

**BEFORE THE PUBLIC SERVICE COMMISSION
OF
THE STATE OF MISSISSIPPI**

MISSISSIPPI POWER COMPANY
EC1200009700

DOCKET NO. 2006-UN-511

IN RE: NOTICE OF INTENT OF MISSISSIPPI POWER COMPANY TO AMEND ITS
PROPERTY DAMAGE RESERVE AND TO CHANGE RATES BY
ESTABLISHING A SYSTEM RESTORATION RIDER, RATE SCHEDULE "SRR"

ORDER

COMES NOW, the Mississippi Public Service Commission ("Commission") and issues this Order in connection with Mississippi Power Company's ("MPCo" or "Company") Notice of Intent to Amend its Property Damage Reserve and to Change Rates by Establishing a System Restoration Rider, Rate Schedule "SRR". This Commission, being fully apprised in the premises, having considered the documents and record before it, and upon the recommendation of the Mississippi Public Utilities Staff ("Staff"), finds as follows:

1. On or about October 25, 2021, the Company filed its Notice of Intent to Amend its Property Damage Reserve and to Change Rates by Establishing a System Restoration Rider, Rate Schedule "SRR" Filing setting forth SRR related revenue, expense, and investment for the prior year, showing projected data for the test year, and calculating the associated investments and costs as set forth in the rate schedule. For 2021, the Company proposed a zero-dollar (\$0) rate for SRR, which corresponded to a projected 2021 ending Property Damage Reserve ("Reserve") balance of \$35.5 million, after giving effect to various charges to the Reserve documented by the Company and after giving effect the Commission order in Docket No. 2021-UA-150 authorizing the creation of a regulatory asset for all Hurricane Zeta and Hurricane Ida costs that cannot be capitalized or reimbursed by insurance.

2. For 2022, the Company proposes to change the SRR Factors which will result in an increase in billing of \$.96 per month for a residential customer with monthly usage of 1,000 kWh. The Commission finds that the Company's calculation of the SRR related revenues, expenses and retail Property Damage Reserve accruals and balances, and the resulting SRR factors and rates, as shown in the testimony and exhibits of Mr. Edward E. Easterling for projected year 2022, are just and reasonable and hereby approved.

3. The Company also proposed changes to the Reserve and SRR in its October 25, 2021, Notice of Intent. MPC requested to modify its System Restoration Rider to allow for annual accruals of \$8.25 million ("Annual Accrual") to begin refunding the Reserve, and to continue to accrue annually until a target balance of \$75 million is reached. Based upon the testimony and evidence presented in MPCo's filing, the Commission finds the proposed annual accrual level and target balance to be reasonable and approves same.

4. The Company further proposes and this Commission finds that a band of 10% above and below the \$75 million minimum Reserve balance be established as the threshold for adjusting the Annual Accrual. If the Reserve balance is projected to be above the 10%, the Annual Accrual will be adjusted to be equal to the projected charges to the Reserve. If the Reserve balance is projected to be below the 10%, the Company may request an increase in the SRR Factor. However, any requested increase to the SRR Factors that result in the average monthly increase to a residential customer of less than \$1.00 shall not be considered a substantial revenue adjustment and, therefore, may take effect thirty days after filing without Commission order. Additionally, under revised SRR-1 as approved herein, the Commission finds that the Annual Accrual shall also include as additional accrual to the Reserve any and all amounts required to be credited to customers under the Company's annual PEP Evaluation Period Look-Back.

5. This Commission also finds that the Company has reasonably complied with the applicable filing requirements and has provided information sufficient for this Commission's and the Staff's consideration of this matter. Therefore, for good cause shown, this Commission waives any other filing requirements as prescribed by this Commission's Rules and not provided by the Company.

IT IS, THEREFORE, ORDERED, that the proposed SRR factors and resulting rates for SRR as presented by MPCo are hereby approved to be applied under the SRR rate schedule for electric service to the Company's customers for bills rendered on and after the first billing cycle of January 2022 and until subsequently changed by order of this Commission.

IT IS, FURTHER, ORDERED, that the System Restoration Rider, Schedule "SRR-1" shall be and it hereby is amended as proposed by MPCo and as described in the findings contained in this Order. A copy of the revised Rate Rider "SRR-1" is attached hereto as Exhibit "A" and shall be the lawful rate of MPCo effective January 1, 2022, until revised by applicable law. No additional compliance filing for Schedule SRR-1 shall be required, but MPCo shall make any compliance filings that may be necessary to give effect to this Order for any other rate mechanisms within ten (10) days of the issuance of this Order.

This Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

COMMISSION VOTE

Chairman Dane Maxwell voted Aye X Nay

Commissioner Brent Bailey voted Aye X Nay

Commissioner Brandon Presley voted Aye X Nay

SO ORDERED by this Commission on the 7th day of December, 2021.

MISSISSIPPI PUBLIC SERVICE COMMISSION



Dane Maxwell
DANE MAXWELL, CHAIRMAN

Brent Bailey
BRENT BAILEY, COMMISSIONER

Brandon Presley
BRANDON PRESLEY, COMMISSIONER

ATTEST: A TRUE COPY

Katherine Collier
KATHERINE COLLIER, EXECUTIVE SECRETARY

Effective this the 7th day of December, 2021.