

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-21556
ALPENA POWER COMPANY to fully comply)	
with Public Act 295 of 2008, as amended by)	
Public Act 342 of 2016.)	
_____)	

At the August 22, 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 May 1, 2024, Alpena Power Company (Alpena) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its energy waste reduction plan revenues and costs for the 12-month period ended December 31, 2023.

A prehearing conference was held on June 11, 2024, before Administrative Law Judge Christopher S. Saunders. Alpena 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 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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at SheaC1@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 August 22, 2024.

Lisa Felice, Executive Secretary

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

Case No. U-21556

SETTLEMENT AGREEMENT

Alpena Power Company ("Alpena"), by and through its attorney, Timothy M. Gulden, of the law firm Bauer, Florip & Wojda PLC , and the Michigan Public Service Commission Staff ("Staff"), by and through its attorney, Assistant Attorney General Michael J. Orris, hereby present this Settlement Agreement in resolution of the above matter.

1. On May 1, 2024, Alpena filed its application in accordance with the "Clean, Renewable, and Efficient Energy Act," 2008 PA 295, MCL 460.1001, *et seq.*, as amended, ("the Act") to conduct an Energy Waste Reduction reconciliation proceeding in accordance with the Act for the 12-month period ending December 31, 2023. Concurrently with its application, Alpena filed testimony and exhibits in support of its position.

2. Based on calculations, Alpena determined that it under-recovered its energy waste reduction revenue requirement, including interest thereon, by a total amount of \$69,591 cumulative for the time period 2022-2023. Alpena has requested authority to roll the Energy

Waste Reduction surcharge under-recovery amount of \$69,591 into the 2024 plan year.

3. On May 10, 2024, the Michigan Public Service Commission ("the Commission") issued its notice of hearing, setting this matter for a prehearing conference on June 11, 2024. Pursuant to the Commission's direction, Alpena mailed a copy of the initial notice of hearing to all cities, incorporated villages, townships, and counties in its service area and published the notice of hearing on a daily newspaper in its service territory. No parties sought to intervene. The prehearing conference was conducted by Administrative Law Judge Christopher S. Saunders. Alpena and Staff participated in the hearing, and a case schedule was established at that time.

4. Staff completed a financial audit of the 2023 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 filed in this case. Staff also sampled bill copies of customers to ensure the appropriate surcharges were billed to specific customer rate classes. Alpena was compliant and submitted an annual report which showed Efficiency United was able to achieve 131% of the total goal for the 2023 program year.

The parties agree as follows:.

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

B. Alpena will continue to file its annual energy waste reduction cost reconciliation proceedings as required by Section 74 of the Act, on those dates as mandated by the Commission.

C. Energy Waste Reduction Under-Recovery:

1. The under-recovery, plus interest, of payments to the state

administrator, Efficiency United, for 2022, in the amount of \$55,388, was reflected as the beginning balance for 2023. The proposed reconciliation for 2023 results in a cumulative under-recovery, including interest, of \$69,591 through December 31, 2023.

2. Alpena has adjusted its payments to Efficiency United due to two of Alpena's customers electing to self-direct energy waste reduction plans.

3. The expenditures of Alpena to comply with the energy waste reduction requirements and charges to its customers were reasonable and prudent and in accordance with the provisions of 2008 PA 295, as amended by 2016 PA 342.

4. Alpena will reflect the 2023 energy waste reduction surcharge under-recovery plus accumulated interest in the amount of \$69,591 as the beginning balance of its 2024 plan year.

5. Alpena shall, on behalf of its customers, pay Efficiency United \$602,508 in equal amounts for 2025. This amount is based on actual revenue for 2023 and updates the estimated amount from the December 1, 2023 order in Case No. U-21320.

D. Alpena may convert any excess EWR credits earned in its 2023 program, and not carried forward by Efficiency United for future year EWR compliance, into Renewable Energy Credits for use in meeting its 2024 renewable energy requirements under the Act.

E. It is the opinion of the parties that this Settlement Agreement is reasonable and in the public interest and will aid the expeditious conclusion of this case, this Settlement Agreement is intended for final disposition of this proceeding, and the parties join in respectfully requesting the Commission to grant prompt approval of the Settlement Agreement.

F. This Settlement Agreement will become binding upon the parties only if the Commission accepts and approves it without modification. If the Commission does not approve

this Settlement Agreement without modification, it shall be withdrawn and shall not constitute any part of the record in the proceeding or be used for any purpose whatsoever.

G. This Settlement Agreement has been made for the sole and express purpose of reaching a compromise among the positions of the signatories without prejudice to their rights to take new and different positions in other proceedings. All offers of settlement and discussions relating to this Settlement Agreement shall be considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, the parties shall make no reference to or use the 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 proceedings; provided, however, such references or use may be made to enforce the Settlement Agreement and order.

H. All parties waive Section 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281.

MICHIGAN PUBLIC SERVICE COMMISSION

Michael J. Orris



2024.08.05

14:47:26 -04'00'

By: _____

Michael J. Orris (P51232)

Its: Attorney

ALPENA POWER COMPANY

Timothy
M. Gulden

Digitally signed by Timothy M. Gulden
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Florip & Wojda PLC, ou,
email=tmgulden@bflawfirm.com,
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By: _____

Timothy M. Gulden (P41232)

Its: Attorney


PROOF OF SERVICE

STATE OF MICHIGAN)

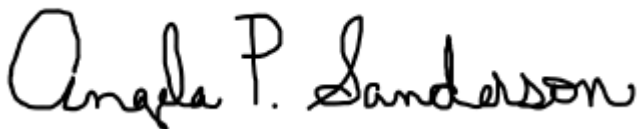
Case No. U-21556

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 22, 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 22nd day of August 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-21556

Name	On Behalf Of	Email Address
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Christopher S. Saunders	ALJs - MPSC	saundersc4@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Timothy M. Gulden	Alpena Power Company	tmgulden@gillardlaw.com

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City of Escanaba
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Cloverland
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Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
Consumers Energy Company
Constellation Energy
Constellation Energy
Constellation New Energy
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Dillon Power, LLC
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Presque Isle Electric & Gas Cooperative, INC

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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 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