

Explanation of Capping/Stabilization Mechanism Form

(Required in all rate filings that are either subject to a capping/stabilization mechanism or rule or a previous capping/stabilization rule has been removed.)

- If capping is being used, the Rate Order of Calculation should include a line item for capping.
- The capping mechanism should be included within the manual in a method we can understand.
- In addition to the histogram required in the Mississippi Ratemaking Worksheet, please provide two additional histograms displaying impacts without capping/stabilization (impacts up to the filed rates) and with capping/stabilization (as of the first renewal).

Please answer the following:

1. Explain how future rate changes will interact with the current rate change under the rate capping/stabilization rule.

2. (IF APPLICABLE) Explain how the rate changes included in this filing interact with a previous capping/stabilization rule.

3. (IF APPLICABLE) If a previous capping/stabilization rule has been removed, explain how the removal affects the impact of rate revisions in this filing.