MISSISSIPPI PUBLIC SERVICE COMMISSION

Brandon Presley, Chairman Cecil Brown, Vice Chairman Sam Britton, Commissioner Katherine Collier, Executive Secretary



Annual Report Ending June 2017

Mississippi Public Service Commission

BRANDON PRESLEY, Chairman NETTLETON-THIRD DISTRICT CECIL BROWN, Vice Chairman JACKSON-FIRST DISTRICT SAMUEL F. BRITTON, Commissioner LAUREL-SECOND DISTRICT



KATHERINE COLLIER EXECUTIVE SECRETARY 601-961-5400 FRANK FARMER GENERAL COUNSEL MARK A. SMITH, DIR. FINANCE & PERSONNEL RICKEY L. COTTON, DIR. GAS PIPELINE SAFETY

The Honorable Governor and Members of the Legislature of the State of Mississippi

Ladies and Gentlemen:

Pursuant to Sections 77-3-90 and 27-101-1 et seq., Mississippi Code of 1972, annotated, the Public Service Commission of the State of Mississippi is privileged to present herein its Annual Report for the period beginning July 1, 2016, and ending June 30, 2017.

In compiling the Annual Report, we have endeavored to present a comprehensive, informative record of the official acts of this Commission, including opinions and orders. For the sake of economy and brevity, we have compiled and presented herein the formal orders of the Commission in an abbreviated and condensed form.

Respectfully submitted,

Katherine Collier, Executive Secretary

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HISTORY AND COMPOSITION

Governor Robert Lowery signed the Act creating the Mississippi Railroad Commission on March 11, 1884. The Governor appointed the first Commissioners -Stone, Augustus, and McWillie to serve for two years, and then until 1892, the Legislature elected the Commissioners to serve two-year terms.

In the year 1886, by Act of the Legislature, the Commissioners were made the "Board of Control" for the State Penitentiary, and all convicts were immediately leased to the Gulf and Ship Island Railroad Company for a period of six years for construction work.

In 1892, express, telephone and telegraph were placed under Commission jurisdiction, and in 1906, the Commission was relieved of its duty as the Board of Control for the State Penitentiary.

For many years the Commission served as Tax Assessor for the various utilities under its jurisdiction, but this function has been delegated to the State Tax Commission.

In 1926, the Commission was given limited authority to regulate motor carriers for hire. In 1938, motor carrier activity had increased and more extensive regulation was necessary. The Legislature then passed the Motor Carrier Regulatory Act, changing the name of the body to the Public Service Commission and placed regulation and supervision of motor carriers under its jurisdiction.

At the 1956 Session of the Legislature, the electric, gas and water utilities were placed under the jurisdiction of the Public Service Commission.

At the 1958 Session of the Legislature, legislation was passed amending the Motor Carrier Regulatory Act of 1938, broadening the scope of exceptions under the Act and providing for the employment of a chief enforcement officer and six inspectors.

The Legislature passed legislation in 1968 to amend the 1956 Utility Act to include the regulation of sewage disposal systems by the Public Service Commission.

Following the directions set forth by the Federal Natural Gas Pipelines Safety Act of 1968, the Pipeline Safety Division of the Public Service Commission is responsible for insuring the safety and efficiency of all intrastate natural gas distribution, transmission, direct sales lines and master meter facilities. The division, which is also responsible for monitoring the safety factors of other state utilities, is composed of one director, one secretary and nine inspectors.

The year 1983 brought about several changes that enabled the Public Service Commission to better serve the people of the State. The Public Utilities Reform Act of 1983 was signed on April 6, 1983. Major points of the Act are as follows: Does not allow rate increases under bond unless approved by the Public Service Commission. Allows rates under bond during the appeal process and direct appeal to the Supreme Court.

Shortens time for the Public Service Commission to decide on a case from 180 days to 120 days.

Provides for additional staff to handle added duties. Also calls for hiring of hearing examiners.

All contracts over \$1 Million are to be filed with the Public Service Commission. All contracts with affiliates or subsidiaries are to be filed with PSC. Any unreasonable expenses are to be disallowed for ratemaking purposes.

Major construction projects will be monitored. All construction work over \$200,000 is to be awarded to the lowest and best bid.

Public utilities may have no more than one major change in rates in effect under bond at the same time.

The Public Service Commission will monitor fuel adjustment clauses with greater detail.

Management reviews are to be conducted on the utility companies.

Most advertising expenses will not be paid by the ratepayer.

Thus, at the present time, communication, electric, gas, water and sewer utilities are under the supervision and regulations of this Commission. The Commission was given certain broad and discretionary powers which have been recognized and sanctioned by the courts. The following delegated powers and prerogatives are generally accepted and sanctioned by the courts:

1. LEGISLATIVE powers and authority, which include the promulgation of rules and regulations, and the prescribing and fixing of just and reasonable rates.

2. QUASI-JUDICIAL powers and authority in certain official acts of the Commission in its renditions, opinions, and resultant orders.

3. ADMINISTRATIVE powers and authority which include the enforcement of all rules and regulations, all orders and directives issued by the Commission, and all prescribed rules and laws enacted by the Legislature and assigned to this department for enforcement.

The Public Service Commission of the State of Mississippi is composed of three elected Commissioners, one from each of the Supreme Court Districts, thus giving representation to all sections of the State.

The Commissioners are elected in the general election at the same time all other State and County officials are elected. Their term of office is for four years beginning on January 1, following election.

It is the Commission's responsibility to see that rates and charges for service are just and reasonable, that the approved rate schedules are adhered to, that the service rendered is reasonably adequate, and that the facilities constructed or acquired are required for the convenience and necessity of the public. In carrying out its responsibility, the Commission must answer complaints, make investigations, and conducts both formal and informal hearings.

The Commission is required, by law, to meet at its office on the first Tuesday of each month, with the provision that not more than two meetings can be pretermitted in any one year. The Commission is to have such other meetings at such other times and places that it deems necessary to conduct the business of the people before this Commission.

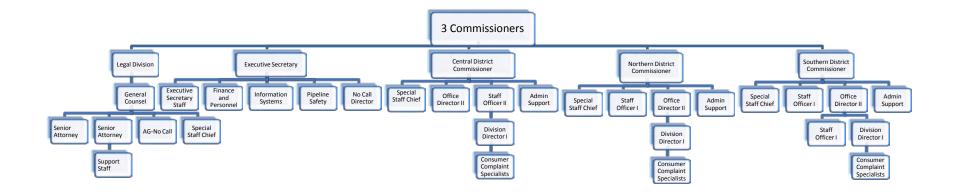
During the 1990 regular Legislative session, S.B. No. 2679 was passed and mandated a reorganization of the Public Utilities Staff. The Public Utilities Staff, as formerly created in Section 77-3-8 Mississippi Code of 1972, was abolished from and after August 31, 1990. Section 77-2-1 of this Act established a Public Utilities Staff completely separate and independent from the Public Service Commission and its staff. The primary functions of the newly created Public Utilities Staff are investigative and advisory in nature. The first Executive Director of the Public Utilities Staff was appointed by the Governor for a six-year term in July, 1990, and confirmed by the Senate in 1991. All personnel were competitively appointed by the Executive Director.

During the 2004 regular Legislative session, House Bill 1279 mandated the transfer of all Public Service Commission employees, equipment, inventory and resources, employed and used to enforce the Motor Carrier Regulatory Law of 1938, to the Mississippi Department of Transportation effective July 1, 2004.

The Legislature passed S.B. No. 2445 authorizing the Commission to enforce the Mississippi Telephone Solicitation Act beginning July 1, 2003. During our first year of enforcement, 211,189 Mississippi consumers requested to have their telephone number placed on our "No Call" list and 114 telemarketers registered and posted a bond with the Commission. The Commission received 1,826 consumer complaints resulting in seven (7) formal complaints and one (1) informal complaint being filed against telemarketers for violating the Mississippi Telephone Solicitation Act. During the first year of enforcement, the Commission assessed over \$188,000 in fines and penalties. In fiscal year 2017, the Commission registered 139 telemarketers and placed an additional 145,572 Mississippi consumers on our "No Call" list. Also during this reporting period, the Commission received 13,142 complaints against telemarketers for violating the Mississippi Telephone Solicitation Act. The Commission issued a total of six complaints against telemarketers and assessed \$240,000.00 in fines and penalties. This Legislation has greatly reduced the number of unsolicited telemarketing calls for residential consumers.

The following Organizational Chart depicts the Commissioners and their staff for the 2017 fiscal year.

ORGANIZATIONAL CHART



MISSISSIPPI PUBLIC SERVICE COMMISSIONERS

1884 - 2017

| John M. Stone | 1884 - 1886 |
|--|---|
| W. B. Augustus | 1884 - 1886 |
| William McWillie | 1884 - 1886 |
| J. F. Sessions | 1886 - 1896 |
| J. C. Kyle | 1886 - 1890 |
| Walter McLaurin | 1890 - 1896 |
| J. H. Askew | 1890 - 1896 |
| M. M. Evans | 1896 - 1900 |
| J. J. Evans | 1896 - 1900 |
| John D. McInnis | 1896 - 1904 |
| A. Q. May | 1900 - 1904 |
| J. C. Kincannon | 1900 - 1908 |
| R. L. Bradley | 1904 - 1908 |
| S. D. McNair | 1904 - 1908 |
| W. R. Scott | 1908 - 1912 |
| J. A. Webb | 1908 - 1912 |
| F. M. Lee | 1908 - 1912 |
| George R. Edwards | 1912 - 1924 |
| F. M. Sheppard | 1912 - 1919 |
| W. B. Wilson | 1912 - 1924 |
| Edwin Langworthy | 1919 - 1919 |
| C. M. "Red" Morgan | 1920 - 1924 |
| 5 | 1927 - 1935 |
| | |
| | 1940 - 1948 |
| Bryce Alexander | |
| Bryce Alexander Dean Holmes | 1940 - 1948 |
| • | 1940 - 1948 1924 - 1931 |
| Dean Holmes | 1940 - 1948 1924 - 1931 1924 - 1927 |
| Dean Holmes W. F. Lagrone | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 |
| Dean Holmes W. F. Lagrone W. R. Scott | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen Alton Massey | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 1952 - 1956 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen Alton Massey I. S. Sanford | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 1952 - 1956 1952 - 1956 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen Alton Massey I. S. Sanford Howard H. Little | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 1952 - 1956 1952 - 1956 1948 - 1956 |
| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen Alton Massey I. S. Sanford Howard H. Little Norman A. Johnson, Jr. | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 1952 - 1956 1952 - 1956 1956 - 1983 |
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| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen Alton Massey I. S. Sanford Howard H. Little Norman A. Johnson, Jr. W. E. "Bucky" Moore Rubel L. Phillips | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 1952 - 1956 1952 - 1956 1956 - 1983 1956 - 1971 1956 - 1958 |
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| Dean Holmes W. F. Lagrone W. R. Scott John L. Smith Carl C. White Dillard W. Brown Homer H. Casteel Gillis Cato Omer J. Bullen Alton Massey I. S. Sanford Howard H. Little Norman A. Johnson, Jr. W. E. "Bucky" Moore Rubel L. Phillips Thomas Hal Phillips D. W. Snyder | 1940 - 1948 1924 - 1931 1924 - 1927 1924 - 1931 1931 - 1931 1931 - 1931 1932 - 1935 1932 - 1940 1936 - 1952 1936 - 1940 1940 - 1948 1952 - 1956 1952 - 1956 1956 - 1983 1956 - 1958 1959 - 1964 1964 - 1989 |

PUBLIC SERVICE COMMISSIONERS (Continued)

Nielsen H. Cochran George T. Watson Dorlos "Bo" Robinson Sidney A. Barnett Curt Hebert, Jr. George Byars Michael Callahan Leonard Bentz Lynn Posey Brandon Presley R. Stephen Renfroe Cecil Brown Samuel F. Britton 1984 - 2007 1988 - 1992 1990 - 2007 1992 - 1992 1992 - 1997 1997 - 1999 2000 - 2005 2006 - 2013 2009 - 2015 2007 - Present 2013 - 2015 2016- Present 2016- Present

PARTICIPATION IN UTILITY ASSOCIATIONS

The Mississippi Public Service Commission has participated in the activities of the National Association of Regulatory Utility Commissioners for a number of years. This Association is composed of utility regulatory bodies of fifty (50) states, the District of Columbia, Puerto Rico and the Interstate Commerce Commission, Federal Energy Regulatory Commission, Federal Communications Commission, Securities and Exchange Commission, Civil Aeronautics Board, Nuclear Regulatory Commission, and the National Telecommunications and Information Administration.

The objectives of the Association are the promotion of uniformity of utility regulation, coordination of action by the Commissions in the protection of the public interest in the respective state, fostering of cooperation between state and federal bodies and to strengthen regulation generally.

The Commission and members of the Commission's staff, for years, have actively participated in various standing and special committees of the national association.

The Mississippi Commission is also a member of the Southeastern Association of Regulatory Utility Commissioners composed of the 11 Southeastern States. Mississippi Commissioners have served as Presidents of the Association and members of the Commission staff serve on various committees.

The National Association and the Southeastern Association actively participate in congressional and committee hearings representing, particularly, the interest of the states and Commissions in matters of interest to the Associations. Both National and Southeastern Associations appear in rate proceedings and subsequently in court litigation on various cases in which the Commissions are interested.

PUBLIC SERVICE COMMISSIONERS

BRANDON PRESLEY

Brandon Presley is currently serving as the Chairman of the Commission. Commissioner Presley was elected Public Service Commissioner for the Northern District of Mississippi in 2007, re-elected in 2011, winning 28 of the district's 33 counties and reelected again in 2015. Elected to the Public Service Commission at age 30, he was the youngest Commissioner ever elected in Mississippi. Prior to his election to the Public Service Commission, he served as Mayor of Nettleton from 2001 to 2007, having been elected at the age of 23, making him one of the youngest mayors in Mississippi history.

Commissioner Presley currently sits on the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC). At NARUC, He also serves as vice-chair of the Natural Gas Access and Expansion Task Force, sits on the Committees on Gas and International Relations, is the past chairman of the Consumer Affairs Committee and was a member of the Natural Gas Committee. Previously, he served as President of the Southeastern Association of Regulatory Utility Commissioners, which is composed of Public Service Commissioners from the eleven (11) southern states and Puerto Rico, and as President of the Entergy Regional State Committee (E-RSC). He is a former member of the board of directors of the National Regulatory Research Institute (NRRI). He currently serves on the advisory committee for New Mexico State University's Center for Public Utilities.

Commissioner Presley, 40, is a lifelong resident of Nettleton, where he is a member of the Enon Primitive Baptist Church. He is past-President and current member of the Nettleton Lions Club and is a member of the Nettleton Civitan Club.

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CECIL BROWN

Cecil Brown currently serves as Central District Public Service Commissioner and is currently serving as the Vice-Chairman of the Commission.

Commissioner Brown was born in Meridian. He earned scholarships to the University of Mississippi to study English and mathematics, and the University of Texas, where he received his Master's Degree in accounting.

When he joined the governor's staff 24 years ago, Commissioner Brown quickly gained a reputation as someone who would give sound, honest advice. His knowledge of accounting allowed him to evaluate intricate budgets and offer insight into the best route to take through the process.

Because of his depth of knowledge and passion for Mississippi, Commissioner Brown served seven years as Chairman of the Education Committee and eight years as a member of the Joint Legislative Budget Committee during his 16 years as a State Representative. He has championed accountability measures and tougher standards for Mississippi schools and equal opportunity for all Mississippians.

Commissioner Brown's wife Nancy is a retired public school teacher, and together they have four children and six grandchildren.

SAMUEL F. BRITTON

Commissioner Samuel F. Britton was elected as the Southern District Public Service Commissioner in November of 2015.

Prior to receiving his Certified Public Accountant certificate, Commissioner Britton received degrees from Jones County Junior College and the University of Southern Mississippi. In addition to his service as Mississippi Public Service Commissioner, he has also held positions in the Office of the State Auditor and Mississippi State Tax Commission. In 2014, he was recognized as a member of the Mississippi Business Journal's Leaders in Finance.

Commissioner Britton also holds certifications in numerous areas including Accredited in Business Valuation, Certified Valuation Analyst, Certification in Financial Forensics, Personal Financial Specialist, Chartered Global Management Accountancy, and Charter Mergers & Acquisition.

Commissioner Britton is a member of the University of Southern Mississippi's Business Advisory Council, the National Association of Certified Valuators and Analysts, the Mississippi Economic Council, the American Institute of Certified Public Accountants, the Mississippi Society of Certified Public Accountants, and the Southeast Chapter of the Mississippi Society of Certified Public Accountants. He also serves his alma maters as an active member of both the University of Southern Mississippi Alumni Association and the Jones County Junior College Alumni Association.

During his time as a Public Service Commissioner, Commissioner Britton has been appointed to multiple national utility committees by the National Association of Regulatory Utility Commissioners (NARUC) including the Investment Committee, Committee on Electricity as well as the Subcommittee on Nuclear Issues-Waste Disposal. Commissioner Britton also serves as Treasurer of the Southeastern Association of Regulatory Commissioners and represents the state as an Organization of MISO States director.

PUBLIC SERVICE COMMISSION

EXECUTIVE SECRETARY

KATHERINE COLLIER

The Executive Secretary is the single point of contact for all business transacted before the Public Service Commission.

Collier joined the PSC as Senior Attorney in October, 2009 and has worked on several top issues before the regulatory body, including spearheading the Commission's groundbreaking efforts to lower customers' bills and reduce waste through energy efficiency, which gained national attention.

Collier, a native of Scooba, MS, holds a Bachelor of Arts degree from Mississippi State University and a Juris Doctorate from the University of Mississippi School of Law. Prior to joining the Public Service Commission, Collier was a Senior Attorney for the Mississippi Department of Human Services, where she supervised legal operations for the Division of Child Support Enforcement.

GENERAL COUNSEL

FRANK FARMER

The General Counsel heads the legal division of the Public Service Commission and assists and advises in all matters affecting the powers and duties of the PSC. Among other things, the General Counsel offers legal and policy advice, conducts investigations, serves as a hearing examiner upon appointment, and oversees litigation involving the PSC in both state and federal forums. Farmer joined the PSC in July 2017.

Farmer, a native of Hattiesburg, MS, holds a Bachelor of Arts degree from Rhodes College and a Juris Doctorate from Mississippi College School of Law. Farmer has practiced law for 16 years and, immediately prior to joining the PSC, served as the Special Assistant Attorney General assigned to represent the PSC in Do-Not-Call, and other civil litigation matters.

COMMISSION STAFF

OFFICE OF THE EXECUTIVE SECRETARY

The Office of the Executive Secretary issues all notices, citations, subpoenas and approves orders and documents; serving same on interested parties of record. This office has the duty of assisting the Commission at all formal hearings and to record the minutes of official acts and orders of the Commission.

FINANCE AND PERSONNEL

This department is responsible for coordinating and directing the various fiscal programs and for developing and formulating major fiscal policies for the Commission. The fiscal programs include the accounting operations required by payrolls and related payroll functions (such as insurance, credit union, and retirement), accounts payable, budget preparation and control, and expense accounts.

This Commission operates from general funds appropriated by the Mississippi legislature.

The Accounting and Personnel Department maintains a continuous review and control of all receipts and disbursements related to the above-mentioned general funds.

In addition to the accounting activities, this department coordinates all personnel functions and performs as liaison between the Commission and the State Personnel Board in maintaining the proper employee personnel files and related personnel activities.

LEGAL

This department is assigned the duty of assisting and advising the Commission in all matters affecting its powers and duties and to perform such duties and services in connection therewith as the Commission may require. In addition to advising the Commission on matters pending before the Commission, this department manages litigation on behalf of the Commission in all local, state and federal courts as well as the Federal Energy Regulatory Commission.

INFORMATION SYSTEMS DEPARTMENT

The Information Systems Department of the Commission provides the information technology support needed for the Commission and Mississippi Public Utilities Staff to carry out their respective duties and responsibilities. The IS Department is part of the Commission Staff as set forth in Miss. Code Ann. § 77-3-8, and it provides support to the Public Utilities Staff at no cost, as required by Miss. Code Ann. § 77-2-1.

The PSC network consists of four networks, the main one in Jackson and three small office networks located in Nettleton, Biloxi and Hattiesburg. Servers and other centralized devices are located in the upper basement area of the Woolfolk Building in Jackson. Most network users work on either the 2nd or 3rd floors of the Woolfolk Building in Jackson. Wireless networks have been established in all PSC offices and comply with standards mandated in ITS's State of Mississippi Enterprise Security Policy. Secure remote access to PSC network resources is provided to Commission and Public Utilities Staff employees.

Most of the hardware is standardized on Hewlett-Packard equipment. The basic applications are Microsoft Office, CTS (a custom database application that tracks court cases and customer complaints), and No Call (a custom database application that tracks telephone solicitor complaints, telemarketer registrations, and consumers on the No Call list). The department uses enterprise client management software for help desk, remote control, cloning, and pushing software updates.

A document imaging system provides instant access to all case documents from 1956 through the present. These documents are also accessible from the Internet at <u>www.psc.state.ms.us</u> (click on Case Files). A modern GIS system tracks the certificated area boundaries of public utilities. Certificated areas may be viewed online, and certificated area spatial data is available to the public for download.

The PSC website is maintained to keep constituents up to date on all Commission and Staff proceedings. The public is able to file Utility and No Call complaints directly through the website. They may also submit surveys dealing with their availability of natural gas and high speed Internet as well as wireless network coverage.

The Information Systems Department implements new systems and develops new applications upon request from the Commission.

UTILITY INVESTIGATION

It is the responsibility of this office to monitor the quality and adequacy of service provided by the jurisdictional utilities including the application of approved rates and charges.

This office is active in the investigation of consumer complaints of all areas of operation. The office also monitors utility operations from a compliance standpoint to ensure that utilities are operating within the provisions of the <u>Rules and Regulations Governing Public Utility Service</u> adopted by the Commission, pursuant to the Public Utilities Act.

During fiscal year 2017 the Commission received 4,856 consumer complaints against utility companies. During this annual report period, the department was active in the investigation and handling 18,598 different matters, which pertained to utility rate and service complaints. Most of these inquiries, both logged and not logged, have been settled informally to the satisfaction of the complainant.

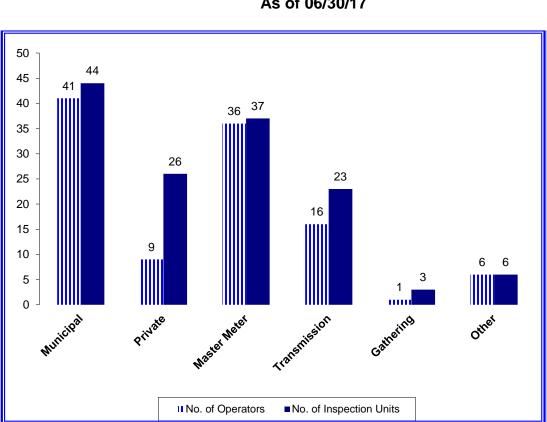
The following is a tabulation of type of utility complaints and inquiries received:

| Electric | 1928 |
|---------------------|------------|
| Gas | 231 |
| Water | 650 |
| Sewer | 36 |
| Telephone: | |
| Consumer Complaints | 2011 |
| No Call Complaints | 13,142 |
| Miscellaneous Other | <u>600</u> |
| TOTAL | 18,598 |

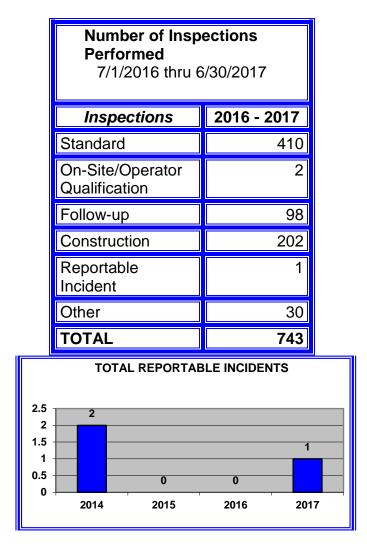
PIPELINE SAFETY DIVISION

The Pipeline Safety Division conducts and carries out safety inspections (i.e. operation, maintenance, emergency procedures, operator qualification, construction, integrity management, incident investigations and drug and alcohol) involved in the regulation of intrastate natural gas pipeline systems, resulting in reduced risk associated with the transportation of natural gas by pipeline.

The Pipeline Safety Division's goal is to protect the public and environment from the accidental release of natural gas with a technologically advanced compliance program that promotes educational standards for the industry and contributes to the health and security of Mississippi. The compliance program will insure protection of the public by enforcing the rules and regulations of the Minimum Federal Pipeline Safety Regulations adopted by the U. S. Department of Transportation Pipeline and Hazardous Materials Safety Administration pursuant to the Natural Gas Pipeline Safety Act of 1968.



<u>Number of Natural Gas Operators</u> <u>and</u> <u>Number of Inspection Units</u> As of 06/30/17



- Standard: An on site examination and comprehensive review of the natural gas operators programs and records including but not limited to review of operations & maintenance procedures, emergency plan, damage prevention program and work in progress.
- On-Site/Operator Qualification: Field verification and operational functions of the gas operator's district regulator stations, emergency valves, cathodic protection, odorization, material usage in construction of mains and services lines and qualification of the person performing the work.
- Construction: Monitor the design, testing and field construction activities of new, relocation, replacement or extension of gas service lines and mains for all intrastate pipelines regulated by the Pipeline Safety Division.
- Follow-Up: Review operator's compliance action to correct a previously cited violation of the Minimum Federal Pipeline Safety Standards.
- Reportable Incident: This inspection is performed when an operator notifies the Pipeline Safety Division of an incident, which has occurred on the system where death, personal injury requiring hospitalization, or property damage of \$50,000 or more is involved.

- Other: Integrity Management, Public Awareness, Drug and Alcohol, Damage Prevention, Leak Reports and Complaints.
- The violations cited are recorded and filed on an ongoing basis. Each operator receives a notice of the violation and is given 30 business days to respond with an action plan to correct any deficiencies that may have warranted a citation. The department performed 742 inspections in FY 2017 resulting in 317 violations.

In conjunction with the Mississippi Natural Gas Association and the Pipeline Safety Division, the operators within the State of Mississippi were provided with the opportunity to attend seven training courses, which will aid in the qualification of operator personnel concerning the Minimum Federal Pipeline Safety Regulations, Pipeline and Hazardous Material Safety Administration, Code of Federal Regulations Title 49, Part 190 – 199.

CLASSIFICATION OF UTILITIES HOLDING CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

| | <u>Company</u> | Association | <u>Municipal</u> | District |
|--|--|----------------------------|----------------------------|----------------------------|
| Electric | 6 | 28 | 15 | 0 |
| Water | 37 | 495 | 130 | 43 |
| Sewer | 121 | 41 | 37 | 39 |
| Gas Distribution Intrastate Pipeline | 8 2 | 0 0 | 35 35 | 5 5 |
| Communication Local Exchange Companies Interexchange Carriers Resellers Institutional Service Providers Alternate Operator Service Providers Competitive Local Exchange Carriers | 20 12 159 19 3 <u>102</u> | 0 0 0 0 0 0 | 0 0 0 0 0 0 | 0 0 0 0 0 0 |
| Totals by Category | 489 | 564 | 252 | 92 |
| GRAND TOTAL | 1397 | | | |

ACTION OF THE COMMISSION

All formal actions of the Commission are required to be recorded with docket numbers assigned to each case prior to the initiation of any formal proceeding. The staff of the Commission must examine each application, petition or complaint to determine if such comes under the jurisdiction of the Commission and meets with statutory requirements so as to present clearly the merits of the matter involved.

Open meetings are held each first Tuesday of the month, as provided by statute; and action is taken on docketed cases, with full hearings accorded all parties having interest in the matters involved, as needed.

Many other matters of interest to the public and the utilities are handled and adjusted informally through correspondence and personal interviews with Commissioners and staff. The Commission finds that through this method of handling matters informally, substantial benefits are secured and amicable relations between the public and the utilities are promoted.

The listing in detail of all of the formal cases before the Commission is omitted in order to avoid heavy printing expense. However, every case before the Commission is fully recorded and such record is open for public inspection by any party desiring information relating to any matters before the Commission.

During FY 2017, the Commission and staff took action on 81 applications. Appearing most frequently before the Commission were water and telecommunication cases concerning applications for Certificate of Public Convenience and Necessity for facilities and notice filings involving rate matters.

The following is a list totaling and categorizing all formal action taken by the Commission during the 2017 fiscal year:

UTILITY DOCKET

JULY 1, 2016 - JUNE 30, 2017

| ORDER | ELECTRIC | GAS | SEWER | TELEPHONE | WATER |
|---------------|----------|-----|-------|-----------|-------|
| APPROVING | 14 | 16 | 5 | 108 | 3 |
| RATES/ORDERS | | | | | |
| APPROVING | | | | | |
| NOTICE | | | | | |
| SUSPENSION | 6 | 8 | 5 | 1 | 10 |
| MISCELLANEOUS | 15 | 29 | 10 | 64 | 12 |
| GRANTING | 4 | 4 | 2 | 7 | 10 |
| CERTIFICATE | | | | | |
| CANCELLING | 0 | 0 | 1 | 3 | 1 |
| CERTIFICATE | | | | | |
| WITHDRAWING | 0 | 1 | 1 | 7 | 1 |
| SALE & | 1 | 1 | 2 | 7 | 2 |
| TRANSFER | | | | | |
| APPROVING | 0 | 1 | 0 | 0 | 0 |
| STIPULATIONS | | | | | |
| UTILITY | 0 | 0 | 0 | 0 | 0 |
| REFUNDS | | | | | |
| GRANTED | | | | | |
| COMMISSION'S | 0 | 2 | 1 | 0 | 0 |
| OWN ORDER | | | | | |
| ORDERS | 1 | 0 | 0 | 3 | 0 |
| RETIRING TO | | | | | |
| FILE | | | | | |
| TOTALS | 41 | 62 | 27 | 200 | 39 |

APPEAL RECORDS FROM MPSC JULY 1, 2016 TO JUNE 30, 2017

Of the 254 cases coming before the Commission in the period from July 1, 2016 to June 30, 2017, no final orders of the Commission were appealed to a higher court.

COMBINED STATEMENT OF RECEIPTS AND DISBURSEMENTS JULY 1, 2016– JUNE 30, 2017 REGULATORY FUND 2811

DISBURSEMENTS:

| Salaries & Fringe Benefits | \$4,302,607.54 |
|--|---|
| Travel | \$294,514.19 |
| Contractual Services | \$380,257.42 |
| Commodities | \$110,912.52 |
| Capital Outlay Equipment | \$55,123.93 |
| Subsidies, Loans, Grants | 0 |
| TOTAL OPERATING EXPENSES | \$5,143,415.60 |
| | |
| Transfers | 0 |
| Transfers TOTAL DISBURSEMENTS | <u> 0</u> \$5,143,415.60 |
| | |
| TOTAL DISBURSEMENTS | |
| TOTAL DISBURSEMENTS RECEIPTS: | \$5,143,415.60 |
| TOTAL DISBURSEMENTS RECEIPTS: GENERAL FUND APPROPRIATION | \$5,143,415.60 \$5,066,261.00 |

OUT OF STATE TRAVEL FISCAL YEAR 2017

| <u>Employee's Name</u> Joyce Beal | <u>Destination</u> Oklahoma City, OK | Purpose | <u>Cost</u> 1829.62 |
|--------------------------------------|---|-------------------------------|------------------------|
| Samuel Britton | Nashville, TN | NARUC | 1667.44 |
| | East Lansing, MI | NARUC | 1210.86 |
| | La Quinta, CA | NARUC | 2017.95 |
| | Greensboro, GA | SEARUC | 1235.97 |
| | Washington, D.C. | NARUC | 723.02 |
| Cecil Brown | Nashville, TN | NARUC | 1223.02 |
| | Little Rock, AR | MISO | 354.20 |
| | Washington, D.C. | NARUC | 381.16 |
| Pyon Brown | Nashville, TN | NARUC | 896.80 |
| Ryan Brown | New Orleans, LA | Pipeline Safety Conference | 495.07 |
| | Little Rock, AR | MISO | 356.20 |
| | Washington, D.C. | NARUC | 1786.05 |
| | Santa Fe, NM | Current Issues Conference | 1555.49 |
| | Greensboro, GA | SEARUC | 1283.74 |
| | Gainesville, FL | PURC | 909.99 |
| | Denver, CO | CCSA Solar Summit | 909.99 1078.61 |
| | Deriver, CO | CCSA Solar Summit | 1070.01 |
| Rickey Cotton | Indianapolis, IN | NAPSR Conference | 1458.69 |
| | Atlanta, GA | PHMSA/NAPSR meeting | 1534.20 |
| Dominique Davis | Oklahoma City, OK | PHSMA Training | 2278.01 |
| · | Oklahoma City, OK | PHSMA Training | 3468.50 |
| | Oklahoma City, OK | | 3287.78 |
| | Oklahoma City, OK | PHSMA Training | 1579.72 |
| | Oklahoma City, OK | PHSMA Training | 690.91 |
| Frank Farmer | Santa Fe, NM | Current Issues Conference | 2318.30 |
| | Helena, MT | C02-EOR | 59.24 |
| | Albuquerque, NM | Rate School | 1987.69 |
| | Greensboro, GA | SEARUC | 1821.94 |
| Jade Ferguson | Washington, D.C. | NARUC | 734.00 |
| - | Phoenix, AZ | Digital SW Broadband | 1604.30 |
| Daniel Forde | Nashville, TN | NARUC | 1654.69 |
| | Albuquerque, NM | Practical Regulatory Training | 1892.78 |
| | Washington, D.C. | NARUC | 2120.94 |
| Kaleb Gibson | Oklahoma City, OK | PHSMA Training | 1610.12 |
| Ross Hammons | Silver Springs, MS | Scott Hempling | 1098.97 |
| | Albuquerque, NM | Practical Regulatory Training | 845.99 |
| | Greensboro, GA | SEARUC | 1256.49 |
| Marvin Lewis | Oklahoma City, OK | PHMSA Training | 1656.68 |
| Lakeisha McDaniel | • | Admin Conference | 102.00 |
| Joe Porter | Oklahoma City, OK | PHMSA Training | 2653.88 |
| | Oklahoma City, OK | PHMSA Training | 1467.34 |
| Brandon Presley | NARUC | Nashville TN | 984.53 |
| | Natural Gas Police Acader | ny Bismark ND | 225.32 |
| | | - | |

| | OMS Annual Meeting FCC Meeting | Lexington, KY Washington, D.C. | 809.45(-809.40) 1050.28 |
|--------------------|-----------------------------------|-----------------------------------|----------------------------|
| | SEEA Conference | Atlanta, GA | 335.30(-335.30) |
| | Southeast Energy Summit | , | 497.13(-430.00) |
| | NARUC | La Quinta, CA | 1085.94(-1500.00) |
| | TVA | Knoxville, TN | 751.00 |
| | NARUC | Washington, D.C. | 280.39 (464.00) |
| | NARUC | Washington, D.C. | 728.62 |
| | Harvard Electricity Con. | Savannah, GA | 1250.48 |
| | Current Issues Conference | • | 1553.83 |
| | Harvard Electricity Con. | Cambridge, MA | 1322.39 |
| | SEARUC | Greensboro, GA | 1271.08 |
| | NARUC | San Diego, CA | 400.46 |
| James Richardson | FCC/RUS Meeting | Washington, D.C. | 1069.74 |
| | Current Issues Conference | u | 1767.06 |
| Jody Ray | SEARUC | Greensboro, GA | 1435.33 |
| James Snyder | PHMSA Training | Oklahoma City, OK | 1418.00 |
| · | PHMSA Training | Oklahoma City, OK | 1818.20 |
| | PHMSA Training | Oklahoma City, OK | 1794.69 |
| | PHMSA Training | Oklahoma City, OK | 1459.61 |
| Shawn Shurden | Interview Witnesses | Birmingham, AL | 385.49 |
| | C02-EOR Working Group | Casper, WY | 1071.53 |
| | TVA jurisdiction work | Knoxville, TN | 487.20 |
| Cynthia Stanley | NARUC | Nashville, TN | 1725.60 |
| Stephanie Taylor | SEARUC | Greensboro, GA | 1571.94 |
| John Thompson | NAPSR | Indianapolis, IN | 1461.96 |
| | PHMSA Training | Oklahoma City, OK | 1842.23 |
| | PHMSA Training | Oklahoma City, OK | 1491.48 |
| | PHMSA Training | Oklahoma City, OK | 2167.57 |
| | PHMSA Training | Oklahoma City, OK | 841.09 |
| Cora Lisa Weathers | , . | Memphis, TN | 174.96 |
| Alex Washington | NARUC | Nashville, TN | 904.51 |
| | NARUC | Lansing, MI | 974.71 |
| | FCC/RUS | Washington, D.C. | 1052.00 |
| | Pipeline Conference | New Orleans, LA | 467.49 |
| | MISO | Little Rock, AR | 758.82 |
| | NARUC | Washington, D.C. | 1755.91 |
| | Current Issues Conference | • | 1487.92 |
| | SEARUC | Greensboro, GA | 1563.98 |
| | PURC | Gainesville, FL | 945.10 |
| | CCSA Solar Summit | Denver, CO | 1078.61 |
| Susan Watkins | NARUC | Nashville, TN | 871.13 |
| | MISO | Little Rock, AR | 354.20 |
| | Current Issues Conference | • | 504.10 |
| Neill Wood | MNGA Conference | Orange Beach, AL | 990.02 |
| | PHMSA Training | Oklahoma City, OK | 1313.20 |

GRAND TOTAL 107,211.00