

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions	)	
determinations, and/or approvals necessary for	)	Case No. U-21327
<b>MICHIGAN GAS UTILITIES CORPORATION</b> 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 28, 2023, Michigan Gas Utilities Corporation (MGUC) filed its application, along with supporting testimony and exhibits, seeking authority to implement its biennial 2024-2025 energy waste reduction plan, reflective of alternative compliance payments to the state administrator, Efficiency United.

On August 17, 2023, a prehearing conference was held before Administrative Law Judge Katherine E. Talbot (ALJ), at which the ALJ acknowledged the intervention of the Michigan Department of Attorney General. MGUC and the Commission Staff also participated in the proceeding. On November 7, 2023, the parties filed 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](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 Highway, Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

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Alessandra R. Carreon, Commissioner

By its action of December 1, 2023.

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Lisa Felice, Executive Secretary

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<b>MICHIGAN GAS UTILITIES CORPORATION</b> to	)	
fully comply with Public Act 295 of 2008, as	)	Case No. U-21327
amended by Public Act 342 of 2016.	)	
_____	)	

**SETTLEMENT AGREEMENT**

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

1. Pursuant to the December 21, 2022 Order issued in Case No. U-21320 *et al.*, on June 28, 2023, the Company filed with the Michigan Public Service Commission ("Commission") its Application, along with the testimony and exhibits of its witness Shannon L. Burzycki, seeking authority to implement its biennial 2024-2025 Energy Waste Reduction ("EWR") plan reflecting alternative compliance payments to the state administrator, Efficiency United ("EU").

2. On July 7, 2023, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company (pursuant to revised instructions filed on July 10, 2023) to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its service areas and to intervenors in Case Nos. U-20882 and U-21366. Further, the Company was directed to publish the Notice of Hearing in newspapers of general circulation throughout its

service areas. On July 31, 2021, the Company electronically filed the requisite proofs of mailing and publication.

3. On August 17, 2023, Administrative Law Judge (“ALJ”) Katherine Talbot conducted the prehearing conference. The Company and Staff attended the prehearing conference, and the AG was granted intervention.

4. In response to the filing, Staff thoroughly reviewed the Company’s filing, including the direct testimony and exhibit of the Company’s witness. The result of the Staff’s review led to settlement discussions.

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

- a. The Company’s energy waste reduction plan, to continue to make alternative compliance payments to EU on behalf of its customers, meets the requirements of Act 295, as amended by Act 342, and is reasonable and in the public interest and should be approved by the Commission.
- b. The Company shall, on behalf of its customers, pay the EWR state administrator, EU, \$4,508,222 for 2024 and \$4,054,886 for 2025. These payments shall be made in equal amounts. As the 2025 payment is based on estimated revenue, the actual payment will be determined based on 2.0% of actual 2023 revenues.
- c. The energy savings target will be .75% of the Company’s 3-year average historical sales resulting in gas energy savings targets for 2024 of 171,984 Mcf and 180,708 Mcf for 2025. As the 2025 target is based on estimated revenue, the 2025 target may change. The energy saving target of .75%

reflects the legislative standard of MCL 460.1077(3) and is to be achieved by EU.

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

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under Michigan Rules of Evidence, Rule 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

8. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-21327. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this Settlement Agreement.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be

withdrawn. It shall not constitute any part of the record in this proceeding or be used for any other purpose and shall not operate to prejudice the pre-negotiation position of any party.

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

MICHIGAN GAS UTILITIES CORPORATION

Dated: November 2, 2023

By: **Sherri Wellman**  
Its Attorney  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK & STONE, P.L.C.  
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Digitally signed by: Sherri Wellman  
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AD O = Miller Canfield  
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MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: November 2, 2023

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-05'00'

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ATTORNEY GENERAL DANA NESSEL

Dated: November 2, 2023

By: Michael E. Moody Digitally signed by Michael E. Moody  
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# PROOF OF SERVICE

STATE OF MICHIGAN )

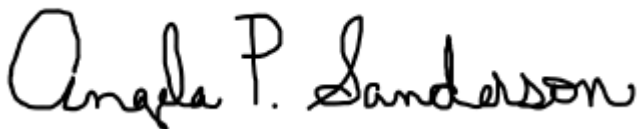
Case No. U-21327

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 1<sup>st</sup> 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-21327**

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Katherine E. Talbot	ALJs - MPSC	talbotk@michigan.gov
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Sherri A. Wellman	Michigan Gas Utilities Corporation (MGU)	wellmans@millercanfield.com

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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