

December 7, 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



HIGHLIGHTS

from the MPSC

December 6th, 2022, Docket Meeting

The Mississippi Public Service Commission met on December 6th, 2022, at 10:00 am CT to consider the following [agenda](#) items:

- ☑ **The Commission** issued an [Order](#) approving **Spire Mississippi Inc.**'s Notice of the Filing of Routine Changes in the Rate Stabilization Adjustment Rider (RSA). **The Staff** reviewed **Spire**'s initial Notice filing and made a series of adjustments. The net effect of these adjustments reduced the overall revenue requirement from \$1,262,333 to \$809,155 which is a 36% reduction in the requested revenue. **Spire** has agreed to the **Public Utilities Staff**'s recommended adjustments via a [Joint Stipulation](#) and has agreed to have a third party calculate its allowed Return on Equity for future RSA filings, which is consistent with the approach utilized by the other investor-owned utilities regulated by the **Commission**. As a result of these agreed to changes, the implementation of the 2022 RSA, will lead to a \$1.60 increase in an average residential monthly bill which is \$0.90 less than **Spire**'s original request. This rate will take effect on January 2023. The primary driver of the rate increase is due to new infrastructure expansion and replacement of older piping systems.
- ☑ **The Commission** issued an [Order](#) approving **Mississippi Power Company**'s Petition for An Accounting Order Related to the Deferral of Costs Associated with Major Technology Projects. The petition requests to defer certain one-time operations and maintenance expenditures for new software systems and for existing system upgrades. **Mississippi Power Company** expects to fund the project through internally generated funds, available cash, and other resources. The review and final disposition of the costs recorded to the regulatory asset requested in this petition will be addressed in the Company's annual Performance Evaluation Plan (PEP) filings as necessary. Approximately 3 million dollars will go into the regulatory asset in the 2023 PEP filing with 3-million-dollar deferrals coming over each of the next 3 years. There is no immediate ratepayer impact. These new software systems will provide long-term benefits.



Commissioner Bailey (Central) and Commissioner Presley (Northern) conducting business at the December monthly docket meeting.



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- ☑ **The Commission** issued an [Order](#) approving **Mississippi Power Company's** Petition for an Accounting Order Related to The Deferral of Costs Associated with The Sales and Use Tax Audit. The MS Department of Revenue review covers 2016, 2017, 2018 and 2019 and resulted in an assessment of approximately \$4.2 million for Sales Tax and approximately \$24.1 million for Use Taxes. **Mississippi Power Company** is contesting the full assessment believing the true amount to be different. The full appeal can take up to 2 years to resolve. There will be no immediate rate impact. Once the issue is resolved, the additional taxes and interest identified will be put into a regulatory asset will be recovered over a time period determined in the next year's Performance Evaluation Plan.
- ☑ **The Commission** also issued an [Order](#) approving **Mississippi Power Company's** Petition for an Accounting Authorization Establishing a New Regulatory Liability for Reliability Reserve. **Mississippi Power Company** requested the authorization to establish a new Reliability Reserve ("Reserve") account and approval to make accruals to and to charge reliability-related expenditures against the Reserve. **Mississippi Power Company** will meet with the **Public Utilities Staff** and **the Commission** closer to the end of this year to determine the exact amount that should go into the Reserve for the first accrual. The Reserve will serve as an account to offset planned and unplanned operation and maintenance expenditures that improve reliability and help provide downward pressure on rates in future years.
- ☑ **The Commission** considered and issued an [Order](#) approving **Entergy, Mississippi, LLC's** Notice of Intent to Change Rates by Filing Renewable Community Option (Schedule RCO) for non-residential customers. **Entergy, Mississippi, LLC** is proposing a new option for commercial, industrial and governmental customers to be able to receive benefits of renewable power associated with **Entergy, Mississippi, LLC's** utility-scale renewable resources when those customers cannot or chose not to invest in their own solar facilities. Under Schedule RCO, participating customers would pay a fixed monthly charge based on the size (kW) of their subscription portion of **Entergy, Mississippi, LLC's** overall solar resource portfolio, what at this time consists of the 100 MW Sunflower Solar Facility. Participants may receive offsetting bill credits based on their share of MISO energy revenue and have Renewable Energy Credits ("RECs") associated with their share of actual energy output retired on their behalf. Those customers who elect to participate in Schedule RCO will continue to be billed for electric service as they did prior to taking service under Schedule RCO. However, the non-residential customers taking service under Schedule RCO will see two additional line items on their bill: (a) a fixed subscription charge (\$7.00 per kW-month) and (b) a variable bill credit. However, participating customers will not be guaranteed to see monthly savings on their bills. Participant subscriptions will be first-come, first-served up to 5,000 kW per participant. Total program allocation is 40,000 kW.
- ☑ **The Commission** issued an [Order](#) approving the Joint Application by **Fusion Connect Inc., Fusion LLC, and Fusion Cloud Services, LLC, and the North Haven Entities** requesting approval to consummate a transaction which will result in the **North Haven Entities** acquiring a controlling interest in **Fusion Connect** and, indirectly, the **Fusion MS Licensees**. The Order is conditioned upon the FCC/DOJ granting final approval of the Transaction within six (6) months of the date of this Order and the applicants shall notify **the Commission** of the approval of the Transaction by the FCC/DOJ.
- ☑ **The Commission** issued an [Order](#) approving **BCM One, Inc. and Wholesale Carrier Services, Inc.'s** Joint Application for Approval of a Pro Forma Intermediate Transfer of Control. The joint application seeks approval of a pro forma intermediate transfer of control of **BCM One, Inc. and Wholesale Carrier Services** via a corporate reorganization. The transaction would involve a restructuring/reorganization of the corporate chain of control.



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MS customers will continue to receive those services pursuant to the same rates, terms and conditions, and that the restructuring would be essentially unnoticeable to the customers.

- ☑ **The Commission** moved to approve authorization for the **Public Utilities Staff** to contract with **United Professionals Company, LLC** for consulting services. Staff indicated that the savings to customers gained by using the consultants' services outweigh the costs of the contract.
- ☑ **The Commission** voted and approved the rescheduling of the January 2023 Open Docket Meeting to January 10, 2023.

Following the Docket Meeting, **the Commission** held a hearing regarding the Petition of **Mississippi Power Company** for a Certificate of Public Convenience and Necessity Authorizing the Acquisition, Construction, and Operation of Transmission Substations and Related Facilities and Rights-Of-Way in **Perry** and **Lamar Counties**. If approved, the total estimated cost to construct the facilities for the Richton Project is \$8.5 million. The total estimated cost to construct the facilities for the Purvis Industrial Project is \$2.1 million. **Mississippi Power Company** is responsible for all costs associated with the Projects. **The Commission** voted to approve the Certificate.

Following this hearing, a hearing examiner for **the Commission** held hearings for the following Petitions for Certificates of Public Convenience and Necessity:

- **Fable Solar, LLC's** Petition for a Certificate of Public Convenience and Necessity authorizing the development, construction, ownership, and operation of an approximately 109.20 MWDC solar photovoltaic electric generating facility in **Stone County**. The initial investment in Mississippi necessary to develop and construct the Facility will be approximately \$112,000,000. The project is estimated to create 300 direct short-term construction jobs and 4 direct long-term jobs.
- **Sunflower Solar, LLC's** Petition for a Certificate of Public Convenience and Necessity authorizing the development, construction, ownership, and operation of an approximately 112 MWDC Solar photovoltaic electric generating facility in **George County**. The initial investment in Mississippi necessary to develop and construct this Facility will also be approximately \$112,000,000. The project is also estimated to create 300 direct short-term construction jobs and 4 direct long-term jobs.

*Testimony provided at both hearings were taken under advisement by **the Commission**.*

See our map of existing and planned solar projects in Mississippi at: <https://files.constantcontact.com/8c5d2a30801/99e8b740-0fb8-4c37-ace1-f7988641c77a.pdf>

Last Week at the MPSC

- ☞ **Viasat Carrier Services, Inc.** filed its [Compliance Filing](#) in accordance with the **Commission's** Order directing **Viasat** to provide its regulatory contact information, customer service contract, terms and conditions, website where rates, terms and conditions may be found, and copies of marketing materials, including Lifeline advertising.
- ☞ **Mississippi Power Company** filed its 2023 Annual [Energy Delivery Plan](#) for the **Commission's** review pursuant to IRP Rule 29. The Energy Delivery Plan should provide a thorough review of the Company's efforts to ensure customers continue to have access to safe, reliable, and affordable electric service, as well as outline details on how **Mississippi Power Company** plans to address the following areas essential to maintaining an efficient energy delivery system: Demand Side Management (DSM), Distributed Energy Resources (DER), Transmission and Distribution Systems, Customer Offerings for Low Income Residents, and Enabling Technology.
- ☞ **BellSouth Telecommunications, LLC** filed its Access Tariff Filing for [Fast Packet Services](#) (Frame Relay/ATM) and [Program Audio/Wired Music](#).



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- ✎ **Mississippi Power Company** filed a [Notice of Intent](#) for the Large Business Development Rider (LBD). **Mississippi Power Company** is proposing a two-year extension that would make LBD available to qualified customers who enter into a contract for electric service prior to January 1, 2025.
- ✎ **Mississippi Power Company** also filed a [Notice of Intent](#) for its Small Business Redevelopment Rider (SBR). **Mississippi Power Company** is proposing a one-year extension of SBR that would make SBR available to qualified customers who enter into a contract for electric service prior to January 1, 2024.

FERC Approves MPSC Settlement with Entergy

Last month, the Federal Energy Regulatory Commission (FERC) issued an [Order](#) formally approving the June 2022 settlement between the Mississippi Public Service Commission (MPSC) and System Energy Resources, Inc. (SERI), Entergy Services, Entergy Corporation and Entergy Mississippi, LLC. FERC finds that the settlement is uncontested, fair and reasonable, and in the public interest. SERI will now have to make a conforming Tariff filing. The MPSC will also need to file the appropriate pleadings to withdraw from the complaints and other dockets as required by the settlement. To see all the details of the settlement, see the entire [Partial Settlement Agreement and Offer of Settlement document](#).

The Louisiana Public Service Commission (LPSC), Arkansas Public Service Commission (APSC) and the City of New Orleans (CNO) have each declined to enter into a settlement agreement at this time and appear to be pursuing more litigation. FERC has [indicated](#) there is an issue of material fact about what the regulators knew and when they knew it such that the parties can bring a prudence complaint about the Grand Gulf Nuclear Station uprate. FERC will also set a hearing on the prudence of SERI's operation of Grand Gulf from 2016-2020. The MPSC has "Most Favored Nation" status per its settlement and could benefit should additional financial gains be realized per the continuing litigation.

CENTRAL DISTRICT SNAPS



Last week, I traveled to Charlotte, NC for the Southeast Renewable Energy Summit where I was asked to provide attendees an update on the level of renewable energy development in the state. There is a tremendous amount of interest in and potential investment targeted for Mississippi. As a regulator, I must evaluate how these projects influence affordability, reliability and resilience while also considering economic development for local communities. I shared the stage with Clair Behar of Hy Stor Energy, which is pursuing establishment of a hydrogen hub in Mississippi.



Solar, Wind and Battery projects currently in the MISO queue undergoing impact analysis

Mississippi	
57 Solar Projects	8,116 MW
2 Wind Projects	396 MW
10 Battery Projects	768 MW

Total investment: \$8.9 Billion

Points of interest in TVA and Southern company service areas



The second day of the Southeast Renewable Energy Summit provided the opportunity to participate on a panel with my colleagues Commissioner Karen Kemeraite (NC), Commissioner Kim O'Guinn (AR), and Commissioner Tim Echols (GA - via video). The moderator (Brett Breitschwerdt) teed up an interactive discussion on Southeast renewables policy and regulatory landscape. We covered issues ranging from customer engagement, to utility carbon reduction goals, to state and federal policy drivers, to impact of EVs and more. I appreciate the organizers for the invitation to share the good work, economic opportunities, and project development on going in MS.

FROM THE DESK OF COMMISSIONER BRENT BAILEY CENTRAL DISTRICT OFFICE



Mississippi Farm Bureau Federation's
2022 Centennial Celebration and
Mississippi Farm & Land Expo
December 2-5 at the Trade Mart in Jackson



It was a pleasure to participate in Entergy Mississippi's Rankin County Power Lunch program this week in Brandon. In addition to hearing from Entergy on updates regarding customer service, economic development, and power generation, I provided brief remarks regarding the Commission's role in these matters and our regulatory relationship with Entergy. Congratulations to South Central Community Action Agency for receiving a \$10,000 check from Entergy Shareholders to support their Energy Efficiency Program.



Last week, our Consumer Complaint Specialists handled a total of **30** complaints in the Central District.

Electric Companies	21
Telecommunications	9

Last week, the Central District received a total of **162** 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.