AN ACT TO PROVIDE FOR CERTAIN PARTICIPATION OF RATE-REGULATED ELECTRIC UTILITIES IN THE EXPANSION OF BROADBAND SERVICES IN THE STATE OF MISSISSIPPI; TO AMEND SECTION 77-3-2, MISSISSIPPI CODE OF 1972, TO DECLARE THE POLICY OF THIS STATE TO SUPPORT EXPANSION OF EXISTING AND EMERGING TECHNOLOGIES TO FOSTER RELIABLE AND RESILIENT SERVICE AND CUSTOMER ACCESS TO ENHANCED SERVICES; TO AMEND SECTION 77-3-3, MISSISSIPPI CODE OF 1972, TO INCLUDE DEFINITIONS OF "BROADBAND SERVICE PROVIDER," "BROAD AND OPERATOR," "ELECTRIC DELIVERY SYSTEM" AND "ENHANCED GRID INVESTMENTS"; TO AMEND SECTION 77-3-44, MISSISSIPPI CODE OF 1972, TO INCLUDE FIBER OPTIC INFRASTRUCTURE AND ENHANCED GRID INVESTMENTS AS AN ECONOMIC DEVELOPMENT ACTIVITY IN WHICH CERTAIN UTILITIES ARE AUTHORIZED TO UNDERTAKE, AND TO AUTHORIZE RATE-REGULATED ELECTRIC UTILITIES TO GRANT PERMISSION TO BROADBAND OPERATORS OR BROADBAND SERVICE PROVIDERS TO USE THE ELECTRIC DELIVERY SYSTEM; TO CREATE A NEW SECTION TO PROVIDE COMPETITIVE SAFEGUARDS WHEN A RATE-REGULATED ELECTRIC UTILITY GRANTS PERMISSION TO A BROADBAND OPERATOR OR BROADBAND SERVICE PROVIDER TO USE ANY PART OF THE UTILITY'S ELECTRIC DELIVERY SYSTEM; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 77-3-2, Mississippi Code of 1972, is amended as follows:

77-3-2. (1) The Legislature finds and determines that the rates, services and operations of public utilities as defined in this title are affected with the public interest and that the availability of an adequate and reliable service by such public utilities is a matter of public concern and public interest.
utilities to the people, economy and government of the State of Mississippi is a matter of public policy. The Legislature hereby declares to be the policy of the State of Mississippi:

(a) To provide fair regulation of public utilities in the interest of the public;

(b) To promote the inherent advantage of regulated public utilities;

(c) To promote adequate, reliable and economical service to all citizens and residents of the state;

(d) To provide just and reasonable rates and charges for public utility services without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices and consistent with long-term management and conservation of energy resources by avoiding wasteful, uneconomic and inefficient uses of energy;

(e) To encourage and promote harmony between public utilities, their users and the environment;

(f) To foster the continued service of public utilities on a well-planned and coordinated basis that is consistent with the level of service needed for the protection of public health and safety and for the promotion of the general welfare;

(g) To cooperate with other states and the federal government in promoting and coordinating interstate and intrastate public utility service and reliability;
(h) To encourage the continued study and research for new and innovative rate-making procedures which will protect the state, the public, the ratepayers and the utilities, and where possible reduce the costs of the rate-making process; and

(i) With respect to rate-regulated public utilities, to foster, encourage, enable and facilitate economic development in the State of Mississippi, to support and augment economic development activities, to expand deployment of existing and emerging technologies including fiber optic infrastructure and enhanced grid investments which will foster a more reliable and resilient utility delivery system and provide customer access to enhanced services, to encourage the deployment of adequate internet services to unserved areas, to authorize and empower the Public Service Commission in carrying out its statutory responsibilities, and to take every opportunity to advance the economic development of the state.

(2) To these ends, therefore, authority shall be vested in the Mississippi Public Service Commission to regulate public utilities in accordance with the provisions of this title.

(3) (a) The commission shall, in addition to its other powers and duties, be authorized and empowered, in its discretion, to consider and adopt a formula type rate of return evaluation rate which may include provision for the commission to:

(i) Periodically review and adjust, if required, the utility's level of revenues based upon the actual books and
records of the utility which are periodically the subject of independent audits and regulatory audits;

(ii) Review the utility's performance in certain areas or categories which may be used by the commission in the manner selected by it which may include rate incentives or penalties so long as such are found to be fair and reasonable and result in a level of revenue which is fair and reasonable; and

(iii) Use such other provisions which may be permitted by this chapter.

(b) When a formula type rate of return evaluation rate with periodic revenue adjustments is adopted by the commission, each periodic revenue adjustment will be separately considered for the purpose of determining whether a hearing is required pursuant to Section 77-3-39(1), and no such hearing shall be required if the amount of any separate periodic adjustment to the level of revenues of the utility is not a "major change" as defined in Section 77-3-37(8).

(c) In administering any such formula type rate of return evaluation rate, the following procedures shall be observed by the commission:

(i) Each periodic evaluation shall be supported with a sworn filing by the utility incorporating the data specified in the formula rate adopted by the commission, and such data shall be verified by the commission; and
(ii) A hearing shall be required, as provided by law, to determine compliance with the formula rate plan and the accuracy of the data prior to any change in the level of revenues if the cumulative change in any calendar year exceeds the greater of Two Hundred Thousand Dollars ($200,000.00) or four percent (4%) of the annual revenues of the utility.

(d) The requirements of paragraphs (a), (b) and (c) of this subsection and other applicable provisions of Title 77, Chapter 3, Article 1, Mississippi Code of 1972, which are observed by the commission in administering such rate, are hereby declared to be procedural but are not required to be included in the rate itself.

(4) It is the intention of the Legislature to validate, retroactively to its initial adoption by the commission, any formula type rate, including any revenue adjustments effected pursuant thereto, which has heretofore been adopted by the commission. For the purposes of the retroactive validation and the administration of any formula type rate heretofore adopted by the commission, should the provisions of Title 77, Chapter 3, Article 1, Mississippi Code of 1972, conflict with any provisions of such formula type rate, Title 77, Chapter 3, Article 1, Mississippi Code of 1972, shall be interpreted to prevail and the formula type rate shall hereafter be administered or revised to conform to Title 77, Chapter 3, Article 1, Mississippi Code of 1972; provided, however, such conflict, if any, shall not be held
to invalidate the retroactive effect of this section upon such rate.

SECTION 2. Section 77-3-3, Mississippi Code of 1972, is amended as follows:

77-3-3. As used in this chapter:

   (a) The term "corporation" includes a private or public corporation, a municipality, an association, a joint-stock association or a business trust.

   (b) The term "person" includes a natural person, a partnership of two (2) or more persons having a joint or common interest, a cooperative, nonprofit, limited dividend or mutual association, a corporation, or any other legal entity.

   (c) The term "municipality" includes any incorporated city, town or village.

   (d) The term "public utility" includes persons and corporations, or their lessees, trustees and receivers now or hereafter owning or operating in this state equipment or facilities for:

      (i) The generation, manufacture, transmission or distribution of electricity to or for the public for compensation;

      (ii) The transmission, sale, sale for resale, or distribution of natural, artificial, or mixed natural and artificial gas to the public for compensation by means of transportation, transmission, or distribution facilities and equipment located within this state; however, the term shall not
include the production and gathering of natural gas, the sale of natural gas in or within the vicinity of the field where produced, or the distribution or sale of liquefied petroleum gas or the sale to the ultimate consumer of natural gas for use as a motor vehicle fuel;

(iii) The transmission, conveyance or reception of any message over wire, of writing, signs, signals, pictures and sounds of all kinds by or for the public, where such service is offered to the public for compensation, and the furnishing, or the furnishing and maintenance, of equipment or facilities to the public, for compensation, for use as a private communications system or part thereof; however, no person or corporation not otherwise a public utility within the meaning of this chapter shall be deemed such solely because of engaging in this state in the furnishing, for private use as last aforementioned, and moreover, nothing in this chapter shall be construed to apply to television stations, radio stations, community television antenna services, video services, Voice over Internet Protocol services ("VoIP"), any wireless services including commercial mobile services, internet protocol ("IP") - enabled services or broadband services; and

(iv) The transmission, distribution, sale or resale of water to the public for compensation, or the collection, transmission, treatment or disposal of sewage, or otherwise
operating a sewage disposal service, to or for the public for compensation.

The term "public utility" shall not include any person not otherwise a public utility, who furnishes the services or commodity described in this paragraph only to himself, his employees or tenants as an incident of such employee service or tenancy, if such services are not sold or resold to such tenants or employees on a metered or consumption basis other than the submetering authorized under Section 77-3-97.

A public utility's business other than of the character defined in subparagraphs (i) through (iv) of this paragraph is not subject to the provisions of this chapter.

(e) The term "rate" means and includes every compensation, charge, fare, toll, customer deposit, rental and classification, or the formula or method by which such may be determined, or any of them, demanded, observed, charged or collected by any public utility for any service, product or commodity described in this section, offered by it to the public, and any rules, regulations, practices or contracts relating to any such compensation, charge, fare, toll, rental or classification; however, the term "rate" shall not include charges for electrical current furnished, delivered or sold by one (1) public utility to another for resale.
(f) The word "commission" shall refer to the Public Service Commission of the State of Mississippi, as now existing, unless otherwise indicated.

(g) The term "affiliated interest" or "affiliate" includes:

(i) Any person or corporation owning or holding, directly or indirectly, twenty-five percent (25%) or more of the voting securities of a public utility;

(ii) Any person or corporation in any chain of successive ownership of twenty-five percent (25%) or more of the voting securities of a public utility;

(iii) Any corporation of which fifteen percent (15%) or more of the voting securities is owned or controlled, directly or indirectly, by a public utility;

(iv) Any corporation twenty-five percent (25%) or more of the voting securities of which is owned or controlled, directly or indirectly, by any person or corporation that owns or controls, directly or indirectly, twenty-five percent (25%) or more of the voting securities of any public utility or by any person or corporation in any chain of successive ownership of twenty-five percent (25%) of such securities;

(v) Any person who is an officer or director of a public utility or of any corporation in any chain of successive ownership of fifteen percent (15%) or more of voting securities of a public utility; or
(vi) Any person or corporation that the commission, after notice and hearing, determines actually exercises any substantial influence or control over the policies and actions of a public utility, or over which a public utility exercises such control, or that is under a common control with a public utility, such control being the possession, directly or indirectly, of the power to direct or cause the discretion of the management and policies of another, whether such power is established through ownership of voting securities or by any other direct or indirect means.

However, the term "affiliated interest" or "affiliate" shall not include a joint agency organized pursuant to Section 77-5-701 et seq. nor a member municipality thereof.

(h) The term "facilities" includes all the plant and equipment of a public utility, used or useful in furnishing public utility service, including all real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished or supplied for, by or in connection with its public utility business.

(i) The term "cost of service" includes operating expenses, taxes, depreciation, net revenue and operating revenue requirement at a claimed rate of return from public utility operations.
(j) The term "lead-lag study" includes an analysis to determine the amount of capital which investors in a public utility, the rates of which are subject to regulation under the provisions of this chapter, must provide to meet the day-to-day operating costs of the public utility prior to the time such costs are recovered from customers, and the measurement of (i) the lag in collecting from the customer the cost of providing service, and (ii) the lag in paying the cost of providing service by the public utility.

(k) The term "broadband services" means any service that consists of or includes a high-speed access capability to transmit at a rate that is not less than two hundred (200) kilobits per second either in the upstream or downstream direction and either:

   (i) Is used to provide access to the internet, or
   (ii) Provides computer processing, information storage, information content or protocol conversion, including any service applications or information service provided over such high-speed access service.

(l) The term "video services" means video programming services without regard to delivery technology, including internet protocol technology ("internet protocol television or IPTV") and video programming provided as a part of a service that enables users to access content, information, email or other services
offered over the public internet. The term "video programming" means any programming as defined in 47 USCS Section 522(20).

(m) The term "Voice over Internet Protocol services" or "VoIP services" means any service that: (i) enables real-time, two-way voice communications that originate from or terminate to the user's location in internet protocol or any successor protocol; (ii) uses a broadband connection from the user's location; and (iii) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

(n) The term "commercial mobile services" means any services as defined in 47 USCS Section 332(d).

(o) The term "internet protocol-enabled services" or "IP-enabled services" means any service, capability, functionality, or application provided using internet protocol, or any successor protocol, that enables an end user to send or receive a communication in internet protocol format, or any successor format, regardless of whether the communications is voice, data or video.

(p) "Broadband service provider" means an entity that provides broadband services to others on a wholesale basis or to end-use customers on a retail basis.

(q) "Broadband operator" means a broadband service provider that uses the electric delivery system of any rate-regulated public utility of the type as defined in paragraph

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(d)(i) of this section with the rate-regulated utility's consent to provide broadband services.

(r) "Electric delivery system" means the poles, lines, fiber, cables, broadband system, materials, equipment, easements and other facilities or properties used by any rate-regulated public utility of the type as defined in paragraph (d)(i) of this section to deliver or facilitate the delivery, sale or use of electric energy.

(s) The term "enhanced grid investments" means investments in technologies and services that support and improve the operational performance, service reliability, resiliency and security of the electric delivery system.

(t) The term "unserved area" means an area lacking access to adequate internet service, as determined by the Public Service Commission.

Nothing contained in this paragraph shall apply to retail services that are tariffed by the commission.

SECTION 3. Section 77-3-44, Mississippi Code of 1972, is amended as follows:

77-3-44. (1) Any rate-regulated electric or natural gas public utility with certificated service area in Mississippi may undertake economic development activities, whether directly or indirectly, including activities such as providing capital, or investment in or acquisition and development of business or industrial sites and the necessary infrastructure or services
needed to attract new or existing businesses or industry, to
create or maintain employment opportunities, or expansion of fiber
optic infrastructure and enhanced grid investments, including
those which provide customer access to modern enhanced services,
or otherwise to positively impact or in some manner promote the
sale of electric energy or natural gas within its certificated
service area. Any facilities developed, constructed or acquired
in support of the activities described in this section, including
fiber optic infrastructure and enhanced grid investments,
including those which provide customer access to modern enhanced
services, for which a certificate of public convenience and
necessity or other commission approval has been granted after July
1, 2015, as well as any capital investment in natural gas reserves
made directly or indirectly by an electric or natural gas public
utility to foster long-term stability in the cost of fuel, may be
deemed used and useful in the provision of electric or natural gas
service regardless of whether or not any end-use customers are
taking service from said facilities or investment and otherwise
recoverable through the utility's rates.

(2) (a) Notwithstanding the foregoing, to further expand
fiber optic infrastructure in the state, any rate-regulated public
utility of the type as defined in Section 77-3-3(d)(i) may grant
permission to broadband operators or broadband service providers
to use the electric delivery system, including the fiber optic
infrastructure and enhanced grid investments of the rate-regulated
public utility to provide broadband services or other similar
services as defined in Section 77-3-3(k) through (o), including to
extend adequate internet services to unserved areas, subject to
the competitive safeguards in Section 4 of this act. The
rate-regulated public utility shall not allow the use of its
electric delivery system by a broadband operator to provide
broadband services to diminish the reliability of the electric
delivery system.

(b) To further expand fiber optic infrastructure and
economic development in the state, any public utility, including
electric cooperatives, of the type as defined in Section
77-3-3(d)(i), may grant permission to a retail customer with a
nonaggregated load greater than twenty (20) megawatts to
construct, install or maintain above or underground fiber optic
infrastructure on the public utility's existing right-of-way of
its electric delivery system.

(c) In instances where a landowner has previously been
compensated for the use of his land through a right-of-way
instrument with a rate-regulated public utility, the use of the
rate-regulated public utility's electric delivery system for the
provision of broadband services to a broadband operator or
broadband service provider or use of the rate-regulated public
utility's existing right-of-way on its electric delivery system by
a retail customer to construct, install, or maintain above or
underground fiber optic infrastructure shall not be considered an
additional burden on the real property upon which the
rate-regulated public utility's electric delivery system is
located and shall not require the broadband operator, broadband
service provider or retail customer to obtain the consent of
anyone having an interest in the real property upon which the
rate-regulated public utility's electric delivery system is
located. If a portion of a rate-regulated public utility's
electric delivery system is used by a broadband operator,
broadband service provider or retail customer for the provision of
broadband services to construct, install, or maintain above or
underground fiber optic infrastructure and the landowner of the
real property on which such portion is located believes his
property has been damaged by such use, the landowner may petition
the circuit court of the county in which the property is situated
for any damages to which the landowner may be entitled under this
subsection.

(i) The petition allowed and damages recoverable
under this subsection shall be the landowner's exclusive remedy,
and the landowner shall not be entitled to assert any other
theory, claims or causes of action nor recover any other damages,
punitive damages, costs, attorneys' fees, or other relief.

(ii) The recoverable damages, if any, shall be
recoverable only from the broadband operator or retail customer
and not from the rate-regulated electric public utility.
(iii) The damages recoverable shall be an amount equal to the difference between 1. the fair market value of the landowner's interest in the real property immediately before the rate-regulated electric public utility's electric delivery system on the owner's property was first used by the broadband operator, broadband service provider or retail customer for the provision of broadband services, and 2. the fair market value of the landowner's interest in the real property immediately after the rate-regulated electric public utility's electric delivery system on the landowner's property was first used by the broadband operator or retail customer for the provision of broadband services. The before and after values must be established by the testimony of a qualified real estate appraiser. The damages, if any, shall be fixed and shall not be deemed to continue, accumulate or accrue. The court shall, as part of its judgment, vest the rights granted by the rate-regulated public utility to the broadband operator or retail customer and his respective successors and assigns for the placement or use of a broadband system on or as part of the electric delivery system. The judgment will have the same effect of a conveyance executed in due form of law and shall run with the land; and a certified copy of said judgment may be filed by the broadband operator or retail customer in the land records of the county in which the subject property is located.
(iv) Evidence of past, current or future revenues or profits derived or to be derived by a broadband operator or retail customer from providing broadband services is not admissible for any purpose in any such proceeding.

(v) The landowner shall not be entitled to any damages or other relief relating to any broadband system or portion thereof or any fiber optic infrastructure by the retail customer that is located on the landowner's property and which is used by the rate-regulated electric public utility for its own operations.

(vi) The landowner shall not be entitled to any relief or damages if an easement has been granted to the broadband operator or retail customer if the landowner has authorized the rate-regulated electric public utility to use or allow others to use its electric delivery system for the provision of broadband services, or if the landowner has authorized the rate-regulated electric public utility to use its existing right-of-way to construct, install, or maintain above or underground fiber optic infrastructure.

(d) The total revenue collected by a rate-regulated public utility, derived from leasing their fiber optic infrastructure and enhanced grid investments and associated use of the rate-regulated public utility's right-of-way, shall all be credited back to the electric service customers annually in a method determined by the Public Service Commission.
(3) Nothing in this section shall affect, abrogate or eliminate in any way any obligation of a rate-regulated public utility or broadband operator to comply with any applicable safety and permitting requirements of any railroad company or any state governmental body or agency with respect to property that is held or controlled by such railroad company or state governmental body or agency, as the case may be, and in, on, over or across which an easement is located.

(4) Except for subsection (2)(b) of this section, nothing in this section shall be interpreted to affect the provisions of Sections 77-17-1 through 77-17-15, also known as the Mississippi Broadband Enabling Act.

SECTION 4. (1) To the extent a rate-regulated electric public utility grants permission to any broadband operator or broadband service provider to use any part of the utility's electric delivery system, including, without limitation, its fiber optic infrastructure and enhanced grid investments, it must grant such permission, on a first-come first-served basis, to all other broadband operators and broadband service providers on a nondiscriminatory and nonexclusive basis as defined and determined by the Public Service Commission.

(2) A rate-regulated electric public utility shall not offer or condition the provision of electric services, nor shall the rate-regulated electric public utility offer more favorable rates, terms or conditions for electric services, based on a customer
decision to purchase broadband services from any broadband
provider or broadband operator.

(3) The Public Service Commission shall enforce subsections
(1) and (2) of this section. Before a rate-regulated electric
public utility can grant permission to any broadband operator or
broadband service provider to use any part of the utility's
electric delivery system, including without limitation its fiber
optic infrastructure and enhanced grid investments, the Public
Service Commission must have approved such infrastructure and
investments.

SECTION 5. This act shall take effect and be in force from
and after its passage.