



FILED

SEP 13 2021

**MISS. PUBLIC SERVICE
COMMISSION**

LEO E. MANUEL
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September 13, 2021

VIA E-MAIL

Katherine Collier, Esq.
Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201
katherine.collier@psc.ms.gov

Re: Mississippi Power Company's Petition for Accounting Order Related to Restoration Costs for Hurricanes Zeta and Ida

Dear Katherine:

On behalf of Mississippi Power Company ("MPC" or the "Company"), please find enclosed for filing with the Mississippi Public Service Commission ("Commission") the Company's Petition for Accounting Order Related to Restoration Costs for Hurricanes Zeta and Ida. Pursuant to the Commission's Order of March 12, 2020, this filing is only being made electronically. Delivery of physical copies shall be made only upon further order of the Commission.

Thank you for your assistance in this matter.

Sincerely,

Leo E. Manuel

LEM:hr

Attachments

1310 Twenty Fifth Avenue
Gulfport, MS 39501
balch.com

P.O. Box 130
Gulfport, MS 39502

ALABAMA | FLORIDA | GEORGIA | MISSISSIPPI | TEXAS | WASHINGTON, DC

Katherine Collier, Esq.
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cc: Ross Hammons, Esq. (ross.hammons@psc.ms.gov)
Sally Burchfield Doty, Esq. (sally.doty@mpus.ms.gov)
Emily Kruger, Esq. (emily.kruger@mpus.ms.gov)
Mr. Jeff Stone (jastone@southernco.com)
Mr. Shawn Shurden (ssshurde@southernco.com)
Ricky J. Cox, Esq. (rcox@balch.com)

SEP 13 2021

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION
MISS. PUBLIC SERVICE COMMISSIONMISSISSIPPI POWER COMPANY
EC-120-00097-00DOCKET NO. **21-UA-150**

IN RE: MISSISSIPPI POWER COMPANY'S PETITION FOR
ACCOUNTING ORDER RELATED TO RESTORATION
COSTS FOR HURRICANES ZETA AND IDA

RULE 10 DESIGNATION: MISSISSIPPI POWER COMPANY DESIGNATES THIS
FILING AS A MISCELLANEOUS PETITION UNDER COMMISSION RULE 10

PROPOSED EFFECTIVE DATE: THIRTY DAYS AFTER FILING

TEST YEAR: NOT APPLICABLE

PETITION FOR ACCOUNTING ORDER

COMES NOW, Mississippi Power Company ("MPC" or the "Company") and, pursuant to RP 10 of the Mississippi Public Service Commission's ("Commission") Public Utilities Rules of Practice and Procedure ("Rules"), submits this its Petition for Accounting Order requesting the authority to establish a regulatory asset for certain hurricane restoration expenses and would show as follows:

PETITIONER

1. The 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.

2. The Company holds a Certificate of Public Convenience and Necessity issued in Docket U-99, as supplemented, authorizing its operations in a specified area

of the twenty-three (23) counties of southeastern Mississippi and is rendering services in accordance with its service rules and regulations and in accordance with a schedule of rates and charges, all of which are a part of its tariff that has been previously approved by the Commission.

3. The Company is a Mississippi corporation. A copy of its corporate charter, articles of incorporation, 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.

BACKGROUND

4. Hurricane Zeta made landfall in Terrebonne Parish near Cocodrie, LA on October 28, 2020 as a Category 3 hurricane with 115 mile-per-hour sustained winds. The path of Hurricane Zeta took the storm on a north-northeast track dissecting MPC's service territory. The damage sustained to the Company's service territory was extensive and impacted the majority of all 23 counties within the Company's service territory. The Company had over 94,000 customers without power representing approximately half of its customer base. The effects on the distribution system included replacement of over 500 poles, 1,600 spans of wire and 300 transformers. The transmission system was also impacted with 18 structures requiring replacement.

5. The Company secured over 1,600 additional resources from 17 different states to assist with restoration, traveling from as far as Wisconsin and Maine. Restoration time was completed in just under five and a half days with the last customers who could take service being restored by midnight on November 2nd.

6. Hurricane Ida made landfall in Port Fourchon, LA on August 29, 2021 as a Category 4 hurricane with top sustained wind speeds of 150 mile-per-hour. The path of Hurricane Ida took the storm on a north-northeast track impacting certain parts of MPC's service territory. The Company had over 32,000 customers without power. The effects on the distribution system included replacement of over 30 poles, 180 spans of wire and 33 transformers.

7. The Company secured nearly 1,000 additional resources from several different states to assist with Ida restoration, traveling from as far as Ohio and Iowa. Restoration time was completed in just over 24 hours with the last customers who could take service being restored by midnight on August 30th.

8. MPC incurred significant costs in terms of capital costs, operations and maintenance expenses, and other related expenses in executing its pre-storm disaster plan in preparation for the above described storms. After landfall, the Company incurred additional expenses in responding to the storms and restoring the Company's electrical system.

9. The retail property damage reserve balance at the beginning of 2020 was \$53.9 million. Prior to Hurricane Zeta's landfall in October, the Company experienced a number of events that were charged to the reserve amounting to approximately \$7 million. Total retail Hurricane Zeta costs charged to the property damage reserve totaled \$38.6 million. As work continued and invoices from Hurricane Zeta were still being received, Winter Storm Uri impacted the Company's service territory at a cost of over \$6.3 million. Several other events were also charged to the reserve in 2021 totaling approximately \$6.1 million. When all charges had

cleared to the property damage reserve, the balance in the reserve account was fully depleted and in fact had turned to a negative balance by June 30, 2021 of \$4.2 million. The Company reclassified the negative balance to a regulatory asset, pursuant to prior Commission order,¹ leaving the reserve balance at zero.

10. The Company is currently in the process of accounting for all the Hurricane Ida restoration costs. As the Company completes this effort, it will supplement and update this filing and will provide updated estimates to the Commission and Mississippi Public Utilities Staff once complete.

REQUEST

11. Given the depletion of MPC's storm damage reserve, MPC hereby requests the authority to reverse all Hurricane Zeta charges incurred to date to a regulatory asset which would have the immediate effect of replenishing approximately \$34.5 million to the retail property damage reserve. MPC also requests the authority to account for all Hurricane Ida restorations in the same regulatory asset. All of the costs booked to the regulatory asset would remain unrecovered through rates pending a detailed prudence review and determination by the Commission. MPC proposes that the new regulatory asset account be included in the Company's 2021 PEP-6 Lookback review and that the amortization schedule for any finally approved costs be established by the Commission in PEP-6 filing for regulatory year 2022.

¹ Order, Docket No. 2005-UA-0555 (June 28, 2006).

12. MPC's Petition does not result in any substantial adjustment to the Company's revenues and will not change or otherwise effect customer rates currently in effect.

13. MPC's request is consistent with prior Commission precedent concerning major storm cost accounting and review as well as applicable accounting guidance. Therefore, MPC's request herein is just and reasonable and in the public interest.

RESPECTFULLY SUBMITTED, this the 13th day of September, 2021.

MISSISSIPPI POWER COMPANY

BY: BALCH AND BINGHAM LLP

BY: 
LEO E. MANUEL

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CERTIFICATE OF SERVICE

I, LEO E. MANUEL, counsel for Mississippi Power Company in the foregoing filing on even date herewith do hereby certify that in compliance with Rule 6.112 of the Mississippi Public Service Commission Public Utilities Rules of Practice and Procedure, as modified and suspended by that certain Order Temporarily Suspending Rules and Encouraging Use of the Commission's Electronic Filing System issued on March 12, 2020:

(1) 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) An electronic copy of the filing was served via email only to the following parties of record:

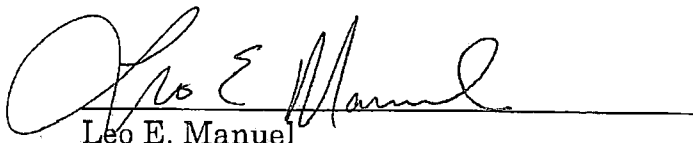
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(4) MPC has complied with all other requirements of the Mississippi Public Service Commission's Public Utility Rules of Practice and Procedure.

Dated this the 13th day of September, 2021.


Leo E. Manuel