

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-21318
MICHIGAN GAS UTILITIES CORPORATION)	
to fully comply with Public Act 295 of 2008,)	
as amended by Public Act 342 of 2016.)	
_____)	

At the July 26, 2023 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 15, 2023, Michigan Gas Utilities Corporation (MGUC) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its energy waste reduction costs and revenues for the 12-month period ended December 31, 2022. On April 4, 2023, MGUC filed a revised application. On June 12, 2023, MGUC filed its 2022 Efficiency United Annual Report.

A prehearing conference was held on May 11, 2023, before Administrative Law Judge Katherine E. Talbot. The Commission Staff and MGUC participated in the proceedings. 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 the settlement agreement, attached as Exhibit A, is approved.

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

Katherine L. Peretick, Commissioner

I abstain.

Alessandra R. Carreon, Commissioner

By its action of July 26, 2023.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
MICHIGAN GAS UTILITIES CORPORATION)	Case No. U-21318
for authority to reconcile its 2022 energy waste reduction)	
<u>plan costs and revenues.</u>)	

SETTLEMENT AGREEMENT

As provided in § 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and Rule 431 of the Michigan Administrative Hearing System’s Administrative Hearing Rules, 2015 AC, R 792.10431, Michigan Gas Utilities Corporation (“MGUC”) and the Michigan Public Service Commission Staff (“Staff”) hereby agree as follows:

1. On March 15, 2023, MGUC filed with the Michigan Public Service Commission (“Commission”) an application, along with the testimony and exhibits of its witness Shannon L. Burzycki, to reconcile its Energy Waste Reduction (“EWR”) plan revenues and costs for the 12-month period ended December 31, 2022. On April 4, 2023, MGUC filed its Revised Application, and on June 12, 2023, MGUC filed the 2022 Efficiency United Annual Report.

2. On April 11, 2023, the Commission’s Executive Secretary issued a Notice of Hearing directing MGUC to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its Michigan service area, as well as to intervenors in Case Nos. U-20882 and U-20718. The Commission further directed MGUC to publish the Notice of Hearing in newspapers of general circulation throughout its service area. As directed, MGUC filed

with the Commission the requisite proofs of publication and mailing prior to the prehearing conference.

3. On May 11, 2023, Administrative Law Judge Katherine Talbot presided over a prehearing conference in this matter. Staff entered its Appearance. There were no intervenors.

4. Staff completed a financial audit of the 2022 plan year collections and costs reconciliation. Staff tested the general ledger accounts for surcharge revenue and payments to the state-selected EWR program administrator, Efficiency United, to the numbers in the case. The Company, through the services of Efficiency United, exceeded the legislative EWR target. Staff also sampled bill copies of customers to ensure the appropriate surcharges were billed to specific customer rate classes.

5. After the prehearing conference, the parties have engaged in settlement discussions and, as a result, have reached agreement on all of the issues in this case. The parties to this settlement agreement agree as follows:

- a. The total 2022 payment of \$3,214,734 to the Independent Program Administrator satisfies the requirements of MCL 460.1091(1);
- b. The proposed reconciliation of 2022 EWR revenues and costs should be approved by the Commission and the resulting net over-recovery is \$223,351, inclusive of the prior period over-recovery and interest through December 31, 2022; and
- c. The 2022 EWR net over-recovery of \$223,351 shall be rolled into the beginning balance of MGUC's 2023 EWR reconciliation.

6. All of the signatories are of the opinion that this settlement agreement is reasonable, in the public interest and will aid the expeditious conclusion of this case.

7. This settlement agreement is intended to be a final disposition of this proceeding, and the parties join in respectfully requesting that the Commission grant prompt approval. The parties agree not to appeal, challenge, or contest the Commission's order accepting and approving this settlement agreement without modification. If the Commission does not accept the settlement agreement without modification, the agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

8. This settlement agreement has been made for the sole and express purpose of settling this case, and all discussions relating hereto are and shall be privileged and shall not be used in any manner or be admissible for any other purpose in connection with this proceeding or any other proceeding hereof. This settlement agreement does not constitute precedent in any other case or proceeding. Without limiting the generality of the foregoing, this settlement agreement shall not constitute *res judicata* or collateral estoppel as to any issue. Neither the parties to the settlement nor the Commission shall use this settlement agreement or the order approving it, as precedent in any case or proceeding; provided however, reference to Paragraph 5 may be made to enforce or implement the provisions thereof in subsequent EWR proceedings.

9. The parties agree to waive Section 81 of the APA of 1969, as amended, MCL 24.281, as it applies to this proceeding, if the Commission approves this settlement agreement without modification.

MICHIGAN GAS UTILITIES CORPORATION

Dated: July 11, 2023

Sherri Wellman

Digitally signed by: Sherri Wellman
DN: CN = Sherri Wellman email =
wellmans@millercanfield.com C = AD O = Miller
Canfield
Date: 2023.07.11 10:58:38 -04'00'

By: _____

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF



Dated: July 11, 2023

By: _____

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40799012.1/131120.00107


PROOF OF SERVICE

STATE OF MICHIGAN)

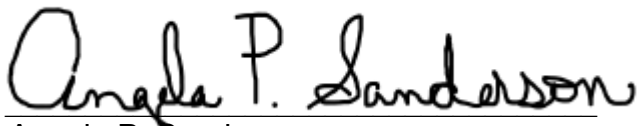
Case No. U-21318

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 26, 2023 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 26th day of July 2023.



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

Service List for Case: U-21318

Name	On Behalf of	Email Address
Katherine Talbot	ALJs - MPSC	talbotk@michigan.gov
Michigan Gas Utilities Corporation (MGU)	Michigan Gas Utilities Corporation (MGU)	mike.baker@michigangasutilities.com
Monica M. Stephens	MPSC Staff	stephensm11@michigan.gov
Sherri A. Wellman	Michigan Gas Utilities Corporation (MGU)	wellmans@millercanfield.com

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Cherryland Electric Cooperative
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City of Escanaba
City of Gladstone
City of Marshall
City of Portland
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Cloverland
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Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
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Realgy Corp.

Realgy Energy Services

Santana Energy

Santana Energy

Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)

Stephenson Utilities Department

Superior Energy Company

Texas Retail Energy, LLC

Thumb Electric Cooperative

Upper Michigan Energy Resources Corporation

Upper Peninsula Power Company

Upper Peninsula Power Company

Village of Baraga

Village of Clinton

Volunteer Energy Services

Wabash Valley Power

Wolverine Power

Wood, Amanda

Xcel Energy

Xcel Energy