



MISSISSIPPI PUBLIC UTILITIES STAFF

EXECUTIVE SUMMARY

**Annual Report
For the Fiscal Year
Ending June 30, 2022**

**Charles Jim Beckett
Executive Director**

PUBLIC UTILITIES STAFF

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CHRISTOPHER GARBACZ, DIRECTOR
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JEFFREY L. LEE
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SAMSON MABRY IV, DIRECTOR
ELECTRIC & GAS DIVISION

TIMOTHY H. JONES, DIRECTOR
TELECOMMUNICATIONS DIVISION

CHARLES JIM BECKETT
EXECUTIVE DIRECTOR

To: The Honorable Governor and Members of the
Legislature of the State of Mississippi
State Capitol
Jackson, Mississippi

Re: Mississippi Public Utilities Staff
2022 Fiscal Year Executive Summary

The Mississippi Public Utilities Staff (Staff) submits this Executive Summary to Governor Reeves and members of the Mississippi Legislature in compliance with Mississippi Code Ann. § 27-101-3. The Staff provides auditing, legal, and other technical assistance to the Mississippi Public Service Commission.

While we are a separate and independent agency, the Public Utilities Staff works closely with the Mississippi Public Service Commission, and I would like to thank the Chair of the Commission, Dane Maxwell, along with Commissioners Brent Bailey and Brandon Presley for their service to the ratepayers and utilities in Mississippi.

Respectfully submitted,


Charles Jim Beckett
Executive Director

COMPOSITION AND FUNCTIONS

The Staff consists of three primary divisions: Electric and Gas; Water and Sewer; and, Telecommunications. These divisions are supported by Legal; Administrative Services; and, Economic and Planning. All operate under the office of the Executive Director. Additional information concerning the composition of, and services provided by the Staff, along with information related to each division, can be found at www.mpus.ms.gov.

ELECTRIC

During FY 2022, Staff reviewed the annual fuel filings and performed its continuous monitoring activities related to fuel adjustment clauses for the two major investor-owned electric utilities in the State: Entergy Mississippi, LLC (EML), a subsidiary of Entergy Corporation, and Mississippi Power Company (MPC), a subsidiary of Southern Company. Additionally, Staff prepared its Summary and Comments of the Commission's contracted financial fuel audit and procurement reviews. The audits confirmed there were no material misstatements of allowable fuel and purchased energy expenditures during the audit period and that procurement practices were reasonable.

Staff also participated in and reviewed other notable electric filings throughout the year, including:

- EML's various filings for capital investment in transmission and distribution infrastructure;
- EML's Resiliency Service to US Army Corps of Engineers, Research and Development Center;
- EML's revisions to its formula rate plan;
- MPC's Capital Plan;
- MPC's revisions to its formula rate plan; and,
- MPC's Environmental Compliance plan.

Additional information regarding the cases outlined above, as well as other notable filings, is included in the body of the Annual Report.

GAS

During FY 2022, Staff reviewed the formula rate plans ("FRP") and performed its continuous monitoring activities of the three major investor-owned natural gas local distribution companies ("LDC") in the State: Atmos, CenterPoint, and Spire. Additionally, Staff continued monitoring the purchased gas adjustments ("PGA") of these three major gas utilities. Staff reviewed various asset management agreements, facility certificate requests, supplemental growth projects, and rate change requests for the three major LDCs and jurisdictional municipalities. Details regarding the cases discussed above, as well as other notable filings, are included in the body of the Annual Report.

Staff also participated in and reviewed other notable natural gas filings throughout the year, including:

- Atmos' System Integrity Rider and Review of Capital Budget;
- Spire's Application for Automated Meter Reading ("AMR"); and,
- CenterPoint's Weather Normalization Rider.

TELECOMMUNICATIONS

The Telecommunications Division continues to review and provide recommendations to the Public Service Commission regarding eligible telecommunications carriers (ETCs) and carriers providing regulated services throughout the state of Mississippi. Key responsibilities include:

- **ELIGIBLE TELECOMMUNICATIONS CARRIERS (ETCs)** – The Universal Service Fund (USF) is one fund with four programs - High Cost, Low Income, Rural Health Care and Schools & Libraries. Two of these programs, High Cost and Low Income, require carriers to be designated as eligible telecommunications carriers (ETCs) to receive funding. The Commission and Staff have the primary responsibility of designating ETCs in Mississippi, along with oversight responsibilities on an annual basis.
- **HIGH-COST SUPPORT** – Mississippi remains one of the largest national beneficiaries of monies allocated from the federal Universal Service Fund High-Cost Support program. The purpose of the USF-High-Cost Support program is to provide funds for telecom carriers to deliver service to rural/underserved areas where the market alone cannot support the substantial cost of deploying network infrastructure and providing connectivity. In 2022, Mississippi ETCs received over \$154.12 million in High-Cost Universal Service funding. The year 2022 also marked the first full year of Rural Digital Opportunity Fund (RDOF) monthly disbursements to the twenty-three (23) RDOF ETCs certified by the Commission upon recommendation of the Staff. These ETCs are to receive a total of \$41.28 million in RDOF disbursements in 2022.
- **LOW-COST/LIFELINE SUPPORT** – The Low-Income program, commonly known as Lifeline, provides discounts that make local telephone service affordable to millions of low-income consumers. Lifeline provides discounts, currently \$5.25 per month for voice-only services or \$9.25 per month for bundled services, that make telephone service more affordable for millions of Americans. Consumers apply for the discounts through their telephone provider or USAC’s National Verifier tool. Currently in Mississippi, consumers may qualify for the Lifeline program if they have a gross household income at or below 135% of the Federal Poverty Guidelines or participate in a qualifying federal aid program (such as SNAP, Medicaid, SSI, among others).
- **COMPILATION AND ANALYSIS OF USF FILINGS** - mandated filings submitted by Mississippi ETCs demonstrated the use of awarded funds in accordance with program rules. The results of the compliance analyses by the Telecommunication Division, along with its recommendations were submitted to the Commission for its consideration as to the certification of each ETC to receive high-cost support for the 2023 program year.

Staff reviewed various asset management agreements, facility certificate requests, supplemental growth projects, and rate change requests for the three major long-distance carriers (“LDC”) and jurisdictional municipalities. Details regarding the cases discussed above, as well as other notable filings, are included in the body of the Annual Report.

WATER & SEWER

The Water and Sewer Division is responsible for the investigation of all water and sewer related filings with the Commission for initial certificates, supplemental certificates, facility certificates, sale and transfers, initial rates, and rate changes. The PSC regulates more than 900 water and sewer utilities. The Water & Sewer Division, in FY 2022, actively investigated all aspects of more than 30 filings made with the Commission. In addition, the Water & Sewer Division makes viability recommendations to the Mississippi Development Authority, audits certain regulated sewer companies connected to regional utility authorities for wastewater treatment, and inspects utility systems and various construction projects in each fiscal year.

More detail on all of the divisions and functions of the Mississippi Public Utilities Staff is available in the Annual Report.