

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-20882
MICHIGAN GAS UTILITIES CORPORATION)	
to fully comply with Public Act 295 of 2008,)	
as amended by Public Act 342 of 2016.)	
_____)	

At the February 10, 2022 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner
Hon. Katherine L. Peretick, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 22, 2021, Michigan Gas Utilities Corporation (MGUC) filed its application, with supporting testimony and exhibits, requesting approval of its 2022-2023 energy waste reduction (EWR) plan and authority to implement EWR surcharges pursuant to MCL 460.1073, reflective of alternative compliance payments to the state administrator, Efficiency United, and approval to revise EWR surcharges.

A prehearing conference was held on August 12, 2021, before Administrative Law Judge Jonathan F. Thoits (ALJ). At the prehearing conference, the ALJ granted intervenor status to the Michigan Department of Attorney General and the Citizens Utility Board of Michigan. MGUC and the Commission Staff also participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

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 proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Michigan Gas Utilities Corporation shall file, within 30 days of the date of this order, a tariff sheet substantially similar to Attachment 1 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 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

Daniel C. Scripps, Chair

Tremaine L. Phillips, Commissioner

Katherine L. Peretick, Commissioner

By its action of February 10, 2022.

Lisa Felice, Executive Secretary

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)	
MICHIGAN GAS UTILITIES CORPORATION to)	
fully comply with Public Act 295 of 2008, as)	Case No. U-20882
amended by Public Act 342 of 2016.)	
_____)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System's Administrative Rules, R 792.10431, Michigan Gas Utilities Corporation ("MGUC" or the "Company"), the Attorney General ("AG"), Citizens Utility Board of Michigan ("CUB") and the Michigan Public Service Commission Staff ("Staff") agree as follows:

1. Pursuant to the November 19, 2020 Order issued in Case No. U-20874 et al., on June 22, 2021, the Company filed with the Michigan Public Service Commission ("Commission") its Application, along with the testimony and exhibits of its witness Shannon L. Burzycki, seeking authority to implement its biennial 2022-2023 Energy Waste Reduction ("EWR") plan reflecting alternative compliance payments to the state administrator, Efficiency United ("EU"), and approval to revise EWR surcharges.

2. On July 9, 2021, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its service areas and to intervenors in Case Nos. U-17880 and U-20430. Further, the Company was directed to publish the Notice of Hearing in

daily newspapers of general circulation throughout its service areas. On August 6, 2021, the Company electronically filed the requisite proofs of mailing and publication.

3. On August 12, 2021, Administrative Law Judge (“ALJ”) Jonathan Thoits conducted the prehearing conference. The Company and Staff attended the prehearing conference, and the AG and CUB were granted intervention.

4. On November 9, 2021, Staff filed the direct testimony and exhibits of Karen M. Gould, wherein Staff recommended an increase in MGUC’s customer contribution to EU for 2022 and 2023 based on 2.4% of prior sales revenues and an increase spend from 10% to 12% on low-income programs. The AG and CUB also jointly filed the direct testimony of Douglas B. Jester wherein recommendations were made regarding the establishment of an on-bill repayment program.

5. On December 9, 2021, MGUC filed the rebuttal testimony and exhibits of Ms. Burzycki wherein the Company expressed concern regarding the evidence supporting Staff’s recommended increase in the customer contribution, ultimately concluding that because the EWR mechanism was a passthrough for MGUC, the Company was neutral on the recommended increase spend. Ms. Burzycki also addressed the AG/CUB’s recommendation regarding the establishment of an on-bill repayment programs advising of the Company’s concerns and objections.

6. On January 14, 2022, an evidentiary hearing was held at which time all of the testimony and exhibits as prefiled by the parties in this matter were bound in, and admitted into, the record without cross-examination.

7. Subsequently, the parties participated in settlement discussions and agree as follows:

- a. The Company’s energy waste reduction plan, to continue to make alternative compliance payments to EU on behalf of its customers, meets

the requirements of Act 295, as amended by Act 342, and is reasonable and in the public interest and should be approved by the Commission.

- b. The Company shall, on behalf of its customers, pay the EWR state administrator, EU, \$3,214,734 in equal amounts for 2022 and \$3,498,463 in equal amounts in 2023.
- c. The proposed revised EWR surcharges incorporated into the tariff sheet attached hereto as Attachment 1, reflect the customer contributions to the EU as described in paragraph 6b, and should be approved for bills rendered on after the first billing month following Commission approval of the settlement agreement.
- d. The parties agree that Staff will direct EU to work with CLEAResult to prepare a proposed EWR or energy efficiency residential customer on-bill financing program to be shared with any interested Michigan utility. Staff will present same to MGUC prior to or in the Company's next EWR plan case to be considered by MGUC.

8. All the parties are of the opinion that this Settlement Agreement is reasonable, in the public interest, and will aid in the expeditious conclusion of this case.

9. 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 Michigan Rules of Evidence, Rule 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the 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, however,

such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

10. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-20882. 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.

11. 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. It 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 position of any party.

12. All signatories agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

MICHIGAN GAS UTILITIES CORPORATION

Sherri Wellman

Digitally signed by: Sherri Wellman
DN: CN = Sherri Wellman email =
wellmans@millercanfield.com C = AD O =
Miller Canfield
Date: 2022.01.12 12:00:17 -05'00'

Dated: January 14, 2022

By: _____

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK & STONE, P.L.C.
One Michigan Avenue, Suite 900
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(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Heather M.S. Durian

Heather M.S. Durian

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-05'00'

Dated: January 14, 2022

By: _____

One of Its Attorney
Heather M.S. Durian (P67587)
Monica M. Stephens (P73782)
Assistant Attorneys General
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ATTORNEY GENERAL DANA NESSEL

**Michael
Moody**

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Moody
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CITIZENS UTILITY BOARD OF MICHIGAN,
a Michigan nonprofit corporation

Dated: January 14, 2022

By: _____

Its Attorney

John R. Liskey (P31580)

John R. Liskey Attorney at Law PLLC

921 N. Washington Avenue

Lansing, MI 48906

(517) 913-5105

John R
Liskey

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by John R Liskey

Date:

2022.01.14

15:01:38 -05'00'

38523504.6/131120.00097

ATTACHMENT 1
TO SETTLEMENT AGREEMENT

MPSC Case No. U-20882

Continued from Sheet No. D-1.00

SECTION D RATE SCHEDULES

D2. SUPPLEMENTAL CHARGES (contd.)

Customer Class	EWR Surcharge (per Mcf)		Distribution Charge + Gas Supply Acquisition Charge (per Mcf)*	=	Total Distribution Charge (per Mcf)	
RESIDENTIAL SERVICE	\$0.1512	+	\$2.3080	=	\$2.4592	per Mcf
CHOICE RESIDENTIAL GEN SERVICE	\$0.1512	+	\$2.2478	=	\$2.3990	per Mcf
TR - Res	\$0.1512	+	\$2.2478	=	\$2.3990	per Mcf
Customer Class	EWR Surcharge (per meter, daily)		Fixed Customer Charge (daily)	=	Total Customer Charge (daily)	
SMALL GENERAL SERVICE	\$0.1200	+	\$1.1507	=	\$1.2707	per customer
MEDIUM GENERAL SERVICE	\$1.0054	+	\$1.6438	=	\$2.6492	per customer
LARGE GENERAL SERVICE	\$4.8470	+	\$13.9726	=	\$18.8196	per customer
STREET LIGHTS	\$0.1253	+	\$1.1507	=	\$1.2760	per contract
Customer Class	EWR Surcharge (per month)		Fixed Customer Charge (monthly)	=	Total Customer Charge (monthly)	
TRANSPORTATION						
TR-1	\$38.91	+	\$850	=	\$888.91	per meter
TR-2	\$211.34	+	\$2,250	=	\$2,461.34	per meter
TR-3	\$918.93	+	\$3,050	=	\$3,968.93	per meter
TR - GS	\$3.65	+	\$35	=	\$38.65	per meter
TR - GM	\$30.58	+	\$50	=	\$80.58	per meter
TR - GL	147.43	+	\$425	=	\$572.43	per meter
SPECIAL CONTRACTS	\$136.39					per meter

*Gas Supply Acquisition Charge is not applicable to Gas Choice customers or Aggregated Transportation accounts.

Continued on Sheet No. D-1.02

Issued:
By Theodore Eidukas
VP - Regulatory Affairs
Milwaukee, Wisconsin

Effective for service rendered
On and After:
Issued Under Authority of the
Michigan Public Service Commission
Order Dated: **XXX in Case No. U-20882**,
September 9, 2021, in Case No. U-20718
and December 17, 2020, in Case No. U-
20922


PROOF OF SERVICE

STATE OF MICHIGAN)

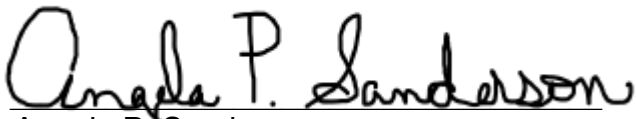
Case No. U-20882

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on February 10, 2022 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 10th day of February 2022.



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

Service List for Case: U-20882

Name	Email Address
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Michigan Gas Utilities Corporation	mike.baker@michigangasutilities.com
Monica M. Stephens	stephensm11@michigan.gov
Sherri A. Wellman	wellmans@millercanfield.com

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 Citizens Gas Fuel Company
 Consumers Energy Company
 SEMCO Energy Gas Company
 Superior Energy Company
 Upper Michigan Energy Resources Corporation
 Upper Peninsula Power Company
 Upper Peninsula Power Company
 Midwest Energy Coop
 Midwest Energy Coop
 Alger Delta Cooperative
 Cherryland Electric Cooperative
 Great Lakes Energy Cooperative
 Great Lakes Energy Cooperative
 Stephenson Utilities Department
 Ontonagon County Rural Elec
 Presque Isle Electric & Gas Cooperative, INC
 Thumb Electric
 Bishop Energy
 AEP Energy
 CMS Energy
 Just Energy Solutions
 Constellation Energy
 Constellation Energy
 Constellation New Energy
 DTE Energy
 First Energy
 My Choice Energy
 Calpine Energy Solutions
 Santana Energy
 Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)
 City of Escanaba
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 Lisa Felice
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Michigan Gas Utilities Corporation

American Transmission Company

American Transmission Company

Phil Forner

Timothy Lundgren

Laura Chappelle

Amanda Wood