

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-21320
ALPENA POWER COMPANY to fully comply with)	
Public Act 295 of 2008, as amended by Public)	
Act 342 of 2016.)	
_____)	

At the December 1, 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 June 30, 2023, Alpena Power Company (Alpena) filed an application, with supporting testimony and exhibits, seeking authority to implement its 2024-2025 energy waste reduction plan in accordance with Public Act 295 of 2008, MCL 460.1001 *et seq.*

A prehearing conference was held on August 15, 2023, before Administrative Law Judge Lesley C. Fairrow (ALJ), at which the ALJ acknowledged the Michigan Department of Attorney General's notice of intervention. Alpena 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. Within 30 days of implementation of a surcharge, Alpena Power Company shall file in this docket a tariff sheet substantially similar to that attached 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 requirements 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 Highway, Lansing, Michigan 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of December 1, 2023.

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) **Case No. U-21320**
ALPENA POWER COMPANY to fully comply with)
Public Act 295 of 2008, as amended by Public)
Act 342 of 2016.)
_____)

SETTLEMENT AGREEMENT

Alpena Power Company ("Alpena"), by and through its attorney, Timothy M. Gulden, the Michigan Public Service Commission Staff ("Staff"), by and through its attorney, Assistant Attorney General Michael J. Orris, and Michigan Attorney General Dana Nessel, by and through her attorney, Assistant Attorney General Michael E. Moody, hereby present this Settlement Agreement in resolution of the above matter:

RECITALS:

A. Pursuant to the December 21, 2022, Order issued in Case No. U-21320 et al., on June 30, 2023, Alpena filed with the Michigan Public Service Commission ("the Commission") its Application, along with supporting testimony and exhibits, seeking authority to implement its 2024-2025 Energy Waste Reduction ("EWR") plan in accordance with 2008 PA 295, MCL

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460.1001 *et seq.* ("Act 295"), as amended by Public Act 342 of 2016 ("Act 342").

B. On July 7, 2023, the Commission's Executive Secretary issued the Notice of Hearing setting this matter for a prehearing Conference on August 15, 2023. Pursuant to the Commission's directive, Alpena mailed a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its service area, and published the Notice of Hearing in a daily newspaper of general circulation within its service area. On August 15, 2023, Alpena electronically filed the requisite proofs of mailing and publication.

C. On August 4, 2023, Michigan Attorney General Dana Nessel filed a Notice of Intervention in the present case, and Assistant Attorney General Michael E. Moody filed his appearance as attorney for Michigan Attorney General Dana Nessel.

D. In response to the filing, Staff thoroughly reviewed the Company's filing, including the direct testimony and exhibits of the Company's witnesses. Staff accepts that the election to participate in the State EWR Plan Administrator program, Efficiency United, is reasonable. The result of that review resulted in settlement discussions.

E. Assistant Attorney General Michael J. Orris, Alpena's attorney, Timothy M. Gulden, and Assistant Attorney General Michael E. Moody participated by video/teleconferencing in the August 15, 2023, prehearing conference conducted by Administrative Law Judge Lesley Fairrow, who reviewed the status of the case and created a case schedule. In addition, Judge Fairrow granted intervenor status to Michigan Attorney General Dana Nessel.

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

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1. Alpena's energy waste reduction plan, to continue to make alternative compliance payments to Efficiency United ("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.

2. Alpena shall, on behalf of its customers, pay the EWR state administrator, EU, \$558,164 in equal amounts for 2024 and \$582,878 in equal amounts for 2025. These costs will include implementation of programs for residential, commercial, low-income customers, education, and pilot programs. As the 2025 payments are based on estimated annual revenue for 2023, the actual payments will be determined, and if needed, adjusted to reflect costs based on actual revenues. In addition, Alpena's self-directed customers will be obliged to pay a low-income payment of \$13,947 for 2024 and \$11,273 for 2025.

3. The energy savings target to be achieved by EU for Alpena's 2024 and 2025 program years will be 1.3% of Alpena's 3-year average historical sales. As such, the electric energy savings target for 2024 will be 2,509 MWh (4,095 MWh inclusive of self-direct customer savings) and for 2025 will be 2,492 MWh (3,991 inclusive of self-direct customer savings).

4. The proposed EWR surcharges incorporated into the tariff sheet attached hereto as Attachment 1 reflect the customer contributions to the EU as described above in paragraph 2, and include an estimated collection of \$32,711 for 2024 and \$34,357 for 2025 to address the estimated under recovery balance at the beginning of 2024 of (\$61,438), and should be approved for bills rendered after the first billing month following Commission approval of the

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Settlement Agreement.

5. Any under or over recovery of funds will be rolled into subsequent plan years.

6. Alpena will continue to file its annual energy waste reduction cost reconciliation proceedings as required by Act 295 on those dates as mandated by the Commission.

7. Alpena will continue to accommodate self-directed energy waste reduction plans for eligible electric customers. Alpena currently has two such customers. In the future should any other customer be eligible for and elect to self-direct, Alpena would notify the customer of their obligations under a self-directed energy waste reduction program and accordingly adjust Alpena's revenue requirements in subsequent applications.

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

9. This Settlement Agreement will become binding upon the parties only if the Commission accepts and approves the same without modification. If the Commission does not approve this Settlement Agreement without modification, this Agreement shall be withdrawn and shall not constitute any part of the record in the proceeding or be used for any purpose whatsoever.

10. This Settlement Agreement has been made for the sole and express purpose of reaching a compromise that promotes administrative efficiency and is without prejudice to the rights of the parties to take new or different positions in other proceedings. All offers of settlement and discussions relating to this Agreement shall be considered privileged under MRE

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408. If the Commission approves this Agreement without modification, the parties shall make no reference to or use of this 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 reference or use may be made to enforce the Settlement Agreement and the order approving it.

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

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ALPENA POWER COMPANY

Timothy
M. Gulden

Digitally signed by Timothy M.
Gulden
DN: cn=Timothy M. Gulden,
o=Bauer, Florip & Wojda PLC, ou,
email=tmgulden@bflawfirm.co
m, c=US
Date: 2023.11.09 10:28:29 -05'00'

By: Timothy M. Gulden (P41232)
Its: Attorney
Gillard, Bauer, Mazrum, Florip,
Smigelski & Gulden
109 E. Chisholm Street
Alpena, MI 49707
(989) 356-3444

MICHIGAN PUBLIC SERVICE COMMISSION

Michael J. Orris
 2023.11.08
11:23:17 -05'00'

By: Michael J. Orris (P51232)
Assistant Attorney General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917
(517) 284-8140

ATTORNEY GENERAL DANA NESSEL

Michael E.
Moody

Digitally signed by
Michael E. Moody
Date: 2023.11.08
14:04:06 -05'00'

By: Michael E. Moody (P51985)
Assistant Attorney General
Special Litigation Division
Sixth Floor Williams Bldg.
525 W. Ottawa Street
P.O. Box 30755
Lansing, MI 48909
(517) 335-7627

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**ATTACHMENT 1
TO SETTLEMENT AGREEMENT**

MPSC CASE No. U-21320

SETTLEMENT AGREEMENT
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SURCHARGES
(continued from Sheet D-4.90)

Rate Schedule	<u>Energy Waste</u>	<u>Distribution</u>	<u>Total</u>
	<u>Reduction Surcharge</u>	<u>Charge</u>	
	<u>Effective January 2025</u>	<u>for all Residential</u>	<u>Distribution Charge</u>
	<u>Bill Month</u>	<u>Rate Schedules</u>	
Residential	<i>\$0.00341/kWh</i>	<i>\$0.06354/kWh</i>	<i>\$0.06695/kWh</i>
Rate Schedule		<u>Customer Charge</u>	<u>Total Customer Charge</u>
General Service	<i>\$3.01/meter/month</i>	\$7.00/month	<i>\$10.01/month</i>
Standard Power	<i>\$48.32/meter/month</i>	\$30.00/month	<i>\$78.32/month</i>
Large Power (less than 13,200 volts)	<i>\$434.67/meter/month</i>	\$100.00/month	<i>\$534.67/month</i>
Large Power (13,200 volts or higher)	<i>\$434.67/meter/month</i>	\$100.00/month	<i>\$534.67/month</i>
Large Industrial (13,200 volts or lower)	<i>\$1,912.33/meter/month</i>	\$400.00/month	<i>\$2,312.33/month</i>
Large Industrial (higher than 13,200 volts)	<i>\$0.00/meter/month</i>	\$400.00/month	<i>\$400.00/month</i>
Large Industrial (>13,200 volts-Self Direct)	<i>\$226.67/meter/month</i>	\$400.00/month	<i>\$626.67/month</i>
Outdoor Protective Lighting (100 watt)	<i>\$0.29/light/month</i>	NA	<i>\$0.29/light/month</i>
Outdoor Protective Lighting (250 watt)	<i>\$0.50/light/month</i>	NA	<i>\$0.50/light/month</i>
Street & Highway Lighting	<i>\$0.30/light/month</i>	NA	<i>\$0.30/light/month</i>
Special Power Contracts (Self Direct)	<i>\$712.75/meter/month</i>	\$600.00/month	<i>\$1,312.75/month</i>

Issued XXX,XX,XXXX by
Kenneth A. Dragiewicz, President
Alpena, MI 49707

Effective for services rendered on
and after January 1, 2025

Issued under authority of the
Michigan Public Service Commission
dated, December 22, 2022 in Case U-
21045 and XXX, XX, XXXX in Case U-
21320


PROOF OF SERVICE

STATE OF MICHIGAN)

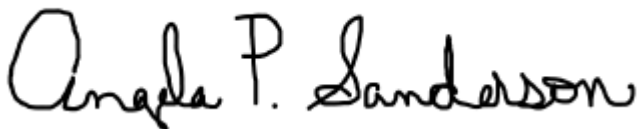
Case No. U-21320

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on December 1, 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 1st day of December 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-21320

Name	On Behalf of	Email Address
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Lesley C. Fairrow	ALJs - MPSC	fairrowl1@michigan.gov
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Timothy M. Gulden	Alpena Power Company	tmgulden@bfwlawfirm.com

GEMOTION DISTRIBUTION SERVICE LIST

kabraham@mpower.org
mkuchera@AEPENERGY.COM
mfurmanski@algerdelta.com
kd@alpenapower.com
kerrmann@atcllc.com
acotter@atcllc.com
cityelectric@BAYCITYMI.ORG
rbishop@BISHOPENERGY.COM
braukerL@MICHIGAN.GOV
cherie.fuller@bp.com
greg.bass@calpinesolutions.com
Ichappelle@potomaclaw.com
tanderson@cherrylandelectric.coop
frucheyb@DTEENERGY.COM
crystalfallsmgr@HOTMAIL.COM
gpirkola@escanaba.org
mpolega@GLADSTONEMI.COM
ttarkiewicz@CITYOFMARSHALL.COM
ElectricDept@PORTLAND-MICHIGAN.ORG
cwilson@cloverland.com
mheise@cloverland.com
todd.mortimer@CMSENERGY.COM
sarah.jorgensen@cmsenergy.com
Michael.torrey@cmsenergy.com
CANDACE.GONZALES@cmsenergy.com
mpsc.filings@CMSENERGY.COM
mpsc.filings@CMSENERGY.COM
david.fein@CONSTELLATION.COM
kate.stanley@CONSTELLATION.COM
kate.fleche@CONSTELLATION.COM
lpag@dickinsonwright.com
info@dillonpower.com
Neal.fitch@nrg.com
Kara.briggs@nrg.com
Ryan.harwell@nrg.com
mpscfilings@DTEENERGY.COM
adella.crozier@dteenergy.com
karen.vucinaj@dteenergy.com
customerservice@eligoenergy.com
ftravaglione@energyharbor.com
rfawaz@energyintl.com
sejackinchuk@varnumlaw.com
customer care@plymouthenergy.com

Abraham, Katie - MMEA
AEP Energy
Alger Delta Cooperative
Alpena Power
American Transmission Company
American Transmission Company
Bay City Electric Light & Power
Bishop Energy
Brauker, Linda
bp Energy Retail Company, LLC
Calpine Energy Solutions
Chappelle, Laura
Cherryland Electric Cooperative
Citizens Gas Fuel Company
City of Crystal Falls
City of Escanaba
City of Gladstone
City of Marshall
City of Portland
Cloverland
Cloverland
CMS Energy
Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
Constellation Energy
Constellation Energy
Constellation New Energy
Dickinson Wright
Dillon Power, LLC
Direct Energy
Direct Energy
Direct Energy
DTE Energy
DTE Energy
DTE Energy
Eligo Energy MI, LLC
Energy Harbor
Energy International Power Marketing d/b/a PowerOne
Energy Michigan
ENGIE Gas & Power f/k/a Plymouth Energy

GEMOTION DISTRIBUTION SERVICE LIST

felice@MICHIGAN.GOV	Felice, Lisa
bgorman@FIRSTENERGYCORP.COM	First Energy
phil@allendaleheating.com	Forner, Phil
dburks@glenergy.com	Great Lakes Energy
slamp@glenergy.com	Great Lakes Energy Cooperative
sculver@glenergy.com	Great Lakes Energy Cooperative
lrgustafson@CMSENERGY.COM	Gustafson, Lisa
jhammel@hillsdalebpu.com	Hillsdale Board of Public Utilities
coneill@homeworks.org	HomeWorks Tri-County Electric Cooperative
psimmer@HOMEWORKS.ORG	HomeWorks Tri-County Electric Cooperative
mgobrien@aep.com	Indiana Michigan Power Company
dan@megautilities.org	Integrays Group
daustin@IGSENERGY.COM	Interstate Gas Supply Inc
general@itctransco.com	ITC Holdings
kadarkwa@itctransco.com	ITC Holdings
igoodman@commerceenergy.com	Just Energy Solutions
krichel@DLIB.INFO	Krichel, Thomas
dbodine@LIBERTYPOWERCORP.COM	Liberty Power
ham557@GMAIL.COM	Lowell S.
tlundgren@potomaclaw.com	Lundgren, Timothy
jreynolds@MBLP.ORG	Marquette Board of Light & Power
suzy@megautilities.org	MEGA
dan@megautilities.org	MEGA
mmann@USGANDE.COM	Michigan Gas & Electric
shannon.burzycki@wecenergygroup.com	Michigan Gas Utilities Corporation
mrzwiars@INTEGRYSGROUP.COM	Michigan Gas Utilities/Upper Penn Power/Wisconsin
kabraham@mpower.org	Michigan Public Power Agency
JHDillavou@midamericanenergyservices.com	MidAmerican Energy Services, LLC
JCAltmayer@midamericanenergyservices.com	MidAmerican Energy Services, LLC
LMLann@midamericanenergyservices.com	MidAmerican Energy Services, LLC
dave.allen@TEAMMIDWEST.COM	Midwest Energy Cooperative
bob.hance@teammidwest.com	Midwest Energy Cooperative
kerri.wade@teammidwest.com	Midwest Energy Cooperative
Marie-Rose.Gatete@teammidwest.com	Midwest Energy Cooperative
meghan.tarver@teammidwest.com	Midwest Energy Cooperative
d.motley@COMCAST.NET	Motley, Doug
rarchiba@FOSTEROIL.COM	My Choice Energy
customerservice@nordicenergy-us.com	Nordic Energy Services, LLC
karl.j.hoesly@xcelenergy.com	Northern States Power
esoumis@ontorea.com	Ontonagon County Rural Elec
mpauley@GRANGERNET.COM	Pauley, Marc
mmpeck@fischerfranklin.com	Peck, Matthew
bschlansker@PREMIERENERGYLLC.COM	Premier Energy Marketing LLC

GEMOTION DISTRIBUTION SERVICE LIST

MVanschoten@pieg.com

johnbistranin@realgy.com

BusinessOffice@REALGY.COM

mvorabout@ses4energy.com

rabaey@SES4ENERGY.COM

cborr@WPSCI.COM

kmarklein@STEPHENSON-MI.COM

kay8643990@YAHOO.COM

regulatory@texasretailenergy.com

bessenmacher@tecmi.coop

vickie.nugent@wecenergygroup.com

jlarsen@upppo.com

estocking@upppo.com

vobmgr@UP.NET

info@VILLAGEOFCLINTON.ORG

jeinstein@volunteerenergy.com

leew@WVPA.COM

tking@WPSCI.COM

Amanda@misostates.org

Deborah.e.erwin@xcelenergy.com

Michelle.Schlosser@xcelenergy.com

Presque Isle Electric & Gas Cooperative, INC

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