

## **Overview**

In the summer of 2008 information was collected from Mississippi Power Company, Coast Electric Power Association, and Singing River Electrical Power Association. These three companies provide all electrical utility service to the three counties (Hancock, Harrison, and Jackson) that make up Coastal Mississippi. The power companies agreed to provide statistics to the Gulf Coast Business Council Research Foundation relating to the number of “active residential accounts” that each company had on hand in the days before Hurricane Katrina struck the Mississippi Coast and at different points in time during the months and years that followed the storm. The goal of the survey was to benchmark where the Mississippi Coast was (in terms of the number of residential hookups) before the storm and assess the Coast’s progress in recovery (in terms of the number of residential hookups) at various points going forward.

## **Limitations to survey**

In the aftermath of the storm, the Power Companies were charged with a tremendous challenge – restoring power to areas that were impacted by Hurricane Katrina. The damage was substantial and the scale of it was enormous, not to mention wide-reaching (all 23 counties in Mississippi that Mississippi Power operated in were impacted). With that said the focus of the Power Companies in the months after the storm wasn’t necessarily to “zero out” or to close accounts that were no longer active. Because of this there is a chance that initial reductions of “active accounts” were understated because the power companies had yet to close them out. A consideration (and not necessarily a limitation) when assessing active accounts later in this paper is that FEMA trailers – there were around 31,000 at one point on the Coast, likely represent an “active account”. Note that later in the survey the terms “accounts lost” and “compromised households” are used interchangeably. These should not be confused with homes that lost power after the storm; rather, these should be regarded as households that were rendered unlivable.

## **Findings**

According to the numbers submitted by each company, the total number of residential utility accounts in the three Coastal counties in Mississippi before Hurricane Katrina were 167,933. Note that this number is significantly higher than the (approximately) 136,000 households that the 2000 U.S. Census published for the three counties of South Mississippi. Note that there are instances where one household might have more than one meter (separate quarters, etc) but the overall number of these instances is likely small (under 1,000). With this in mind, impact studies that estimated damage/progress based on 2000 Census data might have understated the overall impact.

If there were two major points taken from the study, they might be the “low-point” of active residential accounts (Dec 05-Jan 06) and the most current reading (June 2008).

As of June 2008, the number of active accounts as a percentage of pre-Katrina accounts is at 97%. This does not mean that 97% of the homes that were lost have been built back or replaced, nor does it mean that the Coast is 97% recovered. This figure might suggest, however, that total populations are nearing this level. If one were to reference Labor Market Information reports that the Mississippi Department of Employment Security publishes, one would find that the overall labor force for the three Coastal counties was at 96% of what it was in June 2008.

Exhibit 1: Labor force on Coast

	Aug 05	Feb 06	Jun 08
Hancock	21,300	17,870	19,450
Harrison	93,520	80,180	87,827
Jackson	61,820	58,520	61,960
<b>Total</b>	<b>176,640</b>	<b>156,570</b>	<b>169,237</b>

At the low point in 2005, there were 142,815 active accounts<sup>1</sup>, which would suggest that 25,118 had been closed. Again, if a resident had a FEMA trailer hooked up to a home then this would register as an active account. Regarding the closed accounts, one might assume that those accounts/households had done one of three things: moved away from the Coast, moved into a public FEMA trailer park, or moved in with family or friends.

Reference the tables below for a better understanding of the number of active residential accounts, the number of FEMA trailers on the Mississippi Coast<sup>2</sup> and the estimated number of “private” trailers on the Mississippi Coast. The estimates that this paper uses assume that 90% of the trailers in use were on private land. Random samples of reports published by FEMA 1604 have shown that these numbers fluctuate between 80% and 90% in the first year after the storm.

Table 1: Active Residential Utility Accounts in South Mississippi

	Hancock	Harrison	Jackson	Totals
August 2005	26,123	83,592	58,218	167,933
Low-Point 2005	19,243	69,552	54,020	142,815
Accounts Lost	6,880	14,040	4,198	25,118
<i>% Accounts Closed</i>	<i>26%</i>	<i>17%</i>	<i>7%</i>	<i>15%</i>
December 2005	19,703	70,559	54,671	144,933
December 2006	21,889	77,716	56,400	156,005
December 2007	23,143	80,434	57,377	160,954
June 2008	23,574	81,711	58,084	163,369
<i>2008 vs 2005</i>	<i>90%</i>	<i>98%</i>	<i>100%</i>	<i>97%</i>

Table 2: FEMA Trailers in South Mississippi

	Hancock	Harrison	Jackson	Totals
December 2005	1,568	2,736	1,687	5,991
January 2006 *	8,303	13,465	9,194	30,962
December 2006	5,709	8,840	5,087	19,636
December 2007	2,712	4,267	2,172	9,151
June 2008	889	1,943	858	3,690

Table 3: Estimated private FEMA trailers in South Mississippi

	Hancock	Harrison	Jackson	Totals
Dec-Jan 2006	7,473	12,119	8,275	27,866

<sup>1</sup> Coast Electric only reported active accounts for each December after the storm, but confirmed that the customer counts in December 2005 were similar to those of the months that preceded December.

<sup>2</sup> Governor’s Office of Recovery and Renewal, FEMA, MEMA

One general conclusion that might be made is that between November and January after the storm, after the power companies had had an opportunity to get basic infrastructure back on line and assess their accounts, and after FEMA had gotten trailers to the Coast, the power companies had up to 25,118 less accounts than they reported before the storm, and that it was possible that 27,886 (and not to exceed 31,000) of their active accounts were FEMA trailer hookups.

The above general conclusion is based on verifiable statistics and represents an available approach to assessing the number of residences that were rendered inoperable.

**Comparing these findings to already published studies**

First and foremost, this paper is not intended to replace any existing studies that have been done. The efforts that were put into other impact studies were typically exhaustive and considered many variables. This paper, on the contrary, only considers active residential accounts from local power companies and the number of FEMA trailers on the Mississippi Coast. Also, the findings of this study do not in any way differentiate the damage done to affordable housing stocks from the damage done to other housing stocks. It is also impossible to assess damage that was done to “active accounts”.

One might use this study, however, as a reference when evaluating other studies. For example, if one were trying to assess how many residences were *still* compromised (rendered unlivable) between November 2005 and January 2006, one might use this study as a high level reference. For example, in table 4 to the right one might conclude that it is possible that at least 52,984 homes were unlivable between November 2005 and January 2006. This calculation would be based off of the assumption that all private trailers were hooked up to residential accounts (causing them to be active). In other words, if there were 142,815 active accounts during the low point after the storm, one might assume that around 27,865 of those were FEMA accounts.

Table 4: Painting overall picture

Households before the storm	167,933
Estimated Compromised homes	52,984
Non-FEMA customer Base	114,949
Add FEMA accounts	27,866
Active accounts in Nov-Dec 05	142,815

Table 5: An attempt to explain the status of households between November 2005 and January 2006

Moved away (a)	16,000
Found new homes or moved w/family (b)	6,022
Estimated Public FEMA households	3,096
Estimated Private FEMA households	27,866
Total Compromised Homes	52,984

(a) At one point MDES data shows that there were 45,000 unemployed in the fall of 2005 and this would reflect a 10% reduction in total accounts, more or less in line with estimates of 2006 population reductions.

(b) Likely understated or reflected in part in the "moved away" line.

Regarding the 25,000 closed accounts, those might simply be made of the thousands of households who had either left the Mississippi Coast (ten percent of the population is estimated to have left, which might translate into 16,000 pre-storm power accounts), and thousands of households who were either living

with friends or family or in public trailer parks. Note that in the months after the storm, MDES records show that up to 45,000 were unemployed.

Again, one should be careful in how he or she interprets the numbers that this study presents, and should be reminded that there are likely variables that this study does not address. Nonetheless, the numbers provided can still be of use and are certainly helpful in obtaining another perspective of the impact of Hurricane Katrina.

### **Summary Findings for combined Hancock, Harrison, and Jackson Counties**

- Total active residential accounts before the storm: 167,933
- Approximate residential accounts that were lost in the following months: 25,118
- Total active residential accounts as of June 2008: 163,369

### **Acknowledgements**

This study was conducted in July and August 2008 with the full cooperation of Mississippi Power Company, Coast Electric Power Association, and Singing River Electrical Power Association. The information, which was primarily derived from each company's respective accounting department, was submitted to the Gulf Coast Business Council Research Foundation and pooled together in aggregate form and reported in that manner.