



Mississippi

Water and wastewater utilities in Mississippi fall under several rate setting regulatory systems.

Commission-Regulated Utilities

The **Mississippi Public Service Commission** (MPSC) regulates private water and wastewater companies in the state of Mississippi under [Miss. Code Ann. § 77-3-5](#) and [§ 77-3-41](#). The MPSC does not regulate municipal-owned utilities.²⁰⁰

The MPSC uses criteria outlined in [Miss. Code Ann. § 77-3-43](#) to determine the rate base for utilities, which must be “fair” to both the utility and to the consumer. Additionally, in arriving at a rate base, the commission shall give due consideration to “any other elements deemed by the commission to be material in determining the rate base for rate-making purposes.”²⁰¹ Commission-regulated utilities must file rate cases with the MPSC before changing their rates.²⁰² Furthermore, rates made by the MPSC cannot exceed what is “just and reasonable.”²⁰³ In *White Cypress Lakes Water v. Miss. Public Service Commission*,²⁰⁴ the Mississippi Supreme Court held, “[a] fair rate is one which, under prudent and economical management, is just and reasonable to both the public and to the utility... (t)he public is entitled to demand that no more be exacted from the ratepayers than the services are reasonably worth.”

Commission-regulated utilities would, thus, likely need to gain MPSC approval before changing their rate structures and policies to fund a low-income customer assistance program (CAP). Furthermore, the requirement that rates charged be for what a utility’s “services are reasonably worth” could create the potential for a legal challenge to a CAP that provides varying rates.

Noncommission-Regulated Utilities

Mississippi’s municipal governments have the right to

200. [Miss. Code Ann. § 77-3-1](#).

201. [Miss. Code Ann. § 77-3-43](#).

202. [Miss. Code Ann. § 77-3-37](#).

203. [Miss. Code Ann. § 77-3-33](#).

204. *White Cypress Lakes Water v. Miss. Pub. Serv. Comm’n*, 703 So. 2d 246, 248-49 (Miss. 1997) (citing *Southern Bell Tel. & Tel. Co. v. Miss. Pub. Serv. Comm’n*, 113 So. 2d 622, 656 (Miss. 1959); *State ex. rel. Pittman v. Miss. Pub. Serv. Comm’n*, 506 So. 2d 978, 984 (Miss. 1987)).

Commission-regulated utilities	
Noncommission-regulated utilities	

State Population (2016):	2,988,726
Median Annual Household Income (2015):	\$39,665
Poverty Rate (2015):	22.5%
Typical Annual Household Water and Wastewater Expenditures (2015):	\$488
Mississippi has 1,059 community water systems (CWS), of which 76 are privately owned and 1,004 serve populations of 10,000 or fewer people.	
Mississippi has 331 publicly owned treatment works facilities (POTWs), of which 279 treat 1 MGD or less.	
67,480 people are served by privately owned CWS; 3,029,079 are served by government-owned CWS; and 1,848,641 are served by POTWs.	
Estimated Long-Term Water and Wastewater Infrastructure Needs:	\$5.7 billion
<i>Sources: U.S. Census Bureau, 2016 Population Estimate & 2011–2015 American Community Survey 5-Year Estimates; 2016 EFC Rates Survey; U.S. Environmental Protection Agency, 2016 Safe Drinking Water Information System, 2011 Drinking Water Infrastructure Needs Survey, and 2012 Clean Watersheds Needs Survey. See Appendix C for more details.</i>	

regulate and set rates for their water and wastewater utilities under [Miss. Code Ann. § 21-27-7](#). The Mississippi Attorney General held in a 1992 opinion that a “(m)unicipality may fix water rates as flat monthly rates for all consumers residing in the municipality and service area or a municipality may charge all consumers a certain amount per gallon of water used... [but] a public utility cannot discriminate in setting its rates among similarly situated users for the same type of service.”²⁰⁵ Furthermore, under state law, municipalities are prohibited from furnishing free utility services to “any private person, firm, corporation, or

205. *Miss. A.G. Op. #92-0016* (Jan. 16, 1992), [1992 WL 614509](#) (Miss. A.G. Op. Jan. 16, 1992)).

association.”²¹⁶

The aforementioned prohibitions could create legal challenges for a government-owned utility seeking to implement a low-income CAP funded by rate revenues.

206. *Miss. Code Ann. §21-27-27*. Municipalities are allowed to furnish free utility services to “the municipality or any agency or department thereof, to any public school, or to any hospital or benevolent institution located within such municipality, including county, city, and community fairs.” *Id.*