

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for <i>ex parte</i> approval of amendments to the)	Case No. U-21646
Economic Development Tariff Rate LED.)	
_____)	

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

On April 26, 2024, Consumers Energy Company (Consumers) filed an application (application) seeking *ex parte* approval of amendments to its Large Economic Development tariff (Rate LED).¹ Consumers states that it actively works with partners such as the Michigan Economic Development Corporation to bring high-quality industries and jobs to Michigan. Application, p. 1. Consumers notes that, in the December 22, 2021 order in Case No. U-21160 (December 22 order), the Commission approved Rate LED and stated that it “will assist in attracting large, unique, and energy-intensive facilities with incremental load that are seeking competitive energy prices.” Application, p. 2 (quoting the December 22 order, p. 4).

¹ Exhibit A to the application contains a draft of the amended tariff. On May 29, 2024, Consumers filed an amended version of the tariff, labeled Attachment A.

Consumers explains that Rate LED is based on the cost of serving incremental load and the production charge is a component of the rate. Consumers states that in 2022 the company based the production charge on its experience with reverse auctions for the purchase of capacity, and, at that time, it made sense to use a marginal cost of capacity equal to 57% of the cost of new entry (CONE). Application, p. 2. Consumers avers that the marginal cost of capacity has since changed, stating that “[t]he full CONE now represents a more accurate forecast of the marginal cost of incremental capacity going forward. The Company proposes updating the Production Charge to reflect the equivalent of CONE. This change reflects the Company’s current cost of serving the new load eligible to receive service under the tariff.” *Id.* Consumers states that this change meets the requirements of MCL 460.11(1) which provides that electric rates must be equal to the cost of serving each customer class. Consumers explains that new Rate LED customers will receive a fixed production charge under most circumstances, and customers with existing contracts will continue to receive the production charge in effect at the time they contracted for the rate.

Consumers also proposes to “update the availability of Rate LED, to close the tariff to new data centers which have not already contracted for service under Rate LED. This will allow the Company the necessary time to develop the appropriate ratemaking solution for data centers.” Application, p. 3. Additionally, Consumers indicates that it has proposed administrative changes to the tariff.

Consumers seeks *ex parte* approval of the application because the amendments to Rate LED will not alter any existing rates or the cost of service for any customer. Application, p. 3. Consumers seeks expeditious approval because it is aware of a large, energy intensive manufacturing company currently looking to locate new facilities in Michigan.

The Commission has reviewed the application and amended tariff and finds that Consumers' proposed Rate LED amendments should be approved. The Commission finds that the shift to 100% of CONE is reasonable in light of current market conditions, and that the request for time to consider issues related to ratemaking for data centers is also prudent. The Commission further finds that the proposed Rate LED amendments comply with Michigan law and are reasonable and in the public interest. Because approval of Consumers' application will not result in an increase in the cost of service for any customer, the Commission finds *ex parte* review and approval to be appropriate. *See*, MCL 460.6a(3).

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company's application for authority to amend the Large Economic Development tariff is approved.

B. Within 30 days of this order, Consumers Energy Company shall file with the Commission tariff sheets substantially similar to those set forth in Attachment A to Consumers Energy Company's May 29, 2024 filing 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 mpscedockets@michigan.gov and to the Michigan Department of the 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


PROOF OF SERVICE

STATE OF MICHIGAN)

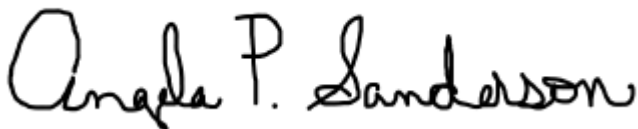
Case No. U-21646

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-21646

Name	On Behalf Of	Email Address
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com