

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
directing <b>SPARTAN RENEWABLE ENERGY, INC.</b> ,	)	
to show cause why it should not be found to be in	)	Case No. U-21250
violation of MCL 460.6w(8).	)	
_____	)	

In the matter, on the Commission's own motion,	)	
to open a docket for load serving entities in	)	
Michigan to file their capacity demonstrations as	)	Case No. U-21099
required by MCL 460.6w.	)	
_____	)	

At the October 27, 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**

**Procedural History**

On June 23, 2022, the Commission issued an order in Case No. U-21250 (June 23 order) directing Spartan Renewable Energy, Inc. (Spartan) to show cause why it should not be found in violation of the statutory requirement contained in MCL 460.6w(8) to demonstrate sufficient capacity for the 2025/2026 planning year (PY). The Commission found that “[t]his proceeding should address whether Spartan’s forward capacity demonstration is deficient, and, if so, how the resulting capacity charge should be assessed.” June 23 order, p. 5. The Commission directed

Spartan to file a response to the June 23 order on July 1, 2022, and to appear at a prehearing conference before Administrative Law Judge Martin D. Snider (ALJ). To accommodate the statutory and administrative timeframe contained in MCL 460.6w, the Commission indicated that the record should close and briefing should conclude by October 3, 2022, and the Commission would read the record and issue a further order no later than November 7, 2022. June 23 order, p. 6.

On June 30, 2022, Spartan filed its response accompanied by an affidavit, direct testimony, and exhibits. On July 14, 2022, the ALJ conducted a prehearing conference where he granted the petitions to intervene filed by Energy Michigan, Consumers Energy Company (Consumers), and DTE Electric Company (DTE Electric). Spartan and the Commission Staff (Staff) also participated in the proceeding. On August 17, 2022, the ALJ approved a protective order.

On August 15, 2022, the Staff and Consumers filed direct testimony (and the Staff filed a confidential version on August 16 and 19, 2022). On August 31, 2022, Spartan and Energy Michigan filed rebuttal testimony. At a hearing on September 12, 2022, all filed exhibits and testimony were bound into the record and cross-examination was waived.

On September 23, 2022, Spartan, the Staff, DTE Electric, Consumers, and Energy Michigan filed initial briefs, and on October 3, 2022, Spartan, the Staff, and Energy Michigan filed reply briefs. The record consists of 125 pages of testimony and 2 exhibits admitted into evidence.

### Legal Background

Section 6w(8) of Public Act 3 of 1939, as amended by Public Act 341 of 2016 (Act 341), MCL 460.6w(8), requires each electric utility, alternative electric supplier (AES), cooperative electric utility, and municipally-owned electric utility to demonstrate to the Commission, in a format determined by the Commission, that each load serving entity (LSE) owns or has contractual

rights to sufficient capacity to meet its capacity obligations as set by the appropriate independent system operator (ISO), or the Commission, as applicable.<sup>1</sup> This is known as a state reliability mechanism (SRM) capacity demonstration. Regulated electric utilities' capacity demonstration filings are due on or around December 1 each year; AESs', cooperatives', and municipally-owned electric utilities' filings are due by the seventh business day of February each year.

MCL 460.6w(8)(a)-(b).

In the September 15, 2017 order in Case No. U-18197 (September 15 order), the Commission adopted a format for the capacity demonstration filings required by MCL 460.6w(8). Each year, the Commission opens a docket for the purpose of receiving those filings, and sets due dates for both the filings and for the Staff's report providing an analysis of the sufficiency of each LSE's capacity demonstration. In the July 2, 2021 order in Case Nos. U-20886 *et al.* (July 2 order), the Commission opened the docket in Case No. U-21099 for the purpose of receiving the LSEs' capacity demonstrations for the 2025/2026 PY<sup>2</sup> and directed the Staff to file its analysis no later than March 25, 2022.

Section 6w(8)(b) of Act 341 provides, in relevant part, as follows:

If the commission finds an electric provider has failed to demonstrate it can meet a portion or all of its capacity obligation, the commission shall do all of the following:

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<sup>1</sup> MCL 460.6w(12)(a) defines the appropriate ISO as the Midcontinent Independent System Operator, Inc. (MISO).

<sup>2</sup> MCL 460.6w(8)(a) states that, if an SRM is to be established, the Commission shall require each electric utility to demonstrate by December 1 of each year that, "for the planning year beginning 4 years after the beginning of the current planning year" the utility owns or has contractual rights to sufficient capacity to meet its load obligations. MCL 460.6w(8)(b) contains the same requirement for AESs and cooperatives. Thus, the statute requires the capacity demonstrations to address the year that is four years out from the year the capacity demonstrations are required to be filed.

(i) For alternative electric load, require the payment of a capacity charge that is determined, assessed, and applied in the same manner as under subsection (3) for that portion of the load not covered as set forth in subsections (6) and (7).

MCL 460.6w(8)(b)(i). “Electric provider” includes AESs and electric cooperatives.

MCL 460.6w(12)(c)(iii) and (iv). Thus, in the event that an AES cannot make the required capacity showing (or elects not to), Section 6w requires that a capacity charge be assessed, to be determined by the Commission, with the associated capacity for such AES customers provided by the incumbent utility. MCL 460.6w(3), (6)-(8).

Regarding capacity charges, MCL 460.6w(3) provides, in relevant part, as follows:

After the effective date of the amendatory act that added section 6t, the commission shall establish a capacity charge as provided in this section. A determination of a capacity charge must be conducted as a contested case pursuant to chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287, after providing interested persons with notice and a reasonable opportunity for a full and complete hearing and conclude by December 1 of each year. The commission shall allow intervention by interested persons, alternative electric suppliers, and customers of alternative electric suppliers and the utility under consideration. The commission shall provide notice to the public of the single capacity charge as determined for each territory. No new capacity charge is required to be paid before June 1, 2018. The capacity charge must be applied to alternative electric load that is not exempt as set forth under subsections (6) and (7).

Pursuant to this mandate, capacity charges for incumbent utilities have been set in other dockets.<sup>3</sup>

Subsections (6) and (7) of Section 6w read, in relevant part, as follows:

(6) A capacity charge shall not be assessed for any portion of capacity obligations for each planning year for which an alternative electric supplier can demonstrate that it can meet its capacity obligations through owned or contractual rights to any resource that the appropriate independent system operator allows to meet the capacity obligation of the electric provider. . . . The capacity charge in the utility service territory must be paid for the portion of its load taking service from the alternative electric supplier not covered by capacity as set forth in this subsection during the period that any such capacity charge is effective.

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<sup>3</sup> See, [https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/regulatory/electric/Notice\\_to\\_Public\\_Capacity\\_Charges\\_2019.pdf](https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/regulatory/electric/Notice_to_Public_Capacity_Charges_2019.pdf) (accessed September 5, 2022).

(7) An electric provider shall provide capacity to meet the capacity obligation for the portion of that load taking service from an alternative electric supplier in the electric provider's service territory that is covered by the capacity charge during the period that any such capacity charge is effective.

MCL 460.6w(6), (7).

In the September 15 order, the Commission approved the use of show cause proceedings in cases where a capacity demonstration appears to be deficient, finding as follows:

The Commission adopts the review process for evaluating each individual load serving entity's capacity demonstration filings as outlined by the Staff, discussed in this order, and set out in Attachment A. Show cause proceedings shall be initiated if an individual load serving entity does not appear to have sufficient capacity based on the Staff's assessment. Such a proceeding will provide an opportunity for parties to present evidence on whether the electric provider has failed to demonstrate it can meet a portion or all of its capacity obligations, thereby triggering Commission action as set forth in Section 6w(8)(b)(i)-(iii).

September 15 order, p. 48. Regarding the review process, the Commission noted that:

[t]he Staff recommends that it be directed to file a memo in the capacity demonstration docket two weeks after the final demonstrations are filed outlining its findings. A contested case docket, in the form of an order to show cause (show cause), would be opened for any electric provider that has not made a satisfactory demonstration as soon as practicable after the memo is filed, and the case should be completed within six months from the date of opening. The Staff acknowledges that, for the 2018 planning year, this process will not allow any utility to assume capacity obligations in time for the 2018 MISO auction. However, in future years, "Staff opines that decisions from the Commission by September 1 regarding any capacity obligations being transferred to the utility should provide the utility with sufficient time to make arrangements before its next capacity demonstration on December 1, as well as provide a meaningful amount of time for parties to address the issues in the contested case and develop a record for the Commission's decision." [August 1, 2017 Staff] Report, p. 10.

September 15 order, pp. 19-20. Thus, in adopting the Staff's proposed review process, the Commission approved the concept of allowing a three-month window for an LSE to incorporate any transferred capacity obligation into its next capacity demonstration.

On February 9, 2022, Wolverine Power Supply Cooperative, Inc. (Wolverine) filed its capacity demonstration, confidentially, on behalf of its seven members. One of Wolverine's members is Spartan, which is an AES.

On March 25, 2022, the Staff filed the Capacity Demonstration Results Report in Case No. U-21099 (Staff Report) addressing the capacity demonstrations for PY 2025/2026. Case No. U-21099, filing #U-21099-0060. Regarding Spartan's capacity demonstration, the Staff states as follows:

Due to pending changes within MISO LRZ [local resource zone] 7, such as the potential sale of resources and announced retirement of coal fired units, many AESs have reported a tightening of resources in the zone which made procuring needed capacity more difficult than prior years. Spartan Renewables expects to not renew a contract with a 9.4 MW [megawatt] customer in 2025, and it was unable to procure the capacity with its supplier to meet that load. Pursuant to MCL 460.6w, if an electric provider cannot demonstrate capacity by the time of the filing, and another supplier has not provided an affidavit with the capacity to demonstrate for that load, the original supplier would be responsible for the load. This is the first time Staff has encountered an electric provider that is unable to demonstrate adequately for their forward year obligations. While Spartan Renewables did not demonstrate for the load prior to filing, Staff has learned that another supplier anticipates covering Spartan's load later in the year. It is Staff's expectation that Spartan and the new supplier will make supplemental filings later this year to show that the load has been covered. Based on this understanding, Staff does not recommend that the Commission open a show-cause docket at this time but could make this recommendation later if warranted.

Staff Report, p. 10. Spartan thereafter made no supplemental filings addressing the capacity demonstration deficiency (associated with the 9.4 MW customer (the Customer)) described by the Staff. Thus, the Commission issued the June 23 order. In that order the Commission indicated that any incumbent utility potentially affected by Spartan's capacity demonstration should

intervene in this matter. June 23 order, p. 6. Cloverland Electric Cooperative (Cloverland) is the incumbent utility, but chose not to intervene.<sup>4</sup>

#### Spartan Renewable Energy Inc.’s Response

Spartan furnishes some factual background for this matter in its response, supported by the affidavit of Craig Borr, the President and Chief Executive Officer of Spartan. Spartan indicates that it met with the Customer on September 30, 2021, to notify the Customer that it would cease to serve the Customer effective June 1, 2025, because the contract ends on May 31, 2025, and will not be renewed. Spartan followed up with written correspondence dated November 8 and December 15, 2021, providing the same information. Spartan again met with the Customer on January 12, 2022, and again provided written confirmation dated January 14, May 11, and June 29, 2022. Spartan’s response, pp. 4-5. Spartan indicates that the Customer thereafter failed to contract with another AES or arrange to return to bundled service with the incumbent utility.

Spartan notes that in the Staff Report the Staff acknowledged that Spartan was not renewing the contract with the Customer for PY 2025/2026. Put simply, Spartan argues that the plain language of Section 6w(8) requires Spartan to demonstrate that it has arranged for adequate capacity for customers which it is obliged to serve in the relevant PY, meaning all customers with a contract covering the applicable demonstration period. Thus, Spartan argues that the Commission should find that Spartan is not obligated to procure and demonstrate capacity for the Customer beyond May 31, 2025, when the Customer’s contract with Spartan ends. Spartan notes that MCL 460.6w(8)(a) and (b) speak in terms of “capacity obligations,” and thus when an AES

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<sup>4</sup> See, Status of Electric Competition in Michigan Report, February 22, 2022, p. 26, available at: [https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/regulatory/reports/elec-comp/2021\\_Electric\\_Competition\\_Status\\_Feb2022.pdf?rev=81a305f56a744ecd88b08f73e2a59f82](https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/regulatory/reports/elec-comp/2021_Electric_Competition_Status_Feb2022.pdf?rev=81a305f56a744ecd88b08f73e2a59f82) (accessed October 12, 2022).

has no obligation to serve a customer, the law does not require the AES to demonstrate capacity for that customer. Spartan's response, p. 6. Spartan asserts that it notified the Customer that the contract would not be renewed in a timely manner.

Spartan avers that the potential capacity gap is filled by the SRM charge, which acts as a backstop in this situation. Spartan disagrees with the Staff's interpretation of Section 6w as described in the Staff Report, contending that:

Section 6w does not provide that a supplier is responsible for demonstrating capacity for a customer or former customer's load until another supplier files an affidavit. In fact, that section does not contemplate an affidavit at all. . . . Such a perpetual requirement would dramatically exceed the scope of the statute and force suppliers to demonstrate capacity for its own obligations, plus load that they have no obligation, right, or expectation to serve.

Spartan's response, pp. 7-8. Spartan contends that the intent of Section 6w(8) is to ensure that the entity most likely to serve a customer in the PY receives the funding to support that capacity, which, where no AES has indicated an intent to serve, should be the incumbent utility. Further, if the Commission adopts such an affidavit requirement, "customers will have an incentive to only sign short-term contracts, because the customer will know that the AES is forced to demonstrate even after the customer's obligation to pay the AES for that capacity ends." Spartan's response, p. 9. Spartan contends that the only relevant evidence in such a case is a copy of the contract, with an affidavit from the AES indicating there is no new contract and that the customer has been given notice.<sup>5</sup>

Spartan describes the SRM as a safety net created by the Legislature to ensure that capacity will always be available to serve load through the incumbent utility. Defining the SRM, Spartan

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<sup>5</sup> The Commission notes that Spartan did not submit a copy of the Spartan/Customer contract in either Case No. U-21250 or U-21099. However, the Commission is satisfied with the evidence supplied by Spartan regarding the term of the contract in Case No. U-21250.

states that “[u]nder this process, the customer pays the incumbent utility to procure capacity for that customer after its AES contract ends.” Spartan’s response, p. 10. In the present factual scenario, where the Customer has neither returned to full service nor secured the services of another AES, “the Commission should automatically assess and apply the capacity charge, functionally confirming the transfer of the obligation to procure capacity for the applicable year to the provider of last resort,” and “the customer with no contractual obligation to pay an AES for capacity must pay the SRM.” Spartan’s response, p. 10. Spartan notes that Section 6w(6) and (7) both refer to a “portion” of the load, and argues that this evinces an intent by the Legislature to allow load to be divided, such that a portion of an LSE’s load may have its capacity obligation met by an AES and another portion may be supported by an SRM charge paid to the utility.

Noting that Section 6w(6) does not specify who pays the SRM, Spartan argues that under the facts of Case No. U-21250 it should be paid by the Customer, because any other result would shift costs attributable to that customer onto other customers. Spartan asserts that that type of subsidization is exactly what Section 6w was intended to prevent. Spartan argues that “a pro-rata allocation of SRM capacity charges among all of an AES’s customers may negatively impact reliability because such allocation would prevent an AES from passing on the benefits of longer-term capacity contracts to customers that are willing to support those contracts, thereby creating a disincentive for AESs to enter such contracts.” Spartan’s response, p. 12. Spartan states that long-term contractual arrangements benefit the grid, and the company urges the Commission not to shift the costs of the Customer’s inaction “onto customers who have made long-term commitments.” *Id.*, p. 13 (internal citation omitted). Spartan contends that, if it were a rate regulated utility, such a cost shift would be found to be imprudent because the provider has no reasonable expectation that it will serve that customer.

Finally, Spartan concludes that requiring the Customer to pay the SRM to the utility is the only approach that can prevent future gaming of the system. *Id.*, p. 15. Spartan requests that the Commission find that Spartan is in compliance with Section 6w; that the statute does not require an AES to demonstrate capacity for a customer it will not serve in the applicable PY; and that, in this case, the SRM should be assessed by the incumbent utility on the Customer.

#### Direct Testimony

Spartan provided the testimony of Valerie J. M. Brader, an attorney with Rivenoak Law Group, P.C. She begins by stating that she is a legal and policy expert, and that “[t]his is an issue of first impression for the Commission, and my intent is to provide my reading of how the law should be applied in this situation to best advance the policy goals of the statute.” 2 Tr 21.<sup>6</sup>

Ms. Brader explains the SRM and states that it ensures that all electrical load has an entity that is planning to cover that load’s capacity four years into the future. She states that Spartan responsibly notified the Customer in 2021 that its contract would not be renewed and it would not be served by Spartan in the 2025/2026 PY. She offers that the Commission’s decision should not discourage long-term contracts, which would occur if an AES’s other customers were forced to incur a higher capacity charge due to the actions of a single customer. Ms. Brader contends that the obligation to serve flows from the contract. She opines that, where there is no contract, the Commission has indicated that the capacity obligation for the uncovered future years falls upon the current AES. However, she argues, applying this approach to Case No. U-21250 “complicates this situation, because we know that Spartan is the one provider that will *not* serve Customer in the 2025 planning year.” 2 Tr 25 (emphasis in original). Ms. Brader argues that, for a regulated

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<sup>6</sup> All citations to the transcript in this order refer to the public version.

utility, the recovery of costs associated with a service that had no reasonable expectation of continuing would be prohibited. She testifies that:

[t]he best application of the law in this situation -- when a customer does not have a new AES and has not communicated with its utility regarding its intent to return to tariff service in that year -- is to require the customer to pay the SRM to the incumbent utility. It is the incumbent utility that, under the terms of the law, has an obligation and expectation under [sic] to serve that particular customer's capacity needs in that year.

2 Tr 26.

Ms. Brader opines that Section 6w provides four options in the situation where an AES gives notice that it will not serve a current customer three years hence, which are: (1) the customer executes a new contract with the current AES; (2) the customer contracts with a new AES; (3) the customer informs the incumbent utility that it will return to full service; or (4) the customer pays the cost of the utility's capacity through the SRM charge. She states that, under Section 6w(8)(B)(i), in this situation where the fourth option becomes necessary because no AES has an obligation to serve, the "Commission should automatically assess and apply the capacity charge, functionally transferring the obligation to procure capacity for the applicable year to the provider of last resort." 2 Tr 27. Ms. Brader testifies that this action will alert the utility to the existence of this returning customer and will transfer the demonstration obligation to the entity most likely to serve. She further states that this approach will give the customer a clear deadline for finding a provider, which is provided by the Commission's order which must issue after the February demonstration each year.

Ms. Brader testifies that the language of Section 6w(6) does not make clear how the SRM charge is to be allocated, and therefore "the AES and its customers should be allowed to determine what allocation they find most appropriate." 2 Tr 29. She states that there is no statutory basis for requiring a pro-rata allocation to all customers, and she argues that the statute clearly permits the

separation of portions of the load served by the AES. She further notes that various statutes control aspects of the AES/customer relationship, including licensing, billing, and customer service, but no statute mandates how the SRM charge must be applied.

Ms. Brader discusses the November 30, 2017 order in Case No. U-18258 (November 30 order) in which the Commission found that, under MCL 460.6w(8), an SRM charge should be imposed on the choice customers of an AES on a pro-rata basis. She opines that this finding is in error because it would, in Case No. U-21250, result in the Customer being subsidized by the AES's other customers when the uncovered capacity is only associated with the single Customer that remains uncovered. She states that this would thereby discourage entry into long-term contracts, even though long-term contracts are associated with less expensive capacity (either because it is owned by the AES or provided pursuant to a long-term commitment). She opines that requiring an identical capacity charge from all customers could harm overall reliability and states that:

[t]he practical and legal difficulties of the pro-rata rule are especially apparent if the methodology were to be applied more broadly. Consider situations where a single AES serves customers of multiple utilities in the same MISO Zone and has uncovered load. As a result, for a portion of its load, one utility's capacity charge is assessed and for yet another portion, a different utility's capacity charge is assessed. If the Commission required the AES to sum up all its capacity charges and then apply the total capacity cost pro-rata to all its customers, such an application would result in customers paying an SRM capacity charge that is different from the one the statute requires to be applied – perhaps higher, perhaps lower, but decidedly not the SRM they should be assessed statutorily. As this example demonstrates, a pro-rata assessment requirement is inconsistent with the statutory language in certain contexts.

2 Tr 34. Ms. Brader concludes that a pro-rata application of the charge to all of the AES's customers where multiple utility territories are involved would probably violate Section 6w(6). She further states that nothing in the statute prevents a customer from continuing as a choice customer while paying the SRM charge.

Ms. Brader posits that “[t]he AES, which has the best information regarding its contractual arrangements with its customers, should propose the method of allocation of an SRM capacity charge. That method can then be reviewed to ensure compliance with the statute, and if compliant, it should be implemented.” 2 Tr 36. She proposes that the AES make a confidential filing with the Commission suggesting how the SRM charge should be allocated, and, if the proposal is consistent with the statute, it should be approved. Ms. Brader notes that a customer may not be switched to another supplier without its consent, and may not be forced to accept utility service, citing MCL 460.10a(7), (3), and (4). 2 Tr 37. However, she opines, the SRM charge may be assessed without a customer’s consent because it is a statutorily-mandated fee for AES customers which is payable only when the customer is not a fully bundled customer.

The Staff provided the testimony of Jesse J. Harlow, Manager of the Resource Adequacy and Retail Choice Section of the Energy Resources Division at the Commission (at the time of the filing). Mr. Harlow opines that Spartan remains responsible for demonstrating capacity for the Customer until it is shown that another LSE is serving the load and the load is included in another LSE’s peak load contribution (PLC). 2 Tr 59. He notes that, in this case, the Customer has neither returned to full service nor supplied an affidavit showing that another AES will serve the load in the 2025/2026 PY. Mr. Harlow states that the Staff’s opinion regarding the responsible party is based on the September 13, 2018 order in Case No. U-20154 wherein the Commission approved a load switching template to be filed by an AES, and the September 15 order, wherein the Commission found that “the peak demand for the prompt year shall be that which is utilized for the forward capacity requirement.” 2 Tr 60 (quoting the September 15 order, p. 31). Against this background, the Staff opines that the Customer’s load is still included in Spartan’s PLC, making Spartan’s demonstration deficient. Mr. Harlow states that “[i]n the future, Staff suggests that an

AES determine whether or not it intends to serve a customer at least five years in advance, to allow sufficient time for the customer to negotiate a contract or appropriate tariff with a new supplier or incumbent utility prior to the four-year forward demonstration period.” 2 Tr 61.

Mr. Harlow states that this situation is unique, and he notes that Section 6w does not state how the SRM charge is to be applied. He testifies that Commission precedent indicates that the SRM charge may not be assessed on an AES. Mr. Harlow adds that:

[t]he Commission has previously stated “Consumers correctly notes that AESs remain free to contract with their customers in whatever way they wish to mitigate the effect of the capacity charge, when capacity must be supplied by the incumbent utility because the AES has failed to make a satisfactory demonstration.” (November 21, 2017 Order, MPSC Case No. U-18239, page 74). Staff opines that this language supports Spartan’s opinion that the SRM charge should be assessed to a specific customer. This is appropriate in a situation where the actions of the customer have contributed to or caused the capacity shortfall. Alternatively, if the capacity shortfall is due to the actions of the AES, Staff believes that the SRM charge should be assessed to all customers of the AES within the incumbent utility’s service territory on a pro rata basis. This position is supported by the Commission’s statements in its 2017 Orders implementing MCL 460.6w, in which it stated that if an alternative electric supplier “fails to make a satisfactory demonstration regarding its forward capacity obligations pursuant to MCL 460.6w(8), the resulting state reliability mechanism capacity charge shall be levied by [the incumbent utility] on the retail open access customers of that alternative electric supplier on a pro rata basis.” (See MPSC Case Nos. U-18239, U-18248, U-18253, U-18254, and U-18258).

2 Tr 62-63. Thus, he concludes that both methods of allocation may be appropriate under different circumstances. Mr. Harlow asserts that there should be repercussions for an AES that unilaterally drops a customer in a capacity demonstration PY, because otherwise the demonstration process may be gamed.

Mr. Harlow testifies that the Staff has been told that the Customer is negotiating a special contract with the incumbent utility to return to full service in 2025. He recommends that, when that return occurs:

the clock start immediately with respect to MCL 460.10a (1)(c) and that the Commission determine that [the incumbent utility] be allowed to adjust its choice cap to account for this when and if appropriate. Additionally, Staff requests that the Commission order [the incumbent utility] to supplement its Capacity Demonstration filing in U-21099 within 30 days of a final Order in this case. If the customer and [the incumbent utility] are unable to negotiate a special contract within 30 days of a final Order in this case, Staff recommends that the SRM charge be assessed to the customer for the prompt year.

2 Tr 64-65. He notes that in the November 21, 2017 order in Case No. U-18239, p. 63, the Commission found that the SRM charge arising from a show cause proceeding should be applicable for only a single year. In sum, he recommends that: (1) Spartan be found deficient in its capacity demonstration; (2) the Commission should direct that an AES must unilaterally drop a customer no less than five years in advance of the affected demonstration year; (3) the Commission should continue to act swiftly; and (4) the Commission should find that it has the discretion to assess the SRM charge on a particular customer or on all customers of the AES, depending on the facts of the case including consideration of the cause of the shortfall. 2 Tr 66.

Consumers provided the testimony of Kenneth D. Johnston, a Principal Rate Analyst – Lead for Consumers. Mr. Johnston testifies that Consumers agrees with Spartan’s proposal that the SRM charge be applied to the Customer. Like Spartan, he states that Consumers disagrees with the Commission’s conclusion in Case No. U-18239 that the SRM charge should be applied on a pro rata basis to all customers of the AES that fails to demonstrate, because this is an unreasonable result where a single customer’s decisions have led to the imposition of the charge. Mr. Johnston also notes that an AES may serve in multiple utility service territories, and he states that Spartan served AES customers in two utility service territories in 2021. He explains that:

[a] pro rata allocation of the SRM capacity charge to customers in two separate service territories would result in separate and distinct SRM capacity charges being implemented by two separate utilities, while only one of the utilities is the incumbent utility for the customer who will no longer be served by Spartan. Pro rata application of the SRM charge in this circumstance could lead to the excess

planning of capacity by the non-incumbent utility to serve the load of a customer that is not located in its service territory and the inadequate planning of capacity by the incumbent utility to serve the load of a customer that is located in its service territory. Said another way, electric choice customers should not have to pay SRM capacity charges to a non-incumbent utility and non-incumbent utilities should not be responsible for SRM capacity planning costs for a customer that is outside their service territory.

2 Tr 74-75. Finally, Mr. Johnston disagrees with the notion that only the AES should be allowed to propose an SRM charge method, stating that the incumbent utility should also have the ability to propose an allocation method to the Commission for consideration.

### Rebuttal Testimony

On rebuttal, Ms. Brader notes that the Commission's previous orders do not address the cross-utility concerns raised by Mr. Johnston, and again asserts that a pro rata allocation of the charge, even within a single utility territory, would discourage long-term capacity commitments. Ms. Brader opines that the Staff's interest in determining fault is problematic in the situation where a customer does not want to return to utility service and cannot find another AES. She states that the Commission should "determine the appropriate SRM charge allocation in light of the commercial arrangements of the affected customers," and a pro rata allocation should not be the default method. 2 Tr 44. She also argues that a new tariff or a special contract are not necessary prerequisites to the customer returning to service, stating that the desire to return could be communicated and then the utility could pursue procuring capacity while the tariff or contract are negotiated. She opines that six months' notice would be ample time for the utility or AES to be able to incorporate the new customer in its demonstration filing. Ms. Brader states that in her experience AES/customer agreements are often completed in less than six months. 2 Tr 46-47. She testifies that the Staff failed to address the issue of how Spartan would be paid if Spartan is required to demonstrate for the Customer.

Energy Michigan presented the rebuttal testimony of Alexander J. Zakem, an independent consultant. Mr. Zakem's testimony focuses on the requirement contained in MCL 460.11(1) that the Commission set rates based on the cost of providing service to each customer class. He states that Spartan, Consumers, and the Staff all favor imposition of the SRM charge on the Customer, and argues that "the end result would be that Customer X would be assessed a charge for a service precisely on the basis that Customer X has been declared to NOT receive the service. This does not make sense under typical cost-of-service ratemaking. Further, MISO does not place a capacity obligation on individual retail customers." 2 Tr 82 (emphasis in original).

Mr. Zakem calculates that the SRM charge to the Customer would be about \$1.4 million in this case. He testifies that the MISO capacity charge is capped at the cost of new entry (CONE) which is about \$250 per MW-day, and thus "the most that any LSE would have to pay to meet a 9.4 MW capacity requirement is about \$900,000, less than half of the proposed SRM Capacity Charge." 2 Tr 82-83. He contends that such a result would not follow cost of service ratemaking principles. He further notes that a choice customer is not required in 2022 to say who will be its supplier in 2025. He urges the Commission to combine the Section 6w capacity charge requirements with the cost-based rate requirement in a reasonable manner.

Mr. Zakem emphasizes that, in MISO, capacity obligations are satisfied with money and not with capacity contracts. He explains how MISO imposes its capacity obligation on LSEs through the planning reserve margin requirement (PRMR), and the various ways that this obligation may be satisfied. Mr. Zakem argues that Section 6w may be out of step with other constructs. He avers, for example, that the ownership of zonal resource credits (ZRCs) is irrelevant to reliability because:

MISO uses all resources to serve all loads, and has done so since April of 2005.  
MCL 460.6w appears to assume that ownership of a ZRC or ZRC contract by an

LSE in Michigan will maintain or add to reliability in Michigan. This belief has been obsolete since 2005 because MISO allocates all zonal resources to the zone, regardless of ownership or contractual rights to claim ZRCs.

2 Tr 89 (emphasis in original). He opines that understanding that the PRMR is satisfied with money and not with the ownership of ZRCs will allow the Commission to “develop a wider range of solutions to the Spartan situation.” 2 Tr 91 (emphasis in original). Mr. Zakem then explains the differences in the time periods covered by the MISO capacity obligation and the Michigan capacity demonstration and how MISO addresses retail customer switches. He also argues that there are ways in which Section 6w treats customers of AESs, cooperatives, municipal utilities, and electric utilities differently. Mr. Zakem recommends the following:

[A] solution can consider the MISO method with the addition of conditions that enable the customer to simulate a switch in suppliers in the current Planning Year, yet apply the conditions to a future planning year. . . . Therefore, my recommendation is that if a current customer of an AES does not have a contract with any AES in a forward year “FY” covered by the AES’s capacity demonstration obligations and the AES has declared that it is not demonstrating capacity for that customer, then the customer may choose one of three options:

(a) within 90 days after the due date for the capacity demonstrations, present to the Commission an “AES Load Switching Affidavit” from any AES to cover the forward year capacity obligation assigned to that customer. Under this option, the customer will not be required to pay the SRM Capacity Charge.

(b) within 90 days after the due date for the capacity demonstrations, declare to the Commission that the customer will be taking utility service in the forward year at issue. Under this option, the customer will not be required to pay the SRM Capacity Charge.

(c) pay the SRM Capacity Charge.

2 Tr 100-101. Mr. Zakem avers that this strikes the proper balance between customer interests and AES interests.

## Initial Briefs

DTE Electric states that it agrees with the Staff that Section 6w provides the flexibility to look at each case separately. DTE Electric also agrees that advance notice is necessary and that utilities should be involved in establishing the process for assessment of the charge. DTE Electric states that:

[w]hile incumbent utilities would welcome the advanced notice for capacity planning purposes for non-residential customers, if the customer determines that it will seek service with a separate load serving entity prior to the capacity planning year, there is no mechanism to compensate the utility (or separate AES) if it took steps to accommodate the customer. Therefore, the Commission should consider developing remedies for these types of scenarios, such as expanding the Alternative Electric Supplier Load Switching Affidavit approved in the Commission's August 9, 2018 order in U-18441 to include compensation mechanisms if the customer elects a new load serving entity between the signing of the affidavit and the capacity planning year.

DTE Electric's initial brief, p. 3.

Consumers notes that in the November 21, 2017 order in Case No. U-18239 (November 21 order), p. 79, the Commission found that where an AES fails to make a satisfactory demonstration, the SRM charge “shall be levied by [Consumers] on the retail open access customers of that [AES] on a pro rata basis.” Consumers' initial brief, p. 2 (quoting the November 21 order). However, Consumers agrees with the other parties that, in this case, it should be levied on the Customer. Consumers also notes the problems that may arise when an AES serves in multiple utility territories, stating that:

[p]ro-rata application of the SRM capacity charge in this situation would result in at least two negative outcomes: (1) some AES customers would be required to pay the SRM capacity charge to a nonincumbent utility, and (2) a non-incumbent utility would be responsible for SRM capacity planning costs for a customer that is outside of its service territory. 2 TR 74-75. The Commission should avoid this result.

Consumers' initial brief, p. 3. Consumers further argues that the AES's allocation method proposal should not be automatically accepted, but rather the incumbent utility should also be able to propose an allocation method for the Commission's consideration.

Energy Michigan argues that a pro rata charge to all AES customers of the SRM amount is in conflict with the statutory requirement in MCL 460.11(1) that rates be based on the cost to serve, and also requires the Commission to insert its judgement "into the management decisions of an AES without any legal authority to do so." Energy Michigan's initial brief, p. 2. Energy Michigan notes that there is no showing in this case that AES contracts or distribution tariffs would currently allow the assessment of a pro rata share of the SRM charge to all customers, thus necessitating an order from the Commission requiring utilities and AESs to change that language. As for the cost of service issue, Energy Michigan notes that, under such a charge, those customers would be paying for a service that they are not receiving, and contends that "it violates cost of service principles for a distribution-only customer to pay for power supply-related costs under the distribution portion of the tariff." *Id.*, p. 3. Energy Michigan asserts that the Commission lacks statutory authority to impose contract conditions on AESs, citing MCL 460.10a(k)(2), (3).

Energy Michigan further asserts that the AES is not responsible for an entity that is not its customer, because this would violate the plain language of Section 6w(6) which speaks in terms of capacity "obligations." Energy Michigan argues that there is no obligation to provide capacity for an entity that is not under contract with the AES and therefore is not part of the AES's load. Energy Michigan avers that in the November 21 order, pp. 70-77, the Commission already decided that the incumbent utility is responsible for obtaining capacity for entities that cease to take service from an AES. Energy Michigan contends that the November 21 order makes clear that the need

for a pro rata assignment of the SRM charge arises only where an AES has failed to acquire enough capacity to serve its load.

Energy Michigan also argues that an additional cost of service issue arises from potentially charging a bundled customer now and in 2025, as this could result in double charging. Where the customer will actually become a bundled customer four years into the future, Energy Michigan offers the following:

The Commission can require that when a customer of an AES does not have a contract with an AES in a forward year for which that AES must make a demonstration, the customer be given one of three choices:

- (a) Within 90 days after the due date for the capacity demonstrations, present to the Commission an “AES Load Switching Affidavit” from any AES stating that the AES will cover the forward year capacity obligation assigned to that customer. Under this option, the customer will not be required to pay the SRM Capacity Charge;
- (b) Within 90 days after the due date for the capacity demonstrations, declare to the Commission that the customer will be taking utility service in the forward year at issue. Under this option, the customer will be treated as a utility customer and will not be required to pay the SRM capacity charge; or
- (c) Pay the SRM capacity charge, and be returned to utility service when that forward year arrives.

If the customer does not make a choice within 90 days, it will be assigned the SRM capacity charge and returned to utility service, making room for another customer to replace it from the Choice queue, should one exist for that utility, when the contract with its AES expires. See 2 Tr 100-101.

Energy Michigan’s initial brief, pp. 8-9.

In its initial brief, the Staff states that in the September 15 order, p. 31, the Commission found that “the peak demand for the prompt year is the appropriate basis for determining the forward capacity requirement.” Staff’s initial brief, p. 5. On this basis, the Staff posits that the Commission should find that Spartan’s forward capacity demonstration is deficient because no

load switching affidavit has been filed per the requirements of the September 13, 2018 order in Case No. U-20154, p. 5. The Staff notes that Ms. Brader actually explains the merits of the Commission's approach, which prevents gaming the obligation, but also suggests that it does not work in Case No. U-21250. The Staff argues that Spartan has failed to show why this approach should be abandoned in this case. The Staff also contends that imposition of the SRM charge on the Customer, as is advocated by Spartan, still requires a finding that a provider has failed to make its demonstration. The Staff argues that five years should be the minimum amount of time for an AES to provide notice that it intends to discontinue serving a customer.

The Staff argues that, in this situation, the SRM charge should be levied on the Customer. The Staff asserts that MCL 460.6w(8)(b)(i) provides that it may not be assessed on the AES. The Staff explains that it is not asking for implementation of a pro rata charge on all customers in this case, but opines that this should be an option that is available to the Commission within a single service territory, and under particular circumstances. Staff's initial brief, p. 11. The Staff also recommends that the Customer be given time to identify a provider for 2025 and avoid the charge, in particular, time to negotiate a special contract with the incumbent utility, which could be filed with the Commission in Case No. U-21099 within 30 days of the final order in this show cause proceeding. If no such filing is made, the Staff recommends imposition of the capacity charge on the Customer for a single year, and further recommends that "if the customer returns to full bundled service with the incumbent utility in 2025, this change should be reflected in the calculation of, and adjustments to, the cap on AES service at that time as provided in MCL 460.10a(1)(c)." Staff's initial brief, p. 12.

The Staff urges the Commission to allow for additional flexibility in the assessment of capacity charges beyond that adopted in Commission precedent, including the discretion to assess

the charge to a single customer or on a pro rata basis, depending on the facts of the case, which could be determined in the individual show cause proceeding.

As it did in its response and testimony, in its initial brief Spartan notes that MCL 460.6w(8)(a) and (b) speak in terms of “capacity obligations” and argues that, under the plain meaning of those words, Spartan has no obligation to demonstrate for the Customer because it has no contract. Recognizing that the Commission has adopted the affidavit construct, Spartan contends that the statute does not contemplate that “suppliers should be held hostage and forced to demonstrate capacity in perpetuity after a contract ends until another supplier files an affidavit.” Spartan’s initial brief, p. 9. In these circumstances, Spartan posits, the incumbent utility should receive the SRM charge, paid by the Customer, and the Commission should confirm the transfer of that obligation for the applicable year to the provider of last resort (POLR). Spartan urges the Commission to reject the Staff’s approach (applying the affidavit requirement) because, “[i]f a new contractual obligation (of another) is a prerequisite for one AES to stop serving a customer at the end of a contract term, customers will have an incentive to only sign short-term contracts, because the customer will know that the AES will be forced to demonstrate even after the customer’s obligation to pay the AES for that capacity ends.” Spartan’s initial brief, p. 11. Spartan further notes that there is no affidavit requirement in the statute, and argues that the common law of contracts holds that the requirement to provide a service under a contract ceases with the end of the term of the contract.

Spartan also argues that it is unnecessary to adopt a five-year warning period because the contract itself performs this function by stipulating when the contract term ends. Spartan contends that it is not feasible to expect a new tariff and new special contract to have been negotiated and signed before requiring the POLR to make a demonstration for the unserved customer. Spartan

avers that AES contracts are often for four years, and argues that it gave more than sufficient notice to the Customer. Spartan further posits that requiring the company to procure capacity for a customer that has no obligation to pay for that capacity is an unconstitutional taking of Spartan's property without just compensation under the Michigan Constitution.

Returning to the plain language of the statute, Spartan notes that MCL 460.6w(6) and (7) speak of charging an SRM charge for a "portion" of the load, and argues that the statute otherwise contains no mandate regarding the method of allocation of the SRM charge. Spartan argues that there is no statutory basis for a pro rata allocation to all of the AES's customers in this situation, and that the Customer should pay the charge to the entity that is most likely to serve, the POLR. Spartan asserts that this will promote reliability by also promoting the use of long-term contracts. Spartan argues that this would also avoid an outcome that subsidizes one customer at the expense of all of the other customers, and would avoid issues arising from having multiple utilities in the AES's service territory.

### Reply Briefs

In its reply, Spartan argues that Energy Michigan's approach "could create an incentive for unscrupulous AESs to enter short-term contracts to avoid having to **ever** demonstrate capacity for customers they may either likely serve or know they plan to serve for that relevant planning year." Spartan's reply brief, p. 2 (emphasis in original). In reply to the Staff, Spartan argues that the Staff's approach presented the opposite problem, because it "incentivizes customers to avoid a new contract with their AES knowing that the Commission would compel the AES to provide capacity to that customer without requiring compensation." *Id.* Spartan argues that the Staff's approach would reward customers who choose not to seek a new supplier with free capacity, and would mean that an AES cannot cease serving under a contract until an affidavit is filed, which is an

extra-contractual requirement controlled by a third party. Spartan again contends that the AES's evidence showing that it is not renewing the contract should be sufficient and argues that this approach balances the incentives between the AES and the customer.

Spartan states that it supports the general rule that, where an AES has not given notice that it does not intend to serve, that AES should be assigned the capacity obligation. But Spartan argues that there should be exceptions to that rule, such as in this case, because otherwise customers will be incentivized to enter only short-term agreements. Spartan argues that six months' notice (six months prior to the date that the capacity demonstration is due) should be adequate, citing Ms. Brader's testimony at 2 Tr 46-47. Spartan maintains that this will incentivize the customer to negotiate a new contract "rather than hoping for free capacity." Spartan's reply brief, p. 5.

In its reply, Energy Michigan argues that the Staff's approach turns the AES into the POLR when the customer refuses to contract for its future supply, and this is not how Section 6w was intended to work. Energy Michigan contends that the Staff's approach also shifts the burden of the Customer's inaction onto the AES and the remaining customers, who have "no control over the situation." Energy Michigan's reply brief, p. 3. Energy Michigan asserts that its approach would prevent gaming by making it clear that the customer would lose its position in the queue and be returned to bundled service. Energy Michigan further notes that "[i]f that charge is assessed in the current year, and the customer returns to utility service and pays full retail rates in four years, then the customer will have paid twice for that capacity service," whether it is characterized as a penalty or not. *Id.*, p. 4, n. 8.

Turning to the Staff's recommendation of a five-year advance warning period, Energy Michigan argues that adoption of this requirement would insert the Commission into the contractual negotiations between the AES and its customers and the Commission has no statutory

jurisdiction. Energy Michigan also notes that other factual scenarios are not before the Commission and should not be addressed.

In its reply, the Staff contends that Section 6w clearly requires the Commission to create capacity obligations, and thus, where no other provider has arranged to provide service, Spartan is still the provider responsible for demonstrating capacity for the Customer through PY 2025/2026 under MCL 460.6w(6) and (8)(b) and the Commission's previous orders. Staff's reply brief, p. 3. The Staff contends that the approaches advocated by both Spartan and Energy Michigan call for no finding that Spartan's capacity demonstration was deficient and this result is inconsistent with the statute. The Staff asserts that it has not argued that Spartan should be required to provide capacity without payment. The Staff further argues that assessment of the SRM charge on a pro rata basis to all AES customers, under certain circumstances, would not violate cost of service principles, noting that "capacity planning is performed on an aggregate basis and specific resources are not assigned to specific customers." *Id.*, pp. 7-8. However, the Staff notes that in Case No. U-21250 it supports assessment of the charge on the Customer.

### Discussion

With respect to the question of the sufficiency of Spartan's demonstration, the Commission finds that the Staff is correct. Section 6w(8)(b) provides that, by the seventh business day of February each year, the Commission must require each AES and electric cooperative to file a capacity demonstration for the PY beginning four years after the beginning of the current PY, showing that the AES or cooperative can meet "its capacity obligations as set by the appropriate independent system operator, or commission, as applicable." MCL 460.6w(8)(b). Section 6w(8)(c) provides that, where it is necessary to establish an SRM, the Commission shall:

[i]n order to determine the capacity obligations, request that the appropriate independent system operator provide technical assistance in determining the local

clearing requirement and planning reserve margin requirement. If the appropriate independent system operator declines, or has not made a determination by October 1 of that year, the commission shall set any required local clearing requirement and planning reserve margin requirement, consistent with federal reliability requirements.

MCL 460.6w(8)(c). In the September 15 order, and in capacity demonstration orders since that time, the Commission has affirmed that the provider's capacity obligation is the "Aggregate PLC of the LSE in the [current PY]\*(PRM [planning reserve margin] UCAP [unforced capacity])." September 15 order, Attachment A, p. 2 (internal citation omitted). The PLC for the current year was selected because AESs do not forecast load into the future, and the status of potential load-switching as well as contractual arrangements between customers and AESs may not be certain at the time of the forward capacity demonstration. Again, as stated in the most recent capacity demonstration order:

[f]or LSEs provided a peak load contribution (PLC) value from their Energy Distribution Company (EDC), their capacity obligation to meet shall be their PLC, if it already includes transmission losses, and PRM UCAP percent adjustments. . . . These PLC determinations will ultimately drive the total amount of capacity obligation that an Alternative Electric Supplier (AES) will be required to meet in its annual demonstration before the Commission.

June 23, 2022 order in Case Nos. U-21099 *et al.*, Attachment A, p. 1. This description, going back to 2017, should have alerted Spartan that its capacity demonstration would be found deficient if it did not comport with the requirements of Section 6w(8)(c) and the Commission's orders. As Spartan knows, the PLC is determined without regard to forward contracts.

The Commission's finding (that Spartan's capacity demonstration is deficient) simply conforms to the statutory framework embodied in Section 6w. That framework dictates that the Customer's load is still included in Spartan's PLC. However, Spartan is correct regarding the common law of contracts. Proof of a new contractual obligation (such as the filing of an affidavit) is not a prerequisite to discontinuing service when an AES and a customer have a contract in place

and the term of that contract comes to an end. The statute requires a showing that the capacity has been planned for; it does not require that the capacity be provided at no cost to the customer that uses that capacity. The Commission shares the parties' concern regarding the potential chilling effect on contracts of longer length. The Commission has no interest in interfering in AES/customer contracts and finds that the Legislature, in crafting Section 6w, intended no such interference. However, as Spartan's witness explains, the SRM is designed to ensure that "all electrical load has an entity planning four years in the future to ensure capacity is available to support that load." 2 Tr 22. That is how the capacity demonstration construct in Section 6w is designed, and the Commission finds that the determination of a deficiency in Case No. U-21250 is mandated by that construct.

However, the Commission is not persuaded that the SRM charge should be automatically imposed upon a finding of a deficiency. Rather, the Commission finds merit in the approved process of commencing show cause proceedings. As this case so aptly illustrates, the show cause process allows for a case-by-case determination regarding the finding of deficiency, the assessment of the SRM charge, and the allocation and timing of the SRM charge.

The Commission does not currently find it necessary to rule on the remaining issues, in a case where those rulings are unlikely to be carried out. While the record contains references to the fact that Cloverland and the Customer are in negotiations, the Commission currently has no evidence of an agreement specific to the 2025/2026 PY. Thus, the Commission finds it prudent to require Cloverland to supplement its most recent capacity demonstration filed in Case No. U-21099 within 30 days of the date of this order.<sup>7</sup> The Commission will issue an additional order on December 9,

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<sup>7</sup> Cloverland is a member-regulated cooperative, but remains under the Commission's jurisdiction for purposes of the SRM capacity demonstration. MCL 460.6w(8), (9), (12)(c)(iii).

2022, and, if necessary, that order will address the assessment and allocation of the SRM charge pursuant to Section 6w(8)(b). The Commission observes that Cloverland's next capacity demonstration filing is due in Case No. U-21225 on or about February 9, 2023.

THEREFORE, IT IS ORDERED that:

A. The capacity demonstration filed by Spartan Renewable Energy, Inc., in Case No. U-21099 does not demonstrate sufficient capacity for Spartan Renewable Energy, Inc.'s peak load contribution in the 2025/2026 planning year.

B. Cloverland Electric Cooperative shall supplement its capacity demonstration filed in Case No. U-21099 no later than 5:00 p.m. (Eastern time) on November 28, 2022.

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](mailto:mpscedockets@michigan.gov) and to the Michigan Department of Attorney General - Public Service Division at [pungpl@michigan.gov](mailto: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

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Daniel C. Scripps, Chair

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Tremaine L. Phillips, Commissioner

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Katherine L. Peretick, Commissioner

By its action of October 27, 2022.

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Lisa Felice, Executive Secretary


# PROOF OF SERVICE

STATE OF MICHIGAN )

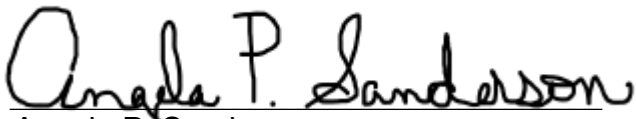
Case No. U-21250 *et al.*

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on October 27, 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 27<sup>th</sup> day of October 2022.



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

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**Service List for Case: U-21099**

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Citizens Gas Fuel Company  
Consumers Energy 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)  
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