

November 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

Make a Commitment to Damage Prevention and Your Safety

Last week, I spent a couple of days on the Coast to attend and participate in the Mississippi Damage Prevention Summit. The annual Summit brings together all stakeholders in the damage prevention industry to promote excavation safety. The Summit included multiple workshops and professional training opportunities, 35 exhibitors, topics on issues relevant to utility infrastructure protection, and a review and analysis of the trends surrounding damages to buried utility infrastructure.

The ultimate responsibility of protecting underground utilities and avoiding damages to those systems begins with those that plan to conduct digging activities. Excavators and homeowners must make a call to 811 in advance of any digging project. The 811 Call Center Operator receives information about the digging project location and forwards that information to utility locators who are responsible for locating, identifying, and marking underground utilities. Excavators and homeowners must wait the required time to allow utilities to be marked, and then dig with care around the marks.

In 2021, [Mississippi 811](#) call center agents received 480,870 calls (an 8.2% increase over 2020) which resulted in nearly 2.4 million utility locate notices. So far in 2022, the number of calls is running 12% higher than 2021. This year, Mississippi 811 call center agents are on track to receive 545,000 calls and issue 2.65 million located notices. Despite the large volume of calls and continued reminders through the media and other information sharing platforms, people continue to put themselves and their communities at risk and disrupt the delivery of critical utility services because they failed to call 811 either intentionally or as an oversight, or they did not respect the utility markings. Far too often these discrepancies result in damage to utilities and potential injury.

A still flourishing economy, the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and a general increase in construction spending is putting stress on an already swamped damage prevention system. These trends generally correlate with an increase in damages.



Commissioner Bailey with James Snyder (MPSC Pipeline Safety Inspector), Charles Stallings (MS 811), and John Stallings (MS 811)



Commissioner Bailey with Sam Johnson, President of MS 811



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MS 811 Staff pictured left to right: Joanna Henderson, Mia Rhymes, Lisa Stallings, Fred Johnson, Chas Sample, John Stallings, Charles Stallings, Amanda Russell, Commissioner Bailey, Bill Rutledge, Haley Feather, Bert Pickard, and George Lewis

According to the 2021 [Damage Information Reporting Tool](#) (DIRT) report released in October 2022, locate requests to 811 call centers across the U.S. increased by 8% over the previous year, with 811 centers seeing a significant shift in locate request methodology toward electronic rather than voice. In 2021, over 39.5 million locate requests were received by 811 centers resulting in an estimated 288.3 million utility locate notices. However, over 203,000 unique damage reports were reported.



Natural gas and telecommunications are the leading types of facilities damaged. Telecommunications/cable TV is the leading type of work performed, with water and sewer work also contributing to a large number of damages. Contractors and backhoes are the excavator type and equipment type involved in the greatest number of damages. The significant increase in federal spending on water, sewer and broadband internet will lead to an increase in excavation work in the coming years and a likely increase in damages. These damages could result in loss of property, loss of money due to fines, or loss of life.

The failure to provide notification to the 811 center and request a utility locate has consistently been the single leading root cause of damage to utilities each year, accounting for over 25% of damages. The other leading cause of damages includes the failure of the locator to properly mark utilities (14%) and the failure of the excavator to properly dig around verified markings (14%).

The Mississippi Damage Prevention Summit highlights the best practices that prioritize safety and damage prevention. This includes stakeholder communication and outreach, engagement with public works leaders, excavator education resources, and focusing damage prevention efforts to the top root causes of damages. The responsibility to protect underground utility infrastructure falls upon anyone who plans to perform ANY digging activities. Please help protect underground utility infrastructure by calling Mississippi 811 at least two working days prior to the start of excavation and respect the markings. Although April is recognized nationally as safe digging month, you should treat every month as safe digging month.



Natural Gas Price Predictions Fall, But Price Volatility Remains Possible

The U.S. Energy Information Administration (EIA) estimates U.S. natural gas inventories ended October 2022 at more than 3.5 trillion cubic feet (Tcf), which is 4% below the five-year average and higher than what EIA had been forecasting in recent months. Inventories are forecast to fall this winter to 1.4 Tcf by the end of March 2023. This withdrawal would be similar to the five-year average and result in inventories that are 8% below the five-year average at the end of March 2023.

Because of higher-than-expected storage levels heading into winter, EIA's forecasts natural gas spot price at Henry Hub to average about \$6.09 per million British thermal units (MMBtu) across 4Q 2022 and 1Q 2023, which is more than \$1/MMBtu lower than the EIA forecast in the October Short Term Energy Outlook. This would be the highest real price for this time period since winter 2009-10. However, this revision is unlikely to have much of an effect on retail natural gas prices this winter because there is typically a significant delay between changes in wholesale and retail prices for natural gas. While uncertainty across the globe and in macroeconomic conditions could significantly affect energy markets in the future, EIA expects prices to decline in Spring 2023 as domestic natural gas production increases and natural gas demand stabilizes.

Last Week at the MPSC

- ✎ **Entergy Mississippi, LLC** filed its [2023 Energy Delivery Plan](#) which is intended to offer a picture of the manner in which **Entergy Mississippi, LLC** expects to meet the energy needs of its customers, as well as inform interested stakeholders of **Entergy Mississippi, LLC's** demand-side management and distributed energy resource investments, customer outreach and workforce development, transmission and distribution system plans, and advanced technology offerings that can be used to modernize the grid. The Energy Delivery Plan also includes the [Demand-Side Management Report for 2021](#), avoided cost calculations for [OF-21](#) and [NEM-1](#), and the [2022 Net Metering and Interconnection Report](#).
- ✎ **Entergy Mississippi, LLC** filed its [2023 Transmission and Distribution Plan](#) in compliance with the Formula Rate Plan Rider Schedule FRP-7 (Revised)("Schedule FRP-7"). The annual submission of this plan will allow the **Commission** to have more visibility and input into **Entergy Mississippi, LLC's** capital spending plans. This plan includes information on grid upgrading and redesign as well as information on vegetation management and impacts on overall grid reliability.
- ✎ **Entergy Mississippi, LLC** filed its [Power Management Rider Schedule PMR-14](#) with updated language clarifying that renewable power purchase costs may be recovered through Schedule PMR-14 in compliance with the Mississippi Legislature's 2020 amendment to Mississippi Code Ann. 77-3-93, and that the "Distribution Generation Costs" may be recovered through Schedule PMR-14 in accordance with the Commission's October 4, 2022 Order adopting the Mississippi Distributed Generator Interconnection and Distributed Generation Rules. [PMR-14](#) intends to supersede PMR-13.
- ✎ **Entergy Mississippi, LLC** filed its annual submittals which included the [Unit Power Cost Recovery Rider Schedule UPC-4](#) (REVISED), [Grid Modernization Rider Schedule GMR-1](#), [MISO Cost and Revenue Schedule MISO-2](#), and [Restructuring Credit Rider Schedule RC-1](#) Adjustment Factors. Subject to **Commission** approval may become effective the first billing cycle of February 2023 through January 2024. The estimated total impact of these combined annual submittals will result in the monthly bill increase of \$1.01 for a typical residential customer using 1,000 kWh per month. See breakdown on next page.



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Docket	Description	Schedule	Residential Bill Impact
2017-UN-198	Grid Modernization	GMR-1	\$0.23
2017-UN-189	MISO Cost & Revenue	MISO-2	\$0.63
2018-UN-258	Restructuring Credit	RC-1	\$0.05
2014-UN-132	Unit Power Cost	UPC-4	\$0.10
		TOTAL	<u>\$1.01</u>

The GMR-1 factor increased due to higher than forecast wood pole replacement costs. The MISO-2 factor increased primarily due to a lower over-recovery balance driven by higher MISO credits and higher base revenue. The RC-1 factor increased due to a true-up resulting from actual customer bill credits exceeding guaranteed customer bill credits combined with an increase in projected base revenue. The main driver for the UPC-4 adjustment is primarily due to a lower over-recovery balance resulting from lower revenues collected in 2021.

- ✎ **Cellular South, Inc. d/b/a C Spire and Bellsouth Telecommunications, LLC** filed its [Joint Motion to Dismiss](#) asking the **Commission** to dismiss with prejudice all claims, counterclaims, and other matters that the parties have presented against one another in regard to the matter of the Petition for Arbitration of a Billing Dispute between **Cellular South, Inc.** and **BellSouth Telecommunications, LLC**.
- ✎ **Mississippi Power Company** filed Petitions for the following Accounting Orders:
 - ✎ The [Deferral of Costs Associated with Major Technology Projects](#). **Mississippi Power Company** requests authority to defer certain one-time Operation & Maintenance expenditures like general and administrative and overhead costs, detailed planning, training, data conversion, closeout, hosting fees prior to implementation, license support maintenance and service fees prior to implementation for on-premises software, and business reengineering costs associated with major technology projects. If approved, the **Commission** would address the timing of cost recovery in the **Mississippi Power Company's** annual PEP filings
 - ✎ [The Deferral of Costs Associated with the Sales and Use Tax Audit](#). **Mississippi Power Company** requests authority to defer any additional taxes and interest identified by the Mississippi Department of Revenue to a regulatory asset to be recovered over a time period determined by the **Commission** in a future rate filing once the matters are fully resolved.
 - ✎ [Accounting Authorization Establishing a New Regulatory Liability for Reliability Reserve](#). If approved, this request would authorize **Mississippi Power Company**, in connection with the budgeting process for an upcoming calendar year, to identify appropriate reliability-related expenditures and to earmark a corresponding amount in the Reserve that would be set aside for this purpose. **Mississippi Power Company** would provide the amount to be charged against the Reliability Reserve and a description of the expenditures prior to when such designated expenditures will be made within the Energy Delivery Plan filed annually in November or with the Performance Evaluation Plan filed annually in March.



CENTRAL DISTRICT SNAPS



On Monday, I met with American Red Cross representatives regarding their Community Adaptation Program, which provides jurisdiction-wide support in 8 counties/parishes across the country

selected for social vulnerability and natural hazard risk factors. Yazoo County is the pilot program for Mississippi and Alabama. The field teams will work with existing community partners to enhance their capacity to increase community resiliency.



I appreciate Yazoo Valley Electric Power Association for their warm welcome at their Annual Meeting Tuesday. Yazoo Valley EPA has provided 85 years of consecutive service and currently serves more than 7,600 members. We received an informative update from their General Manager, Michael Neely. Mr. Neely reported on the activities of the Association during the past year. We also made a stop next door to get a glimpse of theirs and Cooperative Energy's solar demonstration.



We made a stop by the Public Service Commission of Yazoo City Tuesday and met with their General Manager, Richie Moore. They currently serve electricity to approximately 5,500 customers and approximately 5,000 water/sewer customers. Mr. Moore provided us with an update on their customer service, deployment of AMI meters, and the upgrading of their distribution network.





Broadband Town Hall Meeting

THURSDAY, NOVEMBER 17

6:00 - 7:00 PM
THE WOOD CENTER
111 CLINTON BLVD
CLINTON, MS

Topic of Discussion → Broadband Expansion and Accessibility in Your Community

HOSTED BY:

BEAM
BROADBAND EXPANSION AND ACCESSIBILITY OF MISSISSIPPI

THE CITY OF CLINTON, MS

CLINTON

Join the City of Clinton & BEAM for a Town Hall Meeting to discuss your Broadband concerns.

This event is free and open to the public. Come join us for an opportunity to share your concerns about connectivity in your area.

For more details, contact BEAM:
601-359-5029
info@beam.ms.gov

The MPSC will be closed on Friday, November 11, in observance of Veteran's Day. We would like to spotlight Brian Bridges, a Veteran who works in our Information Systems Division. Brian has 12 years of total service on US Air Force active duty in Louisiana, full time Air

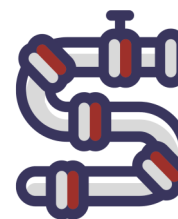


National Guard duty at the Adjutant General's Office Headquarters Mississippi Air National Guard, and part-time duty at the AGO Headquarters Tennessee Air National Guard (1986 through 1998). Brian was honorably discharged at grade E-6 (Technical Sergeant). Thank you Brian, and thank you to all of our Veteran's for your true service and sacrifice to our country.

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

The total amount of construction notices that were received by the Commission in the Central District during the month of October is approximately **\$6,905,000**.

"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	13
Telecommunications	5
Water/Sewer	2
Natural Gas	1

Last week, the Central District received a total of **188** 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.