

June 9, 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

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Rural Infrastructure Summit Takes Holistic Look at Community Systems

Last week, the Inaugural Rural Infrastructure Summit was held in Cleveland, Mississippi, with the goal of building partnerships that will collaborate in building a holistic rural infrastructure system that will be effective, efficient and affordable for citizens and facilitate community enrichment. The Summit brought together more than 200 county supervisors, mayors, aldermen, education superintendents, county administrators, engineers and more with state and federal officials to exchange information, knowledge and resource opportunities.

The Summit featured panels on state and federal funding sources, broadband expansion, multimodal transport (ports, rail, freight, airports), water and wastewater systems, federal policy matters, electric vehicle expectations and more. I participated on a panel with Commissioner Willie Simmons, USDA Under Secretary Dr. Homer Wilkes, Representative Otis L. Anthony, and Ronald Cassada to discuss rural infrastructures' role in public safety, economic development and community sustainability.



Commissioner Willie Simmons organized and hosted the Inaugural Rural Infrastructure Summit.



As part of my comments, I discussed the interdependency of infrastructure systems in order for rural residents to fulfill their basic needs and maintain a quality of life that grows a community. Also, agencies and utilities must cooperate to achieve sustainable expansion and maintenance of infrastructure assets. I discussed the role of the Mississippi Public Service Commission (MPSC) during times of disasters and emergencies and our role in communicating with utilities and customers. The findings of the MPSC's Public Utilities Infrastructure Review report were also addressed. Finally, I discussed some of the MPSC policies and programs that facilitates economic development, a Mississippi workforce, public safety and utility infrastructure resiliency.



As a side note, if you have not visited or explored Cleveland, MS lately, I urge you to do so. Cleveland has a wonderful concentration of arts, museums, hotels, restaurants and other cultural features. It is home to the Grammy Museum-Mississippi, Railroad Heritage Museum, Delta State University, unique shopping, entertainment and lots of friendly people. Make plans to make your way through the corn, soybean and cotton fields to the City of Cleveland.



New Report Forecasts Job Opportunities

A new [Green Jobs Now: Mississippi](#) report predicts that the number of green jobs in the state is about to climb, but not as significantly as in the country as a whole. The report estimates that there are over 6,249 workers in Mississippi's green economy. It projects that in the next five years, employment demand for green jobs will increase by 3.5 percent, below the national average of 5.7 percent. The report recommends that businesses identify the jobs that are most likely to be impacted by emerging technologies and trends, and where within their operation they can make the most meaningful gains.



Federal News, Actions and Reports

The Infrastructure Investment and Jobs Act aims to accelerate the transition to electrified transportation by establishing a nationwide charging network that will ensure a convenient, reliable, affordable, and equitable EV charging experience for all users. Each state must develop an EV Infrastructure Deployment Plan, which is required when applying for funding from the \$5 billion National Electric Vehicle Infrastructure (NEVI) Formula Program. To assist with state planning efforts, U.S. Department of Energy (DOE) is providing state-specific reports detailing potential decision-making scenarios and analysis based on individual state data. [Planning Considerations for Electric Vehicles in Mississippi](#) introduces some high-level concepts around electricity and charging infrastructure planning.

The Energy Information Administration's [June 2022 Short-Term Energy Outlook](#) forecasts that U.S. natural gas spot prices will increase again this month and then remain high through the rest of 2022. Natural gas spot prices at the U.S. Henry Hub benchmark in Louisiana averaged \$8.14 per million British thermal units (MMBtu) in May 2022, and is expected to average \$8.71/MMBtu through the summer (June through August). Reasons for the high prices include demand for natural gas has outpaced production, lower than average natural gas inventories, higher consumption of natural gas in the electric power sector, strong natural gas exports, and supply constraints in the coal market.

The Biden Administration has issued [presidential actions](#) providing the DOE with the authority to utilize the Defense Production Act (DPA) to accelerate domestic production of five key energy technologies: (1) solar; (2) transformers and electric grid components; (3) heat pumps; (4) insulation; and (5) electrolyzers, fuel cells, and platinum group metals. Demand for clean energy technologies has increased significantly as the costs of these technologies have plummeted. But the supply chain has relied on foreign sources to provide these products. The DPA is being utilized in hopes for bolstering a domestic clean energy supply chain. This action is being taken in conjunction with the President's request for the Secretary of Commerce "shall consider taking appropriate action" to permit an effective 24 month safe-harbor provision on imported solar cells from Southeast Asia, whether assembled into modules or not, regardless of the recommendation from the preliminary and/or possible final determination of the anti-dumping/countervailing duties investigation.



The DOE released a [Notice of Intent \(NOI\)](#) to fund the Bipartisan Infrastructure Law's \$8 billion program to develop regional clean hydrogen hubs (H2Hubs) across America. The H2Hubs program seeks to create networks of hydrogen producers, consumers, and local connective infrastructure to accelerate the use of hydrogen as a clean energy carrier. Several companies are actively working in and around Mississippi with hopes of developing production, processing, delivery, storage, and end-uses of clean hydrogen.

The DOE has also launched the [Interconnection Innovation eXchange \(I2X\)](#) initiative. The initiative aims to make interconnection to the grid simpler, faster and fairer. Figures show that more than 1,400 GW of generation and storage projects are sitting in transmission interconnection queues across the country. The initiative will look at developing a five-year interconnection roadmap for both transmission and distribution-level interconnection. Stakeholder engagement will be a core pillar of the initiative.

The staff of the Federal Energy Regulatory Commission (FERC) have released two key reports that serve to inform energy market stakeholders of the trends in electricity and natural gas markets. The first report, [2021 State of the Market](#), reflected the trend of the electric generation resource mix continuing the transition from fossil fuels to renewables. The second report, [2022 Summer Energy Market and Reliability Assessment](#), has four main findings: 1) Temperatures have a significant impact on demand for electricity, and higher than average temperatures are expected for the coming summer; 2) Higher natural gas prices for summer 2022 are expected as demand growth is forecasted to exceed supply growth; 3) Wholesale electric markets expect to see higher prices this summer because of hotter temperatures, slightly increased demand, and higher natural gas prices; 4) Drought conditions in the western U.S. increases the likelihood of significant wildfires and reducing the amount of hydropower available.



Highlights from the June 7, 2022, Docket Meeting

The Mississippi Public Service Commission met on June 7, 2022, at 10:00 am CT to consider the following [agenda](#) items:

- ☑ **The Commission** issued an [Order](#) approving the Stipulation between the **Public Utilities Staff** and **Mississippi Power Company** in regard to **Mississippi Power Company's** Notice of Intent to Change Rates Pursuant to the Performance Evaluation Plan, Rate Schedule PEP-6, filed in March 2022. **Mississippi Power Company** and the **Public Utilities Staff** have stipulated to a PEP revenue adjustment of approximately \$17,997,046. With this change in revenues, **Mississippi Power Company's** request will result in a bill increase for a 1,000 kWh customer of \$2.50 from \$140.48 to \$142.98, a 1.78% increase. The primary drivers for the rate increase are Return on Rate Base (\$10 million), Increase in O&M Expense (\$9 million), and an Increase in Depreciation and Amortization (\$13 million). These costs are driven by transmission and distribution spending going up 30% over last year due to needs for increased reliability and resiliency, system planning, grid optimization and innovation, cybersecurity, and general business identified in Mississippi Power Company's 2022 [Capital Plan](#) and [Energy Delivery Plan](#). However, these costs were offset by an increase in revenue of \$17 million. The Stipulation also approved an increase in the fixed customer charge from the current amount of \$0.89/day to \$1.23/day.



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According to the calculation of the **Public Utilities Staff**, the customer charge is revenue neutral, meaning [Mississippi Power Company](#) should not receive any additional revenue as a result of this change in the customer charge and reduction in certain rate factors. In fact, for a residential customer that consumes 1,000 kWh per month, the change is estimated to result in a lower monthly bill of approximately \$0.80 per month than would result from no change in the existing customer charge. Also, residential income-qualified customers participating in other rate classes will see a greater decrease due to the change in volumetric rates.

- ☑ **The Commission** issued an [Order](#) approving the **Mississippi Power Company** filing of its calculation of the Ad Valorem Tax Adjustment Factor for April 2022 through March 2023 pursuant to its Ad Valorem Tax Adjustment Clause, Schedule ATA-2. Although Ad Valorem taxes decreased overall, an under-recovery due to a delay in rate implementation resulted in a slight increase of \$0.27 per month for a residential customer using 1000 kWh per month.
- ☑ **The Commission** considered an [Order](#) Approving the Application of **Entergy Mississippi, LLC** for approval of an Amendment to Agreement for Service with Nucor Steel Jackson for the provision of electric service to Nucor Steel's facilities located within **Entergy Mississippi's** certificated service area at **Flowood in Rankin County**. **Entergy Mississippi** and **Nucor** have executed the Fifth Amendment to Agreement, which modifies a contractual provision to align with the requirements established by MISO in the revised Resource Adequacy Business Practice Manual. The revision has no effect on the pricing of the Agreement previously approved by the **Commission**.
- ☑ **The Commission** issued an [Order](#) approving the Joint Application of **Yalobusha County** and the **Oakland/Yalobusha Natural Gas District** for Approval of Sale and Transfer of all equipment and real estate necessary to provide natural gas service to residents and all Certificates of Public Convenience and Necessity from **Oakland/Yalobusha Natural Gas District** to **Yalobusha County**.
- ☑ **The Commission** considered and issued an [Order](#) approving the joint application of **CableSouth Media III, LLC** on behalf of **Hunt Land Holdings, LLC** and **ITC Broadband Holdings, LLC** for an order authorizing the indirect transfer of controlling interest of **CableSouth Media III, LLC** to **ITC Broadband Holdings, LLC**.
- ☑ **The Commission** approved Orders Referring the following matters for hearing, report, and recommendation for an appropriate Order or any other action necessary pursuant to Miss. Code Ann. 77-3-40(6):
 - ☑ [Order Referring](#) to hearing examiner the Joint Application of **Bunker Hill Water Association** and **Cedar Grove-Harmony Water Association** to Transfer All of The Certificate Of Public Convenience And Necessity For Water Service held by **Cedar Grove-Harmony Water Association**.
 - ☑ [Order Referring](#) to hearing examiner the Application of **Great River Utility Operating Company, LLC** to Cancel a Certificate of Public Convenience and Necessity in a Specified Area in **Forrest County**.
 - ☑ [Order Referring](#) the Petition of **Great River Utility Operating Company, LLC** 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 **Lamar County**.



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- ☑ **The Commission** considered and issued an [Order Affirming](#) and Adopting the Recommended Order of the Hearing Examiner **Entergy Mississippi, LLC** in regards to the Petition for a Certificate of Public Convenience and Necessity in the above-styled proceeding seeking authorization from the **Commission** for **Entergy Mississippi, LLC** to acquire, construct, expand, own, operate and maintain a new 115/13.8 kilovolt ("kV") substation in **DeSoto County**, 115 kV transmission lines and 13.8 kV distribution lines operated at 12.47 kV and other related facilities, rights-of-way, and the related substation terminal facilities and other related equipment and facilities, all within the certificated public utility service area of **Entergy Mississippi, LLC** in **DeSoto County**. The total estimated cost of the project is \$37 million.
- ☑ **The Commission** on its own motion entered an [Order](#) Designating Hearing Examiner related to the Underground Facilities Damage Prevention Board. The counsel for the Board's Executive Committee sent a letter to the Commission indicating the Board has reached the point in its existence where hearings have become necessary for parties seeking to contest civil penalties. On May 25, 2022, the Board approved a measure pursuant to Miss. Code Ann. § 77-13-29(3), that a Commission attorney be requested to serve as Board hearing examiner.
- ☑ **The Commission** issued an [Order](#) Establishing Docket and Referring Matter for Hearing to the Central District Commissioner for the purpose of investigating, conducting hearings, and ordering and implementing necessary measures regarding quality of service by **L & F Water Association**.
- ☑ **The Commission** held a hearing following the regular open meeting considering the matter of the [2022 Evaluation Report](#) and [2021 Look Back](#) by **Entergy Mississippi, LLC** pursuant to the terms and provisions of the **Entergy Mississippi** Formula Rate Plan Rider Schedule FRP-7 in regard to the Notice of Intent of **Entergy Mississippi, Inc.** to implement revisions to the Formula Rate Plan. After the hearing was conducted, the **Commission** took the matter under advisement with the [Joint Stipulation](#) to be ruled on at a later date.



Last Week at the MPSC

- ☞ **Atmos Energy Corporation** [Application](#) for Approval and Authorization to renew the infrastructure Expansion Initiative. To continue to provide expansion of natural gas service to customers who qualify under this program beyond October 2022, Atmos Energy proposes to extend the Infrastructure Expansion Initiative for another five (5) year term.
- ☞ **The Public Utilities Staff** and **Entergy Mississippi, LLC** filed their [Joint Stipulation](#) in regard to the Notice of Intent of **Entergy Mississippi, Inc.** to Implement Revisions to the Formula Rate Plan Schedule FRP-7. If approved, per the Stipulation, a total revenue adjustment of \$83 million (the supporting data are found in the 2022 [Evaluation Report](#) and [2021 Look Back](#)) would be granted. The adjustment includes \$13.1 million in COVID Bad Debt Deferral, storm recovery expenses that have exceeded \$70 million each of the last two years, an increase in demand-side management programs, and spending for grid modernization that will double from last year. The increase in rates associated with the FRP-7 filing will be \$5.90 per month for a 1000 kWh customer. Further, if approved, per the Stipulation, the monthly residential customer charge will increase from \$6.78 to \$14.68 and certain energy charges will be reduced. The net change will result in a reduction of \$2.75 for a 1000 kWh per month customer. The final rate for July bills will be a mix of new revenue, expiring interim rates, new customer charge and rate factor adjustments. The net effect will be an increase of \$3.15 per month for a 1000 kWh customer. The monthly General Lighting and Power Service customer charge will also increase to \$28.38 per customer.



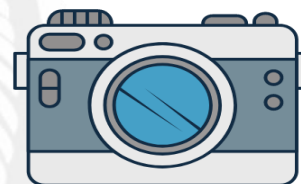
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- ✉ **The Public Utilities Staff** prepared and submitted the Monthly Purchased Gas Adjustment Audit Report for the period February 1, 2022, through February 28, 2022, for the following entities: [Atmos Energy Corporation](#); [CenterPoint Energy](#); [Spire Mississippi Inc.](#)
- ✉ **Harvest Gold Solar Power, LLC** filed its [Petition](#) for a Facilities Certificate to Construct and Operate a Solar Electric Generating Facility in **Sunflower County**. The Project is a 99 megawatt ("MW") solar energy generation facility located north of the City of **Indianola** and adjacent to Steiner Road. The facility will interconnect to the regional power grid via a new switchyard substation on the 115 kilovolt ("kV") **Indianola-to Cleveland** on-site transmission line. The project will include approximately 250,000-300,000 anti-reflective solar modules, approximately 26 inverters, a step-up transformer, and a newly constructed collection substation. The anticipated project cost is \$125,000,000 with completion slated for first quarter of 2024. Swift Current Energy is the project developer. Electricity will be sold at wholesale into the MISO market.
- ✉ **Rankin County** filed a motion to [Withdraw](#) its testimony in regards to the Notice of Intent of **Entergy Mississippi, Inc.** to Implement Revisions to the Formula Rate Plan.

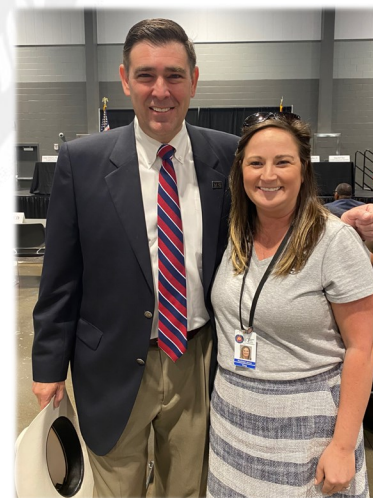
CENTRAL DISTRICT SNAPS



I attended the Mississippi Damage Prevention Committee kickoff meeting Wednesday at [Mississippi 811, Inc.](#) in Pearl to hear more about the ongoing issues/concerns for utility operators and the locators who work 811 tickets called in ahead of digging projects. Pictured left with Mississippi 811's Fred Johnson



Davis attended the 2022 EnHance Annual Workshop and Awards luncheon on Wednesday in Flowood to hear discussions regarding "Strategies for Successful Sustainability".



Rachael attended Commissioner Andy Gipson's 'Rebuilding the Walls of Safety Crime Summit' on Wednesday in Jackson.

FROM THE DESK OF COMMISSIONER BRENT BAILEY CENTRAL DISTRICT OFFICE



We were thrilled to attend the 2022 Mississippi Rural Water Association Annual Management & Technical Conference & Exhibition on the Mississippi Gulf Coast last week! Looking forward to next year!



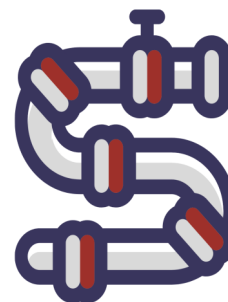
I was happy to see all members of the Leake County Board of Supervisors in Cleveland at the Inaugural Rural Infrastructure Summit to gather information critical to enhancing infrastructure in their county.

Our Pipeline Safety Division completed **2** construction inspections in the Central District during the month of May.

The total amount of construction notices that were received by the Commission in the Central District during the month of May is approximately **\$7,898,000**.

"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 **21** complaints in the Central District.

Electric Companies	15
Telecommunications	4
Natural Gas	1
Water/Sewer	1

Last week, the Central District received a total of **133** 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.