

SUPREME COURT OF MISSISSIPPI

Total Environmental Solutions, Inc. v. Mississippi Public Service Commission

Total Environmental Solutions · No. No. 2007-UR-00607-SCT · Decided March 20, 2007

SUMMARY

The Supreme Court of Mississippi reviewed the Mississippi Public Service Commission's order setting water-service rates for Total Environmental Solutions, Inc. The court held that the Commission's order was not supported by substantial evidence and was contrary to the manifest weight of the evidence because it provided no cogent basis for the rate imposed or for abolishing metered rates. The court reversed the chancery court's judgment and remanded the matter to the Commission for further findings.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Smith, Chief Justice, for the Court; Waller, P.J.; Easley, J.; Carlson, J.; Randolph, J.; Lamar, J.; Graves, J.; Diaz, P.J.; Dickinson, J.
JURISDICTION	Mississippi
DECIDED	March 20, 2007
DOCKET	No. 2007-UR-00607-SCT
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Total Environmental Solutions, Inc. appealed from the Jackson County Chancery Court's affirmance of a Mississippi Public Service Commission order denying stipulated water-rate increases and imposing a different mandatory flat rate.
STANDARD OF REVIEW	Under Mississippi Code Annotated section 77-3-67, the Commission's order may be set aside for legal error, lack of substantial evidence, being contrary to the manifest weight of the evidence, exceeding statutory authority or jurisdiction, or violating constitutional rights. Commission orders are presumptively valid, but the Commission must provide cogent reasons and factual findings sufficient to permit meaningful judicial review.
PRECEDENTIAL VALUE	published and precedential

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Total Environmental Solutions, Inc. v. Mississippi Public Service Commission

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QUESTIONS PRESENTED

1. Whether the Mississippi Public Service Commission's denial of the stipulated water-rate increase was supported by substantial evidence.
2. Whether the Commission's order adequately stated factual findings and reasons supporting the rates it imposed to permit meaningful judicial review.

HOLDINGS

1. The Commission's order denying the stipulated water-rate increase was not supported by substantial evidence and was contrary to the manifest weight of the evidence.
2. The Commission must incorporate cogent reasons and findings of fact pertinent to the particular rate inquiry and must set forth the basis on which rates are fixed; an order providing no basis for the imposed rate or abolition of metered rates is legally inadequate.

KEY QUOTATIONS

“the Public Service Commission in fixing rates should evidence its expertise by incorporating in its order cogent reasons for its decision based on a finding of facts pertinent to the particular inquiry before it” (§ 10)

“In fact, the Commission set forth no basis at all on which the flat rate was fixed and the metered rate was abolished.” (§ 12)

FACTUAL BACKGROUND

TESI sought increased water-service rates for customers in Adams, Hancock, Harrison, and Jackson Counties. Following an investigation, TESI and the Public Utilities Staff stipulated that specified increased flat and metered rates were just and reasonable. The Commission rejected the stipulated rates, imposed a \$27 monthly flat rate, abolished metered rates, and made the flat rate mandatory for five years without explaining how it calculated the rate or why it rejected the evidentiary submissions.

PROCEDURAL HISTORY

TESI filed a notice of intent to increase its water and sewer rates. After investigation, the Public Utilities Staff and TESI stipulated to revised water rates, but the Commission rejected the proposed and stipulated rates,

imposed a smaller flat-rate increase, and required a mandatory flat rate for five years. The Jackson County Chancery Court affirmed the Commission's order. The Mississippi Supreme Court reversed and remanded to the Commission for further findings.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded to the Mississippi Public Service Commission for further findings consistent with the opinion.

CASES CITED

- White Cypress Lakes Water, Inc. v. Miss. Pub. Serv. Comm'n, 703 So. 2d 246, 248-49 (Miss. 1997)
- State ex rel. Pittman v. Miss. Pub. Serv. Comm'n, 538 So. 2d 387, 394 (Miss. 1989)
- Miss. Power Co. v. Goudy, 459 So. 2d 257, 271 (Miss. 1984)
- Miss. Pub. Serv. Comm'n v. Miss. Power Co., 429 So. 2d 883 (Miss. 1983)

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