

October 13, 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*

## Natural Gas Prices a Concern for Consumers

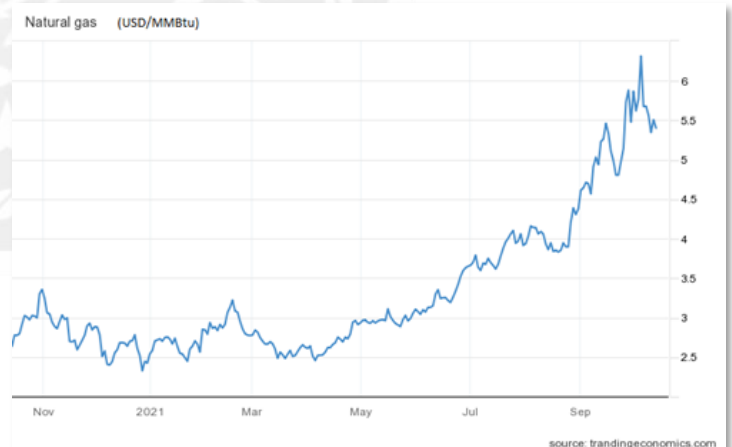
Natural gas prices have nearly tripled within the past ten months, ranging from a low \$2.24/mmBTU on December 28, 2020, to a high of \$6.47/mmBTU on October 6, 2021. However, the price for natural gas has slipped to \$5.40/mmBTU as of this writing. The higher domestic prices are being driven by tight global supplies and greater demand around the world. Some of the increased demands are due to economies opening up as the pandemic recedes and factories and consumer spending ramp up. Supplies in the U.S. have been impacted by the February frigid temps and the active hurricane season in the Gulf of Mexico. Supplies in Europe have been diminished by increased use of natural gas for electricity generation and lower imports from Russia.

Natural gas prices have a history of volatility. If one looks back, you can find times when prices skyrocketed. Back in midwinter 2014, prices peaked at \$6.49/mmBTU. Going back further, one will find the 2008 summer rally to \$13.70/mmBTU and December 2005's record high of \$15.78/mmBTU. But these price spikes are usually followed by collapses. Since 2009 with the fracking revolution, natural gas prices have generally lingered well below \$4.00/mmBTU and even spending some time below \$2.00/mmBTU. But sustained low prices has also caused energy companies to pull back and stop drilling because of the uncertainty of recovering costs. This in turn impacts the U.S.'s ability to quickly increase natural gas reserves in storage.

Natural gas prices in the U.S. are generally insulated from the acute rise in prices in Europe and Asia. The U.S. is a big producer of natural gas and much of the supplies stay in the country. But exports of natural gas continue to grow as new pipelines and liquified natural gas (LNG) export terminals come online.

Natural gas is primarily used for home heating, in industrial manufacturing and for electricity generation. While natural gas use for home heating is seasonal in Mississippi, the utilization of natural gas for electricity generation creates year-round demand. In 2019, Entergy Mississippi generated 49% of the electricity that was delivered to EML's residential, commercial, and industrial customers from natural gas.

Mississippi Power Co. burned natural gas to generate 92% of the electricity delivered to customers in 2019. 85.6% of the electricity delivered to Cooperative Energy customers was derived from natural gas fuel in the same time period. Meanwhile, TVA's energy generation portfolio consists of 26% of natural gas. Low natural gas prices have contributed to low electricity prices in Mississippi.





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The effects of higher natural gas prices on consumers' energy bills will likely vary as utilities adjust the energy generation mix and adjustments to rates are considered. Households may or may not have an economic cushion to absorb any fuel cost driven rate impacts. Higher energy prices could also further push inflation rates as business energy costs get passed on to consumers. With wide price swings, there are always winners and losers. The MPSC will continue to evaluate potential impacts to rates and consumers' bills and seek ways to keep energy costs as low as possible.

## Distributing Energy-Efficient LED Light Bulb to Jacksonians

October is Energy Awareness Month in Mississippi and across the nation. Traditional energy resources, renewable energy, energy delivery infrastructure and energy efficiency all play a role in advancing energy and economic security in Mississippi. By implementing energy efficient measures, homeowners can

improve energy efficiency and start saving immediately.



This week, I had the opportunity to assist the Jackson Revival Center in the distribution of energy-efficient LED light bulbs to Jacksonians struggling financially due to the pandemic or other life challenges. The LED lights were made available through the [Entergy Solutions Residential Efficiency Programs](#). The bulbs will help lower customer's energy use and save them money on their power bills. Most LEDs last 10 times longer and

use 75% less energy than traditional bulbs. That means if a customer replaces four standard bulbs with new LEDs, the energy savings can start to add up.

## Visiting with the Indianola Lions Club

We enjoyed a great visit and delicious fried chicken lunch with the Indianola Lions Club today. I appreciate them for having me as their speaker at today's meeting. I provided an intro and update from the Commission focusing on renewable energy, broadband and robocalls in Mississippi. We look forward to another visit when we come back to the Mississippi Delta.



## Solar Progress in Sunflower County

While out and about today, we made a stop by the Sunflower County Solar Project in Ruleville, Mississippi, which is being built for Entergy Mississippi. This 100 megawatt facility occupies approximately 1,000 acres and will provide Entergy customers all across the state

with the net benefits from a cost-competitive, clean energy resource. We are looking forward to a potential tour of the enormous facility in December.





## Catching up with ETCs in the Delta

While on the road today, we made stops by [Belzoni Cable](#), [TecInfo](#), [Communications](#) and [Delta Electric's DE Lightspeed](#), who were all winners of the Rural Digital Opportunity Fund Phase I Auction. The funds will be used to support the

deployment of high-speed internet service to rural customers across the Mississippi Delta. Belzoni Cable will be reaching underserved communities within Humphreys and Sharkey Counties. In December this year, they will begin connecting customers to their fiber-based network. TecInfo and DE Lightspeed are currently adding customers to their fiber network and continuously receive new sign ups for their high speed internet service. The Central District appreciates the leadership of these three entities for providing a critical, essential service to the citizens of the Mississippi Delta.



## MPSC Contributes to Federal Transmission Planning and Cost Allocation Comments

On July 15, 2021, the (Federal Energy Regulatory Commission) FERC issued an [Advance Notice of Proposed Rulemaking](#) (ANOPR) to solicit comments on potential reforms for electric regional transmission grid planning, cost allocation, and generator interconnection processes. The FERC seeks input on how transmission and interconnection planning and cost allocation procedures can be reformed to facilitate additional renewable energy integration and adjust for increasing demands on the grid.

The MPSC and MPUS filed its own set of [comments](#) recognizing that while the principal goals of transmission planning are the efficient delivery of energy at a reasonable cost, the MPSC also strives to advance economic opportunities, improve reliability, and allocate transmission investment costs appropriately. In short, our comments emphasize the role and jurisdiction of states in transmission siting and resource adequacy, the critical need for reliable information in long-range planning, and the need to properly identify project drivers and beneficiaries. The Central District office helped to shape the tone and focus of the MPSC comments.

The Central District and MPSC staff/consultants also contributed to the development of comments put forth by the [Organization of MISO States \(OMS\) Board of Directors](#) and by the [National Association of Regulatory Utility Commissioners](#). OMS relied on its Principles of Cost Allocation for Long Range Transmission Planning as the basis of its comments. NARUC recognized the need for more efficient transmission planning and investment to the benefit of consumers, but jurisdictional authorities must be preserved.





## Other News

### **MDA Accepting Applications for Industrial Energy Efficiency Grants**

The Mississippi Development Authority is accepting grant applications for the 2021 Mississippi Industrial Energy Efficiency Program (MIEEP), which is made possible through approximately \$400,000 in State Energy Program funds from the U.S. Department of Energy. MIEEP assists industrial manufacturers with making energy efficiency upgrades to their facilities. Eligible energy retrofits include: lighting, water heating and energy systems control, as well as heating, ventilation and air conditioning projects, among others. Grant awards are offered up to 50 percent of total project costs, with the award not to exceed \$50,000. The minimum grant award is \$15,000.

The deadline to apply for MIEEP funding is Nov. 22. An energy audit analysis must be submitted with MIEEP grant applications. MDA is providing assistance to help offset the costs of the energy audit. To view the Funding Opportunity Announcement and grant application, go to <https://mississippi.org/community-resources/office-energy/>. For more information, contact MDA's Energy & Natural Resources Division at (601) 359-6600 or [energysmartms@mississippi.org](mailto:energysmartms@mississippi.org).

### **West Rankin Utility Authority Stops Sending Wastewater to Jackson**

On September 30, the West Rankin Utility Authority (WRUA) switched off the valve carrying wastewater to Jackson's Savanna Street Wastewater Treatment Plant. The WRUA wastewater treatment facility in Richland is now treating the 8 to 10 million gallons of wastewater generated by customers in Flowood, Brandon, Pearl, Richland, and at the Barnett Reservoir. The facility also serves the Jackson-Medgar Wiley Evers International Airport, the State Hospital at Whitfield, Central Mississippi Correctional Facility, and other state-owned facilities in that area.



Customers served by the WRUA have seen an increase in bills to help pay for the costs of the new \$95 million WRUA facility now that it is fully operational. However, those costs pale in comparison to the share of \$450 million that Rankin County residents would likely have had to pay to fund the pro rata share of the improvements at the Savanna Street facility and associated sewer system infrastructure in Jackson.

### **Solar Panels Installed at Lauderdale County's Northeast Middle School**

Six hundred eighty-eight (688) solar panels are now installed on the backside of Northeast Middle School's campus. The solar array is part of a \$10 million energy efficiency plan implemented by Lauderdale County School District and is also supported by a \$200,000 grant. Upon completion of the wiring and other site work, the project should produce an average of 340,000 kilowatts hours of electricity per year and create electric utility savings of 60 to 80% for Northeast Middle School. Congratulations to District Superintendent John Mark Cain for taking the leap to go solar and for implementing other energy efficiency actions with the school district facilities.



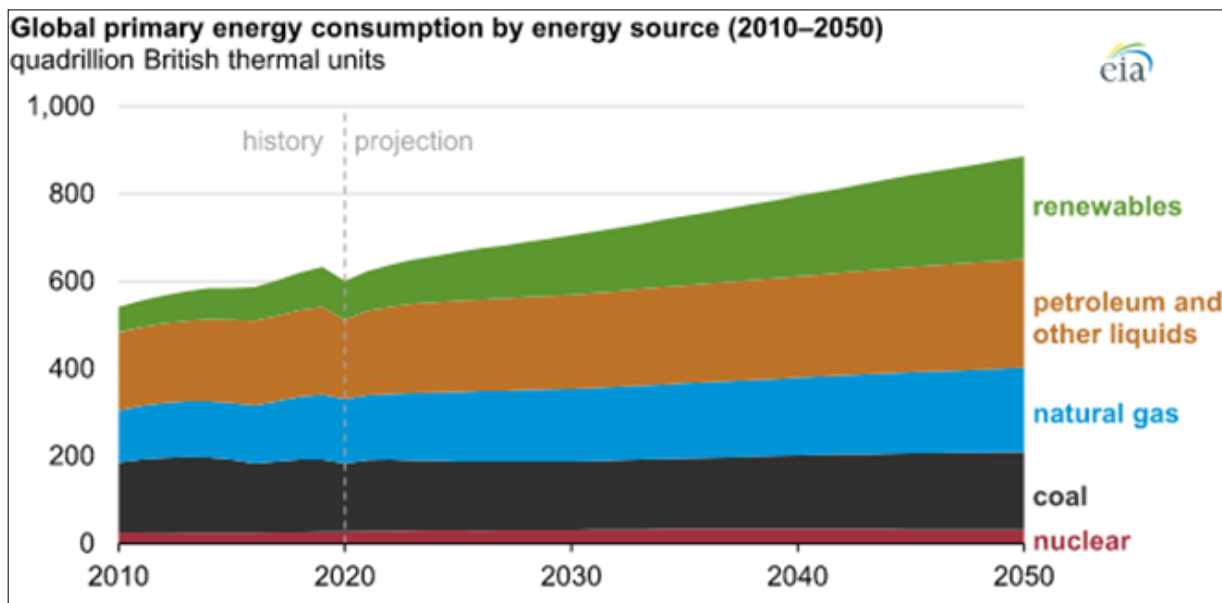


## EIA Projects Nearly 50% Increase in World Energy Use by 2050

Absent significant changes in policy or technology, the Energy Information Administration predicts that global energy consumption will increase nearly 50% over the next 30 years. Although

petroleum and other liquid fuels will remain the world's largest energy source in 2050, renewable energy sources will grow to nearly the same level. Falling technology costs and government policies that

provide incentives for renewables will lead to the growth of renewable electricity generation to meet growing electricity demand. Electricity consumption will grow the most in the residential end-use sector. The industrial sector is the main contributor to the growth in global natural gas consumption through 2050.



## Last Week at the MPSC

- ☞ The Public Utility Staff filed Atmos Energy Corporation's Monthly Purchased Gas Adjustment ([PGA](#)) Audit Report that it prepared for the month ended June 30, 2021.
- ☞ The Public Utility Staff filed CenterPoint Energy's Monthly Purchased Gas Adjustment ([PGA](#)) Audit Report that it prepared for the month ended in June 30, 2021.
- ☞ The Public Utility Staff also filed [Spire Mississippi Inc.](#)'s Monthly Purchased Gas Adjustment ([PGA](#)) Audit Report that it prepared for the month ended June 30, 2021.
- ☞ CenterPoint Energy Mississippi Gas filed its Workforce Diversity Annual [Report](#) containing employment data and recruiting awareness reporting data and outreach efforts through community organizations.
- ☞ The Commission issued its [Order](#) Approving Compliance Tariff for [Spire Mississippi Inc.](#) for its Rate Stabilization Adjustment Rider.
- ☞ [Bandwidth.com](#) CLEC filed its [Notice](#) of Non-Consummation in regards to its petition for approval to transfer indirect control.
- ☞ Atmos Energy Corporation filed its [Joint Stipulation with the Public Utility Staff](#) in regards to its Stable Rate Annual Evaluation for twelve months ending March 31, 2021. The Joint Stipulation results in a revenue adjustment decrease of \$5.6 million.



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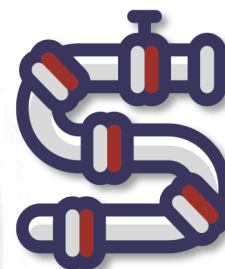
- ✉ **Atmos Energy Corporation** also filed its [Joint Stipulation](#) with the **Public Utility Staff** of its annual Notice of Intent in the Matter of a Comprehensive Review of its Capital Budget for fiscal year 2022 as required by the System Integrity Rider tariff. The Joint Stipulation results in a revenue requirement of \$8.35 million.
- ✉ **The Commission** issued an [Order](#) Setting a Hearing for **Mississippi Power Company's** petition for a certificate of public convenience and necessity authorizing the construction, acquisition, extension, operation and maintenance of transmission and related facilities and rights-of-way in **George County**.



The MPSC's October Regular Docket Meeting will be held at 10:00 am on Thursday, October 14. The meeting is open to the public and will be streamed online.

Our Pipeline Safety Division completed **8** construction inspections in the Central District during the month of September 2021.

The total costs for construction notices that were received by the Commission in the Central District during the month of September is approximately **\$276,000**.



*"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, our Consumer Complaint Specialists handled a total of **50** complaints in the Central District.

Electric Companies	27
Telecommunications	14
Water/Sewer	7
Natural Gas	2

Last week, the Central District received a total of **332** 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.*