



MISSISSIPPI
PUBLIC UTILITIES STAFF

Sally Burchfield Doty, Executive Director

Annual Report

Ending June 30, 2021

PUBLIC UTILITIES STAFF

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ANGEL STENMARK, DIRECTOR
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SALLY BURCHFIELD DOTY
EXECUTIVE DIRECTOR

To: The Honorable Governor and Members of the
Legislature of the State of Mississippi
State Capitol
Jackson, Mississippi

Re: Mississippi Public Utilities Staff
2021 Fiscal Year Annual Report

The Mississippi Public Utilities Staff (Staff) submits this Annual Report to Governor Reeves and members of the Mississippi Legislature in compliance with Mississippi Code Ann. § 27-101-1. The Staff provides auditing, legal, and other technical assistance to the Mississippi Public Service Commission.

During the 2021 fiscal year, the Staff also administered 75 million dollars in grant funding for the expansion of rural broadband in Mississippi and provided oversight for the collection of water and sewer account arrearages in the City of Jackson. Internally, Staff focused on updating job descriptions, recruiting, training new employees and creating a more modern and collaborative work environment.

While a separate and independent agency, Staff works closely with the Mississippi Public Service Commission, and I would like to take this opportunity to thank the Chair of the Commission, Dane Maxwell, along with Commissioners Brent Bailey and Brandon Presley for their service to the ratepayers and utilities in Mississippi.

Respectfully submitted,

A handwritten signature in black ink that reads "Sally Doty".

Sally Burchfield Doty
Executive Director

COMPOSITION AND FUNCTIONS

The Legislature established the Public Utilities Staff in 1990 as a separate and independent agency to serve in an advisory and investigatory role in support of the Public Service Commission. The Staff is charged with representing “the broad interests of the state of Mississippi by balancing the respective concerns of residential, commercial, and industrial ratepayers; the state, its agencies and departments; and the public utilities.”

The Staff consists of the Executive Director and five divisions: Legal; Administrative Services; Water and Sewer; Electric, Gas and Communications; Economics and Planning. Additional information concerning the composition of, and services provided by the Staff, along with information related to each division, can be found at <http://www.mpus.ms.gov>.

UTILITY CASE LOAD

The Staff participates in all utility filings before the Public Service Commission. Staff reviews filings, conducts studies and makes written recommendations regarding all Commission proceedings affecting rates, service, and service areas of regulated public utilities in this state.

ELECTRIC

Two investor-owned electric utilities are subject to the Commission’s rate and service quality jurisdiction: Entergy Mississippi, LLC (“EML”), a subsidiary of Entergy Corporation, and Mississippi Power Company (“MPC”), a subsidiary of Southern Company. The 2020 Electric Utilities Summary reflecting the number of customers, average revenue per customer, and gross operating revenues, along with graphs comparing customer rates is provided as Attachment A to this report. The following is a digest of decisions by the Commission for the two rate regulated utilities, plus the approvals of certificates of public convenience and necessity for construction of electric generating and transmitting facilities which includes an increasing number of renewable projects:

ELECTRIC DIVISION DOCKET PROCEEDINGS

JULY 2020

2019-UA-144 Entergy Mississippi, LLC Choctaw Generating Facility

Granted EML the right to provide auxiliary or standby electric power to the Choctaw Generating Facility when the facility is not generating enough power to supply its own load.

2020-UA-041 Cooperative Energy and Coast EPA, CPCN Hancock and Harrison Counties

Granted Certificate of Public Convenience and for transmission line and substation facilities in Hancock and Harrison Counties, Mississippi (South Diamondhead).

2020-UA-045 Mississippi Power Company, CPCN Kiln-Delisle Area

Granted Certificate of Public Convenience and Necessity for Transmission and Related Facilities and Rights-of-Way in Harrison County.

2020-UA-058 Cane Creek Solar, LLC, CPCN Clarke County - Solar

Granted Certificate of Public Convenience and Necessity Authorizing a 78.5 MW Solar Electric Generating Facility in Clarke County, Mississippi.

2020-UA-059 Moonshot Solar, LLC, CPCN Hancock County - Solar

Granted Certificate of Public Convenience and Necessity for a 78.5 MW Solar Electric Generating Facility in Hancock County, Mississippi.

2014-UN-132 Entergy Mississippi, LLC, Transmission and Distribution Plan

Approved Transmission and distribution capital projects EML plans to undertake for the upcoming year. The costs for the projects are included in the FRP rider filed on 3/1/2020.

2016-UN-032 Entergy Mississippi, LLC, Net Metering

Net Energy Metering Rider Schedule NEM-1 that provides for annual redetermination of the total costs and benefits of distributed generation.

2014-UN-132 Entergy Mississippi, LLC, AD Valorem Tax Adjustment

Rate adjustment for ad valorem tax expense.

SEPTEMBER 2020

2020-UA-089 Cooperative Energy, CPCN Simpson County

Petition for Certificate of Public Convenience and Necessity in Simpson County, Mississippi to re-route a transmission line away from the commercial Hwy 49 corridor in Magee. Project cost 1.147 million.

2020-UN-101 Mississippi Power Company, Regulatory Tax Recovery

Recovery of annual tax assessment from Department of Revenue to fund expenses of the Public Service Commission and the Public Utilities Staff.

OCTOBER 2020

2020-UA-091 Entergy Mississippi, LLC, Pension Settlement Expense

Authorized Entergy to defer any settlement accounting expense associated with the payment of qualified pension plan benefits as a regulatory asset.

2020-UN-102 Entergy Mississippi, LLC, Cogeneration and Small Power Production

Biennial filing of rate for qualifying cogeneration and small power production facilities.

2020-UN-115 Mississippi Power Company, Swimming Pool Heating Rider

Authorized discontinuation of rider.

2020-UN-116 Mississippi Power Company, Formulary Facilities Charge

Modifies the Capital Recovery Charge components of the Formulary Facilities Charge (FFC) Rate Schedule to allow the up-front option only to Governmental entities in certain situations. FFC is used for customers needing redundant system capacity and/or automation equipment for high-reliability service, excess on-site transformation capacity, or special metering facilities on either side of the delivery point.

2020-UN-118 Mississippi Power Company, Low power device rate

Approval of Power Limited Unmetered Electric Service Rate Schedule "PLUM" for low power capacity devices under 50 watts attached to utility poles. (Examples are community Wi-Fi attachments for municipalities, surveillance cameras, and for non-electric utility meter reading devices).

NOVEMBER 2020

2020-UA-111 Cooperative Energy, CPCN Lamar County

Approved Certificate of Public Convenience and Necessity for Transmission Lines and a Substation in Lamar County, Mississippi (Oak Grove 161/169kV Substation).

2020-UN-117 Mississippi Power Company, LED and Street Light Service Rates

Approved LED Light Electric Service Rate Schedule to replace the Street Lighting Electric Service Rate Schedule previously applicable to governmental entities and residential customers.

2018-UN-205 Entergy Mississippi, LLC, Demand Side Management

Realigns Demand Side Management (DSM) cost recovery to the Formula Rate Plan and authorizes the deferral of DSM expenditures into a regulatory asset, which would be recovered through FRP-7 beginning in 2021.

DECEMBER 2020

2020-UA-111 Cooperative Energy, CPCN Lamar County

Approve Certificate of Public Convenience and Necessity for Transmission Lines and a Substation in Lamar County, Mississippi (Oak Grove 161/169kV Substation).

2020-UA-145 Entergy Mississippi, LLC, Special Contract Nucor Steel

Approval of the fourth amendment to the agreement for electric service between Entergy & Nucor Steel originally entered in 2003.

JANUARY 2021

2009-UN-064 Entergy Mississippi, LLC, Energy Efficiency Rider

Establishes rates to recover Energy Efficiency Quick Start program true-up costs for the prior period. These costs will be included in the annual Formula Rate Plan in the future.

2013-UN-178 Entergy Mississippi, LLC, Fuel Cost Recovery

Annual Energy Cost Recovery Rider Schedule to recover fuel costs for February 2021 through January 2022.

2014-UN-132 Entergy Mississippi, LLC, Power Management Rider

Annual Power Management Rider Schedule for February 2021 through January 2022 to recover annual fuel hedging costs, approved consulting costs, and carrying costs on annual fuel costs over or under recoveries.

2014-UN-132 Entergy Mississippi, LLC, Unit Power Cost

Unit Power Cost Recovery Rider Schedule for February 2021 through January 2022 to recover the costs of purchased wholesale baseload capacity in Arkansas.

2017-UA-189 Entergy Mississippi, LLC, MISO

Annual MISO Cost & Revenue Rider Schedule filing for billing periods of February 2021 through January 2022 to recover/refund its costs/revenues resulting from membership in MISO.

2017-UN-198 Entergy Mississippi, LLC, Grid Modernization

Recovery of Electric Grid Modernization and Rural Fiber Costs for billing periods of February 2021 through January 2022 to recover costs associated with expansion of fiber optic infrastructure in rural areas of MS in support of broadband expansion.

2018-UN-258 Entergy Mississippi, LLC, Restructuring Credit Rider

Annual Restructuring Credit Rider Schedule RC-1 (Revised) for billing periods of February 2021 through January 2022 to provide customer bill credits of \$27 million over six years (\$4.5 million per year), resulting from the Company's corporate restructuring.

2020-UN-181 Mississippi Power Company, Fuel Cost Recovery and Energy Management Factor
Annual Fuel Cost Recovery (FCR) and Energy Cost Management (ECM) factor filing effective for billing periods of February 2021 through January 2022 to recover annual fuel and fuel hedging costs.

APRIL 2021

2018-UN-205 Entergy Mississippi, LLC, Vegetation Management Rider
Approved rate adjustment to recover vegetation management operations and maintenance costs

2020-UA-132 Mississippi Power Company, CPCN Leake County - Solar
Approved Certificate of Public Convenience for a Solar Generation and Battery Storage Demonstration Project and Related Facilities in Leake County, Mississippi.

2020-UA-190 Tunica Windpower LLC, CPCN Tunica County - Wind
Approved Certificate of Public Convenience and Necessity for a 200 MW wind turbine Electric Generating Facility in Tunica County, Mississippi for the wholesale market.

2020-UA-197 Four-County EPA, CPCN Monroe County
Approved Certificate of Public Convenience and Necessity for a New Substation Facility in Monroe County, Mississippi (Prairie 161kV Substation).

2020-UA-203 MS Solar 5, LLC, CPCN LOWNDES COUNTY - SOLAR
Approved Certificate of Public Convenience and Necessity of a 200 MW Solar Electric Generating and 50 MW battery Storage Facility in Lowndes County, Mississippi with output to be sold to TVA under a 20-year power purchase agreement.

JUNE 2021

1992-UN-059 Mississippi Power Company, Environmental Compliance
Approval of Environmental Compliance Overview Plan to allow the Company to recover its costs of compliance.

2018-UN-205 Entergy Mississippi, LLC, Formula Rate Plan
Formula Rate Plan Evaluation Report Filing for calendar year 2021 and 2020 Look Back. Benchmark Rate of Return on Rate Base was 6.82 and Earned Rate of Return was 6.09%. Earned rate of return for 2020 and 2021 were below the range of no change which resulted in an increase of \$66.7 million to meet the company's revenue requirement.

2019-UN-219 Mississippi Power Company, Capital Plan
Annual Capital Plan presenting the Company's generation, transmission, and distribution capital projects MPC plans to undertake for the upcoming year. The costs for the projects are included in the PEP rider filed on 3/15/2021

2019-UN-219 Mississippi Power Company, PEP (Formula Rate Plan)
Performance Evaluation Plan (Formula Rate Plan) filing for calendar year 2021. Projected revenue adjustment increases of \$16,020,288.

Fuel Audit Summary

On February 25, 2021, the Staff filed its summary and comments of the Staff's Certified Public Accountant review of the annual financial audit and management review to verify the fuel cost consumed in electric generating plants and purchased energy of electric utilities. The financial audits were performed by independent auditors selected by the Commission and confirmed that

there were no material misstatements of allowable fuel and purchased energy expenditures during the audit period. On February 15, 2021, the Staff certified all the reports to the Legislature as required by statute.

Pending Litigation at the Federal Energy Regulatory Commission

Staff currently monitors FERC matters generally categorized as follows: (1) cases related to the rates paid by Entergy Mississippi to Entergy's subsidiary System Energy Resources, Inc. ("SERI"), (2) cases related to the Return on Equity allowed by FERC to SERI, Midcontinent ISO, and Mississippi Power Company, and (3) remaining litigation related to the "bandwidth" production cost rough equalization under the former Entergy System Agreement.

- **Dockets EL-17-41, EL18-142, and EL18-204 (SERI Return on Equity and Capital Structure)**: In 2017, the MPSC and the Arkansas PCS jointly filed a complaint under Federal Power Act Section 206 (16 U.S.C. § 824(e)), alleging that SERI's 10.94% allowed return on equity, which was adopted based on a 1996 record, was excessive for current financial market conditions. Under Section 206, FERC can both reduce a rate prospectively and provide 15 months of refunds per complaint. FERC precedent allows successive ROE complaints provided the additional complaint, for an updated study period, presents new evidence that the existing ROE is excessive. In April 2018, the Louisiana PSC filed such a complaint. Later in 2018, the Louisiana PSC filed a further complaint concerning SERI's "ratemaking capital structure," i.e., the extent to which SERI's total return on capital is based on a relatively high allowed ROE rather than the relatively low return on its long-term debt. All three of these complaints have been consolidated for trial, and briefing was completed in late 2020. Judge Coffman ruled he was bound by FERC's Opinion No. 569 and rejected the additional complaints that would have provided additional ROE refund periods. A decision is expected by FERC in 2022.
- **Grand Gulf Sale/Leaseback—Docket EL18-152**: Several decades ago, as what FERC's Chief Accountant determined to be a financing mechanism (roughly similar to a home mortgage), SERI sold and leased back 11% of Grand Gulf. In 2016, when that lease expired, SERI entered into a further sale/leaseback. The Louisiana Public Service Commission ("LPSC") filed a complaint challenging numerous aspects of the way Entergy has accounted for, and flowed through its FERC-jurisdictional formula rate, the sale/leaseback cash flows and the facility additions associated with that 11% share. This proceeding has given rise to a significant money issue regarding SERI's claim of certain federal income tax deductions over the past decade.

Another significant issue, with unquantifiable financial benefits to Mississippi ratepayers, is the addition of "formula rate protocols" to the SERI formula rate. These protocols will enable state regulators to audit SERI's annually updated calculation of the rate charged to the Entergy Operating Companies that are obliged to purchase Grand Gulf energy, including Entergy Mississippi.

On April 6, 2020, the trial judge issued an initial decision finding for the MPSC and FERC Trial Staff on all points of substance. In other words, the judge found that SERI's lease extension has effectively double-billed rate payers for the leased portion of Grand Gulf as well as the substantial costs of the uprate. The amount of excess charges was not

quantified. In his Initial Decision, which operates as a recommendation to FERC, Judge Glazer found that SERI's accounting for its nuclear decommissioning tax deduction has resulted in overcharges to customers of \$334 million plus interest. SERI, the LPSC and FERC Trial Staff filed exceptions.

On October 22, 2020, Mississippi and Arkansas filed their joint brief opposing the SERI exceptions and adopting the LPSC's exceptions. The formal briefing process is now complete. An issuance of a ruling from the FERC is anticipated in 2022.

- **ADIT Associated with Tax Cut and Jobs Act—Docket No. EL18-1182:** This proceeding relates to the issue in EL18-152 as to the proper treatment of SERI's nuclear decommissioning tax deduction – specifically, whether the lowering of the corporate income tax rate created excess ADIT that must be returned to ratepayers along with the other excess ADIT SERI proposed to return in its filing. On July 9, 2020, Judge Satten issued his Initial Decision finding in favor of the state regulators and the Commission Trial Staff. Essentially, Judge Satten agreed that FERC's regulations required SERI to treat the ADIT associated with the uncertain tax position as to the decommissioning deduction as all other ADIT. SERI filed exceptions, and Mississippi and Arkansas filed a joint brief opposing SERI's exceptions. This proceeding is awaiting a final decision from FERC.
- **Midcontinent ISO Transmission ROE—Docket Nos. EL14-12, EL15-45, and Related OMS ROE Working Group:** This case concerns the electric transmission return on equity collected through the Midcontinent ISO (MISO). As established through litigation in the early 2000s, FERC-jurisdictional electric transmission returns on equity ("ROE") for transmission owners participating in the Midcontinent ISO ("MISO," which now includes Entergy Mississippi) were generally set at a region-wide 12.38%. Under MISO's pricing structure, Entergy Mississippi does not pay MISO rates for the right to use its owned facilities to provide service to its own retail loads; rather, it has that right by ownership, and the transmission component of bundled retail service to Entergy Mississippi's retail ratepayers is therefore rate-regulated by the MPSC. All briefs have been filed and a decision is expected in 2022.
- **Grand Gulf non-return formula elements (Docket No. EL20-72):** The regulators jointly filed a new complaint against SERI on September 21, 2020. This complaint purports to reevaluate the SERI formula rate. On August 13, 2021, FERC denied SERI's request for rehearing and granted the regulators' request for rehearing, effectively allowing the complaint to proceed to litigation on the issues that are outside of the EL18-152 proceeding. SERI filed an appeal of FERC's denial of rehearing at the U.S. Court of Appeals for the Fifth Circuit. The Fifth Circuit has held that proceeding in a temporary abeyance. Testimony has been filed regarding the holdover formula rate issues from EL18-152. SERI's testimony is due in January 2022.
- **Grand Gulf prudence complaint filed by the LPSC, APSC, and CNO – Docket No. EL21-56:** On March 2, 2021, the LPSC, APSC, and CNO filed a complaint against Entergy and SERI alleging that they had imprudently operated and maintained Grand Gulf. The complaint has two general claims: first, the uprate of Grand Gulf was

imprudent; and second, the imprudent operation of Grand Gulf has imposed substantial costs on ratepayers because ratepayers have had to not only pay all the costs of the imprudent operation of Grand Gulf, they have also had to buy replacement power, and the unavailability of Grand Gulf has had distortive effects on the MISO South power markets further increasing costs to ratepayers. The complaint seeks refund of the cost of the uprate as well as unspecified damages for imprudent operations, replacement power costs, and the market effects.

Mississippi intervened in the proceeding on March 4, 2021. Entergy filed a motion to dismiss the complaint in April, arguing that the LPSC's and CNO's position that the Grand Gulf uprate was imprudent should be barred because both regulators had reviewed Entergy's plans to uprate Grand Gulf and supported that uprate. Various other pleadings have been filed. There is no deadline for FERC to issue a ruling.

GAS

The three largest investor-owned natural gas local distribution companies ("LDCs") in the state, Atmos Energy Corporation, ("Atmos Energy"), CenterPoint Energy, Inc. ("CenterPoint") and Spire Mississippi Inc. ("Spire") all operate under formulary plans similar to those of the state's investor-owned electric utilities. The 2020 Gas Utilities Summary reflecting number of customers, average bills, and net operating income is provided as Attachment B to this report. The following is a digest of decisions by the Commission for the rate regulated gas utilities:

Gas Division Docket Summaries

July 2020

2014-UA-007 CenterPoint

Energy Efficiency Cost Recovery Rider for 12 Months Ending December 31, 2019

2014-UN-017 Atmos Energy

Energy Efficiency Cost Recovery Rate Rider for 12 months ending December 31, 2019.

2016-AD-150 Mississippi Military Department/City of Duck Hill

Formal Complaint of the Mississippi Military Department against City of Duck Hill in Dispute of Billing and/or Services for Natural Gas Distribution

August 2020

2020-UA-067 Atmos Energy

Application for a Certificate of Public Convenience and Necessity Authorizing it to Construct, Operate, and Maintain a Natural Gas System in a specified area of DeSoto County, MS

September 2020

2019-UA-011 Southeast Utilities, LLC

Petition by Cynthia Bush and C&M Gas Holdings, LLC seeking approval for Sale of the Controlling Interest in Southeast Utilities, Inc. to C & M Holdings.

2020-UA-094 American Midstream, LLC

Application of American Midstream, LLC; 3CM Southeast Gas Holdings, LLC; Third Coast Mississippi, LLC; and Project Tarpon Holdco, LLC for Approval of an Asset Purchase Agreement and Transfer of Assets Described Therein

2012-UN-139 CenterPoint Energy

Review of Rate Regulation Adjustment Rider (RRA) which is the annual formula rate plan and the Initial Filing of Its Weather Normalization Adjustment Rider WNA

2013-UN-214 CenterPoint Energy

Supplemental Growth Rider for 12 Months Ending December 31, 2019

October 2020

2015-UN-049 Atmos Energy Corp.

System Integrity Rider and Review of Capital Budget for Fiscal Year 2021

2015-UN-049 Atmos Energy Corp.

System Integrity Rider Compliance Filing for Fiscal Year 2021

2005-UN-503 Atmos Energy Corp.

Stable/Rate Annual Evaluation which is the annual formula rate plan for the 12 Months Ending March 31, 2020 (SRA)

November 2020

2019-UA-233 Spire Mississippi Inc.

Application for Approval and Authorization of Natural Gas Expansion and Rural Economic Development Initiative

2020-UA-112 Town of Belmont

Application and approval of Supplemental Certificate of Public Convenience and Necessity to Expand and Operate its Natural Gas Distribution System in Itawamba County, MS

December 2020

2019-UA-202 Mississippi River Gas, LLC

Joint Petition of Mississippi River Gas, LLC, Rene Garza, Stanley T. Polak, C & M Gas Holdings, LLC and MRG Company, LLC for Approval of Transfer of Assets and Change of Control

2020-UA-168 Spire Mississippi Inc.

Application for Approval of Asset Management Agreement with Symmetry Energy Solutions and Treatment of Agreement Proceeds

January 2021

2015-UN-109 Spire Mississippi Inc.

Filing of Routine Changes in the Rate Stabilization Adjustment Rider (RSA) which is the annual formula rate plan for Spire.

February 2021

2006-UA-283 Atmos Energy Corporation

Application for Approval of an Asset Management Agreement with Its Affiliate Trans Louisiana Gas Pipeline, Inc. Pursuant to a Request for Proposals Authorized by the Mississippi Public Service Commission and for Approval and Authorization of Its Asset Management Plan.

2021-UN-022 CenterPoint Energy

Notice of Filing of Routine Changes to its Supplemental Growth Rider to extend for an additional five years through March 1, 2026.

April 2021

2021-UA-24 Atmos Energy, Corp.

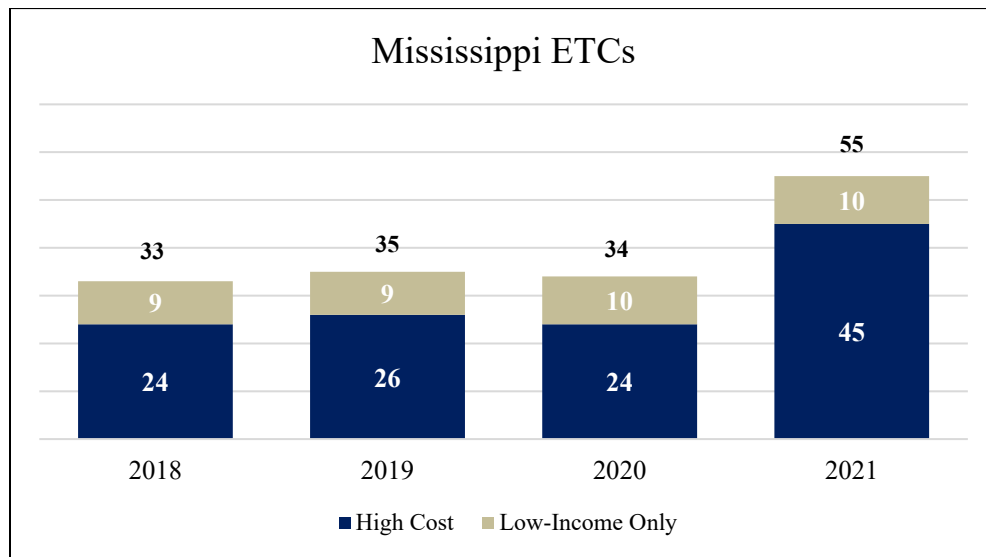
Application of Atmos Energy Corporation to Expand Its Certificated Area in Montgomery County, Mississippi and for Approval of a Special Contract with Biewer Sawmill-Winona, Inc.

PURCHASED GAS ADJUSTMENTS – The Staff monitors the purchased gas adjustments (“PGA”) of Atmos Energy and CenterPoint monthly, and Spire on a bi-monthly schedule. All natural gas purchases were verified against pipeline invoices and other supporting documentation to determine that they were in conformity with underlying procurement contracts and price indices reflecting current market pricing. Atmos Energy and CenterPoint both employed Commission-approved hedging programs to help reduce the volatility of natural gas purchase prices.

TELECOMMUNICATIONS

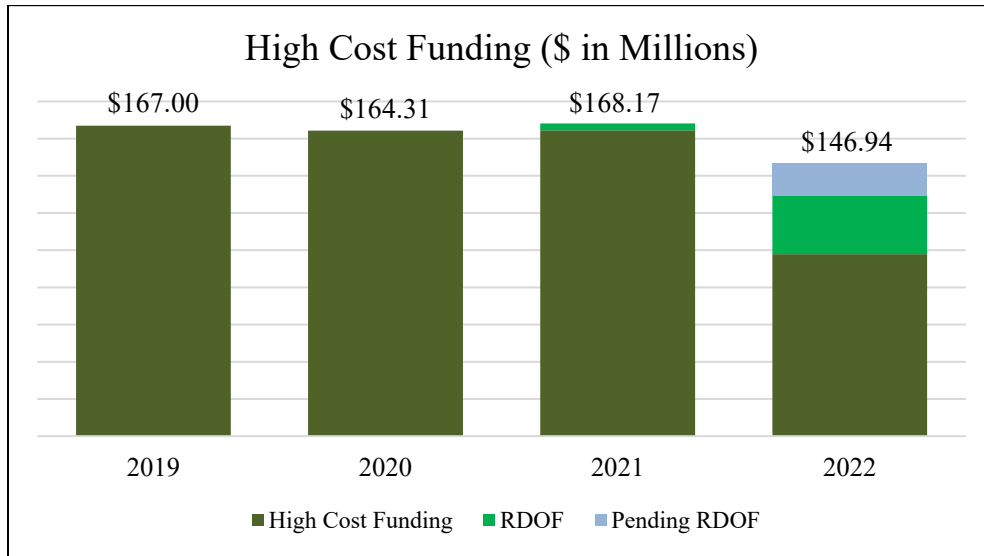
The Telecommunications Division continues to review and provide recommendations to the Public Service Commission regarding eligible telecommunications carriers (ETCs) and carriers providing regulated services throughout the state of Mississippi. During 2020, the Telecommunications Division also administered the Mississippi Covid-19 Broadband Grant Program and continues to monitor the progress of broadband expansion throughout the state.

ELIGIBLE TELECOMMUNICATIONS CARRIERS (ETCs) – The Universal Service Fund (USF) is one fund with four programs - High Cost, Low Income, Rural Health Care and Schools & Libraries. Two of these programs, High Cost and Low Income, require carriers to be designated as eligible telecommunications carriers (ETCs) to receive funding. The Commission and Staff have the primary responsibility of designating ETCs in Mississippi, along with oversight responsibilities on an annual basis. The number of ETCs designated in Mississippi increased dramatically in 2020, as discussed below.



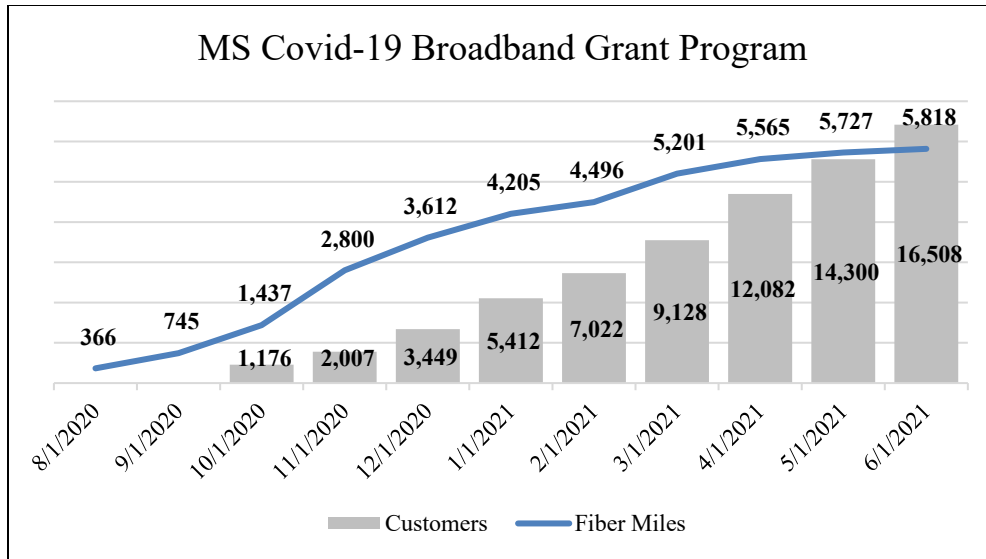
HIGH-COST SUPPORT – Mississippi remains one of the largest national beneficiaries of monies allocated from the federal Universal Service Fund High-Cost Support program. In 2020, Mississippi received over \$164.0 million in High-Cost Universal Service funding. The amount of legacy high-cost funding is decreasing as these programs end, but it is being partially offset by new programs such as the Rural Digital Opportunity Fund (RDOF). The number of high cost

ETCs nearly doubled in 2020, from twenty-four (24) to forty-five (45), as a result of RDOF. These new entities represent over \$49 million in new federal funding to expand broadband access to over 200,000 locations throughout Mississippi.



LOW-COST/LIFELINE SUPPORT – The Low-Income program, commonly known as Lifeline, provides discounts that make local telephone service affordable to millions of low-income consumers. Lifeline provides discounts, currently \$5.25 per month for voice-only services or \$9.25 per month for bundled services, that make telephone service more affordable for millions of Americans. Consumers apply for the discounts through their telephone provider or USAC’s National Verifier tool. Currently in Mississippi, consumers may qualify for the Lifeline program if they have a gross household income at or below 135% of the Federal Poverty Guidelines or participate in a qualifying federal aid program (such as SNAP, Medicaid, SSI, among others). In 2020, Mississippi providers received \$6.64 Million from the Lifeline program.

MISSISSIPPI COVID-19 BROADBAND GRANT PROGRAM – The Staff administered the grant program established by Senate Bill 3046. The Staff funded applications from nineteen providers over three rounds of funding. Awardees included fifteen (15) electric cooperatives, two (2) broadband providers, and two (2) rural water associations. Staff worked with HRK and Neel-Schaffer to monitor the progress of each awardee. As of June 2021, awardees built over 5,800 miles of fiber and connected more than 16,000 Mississippians to high-speed internet.



FILING COMMENTS WITH THE FCC – The Staff monitors events of concern with the FCC and assists the Commission in filing comments. Past comments filed include comments regarding the Connect America Fund (CAF) Order, call completion concerns, cramming, and Lifeline issues.

SERVING ON FEDERAL AND STATE COMMITTEES – Members of the Staff serve on various committees and subcommittees in different agencies to share and gain knowledge of the telecommunications’ changing environment. Currently, Staff members serve as Vice-Chair on the Telecommunications Subcommittee and member-at-large on the State and National Action Plan (SNAP) Committee of the National Association of Regulatory Utility Commissioners (NARUC). In addition to NARUC participation, Staff serves on the Universal Service Federal-State Joint Board and Mississippi Cyber Initiative. These appointments and participation also are vital in the implementation of changes by the FCC and allows for the recognition of Mississippi’s involvement in national and state telecommunications issues.

WATER & SEWER

The Water and Sewer Division is responsible for the investigation of all water and sewer related filings with the Commission for initial certificates, supplemental certificates, facility certificates, sale and transfers, initial rates, and rate changes.

CURRENT NUMBER OF WATER & SEWER UTILITIES - The Mississippi Public Service Commission regulates 941 water and sewer utilities as follows:

Sewer Associations	43
Sewer Companies	114
Sewer Districts	39
Sewer Municipalities	37

Water Associations	491
Water Companies	34
Water Districts	44
Water Municipalities	139

FILINGS – During this reporting period, there were 23 filings seeking initial, supplemental, and facility certificates and sale and transfer filings. Of the 23 total filings, the specific breakdown by type of utility was as follows:

Sewer Associations	1
Sewer Companies	14
Sewer Districts	0
Sewer Municipalities	0
Water Associations	3
Water Companies	2
Water Districts	1
Water Municipalities	2

There were 18 rate filings. The filings by type of utility were as follows:

Sewer Companies	12
Sewer Municipalities	1
Water Companies	1
Water Municipalities	4

The Water and Sewer Division actively investigated all aspects of the 41 total filings made with the Commission. This investigation included: propounding data requests, reviewing engineering plans and specifications, reviewing reports and other documentation, conducting prehearing conferences, preparing pre-filed testimony, presenting testimony before the Commission at formal hearings and presenting recommendations to the Commission.

VIABILITY RECOMMENDATIONS - Pursuant to Miss. Code Ann. § 43-35-504, the Water and Sewer Division reviewed and analyzed 12 water block grant applications as well as made utility viability recommendations to the Mississippi Development Authority. In addition, recommendations were made to the Mississippi State Department of Health and to the Mississippi Department of Environmental Quality.

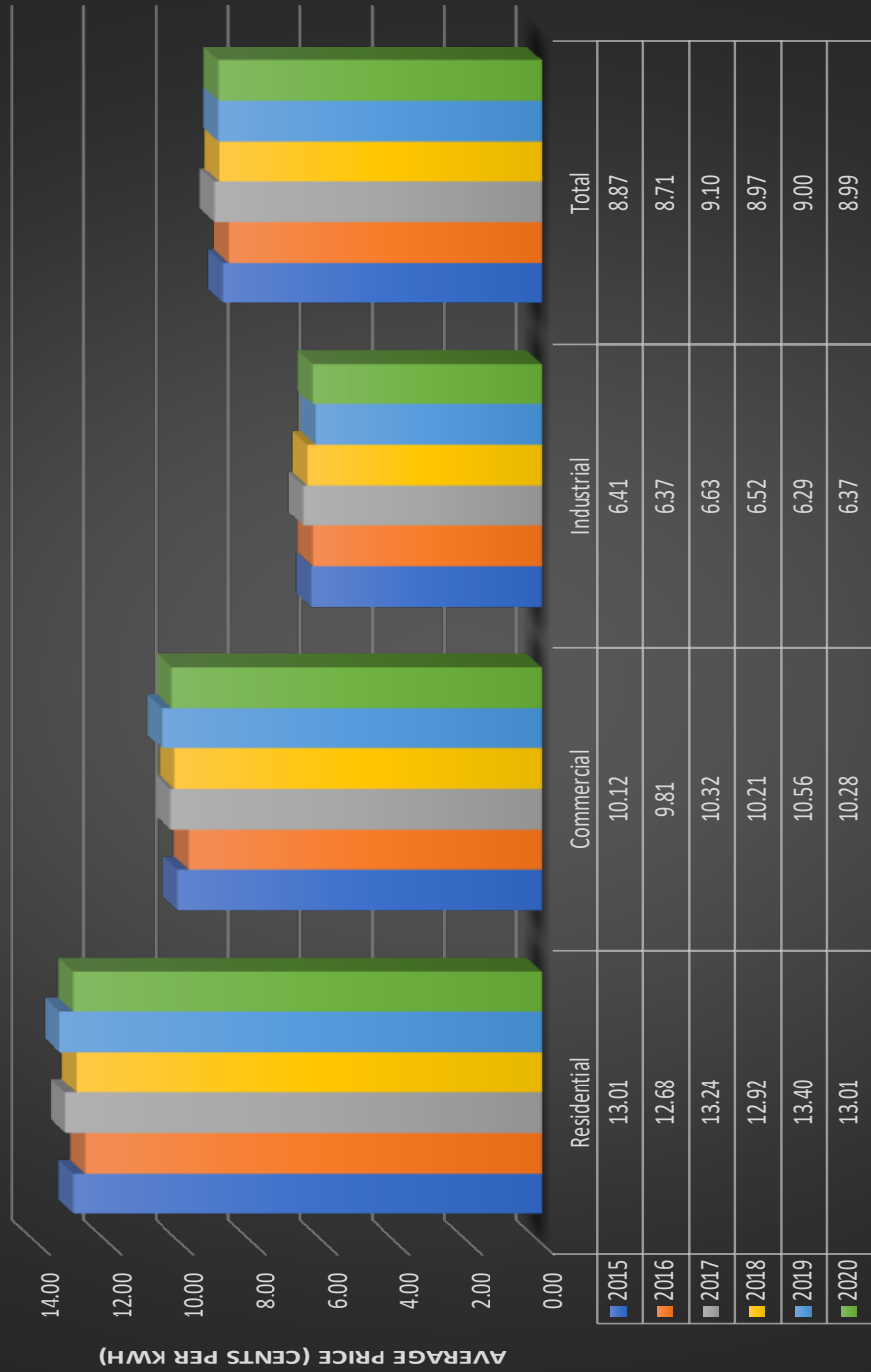
AUDITS - Annual audits of certain regulated sewer companies that are connected to regional utility authorities for wastewater treatment were performed by the Division to ensure that these sewer companies were assessing the correct monthly charges. The Division also determined the appropriate monthly charge to be assessed for the upcoming year.

INSPECTIONS – The Division continued to monitor utility systems and various construction projects throughout the reporting period.

ELECTRIC UTILITIES SUMMARY 2020

COMPANY	NUMBER OF CUSTOMERS	KWH SOLD	AVERAGE REVENUE PER CUSTOMER	AVERAGE KWH PER CUSTOMER	AVERAGE REVENUE PER KWH	GROSS PLANT INVESTMENT	GROSS OPERATING REVENUES	RATIO GROSS INVESTMENT
ENERGY MISSISSIPPI, LLC								
RESIDENTIAL	379,705	5,378,310,000	\$ 1,378	14,164	\$ 0.0973		\$ 523,378,532	
COMMERCIAL	65,003	4,283,143,000	\$ 6,090	65,891	\$ 0.0924		\$ 395,875,123	
INDUSTRIAL	3,620	2,342,917,000	\$ 40,083	647,215	\$ 0.0619		\$ 145,100,256	
OTHER	5,169	397,503,000	\$ 8,117	76,901	\$ 0.1055		\$ 41,955,495	
TOTAL	453,497	12,401,873,000	\$ 2,440	27,347	\$ 0.0892	\$ 6,221,925,410	\$ 1,106,309,406	18%
MISSISSIPPI POWER COMPANY								
RESIDENTIAL	155,341	2,023,408,000	\$ 1,695	13,026	\$ 0.1301		\$ 263,228,107	
COMMERCIAL	33,593	2,512,623,000	\$ 7,688	74,796	\$ 0.1028		\$ 258,279,523	
INDUSTRIAL	442	4,577,750,000	\$ 657,296	10,356,900	\$ 0.0635		\$ 290,524,682	
OTHER	107	35,128,000	\$ 79,775	328,299	\$ 0.2430		\$ 8,535,910	
TOTAL	189,483	9,148,909,000	\$ 4,331	48,284	\$ 0.0897	\$ 5,172,560,592	\$ 820,568,222	16%
Source: FERC FORM 1 - YE 12/31/2020								

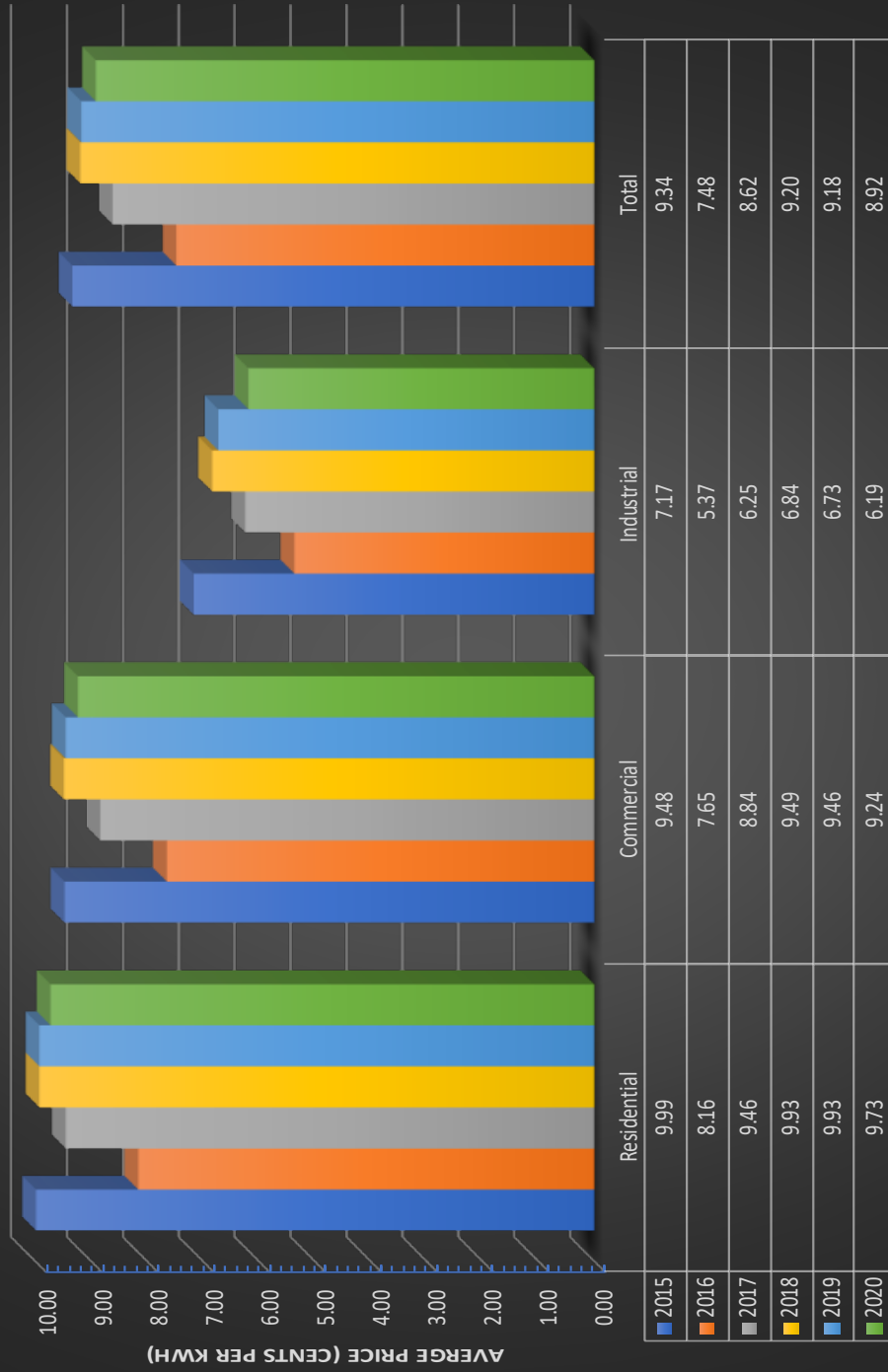
MPCo



YEARS

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020

Energy

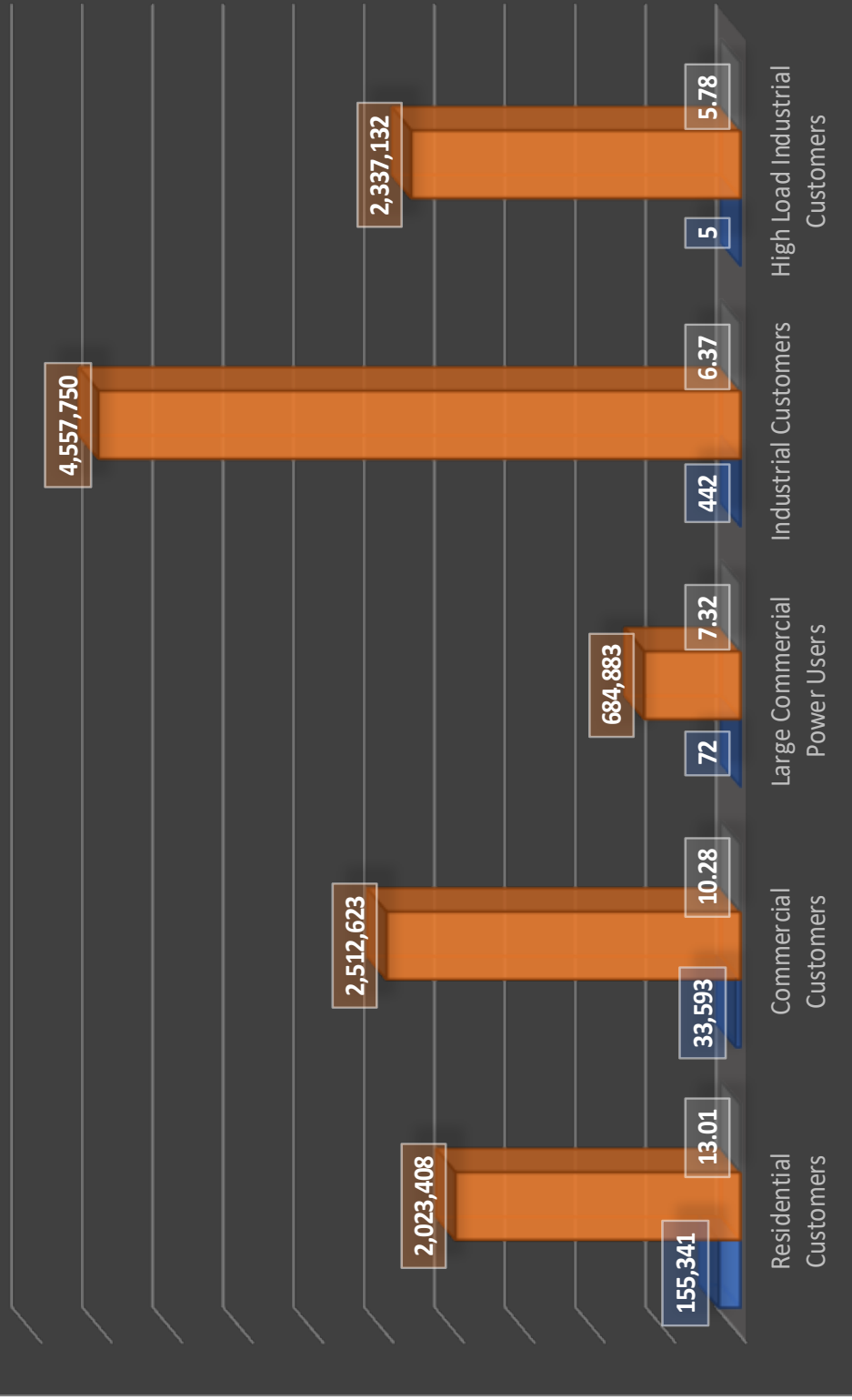


YEARS

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020

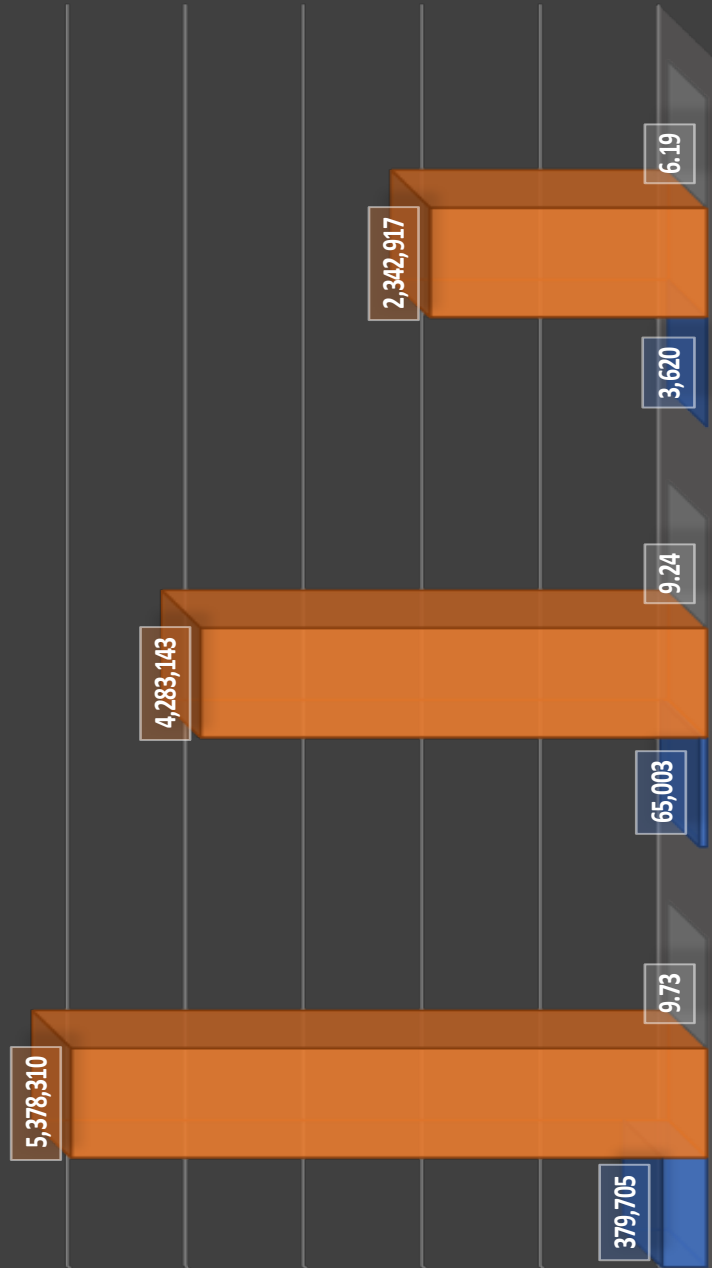
MPCO

■ Number of Customers ■ MWH Usage ■ Price (cents per kwh)



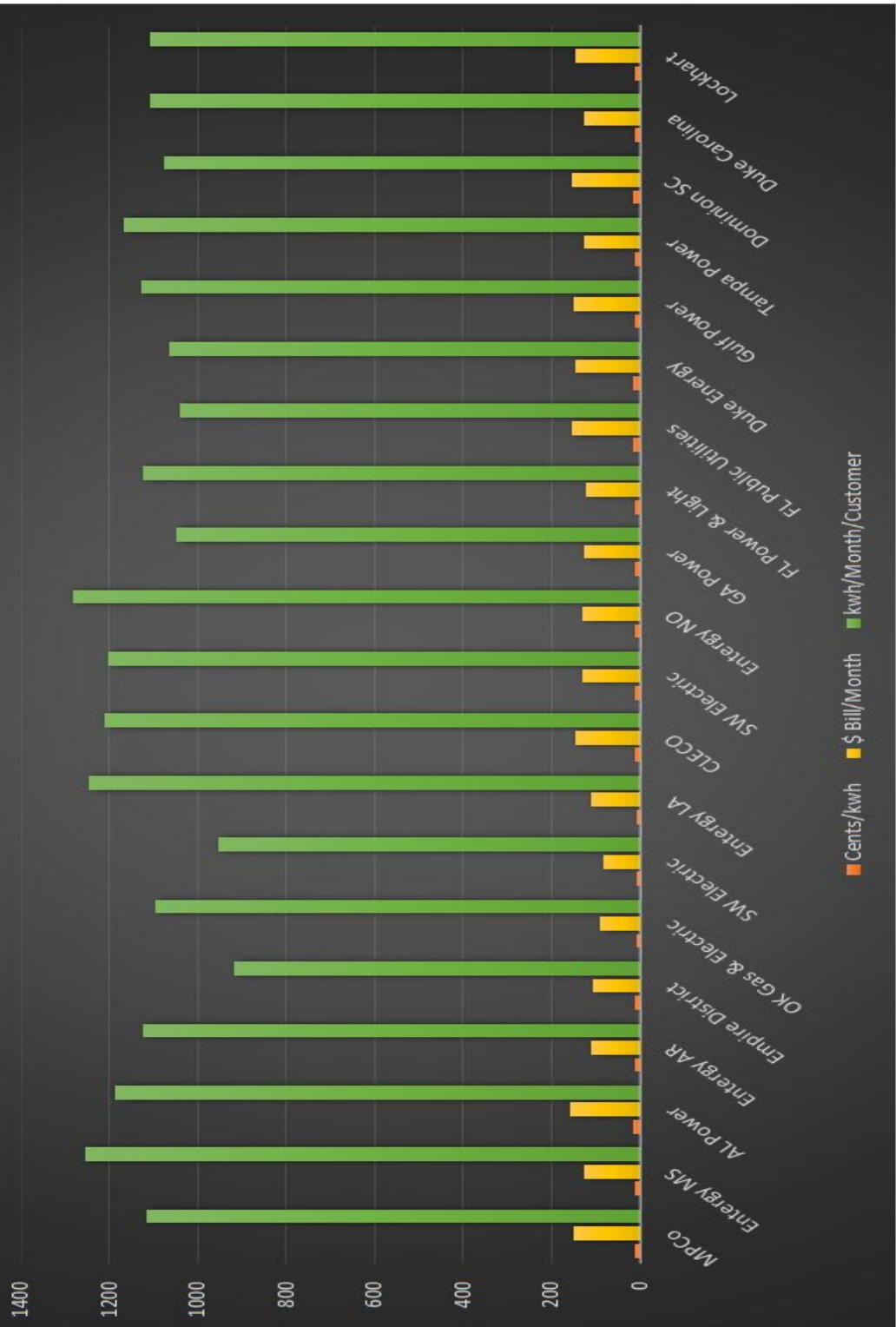
ENERGY

■ Number of Customers ■ MWH Usage ■ Price (cents per kwh)

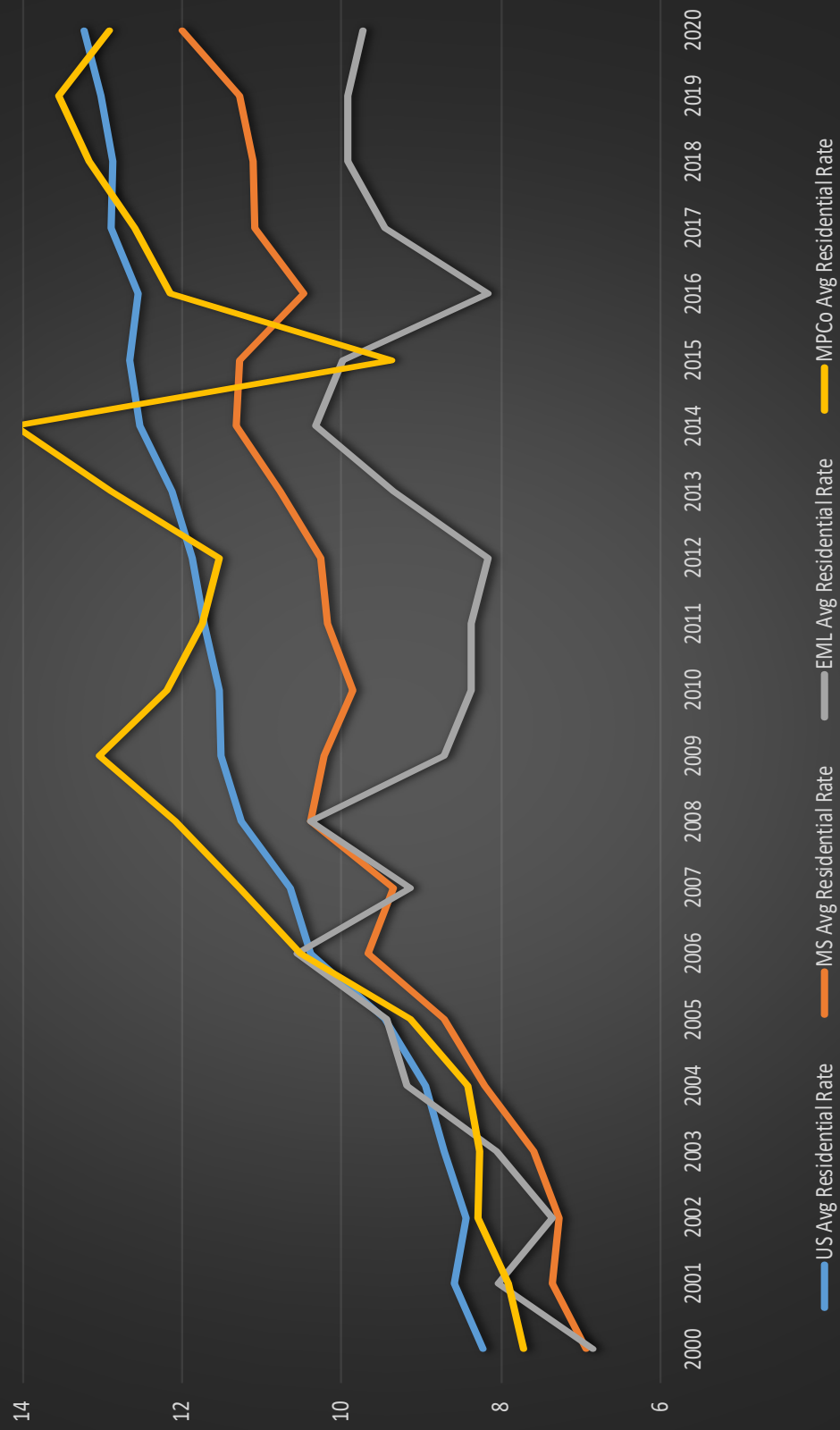


Residential Customers Commercial Customers Industrial Customers

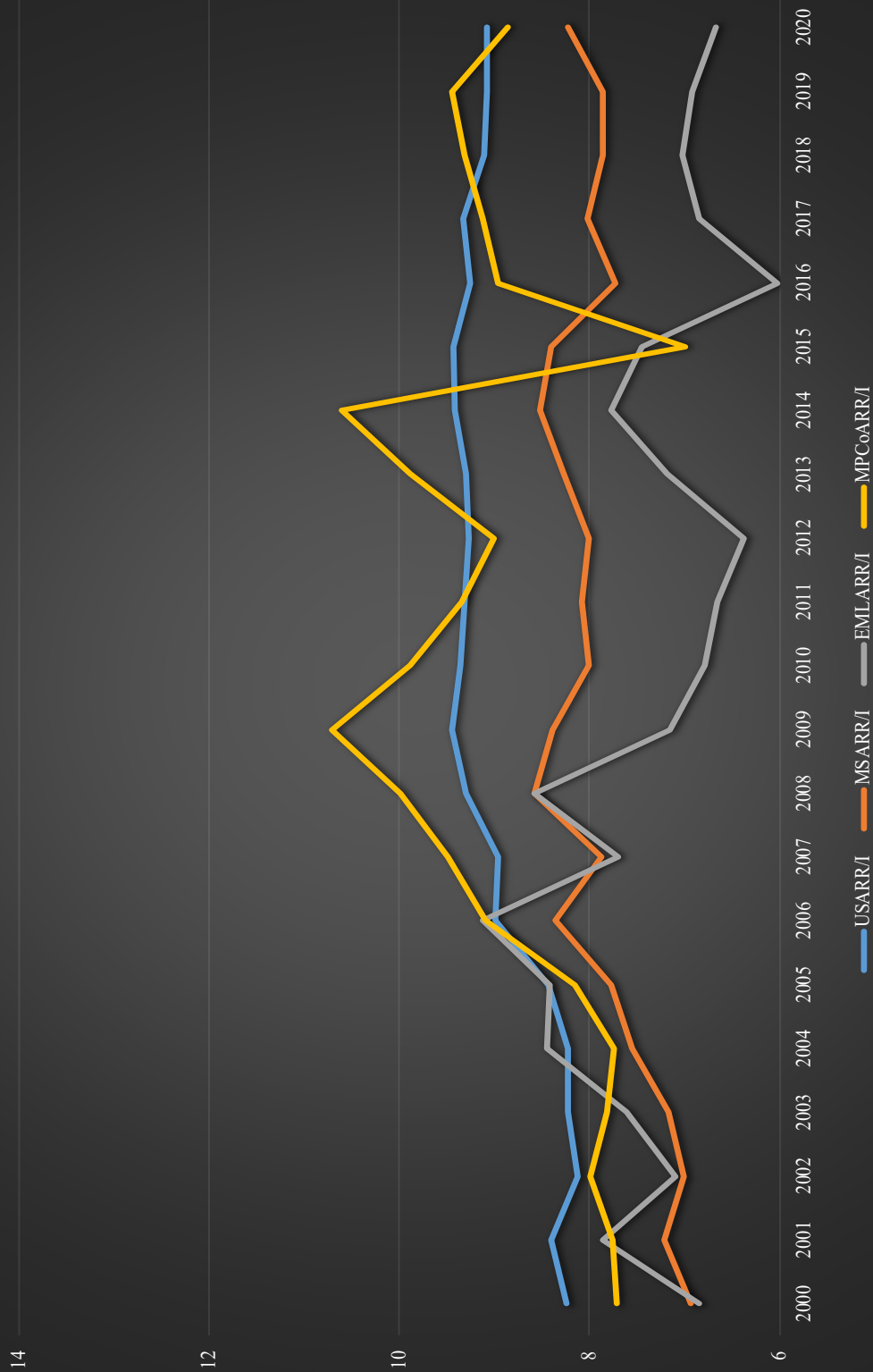
Monthly Residential Electricity Bills for MPCo and Energy and Comparison Utilities - 2019



Average Annual Residential Price per kWh



Average Annual Residential Prices per kWh Adjusted for Inflation



Note: I is the GDP Implicit Price Deflator scaled to the year 2000 = 1.00. Prices are dollars of value for the year 2000..

GAS UTILITIES SUMMARY 2020
(SOURCE: COMPANY ANNUAL REPORTS)

	<u>Atmos</u>	<u>CenterPoint</u>	<u>MS River Gas</u>	<u>Burnsville/ Counce Gas Co.</u>	<u>Southeast Utilities</u>	<u>Spire</u>	<u>TOTALS</u>
As of December 31, 2021							
Number of companies reporting: 6							
Plant (Intrastate Only)							
Plant in Service	895,341,112	369,884,510	3,497,640	293,500	862,452	72,665,812	1,342,545,026
Construction Work in Progress	36,669,027	2,540,885	0	0	0	2,259,501	41,469,413
Plant Acquisition Adjustment	9,085,319	0	0	0	0	0	9,085,319
Plant Held for Future Use	6,955,671	0	0	0	0	0	6,955,671
Materials and Supplies	257,920	3,527,455	41,159	0	0	494,523	4,321,057
Less:							
Depreciation and Amortization Reserves	16,800,375	101,679,989	2,277,123	293,500	671,289	29,031,179	150,753,456
Contributions in Aid of Construction	0	0	421,093	0	0	0	421,093
NET BOOK COSTS	931,508,674	274,272,861	840,583	0	191,163	46,388,656	1,253,201,937
Revenues and Expenses (Intrastate Only)							
Operating Revenues	235,360,807	94,336,018	2,090,248	1,134,044	406,088	20,603,288	353,930,494
Depreciation and Amortization Expenses	22,927,099	11,063,173	232,144	35,848	34,876	1,072,368	35,365,508
Income Taxes	8,157,132	1,657,858	0	2,525	0	608,113	10,425,628
Other Taxes	23,599,176	7,145,298	83,935	28,273	0	703,924	31,560,606
Other Operating Expenses	130,944,294	62,428,947	1,793,760	1,070,894	360,431	16,348,417	212,946,743
Total Operating Expenses	185,627,701	82,295,276	2,109,839	1,137,540	395,307	18,732,822	290,298,485
Net Operating Income	49,733,106	12,040,742	(19,591)	(3,496)	10,781	1,870,467	63,632,009
Other Income	2,463,508	659,112	40,601	0	0	189,017	3,352,239
Other Deductions	(13,818,528)	(2,872,464)	(601)	0	(6,381)	(280,259)	(16,978,233)
NET INCOME	38,378,086	9,827,390	20,409	(3,496)	4,400	1,779,226	50,006,015
Customers (Intrastate Only)							
Year-End Average:							
Residential	233,136	119,081	2,645	153	380	15,474	370,869
Commercial	22,483	12,771	281	55	150	2,836	38,576
Industrial	303	16	0	3	0	33	355
Others	2,713	0	27	0	0	0	2,740
Total Number of Customers	238,635	131,868	2,953	211	530	18,343	412,540
Other Statistics (Intrastate Only)							
Average Annual Residential Use (MCF)	50.75	39.63	37.09	30.53	26.42	40.01	37.41
Average Residential Cost per MCF (\$)	11.91	12.14	13.07	10.71	16.93	10.49	12.54
Average Residential Monthly Bill	50.38	40.10	40.41	27.24	37.27	34.99	38.40
Gross Plant Investment per Customer	3,666.59	2,850.98	1,198.37	1,391.00	1,627.27	4,111.64	2,474.31

**MISSISSIPPI PUBLIC UTILITIES STAFF
 COMBINED STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 JULY 1, 2020 – JUNE 30, 2021**

DISBURSEMENTS:

Salaries & Fringe Benefits	\$1,838,018
Travel	4,162
Contractual Services	40,400
Commodities	54,318
TOTAL OPERATING EXPENSES	\$1,936,898
Other Special Fund (CARES Broadband)	<u>110,711</u>
TOTAL DISBURSEMENTS	\$2,047,609

**MISSISSIPPI PUBLIC UTILITIES STAFF
 OUT OF STATE TRAVEL
 TRAVEL FISCAL YEAR 2021**

<u>Employee's Name</u>	<u>Destination</u>	<u>Purpose</u>	<u>Costs</u>
Sally Doty	Point Clear, AL	TELSE	100.00
Angel Stenmark	Point Clear, AL	TELSE	329.00