

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
ALPENA POWER COMPANY for reconciliation	)	
of its power supply cost recovery plan	)	Case No. U-21256
(Case No. U-21255) for the 12 months ended	)	
December 31, 2023.	)	
_____	)	

At the September 26, 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 March 28, 2024, Alpena Power Company (Alpena) filed an application, with supporting testimony and exhibits, for authority to reconcile its power supply cost recovery revenues and costs for the 12-month period ended December 31, 2023, pursuant to Section 6j of Public Act 304 of 1982; MCL 460.6j.

A prehearing conference was held on May 7, 2024, before Administrative Law Judge Jonathan F. Thoits. 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:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Alpena Power Company shall roll its net underrecovery of \$1,757,282 into its 2024 power supply cost recovery reconciliation beginning balance.

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 sheacl@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 September 26, 2024.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of the Application of)
ALPENA POWER COMPANY)
to commence a Power Supply Cost)
Reconciliation Proceeding for the 12-month)
period ending December 31, 2023.)
_____)

Case No. U-21256
(Power Supply Cost Reconciliation)

SETTLEMENT AGREEMENT

Alpena Power Company ("Alpena"), by and through its attorney, Timothy M. Gulden, of the law firm of 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 March 28, 2024, Alpena filed its application for a power supply cost recovery (PSCR) reconciliation proceeding for the 12-month period ending December 31, 2023, together with its prepared testimony and exhibits of its witness in support of the application. Based on calculations, Alpena determined that power supply costs exceeded power supply revenues, resulting in an under-recovery. Alpena has requested to roll the under-recovery into its current PSCR plan costs. On April 5, 2024, the Michigan Public Service Commission ("Commission") issued its notice of hearing, setting this matter for a prehearing conference on May 7, 2024, at 9:00 a.m. Pursuant to the Commission's directives, 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. The prehearing conference was conducted by video/teleconferencing by Administrative Law Judge Jonathan F. Thoits, who reviewed the status of the case, noted that no petitions to intervene were filed, and established a schedule for the case. Staff thereafter conducted its audit. Based upon the audit, and discussions of Staff and Alpena concerning Alpena's application and the audit, Staff and Alpena enter this Settlement Agreement. The parties agree as follows:

a. Proceedings in this PSCR reconciliation were conducted in accordance with 1982 PA 304. The expenditures charged by Alpena for the cost of power supply were reasonably and prudently incurred.

b. Alpena collected \$15,781,706 in base and PSCR revenues and had \$17,660,734 in power supply costs during the 12-month period ending December 31, 2023, resulting in an under-recovery of \$1,879,028.

c. The 2023 under-recovery of \$1,879,028, when coupled with the 2022 PSCR over-recovery of \$176,133, which was the 2023 PSCR reconciliation beginning balance as authorized by the Commission's order in Case No. U-21047, results in an under-recovery of \$1,702,895, not including interest.

d. Interest through the 2023 reconciliation period equals \$54,387, and when added to the PSCR under-recovery results in a net under-recovery of \$1,757,282.

e. Alpena shall roll its net under-recovery of \$1,757,282 into its 2024 PSCR

reconciliation beginning balance.

f. Alpena has initiated addressing these under-recoveries in its current 2024 PSCR plan factor, beginning in January 2024 pursuant to the methodology authorized by the Commission in Case No. U-21421.

2. Staff's review consisted of tests of mathematical accuracy and analytical tests for reasonableness. Staff conducted a detailed analysis of the PSCR costs and revenues for the reconciliation period and found no material difference.

3. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest; 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 this Settlement Agreement.

4. 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.

5. 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 proceeding; provided, however, such references or use may be made to enforce the Settlement Agreement and Order.

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

MICHIGAN PUBLIC SERVICE COMMISSION STAFF



Michael J. Orris

2024.09.06

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By: _____

Michael J. Orris (P51232)
Assistant Attorney General

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.com,
c=US
Date: 2024.09.09 08:54:24 -04'00'

By: _____

Timothy M. Gulden (P41232)
Its: Attorney

PROOF OF SERVICE

STATE OF MICHIGAN)

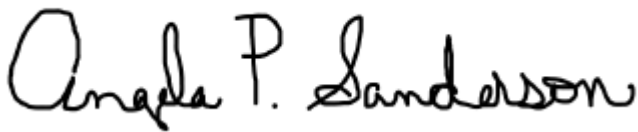
Case No. U-21256

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 26, 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 26th day of September 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-21256

Name	On Behalf Of	Email Address
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Jonathan F. Thoits	ALJs - MPSC	thoitsj@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Timothy M. Gulden	Alpena Power Company	tmgulden@bfwlawfirm.com