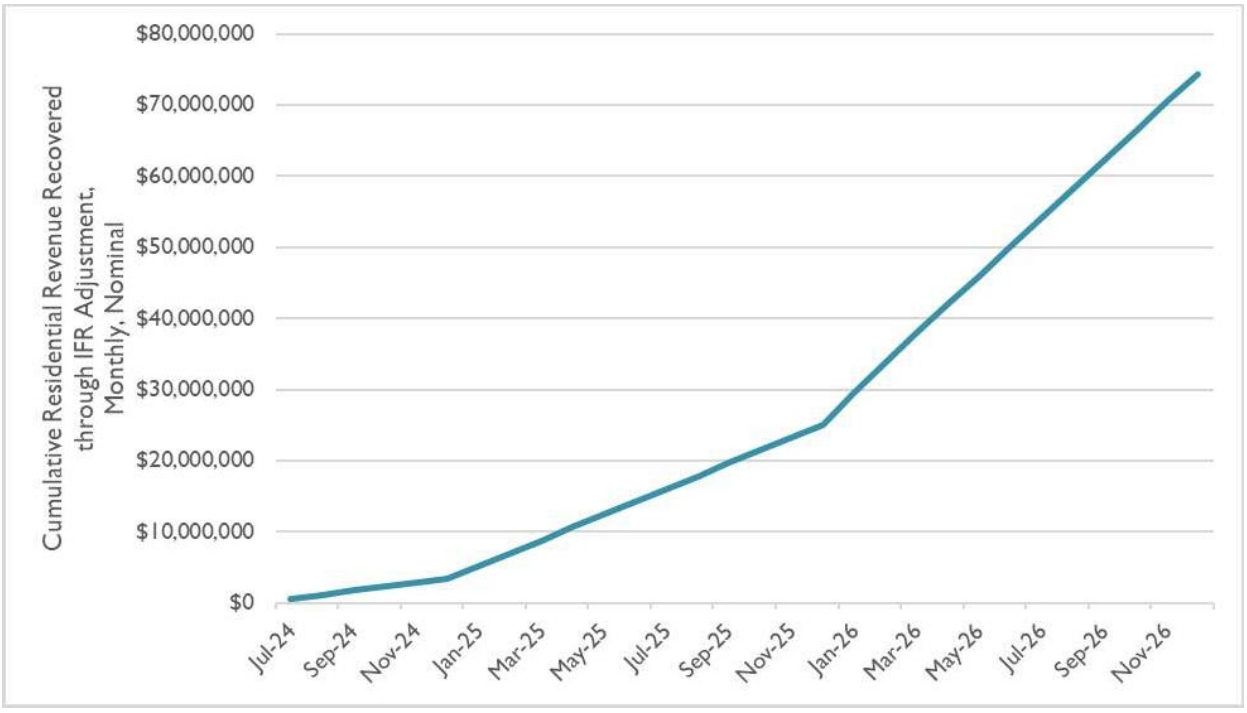


Table 2 provides a summary of residential Entergy customers' usage, bills, and revenues.[76] Notably, the average Entergy customer bill is $157 per month. Thus, the Interim Capacity & Facilities Rate Adjustment of $11 per month appears to already have a substantial impact on residential bills, potentially comprising 7 percent of a customer's bill.

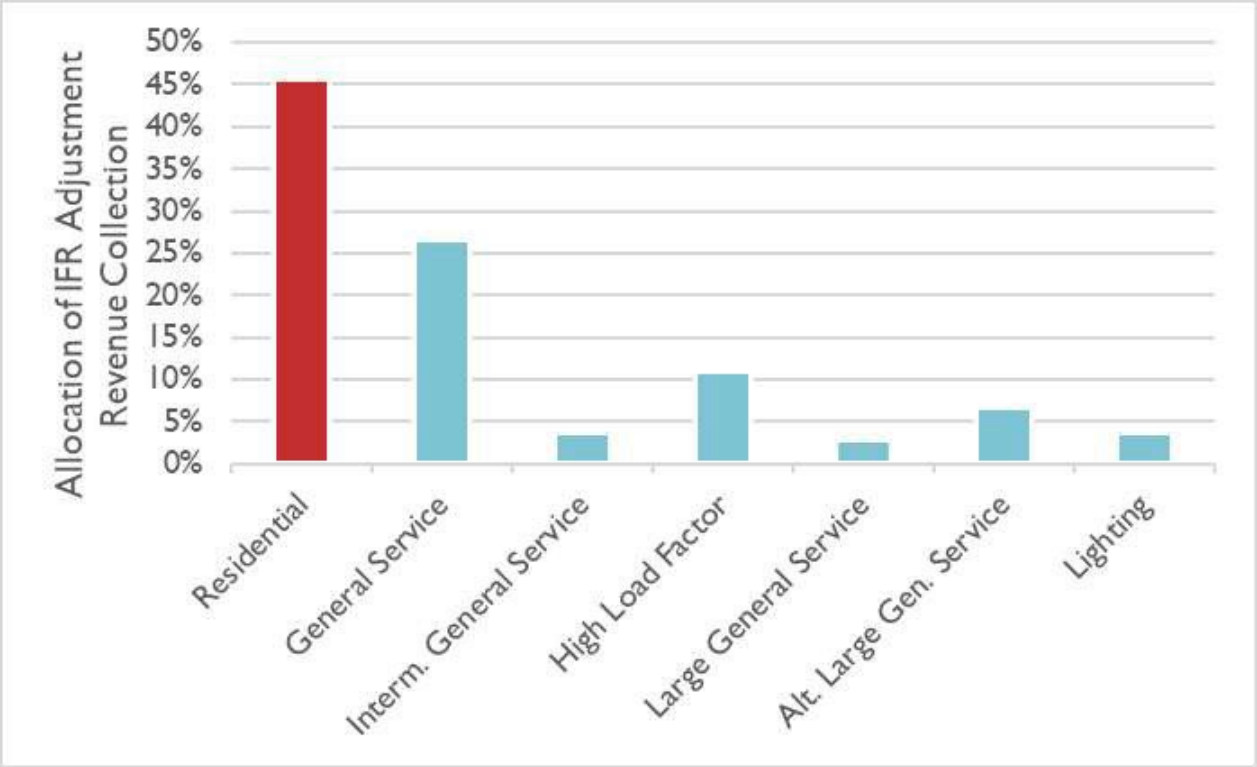
[76] EIA, Annual Electric Power Industry Report, Form EIA 861, Sales to Ultimate Customers, Entergy, 2024. Available at: Annual Electric Power Industry Report, Form EIA-861 detailed data files - U.S. Energy Information Administration (EIA)

Table 2. Summary of residential Entergy customers

Statistics of Residential Customers	
Number of residential customers	384,611
Average residential customer size	1,188 kWh/month
Average residential customer bill, 2024	$157/month
Annual total residential revenue	$725 million

The residential class provides the largest amount of revenue amongst the seven rate classes when an increase is filed through the IFR Adjustment, as shown in Figure 5.[77]

Figure 5. Allocation of Revenue Requirement applied to the Interim Facilities Rate Adjustment



[77] Formula Rate Plan FRP-7 (Third Revised) Evaluation Report & Workpapers, *Rate Adjustment Redetermination Formula, Allocator, April 2025* Attachment G, p. 2. Filed February 28, 2025.