

September 15, 2021



**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.

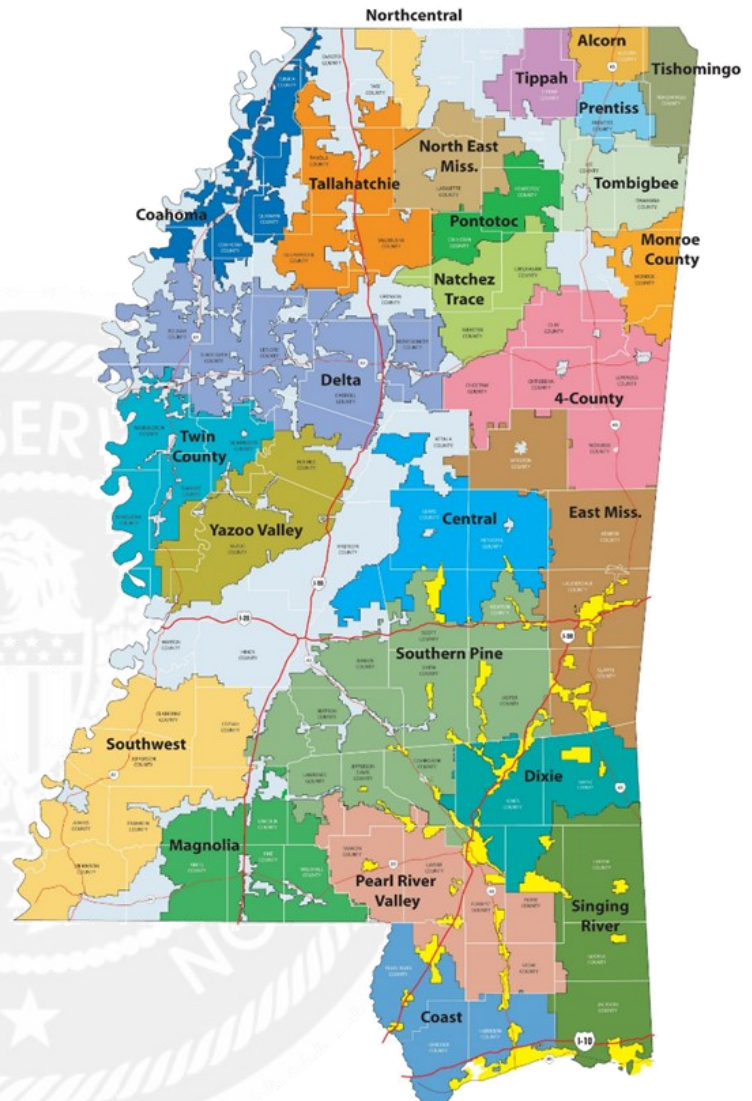
Brent Bailey

Cooperatives Provide Electrification to Much of Rural Mississippi

As late as the mid-1930s, nine out of ten U.S. rural homes were without electric service. Less than one percent of Mississippi farms and rural residents had electric power. The unavailability of electricity in rural areas kept those economies entirely and exclusively dependent on agriculture. Factories and businesses preferred to locate in cities where electric power was easily acquired. For many years, power companies ignored the rural areas of the nation.

The first major action of the federal government to advance rural electrification came with the passage of the Tennessee Valley Authority (TVA) Act in May 1933. In 1935, President Roosevelt established the Rural Electrification Act through E.O. 7037. In 1937, the Rural Electrification Administration (REA) drafted the Electric Cooperative Corporation Act, a model law that states could adopt to enable the formation and operation of not-for-profit, consumer owned electric cooperatives.

In 1934, Alcorn County Electric Power Association was organized to distribute electricity purchased from the Tennessee Valley Authority. Shortly after, Monroe County Electric Power Association became the first electric power association in Mississippi to secure a REA loan.





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Today, there are 25 electric power associations (also known as electric cooperatives) and one generation-and-transmission electric power association (Cooperative Energy). Electric power associations' service area in Mississippi covers 85% of the state's land area. The 25 distribution cooperatives provide electric service to 802,739 meters (50% of the electric meters in the state) along 95,731 miles of distribution lines and employ over 2,900 Mississippians. Cooperative Energy provides wholesale power to 11 electric power associations primarily in south and west Mississippi. The TVA provides wholesale power to 14 electric power associations in central, east, and north Mississippi.

The Seven Cooperative Principles

Cooperatives are intended to operate according to a core set of seven principles and values: putting the needs of their members first.

1 Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2 Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3 Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4 Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5 Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6 Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7 Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



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The Electric Cooperatives of Mississippi (ECM) serve as the unified voice of all the electric cooperatives in Mississippi and functions as a single service organization for the mutual benefit of all the electric cooperatives and their customer members. The ECM staff provides specialized services and support through: government relations; member relations; youth leadership development; safety and loss control; employee training; communications and public relations; credit union; insurance programs and more. *Today in Mississippi*, ECM's official publication, is the largest circulated publication in the state at 472,300 subscriptions.

Broadband Added as a Service to Member

In 2019, the Mississippi Legislature passed the Mississippi Broadband Enabling Act which allowed electric cooperatives to develop, design, implement and offer a broadband internet service. In 2020, the Mississippi Electric Cooperatives Broadband COVID-19 Act provided up to \$75 million for electric cooperatives and others to leverage against a dollar-for-dollar match. Between the CARES Act money and required matching funds, 15 cooperatives invested over \$160 million in the deployment of fiber optic cable. With additional monies through the Rural Digital Opportunity Fund and other sources, 17 electric cooperatives to date have invested \$311 million, installed 11,000 miles of fiber optic, and have made broadband internet access available to 112,000 homes. Many more dollars to support broadband deployment are expected to come to Mississippi through the American Rescue Plan Act, the Bipartisan Infrastructure Bill, and a second Rural Digital Opportunity Fund auction.



On Tuesday, I attended the 2021 Annual Meeting of the Electric Cooperatives of Mississippi on the Mississippi Gulf Coast. I enjoyed visiting with ECM President Kevin Bonds and CEO Michael Callahan.

Building a Resilient System

Over the past few years, hurricanes, tornadoes, and winter storms have wreaked havoc on transmission and distribution infrastructure across the state and caused major outage events.

Workers from cooperatives in Mississippi and neighboring states would respond and aid in the restoration of electric service. This mutual assistance network allows for a more efficient allocation of resources and personnel.

While getting customer members' lights back on as quickly and as safely as possible is the primary goal of any major restoration effort, what steps are being taken concurrently to build a more resilient grid that increases reliability in the face of a more diversified energy mix, changes in customer consumption patterns, more intense weather events and other factors? Conventional approaches to restoration and maintaining reliability may not be cost-effective in the near future. The impending new environment will likely require a holistic approach that considers generation, transmission and distribution performance and innovation together. While much of this responsibility will fall on the electric cooperative, agencies have a role that must be further defined.



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By state law, the Mississippi Public Service Commission has exclusive original jurisdiction over the intrastate business and property of public utilities. However, according to Miss. Code Ann. § 77-3-5(b), the Commission shall not have jurisdiction over the governance, management or other internal affairs of electric power associations nor shall the Commission have jurisdiction to regulate the rates for sales and/or distribution of electricity to the members of an electric power association. Furthermore, Miss. Code Ann. § 77-3-235(1) likewise affirms that the rates established by the Board of an electric power association shall not be regulated by the Mississippi Public Service Commission.

Mississippi's bulk power system, including the electric grid infrastructure, is a complex system that needs to become more resilient and flexible to integrate growing contributions of renewable energy, adapt to shifting demand profiles, withstand weather extremes and recognize cyber threats. This "modernization" will be costly. But it could create jobs in engineering, manufacturing and construction while reducing threats to the system. Much like how many of the cooperatives in Mississippi are executing a strong broadband development program, the electric utility sector must plan for the grid of the future today.

OUT AND ABOUT



I was honored to join Congressman Michael Guest at Stribling Equipment in the City of Richland MS Tuesday afternoon as he discussed the potential infrastructure funding levels and allocations under the Infrastructure Investment and Jobs Act (IIJA). In addition to road and bridge funding (\$3.5B), Mississippi would expect to receive funds to support



broadband expansion (\$100M), improve water systems (\$429M), protect against cyber threats (\$16M), deploy electric vehicle charging stations (\$51M) and more. The U.S. Senate has passed the bill and U.S. House could take up the legislation before the end of the month. Thank you to the Subcontractors & Suppliers Alliance for organizing the event.





OTHER NEWS

Administration Sets Goal of 45% of U.S. Electricity from Solar by 2050

The Biden administration recently announced a plan to produce 45 percent of the United States' electricity through solar power by 2050. A new report by the Department of Energy, called the "[Solar Futures Study](#)," found that reducing costs, implementing new policies, and installing more solar could put the U.S. on the path to also reaching 40 percent solar electricity usage by 2035. Today, solar provides 3 percent of electrical energy consumption.

National Standards Practice Manual for DERs Released

The [National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources](#) (NSPM for DERs) provides a comprehensive framework for cost effectiveness assessment of DERs. The manual offers a set of policy neutral, non-biased, and economically sound principles, concepts, and methodologies to support single- and multi-DER benefit-cost analysis (BCA) for: energy efficiency (EE), demand response (DR), distributed generation (DG), distributed storage (DS), and (building and vehicle) electrification. You can also view the [NSPM for DERs Summary](#) or the [NSPM for DERs Overview Presentation](#).



Last Week at the MPSC

- Rankin County filed its [Reply](#) to [Entergy Mississippi, LLC's](#) Response in opposition to Rankin County's Motion to Intervene regarding Entergy Mississippi, LLC's Changes in Rates through Revised MSE Rider Adjustments.
- The Commission [granted](#) the Public Utilities Staff motion for an extension of time regarding Entergy Mississippi, LLC's 2021 Integrated Resource Plan.
- The Public Utilities Staff filed its [comments](#) on Entergy Mississippi, LLC's 2021 Integrated Resource Plan.
- Spire Mississippi filed its [Compliance Tariff](#) in regard to its Application for Approval of its Energy Efficiency Portfolio Plan and Related Matters.
- Entergy Mississippi, LLC filed its [Petition](#) to Withdraw its Joint Application with Coahoma Electric Power Association requesting an exchange of portions of service areas in Desoto County.
- The Commission's Appointed Hearing Examiner [approved](#) a rate increase for water service provided by Hide-A-Way Lake Club, Inc. in Pearl River County. The new rate structure will result in a \$5.00 per month increase for the average water customer. Other fees were also amended.



Last week, our Consumer Complaint Specialists handled a total of **19** complaints in the Central District.

Electric Companies	14
Telecommunications	5

Last week, the Central District received a total of **266** complaints from consumers against potential telemarketers through our no call app, website and mail-ins.

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.