

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-20365
CONSUMERS ENERGY COMPANY to fully comply)	
with Public Act 295 of 2008 as amended by)	
Public Act 342 of 2016.)	
_____)	

At the December 19, 2019 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Daniel C. Scripps, Commissioner
Hon. Tremaine L. Phillips, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On May 31, 2019, Consumers Energy Company (Consumers) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its energy waste reduction plan revenues and costs for 2018.

A prehearing conference was held on July 31, 2019, before Administrative Law Judge Sally L. Wallace (ALJ). At the prehearing conference, the ALJ granted intervenor status to the Residential Customer Group (RCG). The Commission Staff (Staff) also participated in the proceeding. An evidentiary hearing was held on November 12, 2019, during which the testimony of the parties was bound into the record and exhibits were admitted into evidence. Subsequently, Consumers and the Staff submitted a settlement agreement that resolves all issues in the case, and RCG signed the settlement agreement, only to indicate its nonobjection 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. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceedings, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Consumers Energy Company's reconciliation for the 2018 energy waste reduction plan year and the associated proposed tariffs, as indicated in the settlement agreement, are approved.
- C. Consumers Energy Company is authorized to collect revenue for the financial performance incentive, as reflected in the attachments to the settlement agreement, for the 2018 energy waste reduction plan year which will be recovered over a 12-month period beginning with the January 2020 billing month.
- D. Consumers Energy Company is authorized to convert 73,316 energy waste reduction credits into renewable energy credits for 2018.
- E. Within 10 days of the date of this order, Consumers Energy Company shall file tariff sheets substantially similar to those in Attachment C to the settlement agreement.

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 pungp1@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

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of December 19, 2019.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of)	
CONSUMERS ENERGY COMPANY)	
for Authority to Reconcile Its)	
2018 Energy Waste Reduction Plan Costs)	Case No. U-20365
Associated With the Plan Approved in)	
Case No. U-18261.)	
_____)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), R 792.10431, the undersigned parties agree as follows:

WHEREAS, on May 31, 2019, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application with supporting testimony and exhibits requesting: a determination that the Company’s 2018 Energy Waste Reduction (“EWR”) Plan reconciliation is reasonable and prudent and meets all relevant requirements under 2008 PA 295, as amended (“Act 295”); approval of the collection of a performance incentive payment for both the gas and electric EWR plans; approval of the proposed EWR surcharge mechanism; and approval of the conversion of EWR Credits into Renewable Energy Credits (“RECs”) in 2018 for use in meeting the Company’s renewable energy requirements under Act 295.

WHEREAS, the initial prehearing conference in this proceeding was held on July 31, 2019. The parties to the case are Consumers Energy, the Commission Staff (“Staff”), and the Residential Customer Group.

NOW THEREFORE, for purposes of settlement of Case No. U-20365, the undersigned parties agree as follows:

1. Staff began an audit of the Company's reconciliation filing on August 9, 2019. Staff requested samples of General Ledger account print screens and the numbers in the Company's Ledgers matched the numbers represented in their exhibits. A sample of customer bills were collected and verification that the appropriate surcharges billed to customers were valid. The Company was able to achieve and exceed their legislative target with the funds collected through the surcharges. The Company provided sufficient evidence and subsequent audit responses to determine the filing and the program offerings were reasonable and prudent.

2. The parties agree that the Company's 2018 EWR Plan reconciliation, as set forth in Consumers Energy's pre-filed testimony and exhibits in this case, is reasonable and prudent and meets all relevant requirements under Act 295. The Company confirms that the 2018 EWR Plan reconciliation is in accordance with the settlement agreement approved by the Commission in its January 23, 2018 Order in Case No. U-18261.

3. The parties agree that the Company exceeded its statutory electric savings target with a Utility Cost Test ("UCT") score of 2.90 and exceeded its statutory gas savings target with a UCT score of 1.66, and the Company has earned an incentive payment for the performance of its 2018 electric EWR Program portfolio in the amount of \$23,563,342 and for the performance of its 2018 gas EWR Program portfolio in the amount of \$10,785,666. The calculation of these amounts is shown on Attachment A.

4. The parties agree that the amount of the incentive payment payable by each particular customer group and the associated surcharges are as shown on Attachment B.

5. The parties agree that pursuant to Generally Accepted Accounting Principles (“GAAP”) the EWR incentive must be fully collected by December 31, 2020, so that the revenue will be recorded within a two-year period as required by ASC 980-605-25.¹ The parties thus agree that the incentive payment will be collected by the Company starting with the billing month of January 2020 and ending the billing month of December 2020 as set forth on Attachment C and Attachment D to this Settlement Agreement. Consistent with historical accounting practices, any incentive payment balance remaining at the conclusion of the year will be included in the subsequent EWR reconciliation filing. The Surcharge consists of both an incentive component and a plan component. There is to be no interest on the incentive portion of the Surcharge. The parties agree that the tariff revisions, shown on Attachment C, will be effective beginning with the January 2020 billing month. The tariff sheets will be issued prior to the January 2020 billing period.

6. The parties agree that the 2018 electric first-year and lifetime savings should be reduced by 12,593 MWh each, resulting in totals of 574,151 MWh and 6,698,219 MWh, respectively. The 2018 gas first-year and lifetime savings should be reduced by 160,678 Mcf each,

¹ ASC 980-605-25 states that revenue recognition is appropriate when all of the following criteria are met:

- Criteria A: The program is established by an order from the utility’s regulatory commission that allows for automatic adjustment of future rates. Verification of the adjustment of future rates by the regulator does not preclude the adjustment from being considered automatic;
- Criteria B: The amount of additional revenues for the period is objectively determinable and recovery is probable; and
- Criteria C: The additional revenues will be collected within the 24 months following the end of the annual period in which they are recognized.

The incentive in this proceeding meets Criteria A and B, however, collection of the incentive must be within 24 months to meet Criteria C. The EWR incentive revenue has already been recognized on Consumers Energy’s books as of December 2018. In order to comply with the 24-month collection requirement, Criteria C, the EWR incentive of \$34.3 million needs to be fully collected by December 31, 2020. It is important to record the incentive revenue in the same period that the EWR expenses are incurred to present a better picture of the true economics of the program. It also allows for consistent financial reporting.

resulting in totals of 2,695,823 Mcf and 33,272,902 Mcf, respectively. The number of EWR Credits available for conversion to RECs should be reduced by 12,593 (12,593 MWh equals 12,593 EWR Credits), resulting in 73,316 EWR Credits available for conversion to RECs. These reductions were calculated by Staff by comparing Home Energy Report (“HER”) Program actual savings in 2018 to HER Program deemed savings.

7. Consumers Energy agrees to reduce HER Program electric and gas savings in the 2020 EWR Plan year and Reconciliation by applying the realization adjustment rate factors for fuel-specific and year-specific tracks as indicated in Attachment E. Consumers Energy will provide MPSC Staff updates (i) in the 2nd Quarter of 2020 on the HER Program’s improved design and processes; and (ii) in the 4th Quarter of 2020 on the achieved HER Program savings as measured by the Company’s implementer. Consumers Energy agrees to advocate within the EWR Collaborative’s technical subcommittee for revisions to the 2021 Program Year Behavioral Resource Manual (“BRM”) to clarify and refine evaluation protocols and requirements for utility HER programs in the BRM, including deemed and custom savings evaluation requirements and the application of evaluated realization rates. Consumers Energy agrees to provide quarterly updates in 2021 to Staff on HER program savings.

8. This settlement 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, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement 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 for the final disposition of Case No. U-20365. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise set forth herein, the parties agree and understand that this Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings or appeals related thereto.


10. This Settlement Agreement is not severable. Each provision of the 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 the 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 be without prejudice to the pre-negotiation positions of the parties.

11. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

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


WHEREFORE, the undersigned parties respectfully request the Michigan Public Service Commission to approve this Settlement Agreement on an expeditious basis² and to make it effective in accordance with its terms by final order.

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**

By: 
Daniel E. Sonneveldt (P58222)
Assistant Attorneys General
Public Service Division
7109 West Saginaw Highway
Post Office Box 30221
Lansing, MI 48909

Date: December 13, 2019

CONSUMERS ENERGY COMPANY

By: 
Digitally signed by Gary A. Gensch, Jr.
Date: 2019.12.13 14:39:25 -05'00'
Gary A. Gensch, Jr. (P66912)
Theresa A.G. Staley (P56998)
Attorneys for Consumers Energy
One Energy Plaza
Jackson, MI 49201

Date: December 13, 2019

RESIDENTIAL CUSTOMER GROUP

By: Don L. Keskey
Don L. Keskey (P23003)
Brian W. Coyer (P40809)
Public Law Resource Center PLLC
333 Albert Avenue, Suite 425
East Lansing, MI 48823

Date: December 13, 2019

The Residential Customer Group signs this Settlement Agreement only to indicate its non-objection to the Settlement Agreement.

² In order to achieve compliance with the GAAP described in paragraph 5 of this Settlement Agreement, the parties request Commission approval of this Settlement Agreement by the end of 2019, to ensure the incentive payment will begin to be collected beginning with the January 2020 billing month.

ATTACHMENT A

MPSC Case No. U-20365

2018 Electric and Gas EWR Financial Incentive

		(a)	(b)	(c)	
Line No.	Description	Electric	Natural Gas	Combined	Source
1	EWR Investments	\$ 117,816,710	\$ 53,928,331	\$ 171,745,041	Exhibit A-3 (TAY-3)
2	<u>Financial Incentive</u> % of Net Benefits	\$ 84,409,244	\$ 13,699,064	\$ 98,108,308	L6 page 2
3	% of Investments	\$ 23,563,342	\$ 10,785,666	\$ 34,349,008	L9 page 2
4	Financial Incentive Cap	<u>\$ 23,563,342</u>	<u>\$ 10,785,666</u>	<u>\$ 34,349,008</u>	Min(L2, L3)

2018 Electric and Gas EWR Financial Incentive

		(a)	(b)	
Line No.	Description	Electric	Natural Gas	Source
<u>Financial Incentive based on % of Net Benefits</u>				
1	EWR Investments	\$ 112,401,106	\$ 42,383,458	L1 page 1 - Low Income
2	Utility Cost Test Score	3.50	2.08	Benefit/cost Test Results (Morgan)
3	NPV of Benefits	\$ 393,765,252	\$ 88,047,006	L1 x L2
4	Net Benefits*	\$ 281,364,146	\$ 45,663,548	L3 - L1
5	Financial Incentive %	30%	30%	
6	Financial Incentive	\$ 84,409,244	\$ 13,699,064	L4 x L5
<u>Financial Incentive based on % of Investments</u>				
7	EWR Investments**	\$ 117,816,710	\$ 53,928,331	L1
8	Financial Incentive %	20%	20%	
9	Financial Incentive	\$ 23,563,342	\$ 10,785,666	L7 x L8

*Net benefits exclude Performance Incentives and Low Income Benefits and Costs

**EWR Investment excludes Performance Incentives but includes Low Income Benefits and Costs

ATTACHMENT B

MPSC Case No. U-20365

Consumers Energy Company

Electric EWR Surcharge Incentive Component

Calculated Without Interest and Collected over 12 Months

<u>Line</u>	<u>Description</u>	<u>Low-Income Cost Responsibility (1)</u> (\$)	<u>Proration Factor (2)</u>	<u>Surcharge Obligation (3)</u> (\$)	<u>Customer Group Surcharge Annual Determinants (4)</u> (kWh or Cust.) (5)	<u>Monthly Electric EWR Surcharge Incentive Component</u> (per kWh or Cust.) (5)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Residential	\$1,564,616	0.2954	\$ 6,851,273	12,233,804,000	\$ 0.000560
2	Small Secondary	223,343	0.0422	\$ 977,994	1,739,076	\$ 0.56
3	Medium Secondary	391,751	0.0740	\$ 1,715,433	540,264	\$ 3.18
4	Large Secondary	1,412,345	0.2667	\$ 6,184,497	317,086	\$ 19.50
5	Small Primary	1,607	0.0003	\$ 7,036	5,451	\$ 1.29
6	Sm. Med. Primary	4,991	0.0009	\$ 21,857	2,199	\$ 9.94
7	Medium Primary	32,010	0.0060	\$ 140,168	5,461	\$ 25.67
8	Lg. Med. Primary	51,741	0.0098	\$ 226,570	4,618	\$ 49.06
9	Large Primary	<u>1,613,380</u>	<u>0.3047</u>	<u>\$ 7,064,805</u>	28,468	\$ 248.16
10	Total	\$5,295,786	1.0000	\$ 23,189,633 (6)		

(1) Case No. U-18261, WP-SAS-4, Year 2018

(2) Proration factor developed per customer group share (col. b, lines 1-9) of total (col. b, line 10).

(3) Customer group surcharge obligation based on customer group share (col. c, lines 1-9) of total obligation (col. d, line 10).

(4) Case No U-18261 WP-SAS-6, WP-SAS-7, WP-SAS-8

(5) Residential group surcharge on a \$/kWh basis, while C&I customer surcharge on a \$/customer meter basis.

(6) Surcharge obligation of \$23,567,742 per Exhibit A_ (JPS-4), revised to \$23,563,342 in supplemental direct testimony, less 2016 Over-Recovery of \$373,709 per Exhibit A_ (SL-3), pg 2

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company

Case No.: U-20365
Exhibit No.: A-11 (AMG-2)
Page: 1 of 1
Witness: AMGast
Date: May 2019

Gas EWR Surcharge Incentive Component
Calculated Without Interest and Collected over 12 Months

<u>Line</u>	<u>Description</u>	<u>Low-Income Cost Responsibility (1)</u> (\$)	<u>Proration Factor (2)</u>	<u>Surcharge Obligation (3)</u> (\$)	<u>Customer Group Surcharge Annual Determinants (4)</u> (Mcf)	<u>Monthly Gas EWR Surcharge Incentive Component</u> (per Mcf)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Residential	\$7,036,986	0.6180	\$ 6,329,976	159,679,000	\$ 0.0396
2	Small C&I (< 100,000 Mcf)	4,262,188	0.3743	\$ 3,833,963	87,175,994	\$ 0.0440
3	Large C&I (> 100,000 Mcf)	<u>88,315</u>	<u>0.0078</u>	<u>\$ 79,442</u>	54,732,898	\$ 0.0015
4	Total	\$11,387,489	1.0000	\$ 10,243,381 (5)		

(1) Case No. U-18261, WP-SAS-4, Year 2018

(2) Proration factor developed per customer group share (col. b, lines 1-3) of total (col. b, line 4).

(3) Customer group surcharge obligation based on customer group share (col. c, lines 1-3) of total obligation (col. d, line 4).

(4) Case No U-18261, WP-SAS-13

(5) Surcharge obligation of \$10,785,666 per Exhibit A-21 (JPS-4) less 2016 Over-Recovery of \$542,285 per Exhibit A-17 (SL-3), pg 3

ATTACHMENT C

MPSC Case No. U-20365

SURCHARGES

Rate Schedule	Renewable Energy Plan Surcharge (Case No. U-17301) Effective beginning the July 2014 Billing Month⁽⁵⁾	Energy Efficiency Program Surcharge (Case No. U-2002820365) Effective beginning the January 2019 2020 Billing Month⁽³⁾	Energy Efficiency Self-Directed Customer Surcharge (Case No. U-2002820365) Effective beginning the January 20192020 Billing Month⁽²⁾
Residential Rates	\$ 0.00/billing meter	\$ 0.002963 0.003284/kWh	NA
Rate GS, GSTU, and GSD ⁽¹⁾			
Tier 1: 0 – 1,250 kWh/mo.	\$ 0.00/billing meter	\$ 4.47 4.44/billing meter	\$ 0.11/billing meter
Tier 2: 1,251 – 5,000 kWh/mo.	0.00/billing meter	25.23 25.10/billing meter	0.65/billing meter
Tier 3: 5,001 – 30,000 kWh/mo.	0.00/billing meter	155.30 154.54/billing meter	3.87/billing meter
Tier 4: 30,001 – 50,000 kWh/mo.	0.00/billing meter	155.30 154.54/billing meter	3.87/billing meter
Tier 5: > 50,000 kWh/mo.	0.00/billing meter	155.30 154.54/billing meter	3.87/billing meter
Rate GP, GPD, GPTU and EIP ⁽¹⁾			
Tier 1: 0 – 5,000 kWh/mo.	\$ 0.00/billing meter	\$ 5.97 5.95/billing meter	\$ 0.20/billing meter
Tier 2: 5,001 – 10,000 kWh/mo.	0.00/billing meter	45.93 45.74/billing meter	1.75/billing meter
Tier 3: 10,001 – 30,000 kWh/mo.	0.00/billing meter	216.51 216.03/billing meter	4.52/billing meter
Tier 4: 30,001 – 50,000 kWh/mo.	0.00/billing meter	560.51 559.63/billing meter	9.04/billing meter
Tier 5: > 50,000 kWh/mo.	0.00/billing meter	1123.89 1118.70/billing meter	43.62/billing meter
Rate GSG-2	NA	NA ⁽⁴⁾	NA
Rate GML ⁽⁶⁾	NA	NA	NA
Tier 1: 0 – 1,250 kWh/mo.	\$ 0.00/billing meter	NA	NA
Tier 2: 1,251 – 5,000 kWh/mo.	0.00/billing meter	NA	NA
Tier 3: > 5,000 kWh/mo.	0.00/billing meter	NA	NA
Rate GUL ⁽⁶⁾⁽⁷⁾	0.00/luminaire	\$ 0.27/fixture per month	NA
Rate GU-XL ⁽⁶⁾	0.00/luminaire	NA	NA
Rate GU			
Tier 1: 0 – 1,250 kWh/mo.	0.00/billed account	NA	NA
Tier 2: 1,251 – 5,000 kWh/mo.	0.00/billed account	NA	NA
Tier 3: > 5,000 kWh/mo.	0.00/billed account	NA	NA
Rate PA	NA	NA	NA
Rate ROA-R, ROA-S, ROA-P	NA	As in Delivery Rate Schedule	As in Delivery Rate Schedule

All Surcharges shall be applied on a monthly basis. The customer's consumption will be reviewed annually in the January bill month. Following the annual review, the customer may be subsequently moved to the Surcharge level for their applicable rate for the next billing period based on the customer's average consumption for the previous year. In situations where no historical consumption is available, the monthly Surcharge level will be based on the lowest consumption category for the secondary rate schedules or the lowest consumption category for primary rate schedules. No retroactive adjustment will be made due to the application of the REP or EE Surcharges associated with increases or decreases in consumption.

⁽¹⁾ Municipal Pumping customers shall be excluded from the Renewable Energy Plan Surcharge.

⁽²⁾ An eligible customer who files and implements a self-directed plan in compliance with Rule C12 is required to pay the Energy Efficiency Self-Directed Program Surcharge.

⁽³⁾ An Energy Efficiency Program Surcharge amount may vary during specific months as authorized by the Michigan Public Service Commission. The Company will file a new tariff sheet to reflect any change in surcharges once the financial incentive recovery period has been completed.

⁽⁴⁾ Rate GSG-2 Customers are eligible to opt-in to the Energy Efficiency Electric Program Surcharge. A GSG-2 customer electing to participate in the Energy Efficiency Electric Program will be charged the GPD, Tier 5: > 50,000 kWh/mo rate per billing meter per month.

⁽⁵⁾ A Renewable Energy Plan Surcharge will be in effect for the period of the September 2009 Bill Month through the August 2029 Bill Month.

The amount may vary during specific months as authorized by the Michigan Public Service Commission. Applicable cases include Case Nos. U-15805, U-16543, U-16581 and U-17301.

⁽⁶⁾ Customer-Owned lighting fixtures served on Rate GML, GUL and Rate GU-XL are eligible to opt-in to the Energy Efficiency Program Surcharge. A GML, GUL or GU-XL customer electing to participate in the Energy Efficiency Electric Program shall pay the Rate GUL Company-Owned Energy Efficiency Program Surcharge per fixture per month as shown above.

⁽⁷⁾ Rate Schedule GUL Company-Owned lighting fixtures shall pay the per fixture surcharge monthly as shown above.

Issued XXXXXX XX, XXXX by
Patti Poppe,
President and Chief Executive Officer,
Jackson, Michigan

Effective for bills rendered on and after
the Company's January 2020 Billing Month

Issued under authority of the
Michigan Public Service Commission
dated XXXXXX XX, XXXX
in Case No. U-20365

SURCHARGES

Each Rate Schedule may be subject to Rule No. C8., Customer Attachment Program.

Rate Schedule	Energy Efficiency ⁽¹⁾ Program Surcharge (Case No. U- 20028 20365) Effective beginning the ⁽²⁾	Energy Efficiency Large Gas Transportation Opt-Out Pilot Program Surcharge (Case No. U-16670) ⁽³⁾
	January 2019 2020 Billing Month	
Rate A	\$0.2367 0.2603/Mcf	NA
Rate A-1	0.2367 0.2603/Mcf	NA
Rate GS-1	0.3496 0.3067/Mcf	NA
Rate GS-2	0.3496 0.3067/Mcf	NA
Rate GS-3		
0 – 100,000 / Year	0.3496 0.3067/Mcf	NA
> 100,000 / Year	0.0117 0.0102/Mcf	NA
Rate GL	NA	NA
Rate ST		
0 – 100,000 / Year	0.3496 0.3067/Mcf	NA
> 100,000 / Year	0.0117 0.0102/Mcf	\$0.0018/Mcf
Rate LT		
0 – 100,000 / Year	0.3496 0.3067/Mcf	NA
> 100,000 / Year	0.0117 0.0102/Mcf	0.0018/Mcf
Rate XLT		
0 – 100,000 / Year	0.3496 0.3067/Mcf	NA
> 100,000 / Year	0.0117 0.0102/Mcf	0.0018/Mcf
Rate XXLT		
0 – 100,000 / Year	NA	NA
> 100,000 / Year	0.0117 0.0102/Mcf	0.0018/Mcf
Rate CC	Per applicable distribution Rate Schedule	NA

(1) All surcharges shall be applied on a monthly basis. The customer's consumption will be reviewed annually in the January bill month. Following the annual review, the customer may be subsequently moved to the surcharge level for their applicable rate for the next billing period based on the customer's average consumption for the previous year. No retroactive adjustment will be made due to the application of EE surcharges associated with increases or decreases in consumption.

(2) An Energy Efficiency Program Surcharge amount may vary during specific months as authorized by the Michigan Public Service Commission. The Company will file a new tariff sheet to reflect any change in surcharges once the financial incentive recovery period has been completed.

(3) Gas Transportation customers on Rate ST, LT, XLT or XXLT using more than 100,000 Mcf per year may be eligible to opt-out of the Energy Efficiency program. Eligible customers who elect to opt-out of the Energy Efficiency program will pay the Energy Efficiency Large Gas Transportation Opt-Out Pilot Program surcharge per Mcf on a monthly basis. Eligibility is determined solely by the Company and is dependent upon terms and conditions of the Energy Efficiency Large Gas Transportation Customer Opt-Out Pilot Program as authorized in the April 17, 2012 order in Case No. U-16670.

Issued XXXXXX XX, XXXX by
Patti Poppe,
President and Chief Executive Officer,
Jackson, Michigan

Effective for bills rendered on and after
the Company's January 2020 Billing Month

Issued under authority of the
Michigan Public Service Commission
dated XXXXXX XX, XXXX
in Case No. U-20365

ATTACHMENT D

MPSC Case No. U-20365

Energy Waste Reduction (EWR) Surcharges

			(a)	(b)	(c)	(e)
	Description	Units	EWR Plan Component ^(1)	Low-income Accounting Adjustment ^(2)	2018 Performance Incentive ^(3)	2020 Monthly Surcharges
Electric Service (Consumers Plan)						
1	Residential	\$/kWh	\$ 0.002724	\$0.000000	\$0.000560	\$0.003284
2	Small Secondary (0 to 1,250 kWhs per month)	\$/billing meter	3.88	-	0.56	4.44
3	Medium Secondary (1,251 to 5,000 kWhs per month)	\$/billing meter	21.92	-	3.18	25.10
4	Large Secondary (above 5,000 kWhs per month)	\$/billing meter	135.04	-	19.50	154.54
5	Small Primary (0 to 5,000 kWhs per month)	\$/billing meter	4.66	-	1.29	5.95
6	Small Medium Primary (5,001 to 10,000 kWhs per month)	\$/billing meter	35.80	-	9.94	45.74
7	Medium Primary (10,001 to 30,000 kWhs per month)	\$/billing meter	190.36	-	25.67	216.03
8	Large Medium Primary (30,001 to 50,000 kWhs per month)	\$/billing meter	510.57	-	49.06	559.63
9	Large Primary (above 50,000 kWhs per month)	\$/billing meter	870.54	-	248.16	1118.70
10	Lighting	\$/fixture	0.27	-	-	0.27
Electric Service (Self-Direct Plan)						
11	Small Secondary (0 to 1,250 kWhs per month)	\$/billing meter	0.11	-	-	0.11
12	Medium Secondary (1,251 to 5,000 kWhs per month)	\$/billing meter	0.65	-	-	0.65
13	Large Secondary (above 5,000 kWhs per month)	\$/billing meter	3.87	-	-	3.87
14	Small Primary (0 to 5,000 kWhs per month)	\$/billing meter	0.20	-	-	0.20
15	Small Medium Primary (5,001 to 10,000 kWhs per month)	\$/billing meter	1.75	-	-	1.75
16	Medium Primary (10,001 to 30,000 kWhs per month)	\$/billing meter	4.52	-	-	4.52
17	Large Medium Primary (30,001 to 50,000 kWhs per month)	\$/billing meter	9.04	-	-	9.04
18	Large Primary (above 50,000 kWhs per month)	\$/billing meter	43.62	-	-	43.62
Gas Service (Consumers Plan)						
19	Residential	\$/Mcf	0.2207	-	0.0396	0.2603
20	Small Business (0 to 100,000 Mcf per year)	\$/Mcf	0.2627	-	0.0440	0.3067
21	Large Business (above 100,000 Mcf per year)	\$/Mcf	0.0087	-	0.0015	0.0102
Gas Service (Large Transportation Opt-Out Pilot)						
22	Large Business (above 100,000 Mcf per year)	\$/Mcf	0.0018	-	-	0.0018

(1) As approved in Case No U-20028

(2) Four year low-income accounting adjustment as approved in Case U-17771. Expires in December 2019

(3) As proposed in Case No. U-20365

ATTACHMENT E

MPSC Case No. U-20365

2020 Settlement Savings for Specific Consumers Energy HER Fuel Tracks

Legacy CE Track Name For Reference (If Continued in 2020) or New Track Placeholder Description	Fuel Type	Potential 2020 Treatment Year	BRM Usage Band Description	Dec '18 Published BRM Percent Savings Assumptions (Specific to Treatment Year and Fuel as described in BRM)		Most Similar CE Evaluated Track(s) by Fuel- Type or Combo (Cadmus '19 Evaluation)	Realization Rate Adjustment Factor (Based on Most Similar Track Evaluated As Described in Column G)		2020 Settlement Percent Savings	
				Electric Pct Savings	Gas Pct Savings		Electric	Gas	Electric Pct Savings (Column J=Column E x Column H)	Gas Pct Savings (Column K=Column F x Column I)
Track #7a	Combination	5th	Elec: 9-11 MWh/yr; Gas: 900-1200 therms/yr	2.18%	0.66%	Track 7a RR - Combination	63%	24%	1.38%	0.16%
Track #7b	Gas Only	5th	>1200 therms/year	NA	1.09%	Gas-Only RR (from 7b and 9)		65%		0.71%
					not elig b/c gas consump below BRM band					
Track #8a	Combination	5th	Elec: 5-7 MWh/yr*; Gas: below threshold	1.40%	threshold	Track 7a RR - Combination	63%	24%	0.89%	
Track #9	Gas Only	5th	>1200 therms/year	NA	1.09%	Gas-Only RR (from 7b and 9)		65%		0.71%
Track #11a	Electric Only	4th	9-11 MWh/yr	1.25%	NA	Track 11a RR - Electric Only	83%		1.04%	
Track 13	Gas Only and highest usage band	3rd	>1200 therms/year	NA	0.57%	Gas-Only RR (from 7b and 9)		65%		0.37%
Track 14	Electric Only	2nd	>11 MWh/yr	1.78%	NA	Track 11a RR - Electric Only	83%		1.48%	
Track XX: New 2020 Elec	Electric Only	1st	9-11 MWh/yr	1.08%	NA	Track 11a RR - Electric Only	83%		0.90%	
Track YY: New 2020 Gas	Gas Only	1st	900-1200 therms/yr	NA	0.34%	Gas-Only RR (from 7b and 9)		65%		0.22%
Track ZZ: New 2020 Combo	Combination	1st	Elec: 9-11 MWh/yr; Gas: 900-1200 therms/yr	1.08%	0.34%	Track 7a RR - Combination	63%	24%	0.68%	0.08%

* The BRM does not have a defined band for this usage/year of treatment but Cadmus provided a curve-fit methodology in 2017 based on other BRM savings bands that the program has been using for this track


PROOF OF SERVICE

STATE OF MICHIGAN)

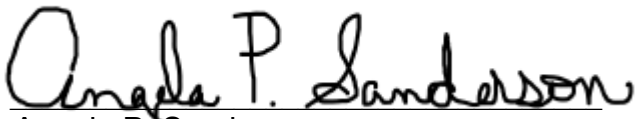
Case No. U-20365

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on December 19, 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 19th day of December 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-20365

Name	Email Address
Brian W. Coyer	bwcoyer@publiclawresourcecenter.com
Consumers Energy Company 1 of 2	mpsc.filings@cmsenergy.com
Consumers Energy Company 2 of 2	michael.torrey@cmsenergy.com
Daniel E. Sonneveldt	sonneveldtd@michigan.gov
Don L. Keskey	donkeskey@publiclawresourcecenter.com
Gary A. Gensch Jr.	gary.genschjr@cmsenergy.com
Sally Wallace	wallaces2@michigan.gov
Theresa A.G. Staley	theresa.staley@cmsenergy.com