

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
DETROIT THERMAL, LLC,)	
for approval of a steam supply cost recovery plan and)	Case No. U-21447
factors for the 12 months ending March 31, 2025.)	
_____)	

At the June 6, 2024 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 December 29, 2023, Detroit Thermal, LLC (Detroit Thermal) filed an application requesting approval of its proposed steam supply cost recovery plan and factors for the 12 months ending March 31, 2025, and other related relief.

On February 7, 2024, a prehearing conference was held before Administrative Law Judge Christopher S. Saunders. Detroit Thermal and the Commission Staff 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 the date of this order, Detroit Thermal, LLC, shall file with the Commission tariff sheets substantially similar to Attachment B to the settlement agreement.

After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the tariff book, Detroit Thermal, LLC, shall promptly file the final tariff sheets in this docket.

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 LARA-MPSC-Edockets@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

Alessandra R. Carreon, Commissioner

By its action of June 6, 2024.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
DETROIT THERMAL, LLC,)	
for approval of a steam supply cost recovery plan)	Case No. U-21447
and authorization of steam supply cost recovery)	
factors for the 12 months ending March 31, 2025)	
<hr/>)	

SETTLEMENT AGREEMENT

As provided in Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and Rule 333 of the Michigan Public Service Commission’s (“Commission”) Rules of Practice and Procedure, 2000 AC, R 460.17333, and supported by the Commission’s own policy towards settlement of contested issues, Detroit Thermal, LLC (“Detroit Thermal”) and the Michigan Public Service Commission Staff (“Staff”) (hereafter collectively referred to as the “Parties”) have resolved through settlement discussions the issues before the Commission regarding Detroit Thermal’s Application for approval of its proposed Steam Supply Cost Recovery (“SSCR”) Plan and Factors for the twelve-month period from April 1, 2024 through March 31, 2025 (“Plan Period”) and agree as follows:

1. On December 29, 2023, Detroit Thermal filed its Application, the testimony of its witness Ayana T. Ross and exhibits in support of its Application, requesting the Commission approve its proposed SSCR Plan and Factors for the twelve-months from April 1, 2024 through March 31, 2025.

2. On February 7, 2024 a prehearing conference was held before Administrative Law Judge Christopher S. Saunders (“ALJ”) Detroit Thermal electronically submitted the requisite proofs of service prior to the conference.

3. The Commission Staff participated in the proceedings and conducted a thorough review of the Company’s application for approval of a Steam Supply Cost Recovery Plan and Factors, along with the filed testimony and exhibits and by asking audit questions and reviewing audit responses from the Company.

4. It is the opinion of the parties that Commission approval of this Settlement Agreement will promote the public interest, will represent a fair and reasonable resolution of this proceeding, will aid the expeditious conclusion of this case, and will minimize the time and expense which would otherwise have to be devoted to this matter by the Commission and the parties.

5. Detroit Thermal and Staff have engaged in settlement discussions and have agreed as follows:

- a. Detroit Thermal’s SSCR Plan for the twelve-month period from April 1, 2024 through March 31, 2025, and the underlying decisions are reasonable and prudent and should be approved by the Commission.
- b. Detroit Thermal should be authorized to implement a base SSCR Factor of \$11.85 per thousand pounds of steam (“Mlb.”) effective with the billing cycle applicable to the month of April 1, 2024 and continuing through the end of the Plan Period, March 31, 2025. The calculation of the SSCR Factor is set forth in Exhibit A-6, attached as Attachment A to this Settlement Agreement.

- c. The Incremental Contingent SSCR Factors delineated in Revised Table 35.1 on Sheet No. 20.00 of Detroit Thermal's proposed tariff sheets attached as Attachment B to this Settlement Agreement should be implemented and incorporated into Detroit Thermal's tariff, contemporaneous with Commission approval of this Settlement Agreement.
6. Detroit Thermal should be authorized to adjust the base SSCR Factor upward in accordance with a Monthly SSCR Factor Price Adjustment (Contingency) Mechanism.
7. The proposed tariff sheets attached to this Settlement Agreement as Attachment B should be approved and incorporated into Detroit Thermal's tariff, contemporaneous with Commission approval of this Settlement Agreement.
8. The decisions underlying Detroit Thermal's three-year forecast are reasonable and prudent based upon present evidence.
9. All issues relating to MPSC Case No. U-21447 are resolved by this Settlement Agreement without prejudicing any party's rights in regard to any subsequent reconciliation proceedings. Any party may support or challenge the reasonableness and prudence of Detroit Thermal's actual steam supply costs in Detroit Thermal's SSCR reconciliation case regarding the Plan Period.
10. Detroit Thermal and Staff believe that this Settlement Agreement will promote the public interest and will aid in the expeditious conclusion of this case.
11. 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 MRE 408.

12. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-21447. 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. Except as otherwise stated in this Agreement, the parties agree and understand that this Settlement Agreement does not limit any party's right to take new or different positions on similar issues in other administrative proceedings or appeals.

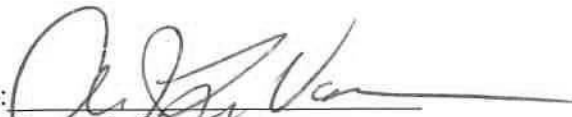
13. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the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

14. Staff agrees that this Settlement Agreement is reasonable and in the public interest.

15. The parties agree to waive Section 81 of the APA, MCL 24.281, if the Commission approves this Settlement Agreement without modification.


WHEREFORE, the undersigned parties respectfully request that the Commission approve this Settlement Agreement without modification, and make it effective in accordance with its terms, by final order.

DETROIT THERMAL, LLC

By: 
Arthur J. LeVasseur (P29394)
FISCHER, FRANKLIN & FORD
Attorneys for Detroit Thermal, LLC
24725 W. 12 Mile Rd. , Suite 230
Southfield, MI 48034


Dated: May 10, 2024

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**


By: _____
Michael J. Orris (P51232)
Assistant Attorney General
Public Service Division
7109 W. Saginaw Hwy, 3rd Floor
Lansing, mi 48917

Dated: May 10, 2024

ATTACHMENT A

				Case No. U-21447
				Witness: Ayana Ross
				Exhibit A-6 (ATR-6)
				December 29, 2023
				Page 1 of 1
SSCR Factor Calculation				
	<u>Line</u>			<u>Source</u>
	1	Expected Steam Supply Costs-Tariff Customers (\$)	\$ 4,692,473	Exhibit A-7 (ATR-7)
	2	Expected Tariff Sales (Mlb.)	396,092	Exhibit A-16 (ATR-16)
	3	SSCR Factor ¹ (\$ per Mlb.)	<u>\$ 11.85</u>	Line 3 / Line 4
	1: The SSCR Factor would be subject to quarterly adjustment under the Quarterly SSCR Factor Price Adjustment (Contingency) Mechanism.			

Attachment B to Settlement Agreement

Tariff Sheets

1. Revised Tarriff Sheet Number 16
2. Revised Tarriff Sheet Number Sheet 20

34. Steam Supply Cost Recovery Factors

The listed monthly Steam Supply Cost Recovery (“SSCR”) factors are authorized pursuant to the Steam Supply Cost Recovery Clause, Rule 35.

Table 34.1

Month	Year	Base SSCR Factor \$/Mlb.	+	Incremental Contingent SSCR Factor \$/Mlb.	=	Maximum Allowable SSCR Factor \$/Mlb.	Actual SSCR Factor Billed \$/Mlb.
April	2023	\$ 11.85	+	\$	=	\$	\$
May	2023	\$ 11.85	+	\$ -	=	\$	\$
June	2023	\$ 11.85	+	\$ -	=	\$	\$
July	2023	\$ 11.85	+	\$ -	=	\$	\$
August	2023	\$ 11.85	+	\$ -	=	\$	\$
September	2023	\$ 11.85	+	\$	=	\$	\$
October	2023	\$ 11.85	+	\$	=	\$	\$
November	2023	\$ 11.85	+	\$ -	=	\$	\$
December	2023	\$ 11.85	+	\$	=	\$	\$
January	2024	\$ 11.85	+	\$	=	\$	\$
February	2024	\$ 11.85	+	\$ -	=	\$	\$
March	2024	\$ 11.85	+	\$ -	=	\$	\$

The Actual SSCR Factor Billed shall not exceed the Maximum Allowable SSCR Factor for the corresponding month. During any month of the SSCR Plan Year, the Company may elect to bill any SSCR factor equal to or less than the Maximum Allowable SSCR Factor for the corresponding month. The Maximum Allowable SSCR Factor for each month is calculated by summing the Base SSCR Factor and the Incremental Contingent SSCR Factor, if any, for the corresponding month.

The Base SSCR Factors listed in Table 34.1 contain a (\$0.00) per Mlb. under-recovery surcharge applicable from prior SSCR plan periods.

The listed SSCR factors are authorized pursuant to Rule No. 35; Steam Supply Cost Recovery Clause. The SSCR Factors are subject to adjustment pursuant to the Monthly SSCR Factor Price Adjustment (Contingency) Mechanism as shown on Sheet Nos. 19.00 and 20.00. Sheet No. 16.00 will be updated if adjustments are made pursuant to this mechanism. The Commission is authorized to approve SSCR price adjustments contingent on future events pursuant to Section 6r(6) of 2008 PA 132.

The Company will file an application with the MPSC for SSCR factors applicable to the April 2022 through March 2023 period on or before December 31, 2021 pursuant to MCL 460.6r.

The Company will file a revised Sheet No. 16.00 at least three (3) business days prior to the commencement of each month.

(Continued on Sheet No. 17)

Issued: _____
By: _____
Detroit Thermal, LLC
541 Madison Ave
Detroit, MI 48226

Effective for service rendered on and after
the 2024 billing month
Issued under authority of
Michigan Public Service Commission
Order dated _____, Case No. U-21447

(Continued from Sheet No. 19.00)

The Incremental Contingent SSCR Factors set forth in Table 35.1 are authorized for the SSCR Plan year beginning on April 1, 2024 and ending on March 31, 2025:

Plan NYMEX (X_{plan})		April	May	June	July	August	September	October	November	December	January	February	March
NYMEX Increase		SSCR Contingency Conversion Factors (MMBtu) / (Mib)											
Greater than or Equal to	$X - X_{plan}$ But Less than	1.929	1.920	1.901	1.894	1.885	1.870	1.855	1.843	1.862	1.735	1.721	1.743
		Incremental Contingent SSCR Factors \$ per Mib.											
\$0.00	\$0.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$0.10	\$0.20	\$ 0.193	\$ 0.192	\$ 0.190	\$ 0.189	\$ 0.189	\$ 0.187	\$ 0.186	\$ 0.184	\$ 0.186	\$ 0.174	\$ 0.172	\$ 0.174
\$0.20	\$0.30	\$ 0.386	\$ 0.384	\$ 0.380	\$ 0.379	\$ 0.377	\$ 0.374	\$ 0.371	\$ 0.369	\$ 0.372	\$ 0.347	\$ 0.344	\$ 0.349
\$0.30	\$0.40	\$ 0.579	\$ 0.576	\$ 0.570	\$ 0.568	\$ 0.566	\$ 0.561	\$ 0.557	\$ 0.553	\$ 0.559	\$ 0.521	\$ 0.516	\$ 0.523
\$0.40	\$0.50	\$ 0.772	\$ 0.768	\$ 0.760	\$ 0.758	\$ 0.754	\$ 0.748	\$ 0.742	\$ 0.737	\$ 0.745	\$ 0.694	\$ 0.688	\$ 0.697
\$0.50	\$0.60	\$ 0.965	\$ 0.960	\$ 0.950	\$ 0.947	\$ 0.943	\$ 0.935	\$ 0.928	\$ 0.921	\$ 0.931	\$ 0.868	\$ 0.861	\$ 0.871
\$0.60	\$0.70	\$ 1.158	\$ 1.152	\$ 1.141	\$ 1.136	\$ 1.131	\$ 1.122	\$ 1.113	\$ 1.106	\$ 1.117	\$ 1.041	\$ 1.033	\$ 1.046
\$0.70	\$0.80	\$ 1.351	\$ 1.344	\$ 1.331	\$ 1.326	\$ 1.320	\$ 1.309	\$ 1.299	\$ 1.290	\$ 1.303	\$ 1.215	\$ 1.205	\$ 1.220
\$0.80	\$0.90	\$ 1.543	\$ 1.536	\$ 1.521	\$ 1.515	\$ 1.508	\$ 1.496	\$ 1.484	\$ 1.474	\$ 1.490	\$ 1.388	\$ 1.377	\$ 1.394
\$0.90	\$1.00	\$ 1.736	\$ 1.728	\$ 1.711	\$ 1.705	\$ 1.697	\$ 1.683	\$ 1.670	\$ 1.658	\$ 1.676	\$ 1.562	\$ 1.549	\$ 1.568
\$1.00	\$1.10	\$ 1.929	\$ 1.920	\$ 1.901	\$ 1.894	\$ 1.885	\$ 1.870	\$ 1.855	\$ 1.843	\$ 1.862	\$ 1.735	\$ 1.721	\$ 1.743
\$1.10	\$1.20	\$ 2.122	\$ 2.112	\$ 2.091	\$ 2.083	\$ 2.074	\$ 2.057	\$ 2.041	\$ 2.027	\$ 2.048	\$ 1.909	\$ 1.893	\$ 1.917
\$1.20	\$1.30	\$ 2.315	\$ 2.304	\$ 2.281	\$ 2.273	\$ 2.262	\$ 2.244	\$ 2.226	\$ 2.211	\$ 2.235	\$ 2.082	\$ 2.065	\$ 2.091
\$1.30	\$1.40	\$ 2.508	\$ 2.495	\$ 2.471	\$ 2.462	\$ 2.451	\$ 2.431	\$ 2.412	\$ 2.395	\$ 2.421	\$ 2.256	\$ 2.237	\$ 2.265
\$1.40	\$1.50	\$ 2.701	\$ 2.687	\$ 2.661	\$ 2.652	\$ 2.639	\$ 2.618	\$ 2.597	\$ 2.580	\$ 2.607	\$ 2.429	\$ 2.409	\$ 2.440
\$1.50	\$1.60	\$ 2.894	\$ 2.879	\$ 2.851	\$ 2.841	\$ 2.828	\$ 2.805	\$ 2.783	\$ 2.764	\$ 2.793	\$ 2.603	\$ 2.582	\$ 2.614
\$1.60	\$1.70	\$ 3.087	\$ 3.071	\$ 3.041	\$ 3.030	\$ 3.016	\$ 2.992	\$ 2.968	\$ 2.948	\$ 2.979	\$ 2.777	\$ 2.754	\$ 2.788
\$1.70	\$1.80	\$ 3.280	\$ 3.263	\$ 3.232	\$ 3.220	\$ 3.205	\$ 3.179	\$ 3.154	\$ 3.132	\$ 3.166	\$ 2.950	\$ 2.926	\$ 2.962
\$1.80	\$1.90	\$ 3.473	\$ 3.455	\$ 3.422	\$ 3.409	\$ 3.393	\$ 3.366	\$ 3.339	\$ 3.317	\$ 3.352	\$ 3.124	\$ 3.098	\$ 3.137
\$1.90	\$2.00	\$ 3.666	\$ 3.647	\$ 3.612	\$ 3.599	\$ 3.582	\$ 3.553	\$ 3.525	\$ 3.501	\$ 3.538	\$ 3.297	\$ 3.270	\$ 3.311
\$2.00	\$2.10	\$ 3.859	\$ 3.839	\$ 3.802	\$ 3.788	\$ 3.770	\$ 3.740	\$ 3.710	\$ 3.685	\$ 3.724	\$ 3.471	\$ 3.442	\$ 3.485
\$2.10	\$2.20	\$ 4.052	\$ 4.031	\$ 3.992	\$ 3.977	\$ 3.959	\$ 3.927	\$ 3.896	\$ 3.869	\$ 3.910	\$ 3.644	\$ 3.614	\$ 3.659
\$2.20	\$2.30	\$ 4.244	\$ 4.223	\$ 4.182	\$ 4.167	\$ 4.147	\$ 4.114	\$ 4.081	\$ 4.054	\$ 4.097	\$ 3.818	\$ 3.786	\$ 3.834
\$2.30	\$2.40	\$ 4.437	\$ 4.415	\$ 4.372	\$ 4.356	\$ 4.336	\$ 4.301	\$ 4.267	\$ 4.238	\$ 4.283	\$ 3.991	\$ 3.958	\$ 4.008
\$2.40	\$2.50	\$ 4.630	\$ 4.607	\$ 4.562	\$ 4.546	\$ 4.524	\$ 4.488	\$ 4.453	\$ 4.422	\$ 4.469	\$ 4.165	\$ 4.131	\$ 4.182
\$2.50	\$2.60	\$ 4.823	\$ 4.799	\$ 4.752	\$ 4.735	\$ 4.713	\$ 4.675	\$ 4.638	\$ 4.606	\$ 4.655	\$ 4.338	\$ 4.303	\$ 4.356
\$2.60	\$2.70	\$ 5.016	\$ 4.991	\$ 4.942	\$ 4.924	\$ 4.901	\$ 4.862	\$ 4.824	\$ 4.791	\$ 4.842	\$ 4.512	\$ 4.475	\$ 4.531
\$2.70	\$2.80	\$ 5.209	\$ 5.183	\$ 5.132	\$ 5.114	\$ 5.090	\$ 5.049	\$ 5.009	\$ 4.975	\$ 5.028	\$ 4.685	\$ 4.647	\$ 4.705
\$2.80	\$2.90	\$ 5.402	\$ 5.375	\$ 5.323	\$ 5.303	\$ 5.278	\$ 5.236	\$ 5.195	\$ 5.159	\$ 5.214	\$ 4.859	\$ 4.819	\$ 4.879
\$2.90	\$3.00	\$ 5.595	\$ 5.567	\$ 5.513	\$ 5.493	\$ 5.467	\$ 5.423	\$ 5.380	\$ 5.343	\$ 5.400	\$ 5.032	\$ 4.991	\$ 5.053

(Continued on Sheet No. 21.00)

Issued: _____, 2024

By: _____

Detroit Thermal, LLC
541 Madison Ave.
Detroit, MI 48226

Effective for service rendered on and after
the _____ billing month.

Issued under authority of the
Michigan Public Service Commission
dated _____, 2024
Case No. U-21447


PROOF OF SERVICE

STATE OF MICHIGAN)

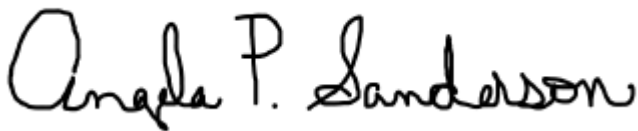
Case No. U-21447

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on June 6, 2024 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 6th day of June 2024.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21447

Name	On Behalf Of	Email Address
Alena M. Clark	MPSC Staff	clarka55@michigan.gov
Arthur J. Levasseur	Detroit Thermal, LLC	levasseur@fischerfranklin.com
Christopher S. Saunders	ALJs - MPSC	saundersc4@michigan.gov
Detroit Thermal, LLC	Detroit Thermal, LLC	tgrzech@detroitthermal.com
Michael J. Orris	MPSC Staff	orrism@michigan.gov