

BALCH
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FILED

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**MISS. PUBLIC SERVICE
COMMISSION**

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February 14, 2018

VIA E-MAIL
VIA U.S. MAIL


Katherine Collier, Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

**Re: Notice of Mississippi Power Company of Its 2018 ECO Filing Pursuant to the
Company's Environmental Compliance Overview Plan
Docket No.: 1992-UN-59**

Dear Katherine:

Attached please find the original and twelve (12) copies of the Notice of Mississippi Power Company of its 2018 ECO Filing for filing with the Commission. I also enclose an extra copy of the first page of the filing, which I would appreciate your stamping with the filing date and returning to me in the enclosed self-addressed, stamped envelope.

Very truly yours,


Ben H. Stone

BHS:hr

Attachments

cc: Parties of Record
Frank Farmer, Esq.
Mr. Virden Jones
Chad Reynolds, Esq.
Mr. Billy Thornton
Mr. Stephen Stiglets
Mr. Ben Vance

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

MISSISSIPPI POWER COMPANY
EC-120-0097-00

DOCKET NO. 92-UN-0059

IN RE: NOTICE OF MISSISSIPPI POWER COMPANY OF ITS 2018 ECO FILING PURSUANT TO THE COMPANY'S ENVIRONMENTAL COMPLIANCE OVERVIEW PLAN

RULE 9 DESIGNATION: MISSISSIPPI POWER COMPANY DESIGNATES THIS FILING AS A STANDARD CHANGE IN RATES UNDER COMMISSION RULE 9.100(2)

PROPOSED EFFECTIVE DATE: FOR BILLS RENDERED ON OR AFTER THE FIRST BILLING CYCLE OF MAY 2018

TEST YEAR: TWELVE MONTHS ENDING DECEMBER 31, 2018

NOTICE OF 2018 ECO FILING

COMES NOW, Mississippi Power Company ("Company" or "MPC") and files this its 2018 ECO Filing with the Mississippi Public Service Commission ("Commission"), and in support thereof the Company would show as follows:

1. Mississippi Power Company is a public utility as defined in Section 77-3-3(d)(i) of the *Mississippi Code of 1972, as amended*, and is engaged in the business of providing electric service to and for the public for compensation in twenty-three (23) counties of southeastern Mississippi, having its principal place of business at Gulfport, Mississippi. The Company's mailing address is Post Office Box 4079, Gulfport, Mississippi 39502-4079.

2. MPC holds a Certificate of Public Convenience and Necessity issued in Docket No. U-99, as supplemented from time to time, authorizing its operations in specified areas of the twenty-three (23) counties in southeastern Mississippi and renders services according to its

service rules and regulations and in accordance with schedules of rates and charges, all of which are a part of its tariff that has been previously approved by this Commission.

3. MPC is a Mississippi corporation. A copy of its corporate charter, articles of incorporation, balance sheet, income statement, the names and addresses of its board of directors and officers, and the name of all persons owning fifteen percent (15%) or more of its stock are on file with the Commission and are hereby incorporated by reference.

4. The Company's Environmental Compliance Overview Plan ("ECO") requires the Company to provide annually its actual cost of compliance for the prior year, to file its projected costs of compliance for the current year, to file ECO factors that will allow the Company to recover its cost of compliance, and to petition for any environmental Certificates of Public Convenience and Necessity for equipment facilities not previously certificated. All of this is then subject to approval of the Commission. This is MPC's filing for 2018.

5. The 2017 ECO filing included the Company's plans to spend and/or include in ECO \$10,541,958 for capital items, \$29,283,288 in cost of removal items, \$237,500 in preliminary survey and investigation ("PS&I") costs, and \$10,426,705 in operation and maintenance expenditures ("O&M") toward its environmental compliance. In light of ECO's 2% Maximum Revenue Adjustment cap, the Company proposed a total revenue adjustment for 2017 in the amount of a \$18,235,433 increase; the 2% Maximum Revenue Adjustment cap created a proposed total carryover of \$25,633,291 in unrecovered costs.

6. In 2018, the Company projects to spend and/or include in ECO \$13,725,288 for capital items, \$16,664,860 in cost of removal items, \$350,000 in PS&I costs, and \$9,557,567 in O&M on environmental projects. These projected expenditures yield a 2018 total retail revenue adjustment equal to a \$29,576,055 increase. Although the recovery of all of these costs would

otherwise be appropriate in 2018, MPC's 2018 ECO revenue requirement will again be limited by the 2% Maximum Revenue Adjustment cap imposed by the ECO rate schedule, such that the total revenue adjustment for this year is a \$16,977,461 increase. Therefore, the 2% Maximum Revenue Adjustment cap creates a total carryover of \$12,598,594 in unrecovered costs; this carryover amount will be booked to a regulatory asset pursuant to authority provided in the ECO rate schedule, and will earn a return equal to MPC's Weighted Average Cost of Capital until the carryover is fully recovered through future ECO filings.

7. The 2018 ECO revenue requirement, as limited by the 2% Maximum Revenue Adjustment cap, will be recovered from MPC's customers based on energy usage. Exhibit ___(EEE-1) contains the application of the 2018 ECO factors by customer rate class. For a residential customer with monthly usage of 1,000 kWh, there will be an increase of \$4.48 per month from the 2017 charge.

8. The Company has calculated the 2018 ECO revenue adjustment and the 2018 ECO factors according to Environmental Compliance Overview Plan approved by this Commission. The Company hereby seeks determinations from the Commission that (i) MPC's 2017 actual ECO expenditures were reasonable and prudently incurred and that (ii) the Company's 2018 projected ECO expenditures, (iii) the 2018 ECO revenue adjustment, and (iv) the 2018 ECO factors are just and reasonable.

9. In support of this Notice, MPC files herewith the following data and documentation in accordance with the requirements of the law and this Commission's Rule 9.100(2):

a. Exhibit ___(BSV-2), which contains the calculation of the projected total retail environmental revenue requirement for the twelve months ending December 31, 2018; and

b. Exhibit____(EEE-1), which presents the application of the 2018 ECO factors by customer class based upon the proposed collection period; and

c. The pre-filed direct testimony and exhibits of Mark P. Loughman, Benjamin S. Vance, and Edward E. Easterling, Jr., all of which is incorporated herein by reference.

10. In accordance with Mississippi law and the Commission's Rules, MPC is providing written notice of this filing to each affected customer, briefly summarizing the proposed changes in rates. After all affected customers are notified, MPC will file with the Commission a copy of the notice as well as a certificate verifying that notice to each of the Company's affected customers was provided and providing the date the notice was provided.

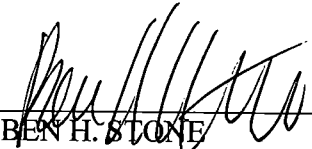
11. The actual 2017 ECO expenditures were reasonable and necessary and were prudently incurred. The projected 2018 ECO expenditures and the associated revenue requirement are necessary and are just and reasonable. The 2018 ECO factors yield just and reasonable rates and a fair rate of return upon the reasonable value of the Company's property used and useful in furnishing utility service.

WHEREFORE, Mississippi Power Company asks that the Commission receive and file this Notice, and approve as reasonable and prudent the Company's actual 2017 ECO expenditures, the projected 2018 ECO expenditures and associated revenue requirement, and the 2018 ECO factors to be effective on bills rendered from and after the first billing cycle of May 2018.

Respectfully submitted, this the 14th day of February, 2018.

MISSISSIPPI POWER COMPANY

BY: BALCH & BINGHAM LLP

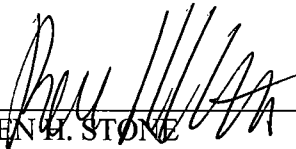
BY: 
BEN H. STONE

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STATE OF MISSISSIPPI

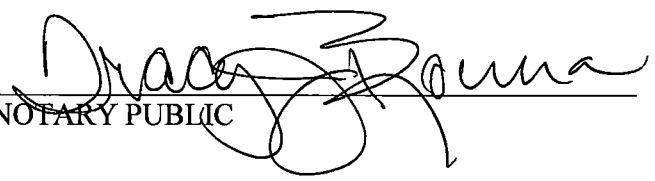
COUNTY OF HARRISON

PERSONALLY appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named BEN H. STONE, who after being duly sworn on oath acknowledged that he is Attorney for MISSISSIPPI POWER COMPANY and that for and on behalf of the said MISSISSIPPI POWER COMPANY and as its act and deed, he signed and delivered the above and foregoing filing for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said MISSISSIPPI POWER COMPANY so to do, and that the statements contained in the foregoing instrument are true and correct to the best of his knowledge, information and belief.



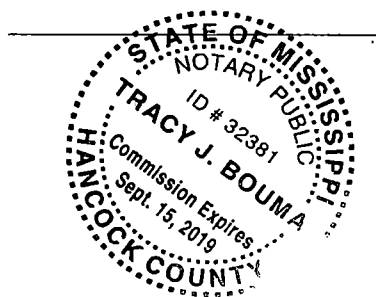
BEN H. STONE

SWORN TO AND SUBSCRIBED BEFORE ME, this the 14 day of February, 2018.



NOTARY PUBLIC

My Commission Expires:



CERTIFICATE OF SERVICE

I, BEN H. STONE, counsel for Mississippi Power Company in the above and foregoing filing with the Mississippi Public Service Commission on even date herewith, do hereby certify that in compliance with RP 6 of the Mississippi Public Service Commission's Public Utilities Rules of Practice and Procedure:

(1) An original and twelve (12) copies of the filing have been filed with the Commission by delivery of the same to:

Katherine Collier, Esq., Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

(2) An electronic copy of the filing has been filed with the Commission via e-mail to the following address:

efile.psc@psc.state.ms.us

(3) MPC has served a copy of the filing to the following parties of record:

Mr. Virden Jones
Executive Director
Mississippi Public Utilities Staff
501 North West Street, Suite 301B
Jackson, MS 39201

Dennis Miller, Esq.
Jones Walker
Post Office Box 427
Jackson, MS 39205-0427

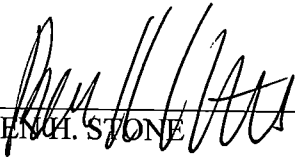
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Hattiesburg, MS 39404-5849

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Baker Donelson
Post Office Box 14167
Jackson, MS 39236

(4) MPC has complied with or requested a waiver of all other requirements of the Commission's Rules.

This the 14th day of February, 2018.


BEN H. STONE