

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
DTE ELECTRIC COMPANY for reconciliation of its)	
power supply cost recovery plan (Case No. U-18143))	Case No. U-20069
for the 12-months ended December 31, 2017.)	
_____)	

At the May 23, 2019 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Daniel C. Scripps, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 28, 2018, DTE Electric Company (DTE Electric) filed an application requesting approval of the company's reconciliation of power supply cost recovery revenues and expenses for 2017.

On June 14, 2018, a prehearing conference was held before Administrative Law Judge (ALJ) Sharon L. Feldman at which the ALJ granted intervention to the Michigan Department of the Attorney General (Attorney General), Michigan Environmental Council (MEC), the Association of Businesses Advocating Tariff Equity (ABATE), and the Residential Customer Group (RCG). The Commission Staff (Staff) also participated in the proceeding. On June 19, 2018, the case was reassigned to ALJ Sally L. Wallace.

Subsequently, DTE Electric, the Staff, and MEC filed a settlement agreement resolving all issues in the case. ABATE, the Attorney General, and RCG filed statements of non-objection to the settlement agreement.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement and notes that the remaining parties have each filed a statement of non-objection to the settlement agreement. Therefore, the Commission finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. DTE Electric Company shall recover a total power supply cost underrecovery in the amount of \$23,256,304 for the year ended December 31, 2017, including interest, from all power supply cost recovery customers through a roll-in to the 2018 power supply cost recovery reconciliation beginning balance.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Daniel C. Scripps, Commissioner

By its action of May 23, 2019.

Kavita Kale, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of)
DTE ELECTRIC COMPANY for)
Reconciliation of its Power Supply)
Cost Recovery Plan for the 12-month Period)
Ending December 31, 2017)

Case No. U-20069
(Paperless e-file)

SETTLEMENT AGREEMENT

As provided in Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and Rule 431 of the Michigan Public Service Commission’s (“MPSC” or “Commission”) Rules of Practice and Procedure, R 792.10431, and supported by the Commission’s own policy encouraging settlement of contested issues, DTE Electric Company (“DTE Electric” or “Company”), the Commission Staff (“Staff”), and the Michigan Environmental Council (“MEC”) (hereafter, collectively referred to as the “Parties”) have resolved through settlement discussions all issues before the Commission in the above captioned case and agree as follows:

1. DTE Electric filed its Application with the Commission on March 28, 2018 for approval of the Company’s reconciliation of 2017 PSCR expenses with the revenues collected through the operation of the PSCR process during the 2017 PSCR year. The Company filed revisions to testimony and exhibits on June 1, 2018. The Company’s total under-recovery at year-end 2017 was \$23,606,304, including interest, for all PSCR customers based on the June 1, 2018, revisions. The Company filed the supporting testimony and exhibits of Messrs. Bence, Burgdorf, Dugan, Marietta, and O’Neill, and Ms. Brodnax, Holmes, and Musonera, contemporaneously with its Application.
2. Appropriate service was accomplished by DTE Electric and the Company filed proofs of service and affidavits of publication in this docket on June 13, 2018.
3. On June 14, 2018, a prehearing conference was held. Administrative Law Judge Honorable

Sharon L. Feldman presided over the proceeding. This case was subsequently reassigned to Administrative Law Judge Honorable Sally L. Wallace. DTE Electric, Staff, MEC, ABATE, the AG and RCG appeared by and through counsel and were granted party status in the proceeding.

4. On March 7, 2019, the Parties agreed to a one-month extension of the schedule for purposes of facilitating settlement discussions and the drafting and execution of a definitive Settlement Agreement. A subsequent schedule extension for the same purpose was obtained.

5. The Parties have engaged in settlement discussions. As a result of these settlement discussions, the Parties have reached agreement on all issues before the Commission in the above captioned case. It is the Parties understanding that other intervening parties do not object to the approval of this Settlement Agreement and will so indicate in this docket.

6. The Parties agree that DTE Electric shall presently recover a total PSCR under-recovery in the amount of \$23,256,304 for the year ending December 31, 2017, including interest, from all PSCR customers, through a roll-in to the 2018 PSCR reconciliation beginning balance which includes an agreed upon "black box" reduction in DTE Electric's underrecovery in the amount of \$350,000. The Parties agree that the \$350,000 reduction in DTE Electric's underrecovery is not attributable to any specific unreasonable or imprudent action of DTE Electric Company but is a good faith compromise among all Parties for the purpose of obtaining certainty in the litigation process and fully and finally resolving this proceeding.

7. The Parties also agree not to contest or dispute a Commission Order approving this Settlement Agreement that concludes that the Company's 2017 operations and related actions only, as described in the Company's testimony, exhibits and other pleadings in this 2017 PSCR reconciliation, were reasonable and prudent. The Parties further request that the Commission approve the Company's 2017 PSCR reconciliation in its entirety along with approval of this Settlement Agreement.

8. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions relating to this settlement are considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to the settlement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the Order approving it.

9. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-20069. If the Commission approves this Settlement Agreement without modification, the undersigned Parties agree not to appeal, challenge, or otherwise contest the Commission Order approving this Settlement Agreement. Except as otherwise stated in this Settlement Agreement, the Parties agree and understand that this Settlement Agreement does not limit any Party's right to take new or different positions on similar issues in other administrative proceedings, or appeals.

10. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any Party.

11. The Parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

12. This Settlement Agreement may be executed in multiple counterparts.

WHEREFORE, the undersigned Parties respectfully request that the Commission approve this Settlement Agreement without modification, and make it effective, in accordance with its terms, by final Order.

Dated: May 3, 2019

Jon P. Christinidis

Digitally signed by Jon P.
Christinidis
Date: 2019.05.03 12:08:56 -04'00'

Jon P. Christinidis (P47352)
Attorney for DTE Electric Company
One Energy Plaza, 688 WCB
Detroit, MI 48226
(313) 235-7706
Jon.christinidis@dteenergy.com

Dated: May 2, 2019



Digitally signed by Christopher M.
Bzdok
DN: cn=Christopher M. Bzdok,
o=Olson Bzdok & Howard, P.C., ou,
email=chris@envlaw.com, c=US
Date: 2019.05.02 07:59:03 -04'00'

Chris M. Bzdok (P53094)
Attorney for Michigan Environmental Council
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Dated: _____

Heather Durian (P67587)
Attorney for Michigan Public Service Commission Staff
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Lansing, MI 48917
(517) 284-8140
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Dated: _____

Jon P. Christinidis (P47352)
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Heather Durian

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2019.05.02

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Dated: _____

Heather Durian (P67587)
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PROOF OF SERVICE

STATE OF MICHIGAN)

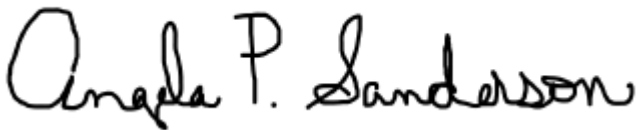
Case No. U-20069

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on May 23, 2019 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 23rd day of May 2019.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-20069

Name	Email Address
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