STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of **ALPENA POWER COMPANY** for approval of its interconnection procedures and forms, submitted pursuant to the Commission's own motion, commencing a collaborative for the development of electric utility interconnection procedures.	)	Case No. U-21483

At the September 30, 2025 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER

On April 24, 2023, the Commission issued an order in Case No. U-20890 adopting the Interconnection and Distributed Generation Standards (MIXDG rules), which are codified at Mich Admin Code, R 460.901a *et seq.*, and became effective on April 25, 2023. The MIXDG rules include fee caps for distributed energy resources (DERs). Mich Admin Code, R 460.926 (Rule 26), reads in pertinent part that:

> (3) The initial fee caps for a fast track supplemental review and the study track for all levels of DERs are as follows:
> (a) The fee for a fast track supplemental review including all review screens may not exceed $1,000.
> (b) The study track fee for interconnection application review and the scoping meeting may not exceed $300.
> (c) The system impact study fee may not exceed $10,000.
> (d) The facilities study fee may not exceed $15,000.
> (4) The fees listed in subrule (2) and initial fee caps listed in subrule (3) of this rule,

> must be displayed prominently on the electric utility's interconnection website.
> (5) An electric utility that expects to incur costs greater than the fees listed in subrule (2) or initial fee caps listed in subrule (3) of this rule in the evaluation of an interconnection application may file a request for a waiver pursuant to [Mich Admin Code,] R 460.910 [(Rule 10)].

On January 23, 2025, the Commission issued an order in this docket (January 23 order) approving Alpena Power Company's (Alpena's) December 9, 2024 interconnection procedures, forms, and Standard Level 4 and 5 and Non-Certified Project Interconnection Agreement. January 23 order, p. 4. The Commission also ordered that Alpena utilize the Standard Level 1, 2, and 3 Interconnection Agreement approved in the July 23, 2024 order in Case No. U-21543 for Level 1, 2, and 3 certified projects. *Id*., pp. 4-5.

On July 8, 2025, Alpena filed an application in this docket (July 8 application), along with supporting testimony and exhibits of Kenneth A. Dragiewicz, President and Chief Operating Officer of Alpena, requesting *ex parte* approval for a waiver pursuant to Rule 10 of the interconnection system impact study fee cap of $10,000 in Rule 26(3)(c) and facilities study fee cap of $15,000 in Rule 26(3)(d). In its July 8 application, Alpena avers that in the time since the interconnection procedures were approved in this docket, Alpena has experienced study costs that are in excess of the current fee caps. July 8 application, p. 3. As such, Alpena requests the Commission grant the company waivers of the study fee caps under Rule 26(3)(c)-(d) and approve the company's proposal to increase the system impact study fee cap to $25,000 and the facilities study fee cap to $30,000. July 8 application, p. 4; testimony of Kenneth A. Dragiewicz, p. 4. Mr. Dragiewicz explained that the proposed increase amounts are "based upon actual and forecasted costs being incurred to perform the studies" and that due to the small size and limited staff of Alpena, the utility utilizes a consultant for the modeling and study services required. Testimony of Kenneth A. Dragiewicz, pp. 4-5.

Discussion

Rule 26(5) permits an electric utility to request a waiver pursuant to Rule 10 if that utility expects to incur costs greater than the fees listed in Rule 26(2) or initial fee caps listed in Rule 26(3) in the evaluation of an interconnection application. The Commission agrees with Alpena that due to the small sample size and the need to contract a consultant to conduct studies, it is possible that study costs will vary and may exceed both the current cap and recent cost examples.

While the Commission agrees that Alpena's request for waivers of the study fee caps under Rule 26(3)(c)-(d) is reasonable, the Commission has concerns with raising the study fee caps to a much higher amount than Alpena has shown those fees to cover. For that reason, the Commission grants a one-year waiver of the system impact study fee cap under Rule 26(3)(c), from the date of this order, and approves Alpena's request to increase its system impact study fee cap to $25,000. The Commission also grants a one-year waiver of the facilities study fee cap under Rule 26(3)(d), from the date of this order, and approves Alpena's request to increase its facilities study fee cap to $30,000. These caps ensure that Alpena is collecting enough to cover its internal costs and the costs for having the studies conducted, and the timeframe will allow the company to collect the full cost of interconnection and gather more data. After the one-year period, if costs continue to be above the original caps, Alpena may request another waiver or request to change its fee caps at that time. The Commission further finds that *ex parte* approval is appropriate as the requested waivers will not increase rates or charges to customers. MCL 460.6a(3).

THEREFORE, IT IS ORDERED that:

A. Alpena Power Company is granted a one-year waiver pursuant to Mich Admin Code, R 460.910, commencing on the date of this order, from the provisions of Mich Admin Code, R 460.926(3)(c), and is authorized to charge a maximum system impact study fee of $25,000 during that time, as described in this order.

B. Alpena Power Company is granted a one-year waiver pursuant to Mich Admin Code, R 460.910, commencing on the date of this order, from the provisions of Mich Admin Code, R 460.926(3)(d), and is authorized to charge a maximum facilities study fee of $30,000 during that time, as described in this order.

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

Shaquila Myers, Commissioner

By its action of September 30, 2025.

Lisa Felice, Executive Secretary

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-21483

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 30, 2025 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 J. Brown

Brianna Brown

Subscribed and sworn to before me
this 30th day of September 2025.

Angela P. Sanderson

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

Service List for Case: U-21483

Name	On Behalf Of	Email Address
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Timothy M. Gulden	Alpena Power Company	tmgulden@bfwlawfirm.com