

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>MICHIGAN GAS UTILITIES CORPORATION</b>	)	
for <i>ex parte</i> accounting approval of costs	)	Case No. U-22021
associated with an incident at Trans Canada High	)	
Pressure Gas Main.	)	
_____	)	

At the February 19, 2026 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 December 23, 2025, Michigan Gas Utilities Corporation (MGUC) filed an application in this case requesting accounting authority to defer expenses associated with, and arising out of, an incident at the Trans Canada High Pressure Gas Main (TCHPGM) near Fennville, Michigan.

In its application, MGUC represents that on April 9, 2025, a subcontractor performing work for the Michigan Department of Natural Resources struck the TCHPGM owned by TC Energy, Inc., near Fennville, Michigan. Application, pp. 1-2. The TCHPGM runs high pressure natural gas downstream to MGUC-owned pipelines at 700 pounds per square inch gauge. As a result of the strike, the Trans Canada pipeline rapidly depressurized and was quickly shut down. *Id.*, p. 2. MGUC represents that this event caused immediate negative impacts to MGUC’s natural gas pipelines and natural gas supply, disrupted MGUC’s ability to supply natural gas to approximately

5,400 customers, and required a significant and expensive response by 200 employees working 16-hour days for five straight days, with the replacement/restoration of facilities and door-to-door restoration of natural gas service to ensure public safety. *Id.* MGUC states that the incident resulted in approximately \$2.05 million in total response and restoration expenses, and, as a result, MGUC requests accounting authority to defer the costs. MGUC further represents that it is concurrently pursuing litigation to recover the damages it suffered as a result of the incident from third parties, that any net litigation/settlement recovery will be used to offset the deferred asset, and once the final deferred asset amount is known, MGUC will seek rate recovery in a future proceeding before the Commission. *Id.*, pp-2-3. Finally, MGUC asserts that approval of the regulatory asset in this case will not increase rates or charges for any customer, and, therefore, it may be approved without notice or hearing. *Id.*, p. 3.

On January 12, 2026, the Michigan Department of Attorney General (Attorney General) filed a notice of intervention in the case. The Attorney General seeks to intervene and implicitly argues that a contested case is necessary, because (1) Trans Canada is a supplier of MGUC and loss of this natural gas supply is not related to MGUC providing natural gas service and (2) that MGUC should not be permitted to recover the costs relating to the incident from its customers and thus, deferral of such expenses as a regulatory asset is inappropriate. Attorney General's notice of intervention, pp. 3-4.

On January 26, 2026, MGUC filed a response to the Attorney General's notice of intervention, wherein MGUC asserts that a hearing is unnecessary because only accounting authority, not ratemaking relief, is sought at this time, and the issues raised by the Attorney General as the basis for intervention are premature and will be ripe for review in a future proceeding when the company seeks rate recovery of the deferred asset. MGUC's response, p. 2. MGUC further

argues that, under the Commission rules, “[a] contested case proceeding must be held when required by statute and may be held when the commission so directs.” Mich Admin Code, R 792.10415(1). *Id.* In this case, MGUC asserts, the statute does not require a hearing for the Commission to grant accounting authority and the public interest will not be best served through the contested case process. *Id.*

The Commission has reviewed MGUC’s application for accounting treatment and finds that it is reasonable, in the public interest, and should be approved. In addition, the Commission finds that approval of the application will not result in an increase in the cost of service to customers and, therefore, approval may be granted without notice or hearing pursuant to MCL 460.6a(3). The Commission finds that the application in this case is approved for accounting purposes only and that by granting approval of the accounting authority, it is not addressing the evidentiary burden the company must meet before it may recover these costs in a future proceeding.

THEREFORE, IT IS ORDERED that Michigan Gas Utilities Corporation’s application requesting *ex parte* approval for accounting authority to use a regulatory asset to defer expenses associated with and arising out of the April 9, 2025 incident at the Trans Canada High Pressure Gas Main 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](mailto:LARA-MPSC-Edockets@michigan.gov) and to the Michigan Department of Attorney General - Public Service Division at [sheac1@michigan.gov](mailto: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

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

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Shaquila Myers, Commissioner

By its action of February 19, 2026.

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Lisa Felice, Executive Secretary

# PROOF OF SERVICE

STATE OF MICHIGAN )

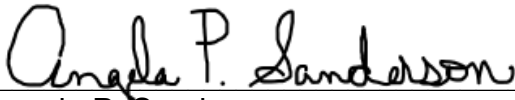
Case No. U-22021

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on February 19, 2026 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 19<sup>th</sup> day of February 2026.



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

**Service List for Case: U-22021**

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<b>Name</b>	<b>On Behalf Of</b>	<b>Email Address</b>
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
Michigan Gas Utilities Corporation	Michigan Gas Utilities Corporation	nicholas.krzeminski@michigangasutilities.com
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