

June 3, 2020



FROM THE DESK OF
COMMISSIONER
BRENT BAILEY
CENTRAL DISTRICT OFFICE



The Central District is pleased to bring you the latest information concerning utility rates, project developments, Public Service Commission actions and other news you can use. I hope you will find this information to be a useful resource to learn about the Public Service Commission, consumer issues and the continuous work we are doing for the citizens in the Central District and across the state of Mississippi. Thank you again for allowing me to serve you in this capacity.

Brent Bailey

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Utility Greenhouse Gas Reduction Goals... and What They Mean

Last week, Southern Company announced at its Annual Meeting an [updated corporate emissions reduction goal of net-zero emissions by 2050](#). This action replaces the “low- to no-carbon goal” the company announced in April 2018. Previously, Southern Company’s local regulated electric subsidiaries (Mississippi Power, Alabama Power and Georgia Power) appear to have set aside Southern’s carbon goal and proceeded on a business as usual approach.

But the new “net-zero emissions by 2050” goal, in addition to its intermediate goal of a 50 percent reduction of greenhouse gas (GHG) emissions from 2007 levels by 2030, are enterprise-wide goals across all electric and gas operations. Southern Company system’s carbon emissions have decreased by 44 percent through 2019, and the company now expects to achieve the 50 percent reduction goal possibly as early as 2025. But what do future actions in this space look like?

Southern Company – and its electric subsidiaries such as Mississippi Power – could ramp up energy efficiency programs, increase the use of emission-free energy resources such as solar, wind and nuclear, retire legacy fossil plants, implement afforestation programs, or implement carbon-negative technologies, such as carbon capture. Each approach has associated costs and benefits and each must be weighed as a component of any energy resource and sustainability planning objectives.

Entergy Corporation also [announced](#) in April 2019 an emissions reduction goal for 2030: “Entergy will reduce its emission intensity by 50% from our 2000 level by 2030.” Emission intensity is measured by the pounds of carbon dioxide (CO₂) produced per megawatt hour. This means that for each megawatt hour of electricity Entergy generates, they intend to emit half the CO₂ that they emitted in 2000.

Entergy Corporation is building on previous actions. In 2001, Entergy was the first U.S. utility to cap CO₂ emissions voluntarily. And then in 2011 Entergy committed to maintaining its cumulative emissions cap at 20 percent below year 2000 levels through the year 2020. Entergy says it is ahead of that goal. Learn more about how Entergy plans to achieve its goal in its latest [Climate Report](#).

The Tennessee Valley Authority, which provides electricity to 14 rural electric cooperatives and numerous municipalities in central and northern Mississippi, has a [goal](#) of a 70 percent reduction of CO₂ emissions from 2005 levels by 2030. Cooperative Energy and its 11 member cooperatives have [reduced carbon emissions](#) over 40 percent since 2005.

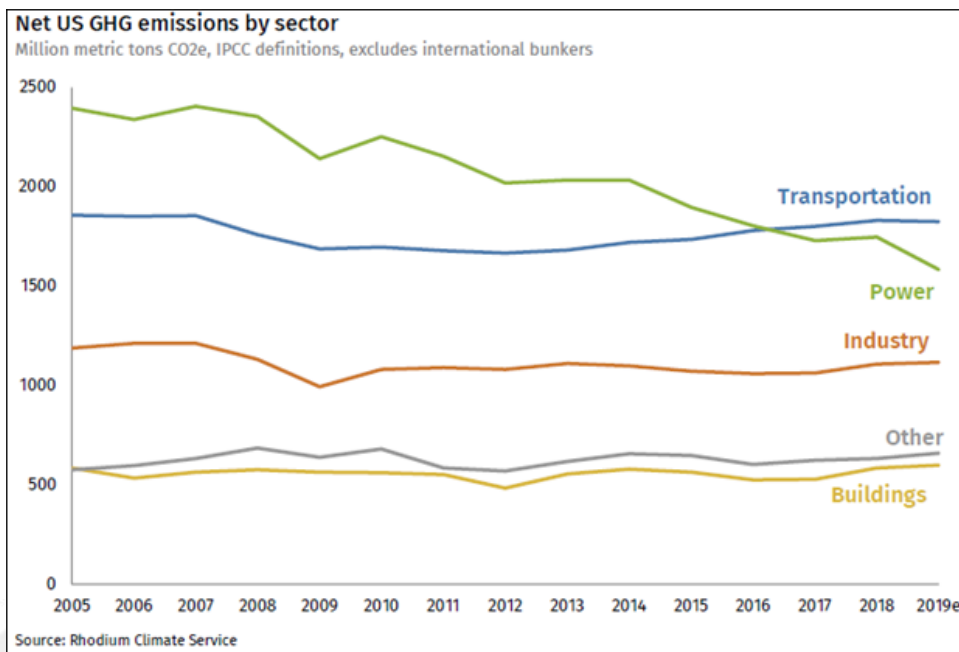


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Electric utilities are not the only ones committed to reducing GHG emissions. Natural gas companies that serve Mississippians have formulated plans and outlined commitments to reduce emissions from their transmission and distribution systems. Atmos Energy has [established a target](#) to reduce methane emissions from its natural gas distribution system by 50 percent from 2017 to 2035. CenterPoint Energy [recently announced](#) a goal to reduce its operational emissions by 70% from 2005 levels by 2035, and emissions attributable to natural gas usage in heating, appliances, and equipment within the residential and commercial sectors by 20% to 30% by 2040. Spire has reduced methane emissions by more than 39 percent since 2005, according to its recent [Corporate Social Responsibility report](#).

Why are utilities putting so much emphasis on environmental and sustainability actions? Don't people just want reliable and affordable electric and natural gas service? Of course they do, but customers also want it produced and delivered in a safe and environmentally responsible manner. The same can be said about our nation's food supply. During my time working with landowners and land managers across the region, I found that the large majority wanted to leave their lands in better shape than when they found it. And they were doing it for the next generation so they could enjoy the many natural resources that so many of us treasure today.

Utilities have a responsibility as well to deliver energy resources as efficiently as possible while being good stewards of our wildlife and natural resources. It is up to the utilities to communicate these strategies to its customers, and it is up to us as stakeholders to demand responsible behavior and monitor and ground-truth environmental performance to ensure protections for customers and our natural systems. I look forward to continuing to evaluate and support initiatives that provide meaningful, cost-effective emission reductions measures.



What are Greenhouse Gases?

Gases that trap heat in the atmosphere are called greenhouse gases. Carbon dioxide (CO₂) is the primary greenhouse gas emitted through human activities, primarily the burning of fossil fuels. Methane (CH₄) is emitted during the production and transport of coal, natural gas, and oil. Methane emissions also result from livestock and other agricultural practices and by the decay of organic waste in municipal solid waste landfills. Nitrous oxide (N₂O) is emitted during agricultural and industrial activities, combustion of fossil fuels and solid waste, as well as during treatment of wastewater. Fluorinated gases (hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride) are synthetic, powerful greenhouse gases that are emitted from a variety of industrial processes.



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LAST WEEK AT THE MPSC

- Updated and amended [exhibits](#) were submitted in support of utility improvements at Kemper Crossing and the transfer of service from Kipling Water Association to Town of DeKalb.
- The City of Greenville filed responses (including [testimony](#)) to the First Set of Data Requests made by the MPSC. The City of Greenville is requesting an increase in rates charged for sewer services to approximately [27 customers](#) located greater than one mile outside the city limits.
- Franklin Telephone filed notice of its intention to modify their Intrastate Special Access Service tariff with July 1, 2020, as the proposed effective date.
- Entergy MS filed a [motion to extend the deadline](#) by which it would hold the initial public workshop per the Integrated Resource Planning and Reporting Rule 29. Entergy MS proposes to hold the public workshop on Monday, June 22, 2020 at 2:00pm. Concerns around the COVID-19 emergency required the extension and requires certain protections be put in place for staff and participants. The MPSC issued an [Order granting the request](#). A meeting notice will soon be serviced upon the public.
- Frontier Communications filed a [Joint Application](#) for approval of a transfer of control associated with the Joint Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code. The Application proposes that there will be no changes in rates, terms or services for customers in Mississippi.
- Monthly Purchased Gas Adjustment ("PGA") Audit Reports were prepared by the Public Utilities Staff and submitted to the Commission for: [Atmos Energy](#); [CenterPoint Energy](#); and [Spire Mississippi](#). The Staff audits each months' allowable purchased gas adjustment costs and the purchase gas adjustments over/(under) recovery.
- Entergy MS filed a [Motion for Extension](#) of Time to respond to the Motion filed by 4-County EPA asking for a Declaratory Opinion regarding the provision of auxiliary power at the Choctaw Generation Station.
- The Town of Flora has [filed for a Certificate](#) to assume responsibility for the [sewer system serving the Andover Subdivision](#) located approximately 2 miles northeast of Flora. The subdivision was established in 2003 and currently has 21 water-sewer customers. The area is located in the Town of Flora's certificated area for potable water service. The Town has been billing for water service, but does not currently bill for sewer service in the area at this time. The Town [states a Certificate is needed](#) to implement new sewer rates to generate revenues to maintain the system.

News from our Neighbors

On Monday, the Arkansas Public Service Commission issued [Order No. 28](#) maintaining current 1:1 net metering rate credit structures for existing residential and rooftop solar-power users through the end of 2022. Existing net metering customers are also grandfathered for up to 20 years. Electric utility providers, however, can seek a yet-to-be-defined grid fee on new commercial and industrial solar projects. And, beginning in 2023, utility providers can seek alternative rate structures for net metering. The action provides regulatory certainty for customers and the state's solar industry.



The June Regular Docket Meeting will take place on **Tuesday, June 9 at 10 am**. The meeting will be held telephonically. Visit <https://www.psc.ms.gov/sites/default/files/2020-06/Notice-of-Public-Meeting-June-2020.pdf> for additional details. The agenda will soon be available online.



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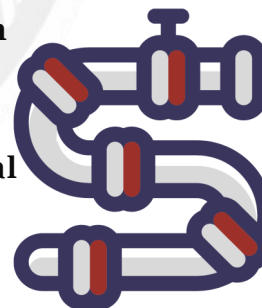
Last week, our Consumer Complaint Specialists handled a total of **84** complaints in the Central District.

Water/Sewage	66
Electric Companies	12
Telecommunications	5
Natural Gas	1

Our Pipeline Safety Division completed **7** construction inspections in the Central District during the month of May.

The total amount of construction notices that was received by the Commission in the Central District during the month of April is approximately **\$4,719,00**.

“Reporting of Construction Work”- The rule is found in Chapter 57.1: All Construction work involving gas facilities in which the estimated cost of proposed facilities is in excess of eight thousand dollars are related facilities that would be governed by the Federal Minimum Safety Requirements, will be reported in writing, or via telephone to the MS Public Service Commission prior to starting date of such construction. (There are exceptions for emergencies.)



The Commission encourages all intra-state natural gas operators to comply with the rule.

Last week, the Central District received a total of **38** complaints from consumers against potential telemarketers through our no call app, website and mail-ins. The top three general issues reported by consumers are related to auto warranties, insurance and credit cards.

The [Federal Trade Commission](https://www.ftc.gov) recently reported on how to avoid COVID-19 government imposter scams and offer three ways to help protect yourself and others from these scammers. For the most up-to-date information on avoiding COVID-19 related scams, visit ftc.gov/coronavirus/scams.

We encourage consumers to file telemarketing complaints with the Federal Trade Commission at <http://www.donotcall.gov/> in addition to filing complaints with the Mississippi Public Service Commission.