

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for authority to reconcile certain electric)	Case No. U-21784
utility residual balances.)	
_____)	

At the November 21, 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 August 28, 2024, Consumers Energy Company (Consumers) filed an application, with supporting testimony and exhibits, requesting authority to reconcile certain residual balances remaining from electric utility revenue refunds previously ordered by the Commission and implemented by the company.

A prehearing conference was held on October 17, 2024, before Administrative Law Judge James M. Varchetti (ALJ). The ALJ recognized the intervention of the Michigan Department of Attorney General (Attorney General). The Attorney General, Consumers, and the Commission Staff participated in the proceeding.

On October 28, 2024, the parties filed a settlement agreement, attached as Exhibit A to this order, resolving all issues in the case.

According to the key terms of the settlement agreement, in accordance with the terms of the settlement agreement approved by the Commission in Case No. U-21224, Consumers initiated a Voluntary Refund Mechanism (VRM) to provide a one-time voluntary refund of 2022 revenue of approximately \$15 million through a 12-month bill credit. Exhibit A, pp. 1-2. Consumers began implementation of the VRM on January 20, 2023, when base rates approved in Case No. U-21224 went into effect and ended the VRM on January 19, 2024. *Id.*, p. 2. Upon the conclusion of the VRM, an amount of \$503,992 was still owed to customers, which represents the difference between the refund amount approved in Case No. U-21224 and the actual amount to date that Consumers has refunded to customers. *Id.*

The parties agree that, for Consumers' electric customers, Consumers will implement a one-month, per-customer bill credit for the refund amount still owed using appropriate negative surcharges for each customer class as demonstrated in Attachment 2 to the settlement agreement. *Id.*, p. 3; *see also, id.*, Attachment 2. If Consumers has any residual balance remaining after completing the one-month credit for customers, the company will reconcile any residual balance remaining in the following manner until all outstanding amounts have been donated or written off:

(1) if a residual balance exists that is less than \$50,000, the amount shall be given to a charity chosen by the Company; (2) if an underrecovery occurred that is less than \$50,000, the underrecovery will be written off by the Company; (3) if a residual balance exists from an underrecovery that is greater than \$50,000, surcharges will be calculated on a per-customer basis and applied during a subsequent month until the residual balance is less than \$50,000; and (4) if an overrecovery occurred that is greater than \$50,000, credits will be calculated on a per-customer basis and applied during a subsequent month until the overrecovery is less than \$50,000.

Id., pp. 2-3.

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. In the February 2025 billing month, Consumers Energy Company is authorized to implement the negative surcharges shown on Attachment 2 to the settlement agreement.
- C. Within 30 days of the date of this order, Consumers Energy Company shall file with the Commission a tariff sheet substantially similar to that contained in Attachment 2 to the settlement agreement. After the tariff sheet has been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, Consumers Energy Company shall promptly file the final tariff sheet in this docket and serve all parties.

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 November 21, 2024.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
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In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to reconcile certain electric)
utility residual balances.)
_____)

Case No. U-21784

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), the undersigned parties agree as follows:

WHEREAS, on August 28, 2024 Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application requesting Commission approval to reconcile certain residual balances remaining from electric utility revenue refunds previously ordered by the MPSC and implemented by the Company.

WHEREAS, the initial prehearing conference in this proceeding was held on October 17, 2024 before Administrative Law Judge James M. Varchetti. The parties to the case are Consumers Energy, the Commission Staff, and the Attorney General of Michigan (“Attorney General”).

NOW THEREFORE, for purposes of settlement of Case No. U-21784, the undersigned parties agree as follows:

1. On January 19, 2023, the Commission approved a settlement agreement in Case No. U-21224, which required the Company to “provide a one-time voluntary refund of 2022 revenue in the amount of \$15 million through a 12-month bill credit that begins when new base rates go into effect. The Company will execute an accounting entry that will reduce revenue in

2022 by \$15 million and establish a liability for the rate refund.” See Case No. U-21224, January 19, 2023 Order Approving Settlement Agreement, Exhibit A, page 2.

2. In accordance with the Settlement Agreement in Case No. U-21224, Consumers Energy initiated the Voluntary Refund Mechanism (“VRM”). The VRM implementation began on January 20, 2023, when the base rates approved in Case No. U-21224 went into effect and ended on January 19, 2024. Upon the conclusion of the VRM, an amount of approximately \$503,922 is owed to customers. This amount represents the difference between the refund amount approved in Case No. U-21224 and the actual amount that the Company has refunded to customers to date.

3. The parties agree that for Consumers Energy’s electric customers, Consumers Energy shall implement a one-month, per-customer bill credit for the amounts remaining. The credit was determined by allocating the \$503,922 owed to customers in the same manner as was approved in Case No. U-21224, excluding the customer classes that were over-refunded initially.

4. The parties agree that if the Company has any residual balance remaining after completing the one-month credit for customers, Consumers Energy should reconcile any residual balance remaining in the following manner to address the residual balance until all outstanding amounts have been donated or written off: (1) if a residual balance exists that is less than \$50,000, the amount shall be given to a charity chosen by the Company; (2) if an underrecovery occurred that is less than \$50,000, the underrecovery will be written off by the Company; (3) if a residual balance exists from an underrecovery that is greater than \$50,000, surcharges will be calculated on a per-customer basis and applied during a subsequent month until the residual balance is less than \$50,000; and (4) if an overrecovery occurred that is greater than \$50,000, credits will be

calculated on a per-customer basis and applied during a subsequent month until the overrecovery is less than \$50,000.

5. The parties agree that the remaining amounts shown on Attachment 1 will be refunded to the Company's customers using appropriate negative surcharges for each customer class as shown on Attachment 2. These negative surcharges will be effective for the February 2025 billing month.

6. This settlement 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, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this 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; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

7. This Settlement Agreement is based on the facts and circumstances of this case and is intended for the final disposition of Case No. U-21784. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. The parties agree and understand that this Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings, or appeals related thereto.

8. This Settlement is not severable. Each provision of the 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 the 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 be without prejudice to the pre-negotiation positions of the parties.

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

10. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues resolved in this Settlement Agreement, if the Commission approves this Settlement Agreement without modification.


WHEREFORE, the undersigned parties respectfully request the Commission to approve this Settlement Agreement on an expeditious basis and to make it effective in accordance with its terms by final order.

MICHIGAN PUBLIC SERVICE
COMMISSION STAFF

By:  Monica M. Stephens
2024.10.28 16:08:22
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Monica M. Stephens, Esq. (P73782)
Assistant Attorneys General
Public Service Division
7109 West Saginaw Highway
PO Box 30221
Lansing, MI 48909

CONSUMERS ENERGY COMPANY

By:  Digitally signed by
Anne M. Uitvlugt
Date: 2024.10.25
10:54:21 -04'00'

Anne M. Uitvlugt (P71641)
Attorney for Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

ATTORNEY GENERAL

By:  Digitally signed by
Celeste R. Gill
Date: 2024.10.25
16:16:05 -04'00'

Celeste R. Gill, Esq. (P52484)
Assistant Attorney General
Michigan Department of Attorney General
Special Litigation Division
Sixth Floor Williams Bldg.
525 W. Ottawa Street
P. O. Box 30755
Lansing, MI 48909

ATTACHMENT 1

MICHIGAN PUBLIC SERVICE COMMISSION

Attachment 1

Consumers Energy Company

Reconciliation of Voluntary Refund in ERC U-21224

(a)		(b)
Line No.	Description	Refund Calculation
		(\$)
1	Approved Refund	\$ (15,001,083)
2	Actual Amount Refunded	<u>(14,497,161)</u>
3	Remaining Refund (Over)/Under Recovery	<u><u>\$ (503,922)</u></u>

ATTACHMENT 2

SURCHARGES

<u>Rate Schedule</u>	Electric Rate Case Deferral Surcharge (Case No. U-21389) Effective for service rendered March 15, 2024 through March 14, 2025	<u><i>U-21224 Refund Reconciliation (Case No. U-21224) Effective for the February 2025 Billing Month</i></u>
Rate RSP	\$0.000430/kWh	<u><i>\$(0.14)/customer</i></u>
Rate RSH	0.000430/kWh	<u><i>(0.14)/customer</i></u>
Rate RPM	0.000430/kWh	<u><i>(0.14)/customer</i></u>
Rate RSM	0.000430/kWh	<u><i>(0.14)/customer</i></u>
Rate GS	0.000342/kWh	<u><i>(0.41)/customer</i></u>
Rate GSTU	0.000342/kWh	<u><i>(0.41)/customer</i></u>
Rate GSD	0.000240/kWh	<u><i>(0.41)/customer</i></u>
Rate GP		
Customer Voltage Level 1	0.000021/kWh	<u><i>NA</i></u>
Customer Voltage Level 2	0.000070/kWh	<u><i>NA</i></u>
Customer Voltage Level 3	0.000114/kWh	<u><i>NA</i></u>
Rate GPD		
Customer Voltage Level 1	0.000015/kWh	<u><i>NA</i></u>
Customer Voltage Level 2	0.000050/kWh	<u><i>NA</i></u>
Customer Voltage Level 3	0.000082/kWh	<u><i>NA</i></u>
Rate GPTU		
Customer Voltage Level 1	0.000015/kWh	<u><i>(128.07)/customer</i></u>
Customer Voltage Level 2	0.000050/kWh	<u><i>(128.07)/customer</i></u>
Customer Voltage Level 3	0.000082/kWh	<u><i>(128.07)/customer</i></u>
Rate EIP		
Customer Voltage Level 1	0.000015/kWh	<u><i>NA</i></u>
Customer Voltage Level 2	0.000050/kWh	<u><i>NA</i></u>
Customer Voltage Level 3	0.000082/kWh	<u><i>NA</i></u>
Rate LED		
Customer Voltage Level 1	0.000015/kWh	<u><i>NA</i></u>
Customer Voltage Level 2	0.000050/kWh	<u><i>NA</i></u>
Customer Voltage Level 3	0.000082/kWh	<u><i>NA</i></u>
Rate LTILRR	NA	<u><i>NA</i></u>
Rate GSG-2		
Customer Voltage Level 1	0.000015/kWh	<u><i>NA</i></u>
Customer Voltage Level 2	0.000050/kWh	<u><i>NA</i></u>
Customer Voltage Level 3	0.000082/kWh	<u><i>NA</i></u>
Rate GML	0.000425/kWh	<u><i>NA</i></u>
Rate GUL	0.002131/kWh	<u><i>NA</i></u>
Rate GU-LED	0.002131/kWh	<u><i>NA</i></u>
Rate GU	0.000133/kWh	<u><i>NA</i></u>
Rate PA	NA	<u><i>NA</i></u>
Rate ROA-R	Same as Full Service Delivery Rate Schedule	<u><i>NA</i></u>
Rate ROA-S	Same as Full Service Delivery Rate Schedule	<u><i>(1.07)/customer</i></u>
Rate ROA- <u>GP</u>	Same as Full Service Delivery Rate Schedule	<u><i>(0.68)/customer</i></u>
<u>Rate ROA-GPD</u>	<u>Same as Full Service Delivery Rate Schedule</u>	<u><i>(1.67)/customer</i></u>

Issued XXXXXX XX, 20XX by
Garrick J. Rochow,
President and Chief Executive Officer,
Jackson, Michigan

Effective for bills rendered on and after
the Company's February 2025 Billing Month

Issued under authority of the
Michigan Public Service Commission
and XXXXXX XX, 20XX
in Case No. U-21784


PROOF OF SERVICE

STATE OF MICHIGAN)

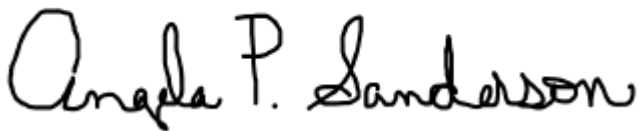
Case No. U-21784

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on November 21, 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 21st day of November 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-21784

Name	On Behalf Of	Email Address
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Consumers Energy Company	Consumers Energy Company	mpsc.filings@cmsenergy.com
(1 of 2)		
Consumers Energy Company	Consumers Energy Company	kelly.hall@cmsenergy.com
(2 of 2)		
James M. Varchetti	ALJs - MPSC	varchettij@michigan.gov
Lori Mayabb	MPSC Staff	mayabbl@michigan.gov
Monica M. Stephens	MPSC Staff	stephensm11@michigan.gov