

January 5, 2022



**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

***Revisiting the Kemper County IGCC
Facility (now Plant Ratcliffe)***

In the late afternoon of December 14, 2021, I made a visit to MS Power Company's Plant Ratcliffe (formerly known as the Kemper County Integrated Gasification Combined Cycle Generating Project) near DeKalb, MS. The purpose of the visit was to get an update on the activities at the site, understand the performance of the in-service natural gas units, and see for myself how the remnants of the lignite, gasification and carbon capture systems are being dismantled. In the photo to the right, the stacks of the two natural gas combined cycle generation units are directly over my left shoulder. These units, some cooling water containment structures, steam condensing systems, substation, and administrative and maintenance buildings will soon be all that is left at Plant Ratcliffe.



You may have seen the [reports](#) that on October 9, 2021, parts of the former Kemper County facility were imploded. It had been determined that the implosion of the large steel structures at the site would be the safest and most efficient way of removing the now unused equipment and structures. Prior to demolition, items such as pumps, motors, valves, heat exchangers and anything of value is removed and placed in a special area to be sold off. The remaining materials will likely be sold as scrap metal, which is fetching a decent price at this time.



Everything in the photos above will be demolished and removed from the site, including the concrete and crushed gravel covering the ground. In a few years, this area will be covered in trees and other native vegetation.

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The roots of the Kemper County “clean coal” project go back more than 15 years. Southern Company had developed a Transport-Integrated Gasification (TRIG) technology that would utilize low-energy lignite coal, capture up to 65% of carbon dioxide emissions, create valuable by-products and generate electricity. Although carbon capture projects at other fossil fuel plants had not functioned as anticipated at scale or proved to be cost-effective, politics, financial incentives and other motivations landed this project in Kemper County. However, significant cost-overruns, construction delays, difficulties in achieving steady-state operations and other technical challenges doomed the Kemper County “clean coal” project.

What was supposed to be built at an initial cost of approximately \$2 billion ballooned to more than \$7.5 billion before the Public Service Commission issued an [Order](#) in July 2017 that effectively closed the book on the utilization of lignite as a fuel source. In June 2018, the Commission adopted a [Stipulation Agreement](#) that removed ratepayer risk associated with the lignite gasification-related assets, modified the facility certificate to allow only for operation of a natural gas facility at the site, and assigned costs in a way that resulted in a rate decrease for Mississippi Power Company customers. Southern Company had to absorb about \$6.4 billion in losses while Mississippi Power Company customers picked up the tab for nearly \$1.1 billion in “used and useful” natural gas combined cycle assets that had been generating power since 2014. Plant Ratcliffe continues to be fueled with natural gas and efficiently generates about one-third of the electricity that MS Power Co. distributes to its customers.



The lignite surface mine area will be restored and reclaimed to its historical topography and replanted with native tree and other herbaceous species. The lignite storage dome and lignite transport systems will be demolished, and the area will be reclaimed and restored to its natural state.

Anyone who has followed my journey to the MPSC knows my original position regarding the Kemper County facility. In March 2010, I wrote a [letter](#) to the three sitting Public Service Commissioners at the time stating my reservations regarding the Kemper project and urged them to thoroughly assess whether Kemper was the best solution for generating electricity. Even before the MPSC authorized construction of Kemper, I expressed that there were more cost-effective options for new capacity, that the carbon-capture technology was costly and unproven, and that this project was not in the best interest of MS Power’s customers. Those positions were generally proven to be true.

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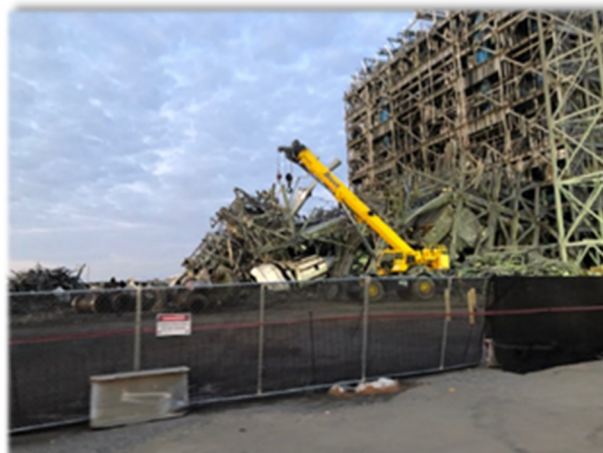
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But as I traveled around what is now Plant Ratcliffe and saw up close the size and scale of the demolition taking place, the loss of hundreds (if not thousands) of jobs, the abandonment of millions of man-hours in the design, development, construction, testing, and operation of scores of systems, and knowing the



political saga that brought us to this point, I had so many different thoughts and feelings going through my head.

I marveled at the amount of engineering and innovation involved. I had deep appreciation for the logistics and coordination that brought these large components into the heart of Kemper County. I understand the need for energy resource diversity. But it made me disgusted and depressed to think that all these components are now headed to the scrap yard. Instead of hundreds being employed in east Central Mississippi, only a few scores of people will be working at the plant.

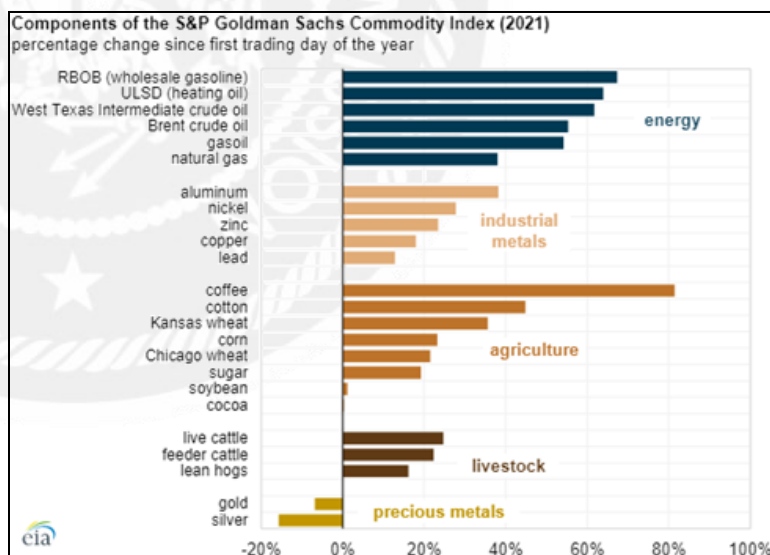


The lessons and reverberations of the Kemper facility will and should continue to have an impact on how filings at the Commission are evaluated and how decisions are made. As Commissioners, we have an obligation to weigh all the evidence, be fully informed and transparent, and put forth the best decision that balances the interests of customers, utility service providers and the state of Mississippi. I remain committed to do just that.

Other News

Energy prices rose more than other commodities in 2021

Energy prices used in the S&P Goldman Sachs Commodity Index (GSCI) collectively ended 2021 59% higher than the first trading day of the year. Price increases were largely driven by increased demand from the initial phase of global economic recovery from the COVID-19 pandemic. By comparison, most other commodity indexes included in the GSCI increased by just over 20%. The precious metals index was the only one to decline, falling by 8%.



Prices in energy commodity futures markets greatly increased throughout 2021. For example, the futures price of RBOB (a reformulated grade of gasoline used as the benchmark for gasoline trading) increased by 67% during 2021. ULSD (ultra-low sulfur diesel, which is used as a benchmark for heating oil trading) increased 64%. Prices for crude oils such as West Texas Intermediate (62%) and Brent (55%) increased by slightly less. Natural gas prices increased the least among energy commodities, although 38% is still a relatively large increase.



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Several factors contributed to the higher energy commodity prices throughout 2021, including weather disruptions, such as the February winter freeze and Hurricane Ida. Other factors were increased demand for gasoline and diesel from the initial phase of global economic recovery from the COVID-19 pandemic. Also, demand for crude oil and natural gas increased at a rate faster than production could ramp up.

Last Week at the PSC

- ✎ **The Commission** filed a [Recommended Order](#) of the Hearing Examiner in regards to the Formal Billing and Services Complaint of the **City of Clinton** against **Entergy Mississippi, LLC** in dispute of municipal streetlighting rates and value of assets. The Hearing Examiner recommended that the **City of Clinton's** Motion to Investigate be Denied, that **Entergy Mississippi, LLC's** Motion to Dismiss be Granted and that the **City of Clinton's** Amended Formal Billing and Services Complaint against **Entergy Mississippi, LLC** be Dismissed, Without Prejudice.
- ✎ **Global*Tel Link Corporation** filed its [Notice](#) that the Company will operate under the doing business as ("DBA") name "**ViaPath Technologies**" effective January 6, 2022.
- ✎ **Onvoy, LLC** filed its [Notice of Consummation](#) in regards to the **Joint Petition** of **GTCR Onvoy Holdings, LLC**, Transferor, **Onvoy, LLC**, **Broadvox-CLEC, LLC**, **ANPI Business, LLC**, and **Neutral Tandem-Mississippi, LLC**, Licensees, and **Sinch US Holding Inc.**, Transferee for Approval of a Transfer of Indirect Control of Licensees to Transferee.
- ✎ **CPC Engle Holdings, Inc.**, the **Combined Public Communications Employee Stock Ownership Trust**, and **Combined Public Communications, LLC** filed its [Notice](#) that the Indirect Transfer of Control of **Combined Public Communications, LLC** has been completed.
- ✎ **Matrix Telecom, LLC** filed its [Revision](#) to MS Tariff No. 3 (Local and Long Distance Services). This filing revises rates for selected legacy services, introduces new service options, increases monthly recurring charges, and revises the rate structure for certain monthly recurring charges. This filing also updates the Company's address.
- ✎ **CenturyTel of Adamsville, Inc.** filed its [Approval](#) of the Commercial Mobile Radio Services (CMRS) Agreement and Routing of Traffic Through a Third Party Transit Provider Amendment to the CMRS Agreement, between **CenturyTel Of Adamsville, Inc. d/b/a CenturyLink**; **CenturyTel of North Mississippi', Inc. d/b/a CenturyLink** and **DISH Wireless LLC**.



Last week, our Consumer Complaint Specialists handled a total of **21** complaints in the Central District.

Electric Companies	15
Telecommunications	3
Water/Sewer	3

Last week, the Central District received a total of **113** 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.