October 27, 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.

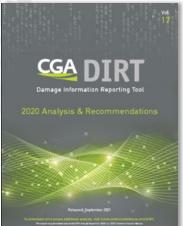


It's the last week of October and Halloween is this weekend. Ghosts, goblins, and ghouls will be lurking around every corner. But what scares me is the thought of someone not calling 811 before embarking on a digging project. You never know what is lurking just below the surface. Without first calling 811, you could damage an electrical, water or gas line, cut into a telecommunications cable, or unearth a brain-eating zombie! Don't be spooked by the thought of calling 811. It is easy and can prevent you and your neighbors from experiencing a dreadful disruption in utility service.

Research has shown that homeowner awareness of 811 has reached an all-time high. Thankfully, this increase in awareness corresponds with a steep rise in utility locate requests submitted by homeowners. Despite the constant education, outreach, and awareness efforts of the 811 Campaign, damages to underground utilities continue to occur.

The <u>Common Ground Alliance (CGA)</u>, the national nonprofit trade association dedicated to protecting underground utility lines and the people who work near them, recently released the findings from its <u>2020 Damage Information Reporting Tool (DIRT) Report</u>. The DIRT Report analyzes data submitted by facility operators, utility locating companies, one call centers, contractors, regulators, and others to compile information on the root causes of underground utility damages.

The results of the DIRT Report analysis found that an estimated 468,000 excavation-related damages to underground facilities occurred in the U.S. in 2020. This number is down 12% from 2019. Estimated calls to 811 was up 2.3% from 2019 to 273.9 million. This translates into damages per unit of construction spending was down 8% and damages per 1,000 811 calls was down 14%. The 2020 numbers above are somewhat complicated by COVID-19, a decrease in commercial construction, increase in residential construction and a steep inflation in costs of building materials and supplies. Underground telecommunications are the most damaged facilities, followed by natural gas lines, cable TV, electric and water/sewer.



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The 2020 DIRT Report also analyzes the root causes of reported underground utility damages and finds that out of 26 possible causes, the top five damage root causes reported in 2020 made up nearly 70% of the total damages reported. Those top five root causes are: 1) Failure to call 811; 2) Digging before validating markings with test-holes; 3) Facility marked inaccurately due to abandoned infrastructure; 4) Facility not marked/marked inaccurately due to locater error; 5) Excavator failed to maintain clearance from validated markings.

Remember, 811 is the national call-before-you-dig phone number. Anyone who plans to dig should call 811 or go to <u>https://www.ms811.org/</u> a few business days before digging to request that the location of buried utilities be marked with paint or flags so that you don't unintentionally dig into an underground utility line.

So don't be afraid to call 811 and have a spooktacular Halloween!

Other News

U.S. Winter Outlook: Drier, Warmer South; Wetter North

Despite the predictions of a colder winter for 2021-2022, the actual impacts are more likely to be regional rather than nation-wide. According to <u>NOAA's Climate Prediction Center</u>, <u>above-average temperatures are favored across the South and most of the eastern U.S.</u> as La Nina climate conditions reemerged for the second winter in a row. Below-average temperatures and wetter-than-average conditions are anticipated across portions of the Northern U.S., primarily in the Pacific Northwest. NOAA seasonal outlooks provide predictions on what is likely to come in the months ahead. However, extreme weather events that far exceed seasonal norms can still take place.

Heating Costs Expected to be Higher This Winter

As mentioned above, above-average temperatures are favored across the South and most of the eastern U.S. according to NOAA. But the U.S. Energy Information Administration (USEIA) forecasts that space heating costs will still be higher than last year. This prediction is due to much higher retail prices of natural gas and propane and slightly higher expected consumption as compared to last year. Natural gas is the primary heating fuel for 48% of U.S. homes. About 5% of all U.S. homes use propane as their primary space heating fuel. Households that primarily use natural gas for space heating could spend up to 30% more than last year. Whereas households that use propane as their primary heating fuel could spend 43% more in the South. Inventories of natural gas and propane are lower than last year, global demand is high, and production has been relatively flat. These factors combine to drive up wholesale and retail prices.

Coal-Fired Electricity Generation Increases First Time Since 2014

The U.S. electric power sector has been generating more electricity from coal-fired power plants this year because of significantly higher natural gas prices and relatively stable coal prices. The USEIA expects 22% more U.S. coal-fired generation in 2021 than in 2022. However, this increase in coal generation is not expected to continue. The electric power sector has retired about 30% of its generating capacity at coal plants since 2010, and no new coal-fired capacity has come online in the United States since 2013. Additional coal plant retirements and an expected drop in natural gas prices will likely push coal-fired generation capacity and capacity factors downward in 2022.

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Broadband Issue Brief

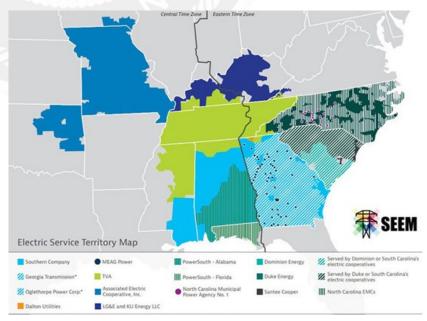
The Environmental and Energy Study Institute (EESI) has released a new Issue Brief titled "<u>Closing the Digital Divide: How Rural Broadband Benefits Communities and the Climate</u>." The brief examines the following: Types of broadband speeds and delivery technologies; Extent of broadband unavailability in rural areas; Impacts due to lack of broadband connectivity; Broadband deployment programs and challenges. The brief finds that while expanding access to high-speed broadband services should be a top priority for the United States, various financial and economic barriers continue to impede the deployment of broadband services to unserved and underserved areas.

Up to 42 million Americans

do not have access to broadband. The majority of people without access to reliable broadband live in rural areas or on tribal lands, leaving these already disadvantaged communities even further behind.

Southeast Energy Exchange Market (SEEM) To Ramp Up

A proposal put forth by a consortium of electric utilities, the Southeast Energy Exchange Market (SEEM), became effective on October 12 after the Federal Energy Regulatory Commission (FERC) failed to reach a decision because the FERC Commissioners were divided two against two as to the lawfulness of the proposal. With the deadlock, the measure automatically took effect in accordance with Section 205 of the Federal Power Act. SEEM supporters expect the platform would be operational by the middle of next year. Membership is open to any entities that meet the requirements. SEEM consists of an automated, intra-hour energy exchange that aims to lower costs to customers.



Program to Expand Energy Storage Deployment

A program by Pacific Northwest National Laboratory (PNNL) and Sandia National Laboratories (SNL), <u>ES4SE</u>, is designed to empower urban, rural, and tribal disadvantaged communities to consider energy storage technologies and applications as a viable path towards community prosperity, wellbeing, and resilience. Through this program, eligible communities have access to direct non-financial technical assistance and potential support for new energy storage project development and deployment. <u>Visit the Technical Assistance page</u> for project application forms and criteria.

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Last Week at the MPSC

➢ Spire Mississippi (formerly known as Willmut Gas and Oil Company) submitted its Notice of Filing in regards to its Petition to Extend Supplemental Growth Rider. Spire Mississippi submitted its Notice of Filing in regards to the filing of Routine Changes in the Rate Stabilization Adjustment (RSA) Rider - 2021.

- CenterPoint Energy Resources Corp. filed its <u>Annual Energy Delivery Plan</u> for calendar year 2022. CenterPoint Energy Resources Corp. filed its <u>Work Papers</u> in support of its 2022 Annual Energy Delivery Plan.
- The Commission issued an Order Approving Compliance Tariffs for CenterPoint Energy Resources Corp. in regards to its Approval of "Quick Start" Energy Efficiency Program Portfolio and Plan, Including Cost Recovery Rider.
- ☞ Franklin Telephone Co. Inc. filed its <u>Petition</u> for Authority to Discontinue certain local exchange telecommunications services and Alarm Circuits.
- Windstream Mississippi, LLC filed Interconnection Agreement between Windstream Mississippi, LLC and Dish Wireless L.L.C. and its commercial mobile radio operating affiliates.
- Mississippi Power Company filed its Notice of Intent to Change Rates by Establishing a System Restoration Rider, Rate Schedule "SRR." The Company requests a change in rates to achieve a target Storm Restoration Reserve annual accrual of approximately \$8 million.
 South Central Water Association, Inc. filed its Supplement to Prefiled Testimony in regards to its Application for a Supplemental Certificate of Public Convenience and Necessity Authorizing it to Operate and Maintain a Water System in a Specified Area in Hinds County. The Petition request is for approximately 7.5 additional square miles of service area.
- Briarwood Waste Control Inc., and Waste Water Solutions, LLC filed an Application to Transfer the Certificate of Public Convenience and Necessity to Construct, Operate and Maintain a Sewer System in a Specified Area in Lauderdale County, from Briarwood Waste Control, Inc. to Waste Water Solutions, LLC. Briarwood Waste Control Inc. and Waste Water Solutions, LLC filed its Certificate of Service certifying that Notice was mailed to the City of Meridian and Town of Marion and all the current members and customers of Briarwood Waste Control Inc. in regards to its Application to Transfer the Certificate of Public Convenience and Necessity to Construct, Operate and Maintain a Sewer System in a Specified Area in Lauderdale County.
- Great River Utility Operating Co., LLC filed its <u>Supplemental Schedule 26-C</u> in regards to its petition for Approval of the Sale and Transfer of Certain Assets, Facilities, Property, and Certificates of Public Convenience and Necessity for the Provision of Wastewater Disposal Service in Desoto, Lamar, Lee, Lowndes, Oktibbeha, and Tishomingo Counties.



The MPSC's November Regular Docket Meeting will be held at 10:00 am on Tuesday, November 2. The meeting is open to the public and will be streamed online.

