

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the petition of ALPENA POWER	)	
COMPANY for a temporary waiver of the customer	)	
accommodation provisions of the Service Quality	)	Case No. U-21912
and Reliability Standards for Electric Distribution	)	
Systems because of an interruption in service	)	
caused by a major system failure and an “act of God,”	)	
pursuant to R 460.751 and R 460.752.	)	
_____	)	

At the December 5, 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 APPROVING SETTLEMENT AGREEMENT

On April 17, 2025, Alpena Power Company (Alpena) filed a petition in this case (April 17 petition), with supporting testimony, pursuant to Mich Admin Code, R 460.751 and R 460.752, requesting a temporary waiver of the customer accommodation provisions of the Commission’s Service Quality and Reliability Standards for Electric Distribution Systems, Mich Admin Code, R 460.701 *et seq.* Alpena noted in its April 17 petition that, beginning on March 18, 2025, Alpena’s entire service territory experienced impactful weather conditions that resulted in extreme and severe ice accumulation; high winds; downed trees and tree damage; impassable roads; downed and damaged power poles, lines, and related equipment; and damaged transformers.

April 17 petition, p. 2.¹ According to Alpena, the weather conditions resulted in approximately 97,000,000 outage minutes for Alpena's customers. *Id.*

A prehearing conference was held on May 19, 2025, before Administrative Law Judge Katherine E. Talbot (ALJ), at which the ALJ acknowledged the intervention of the Michigan Department of Attorney General. Alpena and the Commission Staff also participated in the proceeding. Subsequently, the parties filed 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.

¹ Alpena's petition is unpaginated and all references to that filing follow in natural order.

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

Shaquila Myers, Commissioner

By its action of December 5, 2025.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Petition of **ALPENA POWER COMPANY**)
for a temporary waiver of the customer accommodation)
provisions of the Service Quality and Reliability Standards)
for Electric Distribution Systems because of an interruption)
in service caused by a major system failure and an “act of)
God,” pursuant to R 460.751 and R 460.752.)
_____)

Case No. U-21912

SETTLEMENT AGREEMENT

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

1. On April 17, 2025, Alpena filed a petition pursuant to R 460.751 and R 460.752 to request a temporary waiver of the customer accommodation provisions of the Service Quality and Reliability Standards for Electric Distribution Systems. Alpena noted in its petition that beginning on March 18, 2025, Alpena’s entire service territory experienced impactful weather conditions that resulted in extreme and severe ice accumulation, high winds, downed trees and tree damage, impassable roads, downed and damaged power poles, lines, and related

equipment, and damaged transformers. According to the petition, the weather conditions resulted in approximately 97,000,000 outage minutes for Alpena's customers.

2. Alpena also noted in its petition that, according to R 460.744(1), "[u]nless an electric utility ... requests a waiver pursuant to part 5 of these rules, an electric utility ... that fails to restore service to a customer within 96 hours after the start of a sustained interruption that occurred during the course of catastrophic conditions shall provide any affected customer with a bill credit on the customer's bill within 90 days."

3. Alpena, in its petition, requested a temporary waiver of the customer accommodation requirements which call for a bill credit on the affected customers' bills within 90 days, for the following reasons: (a) as result of the ice storm and the catastrophic conditions, specific circumstances beyond the control of the Company rendered compliance impossible, and compliance would be unduly economically burdensome to the Company because of the amount of the potential bill credits in relation to the size of Petitioner, within the meaning of R 460.751(1); (b) as result of the severe ice storm and the catastrophic conditions, the problem was caused by an "act of God," within the meaning of R 460.751(3)(c); and (c) as result of the severe ice storm and the catastrophic conditions, the problem was caused by a major system failure, within the meaning of R 460.751(3)(d).

4. On April 18, 2025, the Michigan Public Service Commission ("the Commission") issued its notice of hearing, setting this matter for a prehearing conference on May 19, 2025. Pursuant to the Commission's direction, 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 in its service territory. The prehearing conference was conducted by Administrative Law Judge Katherine E. Talbot. During the prehearing conference, Judge Talbot allowed Michigan Attorney General Dana Nessel to intervene in the case, with no objection from the other parties. Assistant Attorney General Michael J. Orris (on behalf of Staff); Assistant Attorney General Michael E. Moody (on behalf of the Michigan Attorney General); and attorney Timothy M. Gulden (on behalf of Alpena), participated by video/teleconferencing in the prehearing conference, and a case schedule was established at that time.

4. On July 16, 2025, the parties participated in a settlement conference, and they engaged in subsequent discussions that led to the execution of the present Settlement Agreement.

The parties agree as follows:

A. Alpena shall calculate and grant all customer outage credits related to the ice storm, which Alpena calculated in response to Staff's First Discovery Request dated May 28, 2025, as approximately \$643,737. The customer outage credits shall be issued by the Company within 90 days of the Commission's order approving this Settlement Agreement.

B. Alpena shall calculate the amount of customer outage credit minutes that occurred during the ice storm-related METC transmission outages, which Alpena calculated in response to Staff's First Discovery Request dated May 28, 2025, as approximately \$332,806. Regulatory asset treatment, plus interest at the Company's short-term borrowing rate, shall be authorized by the

Commission for the actual amount of customer outage credits related to the METC transmission outages that were outside of the Company's control.

C. Staff and the Michigan Attorney General shall not contest the recovery of the aforementioned regulatory asset in future Alpena proceedings before the Commission, except as follows: Staff and the Michigan Attorney General may still challenge the recoverability of actual outage credits within the regulatory asset based on the accuracy of the calculations and the determination of customer outage credit minutes that occurred as a result of ice storm-related METC transmission outages. When the Company seeks recovery of the regulatory asset, the Company shall provide the calculations of the total customer outage credits related to the ice storm as well as the method used to determine which credits were associated with METC transmission outages and which were associated with Alpena's distribution system.

D. 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.

E. 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.

F. 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. The settlement of this case is not intended to and does not preclude Alpena from seeking a temporary waiver of the customer accommodation provisions of the Service Quality and Reliability Standards for Electric Distribution Systems pursuant to R 460.751 and R 460.752, or similar rules, regulations, or statutes, in connection with future weather events that result in customer outages. 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.

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

MICHIGAN PUBLIC SERVICE COMMISSION

Michael J. Orris



2025.11.03

14:18:30 -05'00'

By: _____

Michael J. Orris (P51232)

Its: Attorney

MICHIGAN ATTORNEY GENERAL

Michael E.
By: **Moody**
Michael E. Moody (P51985)
Assistant Attorney General

Digitally signed by Michael E. Moody
Date: 2025.11.03 12:56:35 -05'00'

ALPENA POWER COMPANY

Timothy
By: **M. Gulden**
Timothy M. Gulden (P41232)
Its: Attorney

Digitally signed by Timothy M. Gulden
DN: cn=Timothy M. Gulden,
o=Bauer, Florip & Wojda PLC, ou,
email=tmgulden@bfwlawfirm.co
m, c=US
Date: 2025.11.03 14:43:13 -05'00'

PROOF OF SERVICE

STATE OF MICHIGAN)

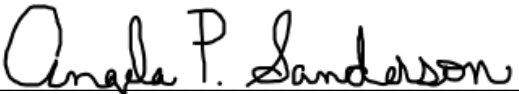
Case No. U-21912

County of Ingham)

Brianna Brown being duly sworn, deposes and says that December 5, 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 Brown

Subscribed and sworn to before me
this 5th day of December 2025.


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

Service List for Case: U-21912

Name	On Behalf Of	Email Address
Adam M. Cozort	MPSC Staff	cozorta1@michigan.gov
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Katherine E. Talbot	ALJs - MPSC	talbotk@michigan.gov
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Timothy M. Gulden	Alpena Power Company	tmgulden@bfwlawfirm.com