

July 1, 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*



## What is “Grid Modernization”?

In general, the role of a utility regulator is to weigh the evidence presented and to make the best decisions possible based on the information provided. Which is why it is important for regulators to have access to multiple perspectives and technical expertise when evaluating the costs and benefits of investment proposals that will likely impact rates.

Grid modernization is one such area that can bring forth multiple viewpoints, definitions and interpretations. Grid modernization has become a catch-all phrase to refer to suggested modifications made to the power grid to facilitate the rapid technological changes occurring in the generation, transmission and distribution of electricity. Grid modernization often infers to increasing the intelligence of the grid through sensors, computers and communications infrastructure. Grid modernization can also include measures to improve reliability through grid hardening or increased resiliency. Grid modernization can also mean providing customer access to distributed generation, enhanced utility services and technical assistance. Whatever the objective, the grid must be flexible enough to adapt to a whole new range of technologies and resources accessible through the grid.

Achieving a smart, efficient, resilient grid won’t happen overnight. In some cases, the vertically-integrated nature of investor-owned utilities may discourage investment in measures that increase the efficient generation and use of energy. Selling less electricity over time is generally not preferred. On the other hand, some utilities may be quick to label what should be normal grid maintenance as grid reliability enhancements that come with a nice price tag - and a nice return on the equity invested - but does not achieve the reliability claims that were originally justified in the project proposal.

It is for the reasons above that we must increase transparency and stakeholder engagement in grid planning and capital spending processes. The Commission’s new Integrated Resource Planning and Reporting Rule 29 requires investor-owned electric utilities to formulate plans that include an analysis of supply and demand-side resources, and consider transmission needs, in order to satisfy the utility’s load requirements while balancing costs, energy reliability and efficiency, environmental responsibility, risk mitigation and reasonably priced service for customers. Furthermore, the electric utilities shall report to the Commission annually on their efforts to improve energy delivery, through modernization of existing infrastructure, improvements to lower energy delivery costs, and/or through the expansion of energy delivery to additional customers.



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Increasing grid efficiency and maintaining grid reliability potentially become more challenging and increasingly important as the overall system becomes more complex and customer expectations evolve. The energy grid is moving to a more fully integrated energy network and the modernized grid of tomorrow must consider the full range of innovative technologies from cybersecurity to microgrids.

Paying for these grid-wide upgrades will likely be the biggest challenge. The Brattle Group estimates that \$1.5 trillion to \$2 trillion will be spent by 2030 to modernize the grid across the U.S. These grid investments could lead to rate increases that could last 15-40 years. Rate increases increase energy costs for residential customers and make areas potentially unattractive for new businesses. As regulators, we must ensure that grid modernization benefits claimed by the utilities are not exaggerated and that the costs are not understated. I look forward to working with all stakeholders to help determine which grid investments are worthwhile, minimizes the risks to the rate-paying customer, allows for clean generation integration, and makes Mississippi attractive to new industry.

## THE MPSC AT THE LEGISLATURE

[SB 2386](#), the bill to reauthorize and amend the section of Mississippi Code (Title 77) that creates the Public Service Commission and prescribes its duties and powers, was signed by the Governor. Details about this bill was included in last week's newsletter.

[HB 1710](#) is the MPSC Appropriations bill for FY2021 beginning July 1, 2020 and ending June 30, 2021. With a total appropriation of \$4,199,627, this is a reduction of \$322,676 from FY2020. We also received a reduction of \$3,493 for our No Call Division and a reduction of 8 PINs. Our Pipeline Safety Division will also see a reduction of \$100,000. Awaiting Governor signature.

[HB 1711](#) is the Appropriations bill for the Public Utilities Staff. The PUS received an appropriation of \$2,094,531 for FY2021. This is a reduction from \$2,269,187 in FY2020. Awaiting Governor signature.

[SB 3046](#), the "Mississippi Electric Cooperatives Broadband COVID-19 Act," establishes a \$65 million grant program to provide grants to electric cooperatives for the purpose of expanding broadband access in unserved and underserved areas of the State. \$10 million was also made available for broadband providers for the purpose of expanding broadband access in the state. Most grants shall be awarded by the end of July. Awaiting Governor signature.

[SB 2194](#) extends the repealer on the statute providing for the deposit of fees generated from the MS Telephone Solicitation Act. Awaiting Governor signature.

[HB 1334](#) revises the Mississippi 811 law to require certain notifications through the Positive Response Information System (PRIS). Signed by the Governor.

## LAST WEEK AT THE MPSC

- Monthly Purchased Gas Adjustment (PGA) Audit Reports are prepared by the Public Utilities Staff for each investor-owned natural gas utility: [CenterPoint Energy](#); [Atmos Energy](#); and [Spire Energy](#).
- Mississippi Power Company submitted its [Estimated Avoided Cost Filing](#) for 2020-2025. This data is also used to calculate the rates contained in the Company's Cogeneration and Small Power Production Purchases Rate Schedule. Mississippi Power Company projects no capacity additions through 2030.
- Atmos Energy filed a [Motion for a Temporary Waiver](#) of Rule 11.110.4 of the Rules and Regulations Governing Public Utility Service of the MPSC. Due to the COVID-19 public health crisis, Atmos temporarily suspended meter reading to avoid interaction between Atmos employees and the general public and implemented the use of meter estimation for some Mississippi customers without wireless meters. Atmos is requesting a waiver to of the requirement to notify customers to explain the reason for billing estimation in these unprecedented times. The Commission issued an [Order Granting the Motion](#).



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## The MPSC at the Legislature

**HB 1415** would have returned the MPSC back to a Special Fund agency for purposes of appropriations funding. The bill died in Senate committee.

**HB 1788**, the "Mississippi Pandemic Response Broadband Availability Act," creates a \$50 million grant program administered by the MS Dept. of Education to increase or gain broadband access for the unserved areas where students reside. Awaiting Senate action.

The monthly Regular Docket Meeting of the Mississippi Public Service Commission will take place on **July 7 at 10:00 a.m.** Like last month, the meeting will take place telephonically with streaming broadcast over the MPSC YouTube channel at <https://www.psc.ms.gov/webcast>. Please see the [Meeting Notice](#) for more details.



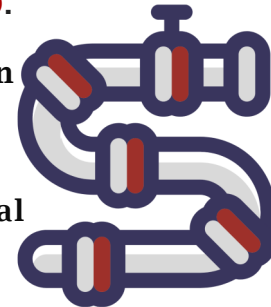
Last week, our Consumer Complaint Specialists handled a total of **26** complaints in the Central District.

Electric Companies	11
Telecommunications	11
Water/Sewage	4

Our Pipeline Safety Division completed **10** construction inspections in the Central District during the month of June.

The total amount of construction notices that were received by the Commission in the Central District during the month of June is approximately **\$2,410,000**.

**"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 **137** 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 insurance, credit cards and auto warranties.

**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.**