

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>CONSUMERS ENERGY COMPANY</b>	)	
for approval of power purchase agreement	)	Case No. U-21942
amendments.	)	
_____	)	

At the April 17, 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 APPROVING SETTLEMENT AGREEMENT**

On July 17, 2025, Consumers Energy Company (Consumers) filed an application in this docket requesting approval of Amendment No. 3 to the Amended and Restated Power Purchase Agreement (PPA) with Peoples LFG, LLC (Peoples LFG) for the output of the Peoples LFG Plant. On May 20, 2025, Consumers executed Amendment No. 3 to the PPA due to the planned retirement of the remaining coal-fired power plants planned in May 2025, which served as the primary basis for the prior energy rate structure under the original PPA. Application, p. 2.

Amendment No. 3 to the PPA updates the energy rate methodology and establishes a fixed, predictable energy rate schedule for the remaining term of the PPA. *Id.* The amended energy rate schedule, mutually agreed upon by both parties to the PPA, was developed using a three-year analysis of historical energy rate trends from projects whose energy rates were based on the operations and expenditures of qualified base plants. *Id.* Amendment No. 3 is expected to reduce

customer costs when comparing the amended energy rate schedule to the forecasted energy rate.

*Id.*

On September 11, 2025, a prehearing conference was held in this proceeding before Administrative Law Judge James M. Varchetti. Consumers and the Commission Staff 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.

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 [sheacl@michigan.gov](mailto: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

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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 April 17, 2026.

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Lisa Felice, Executive Secretary

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
**CONSUMERS ENERGY COMPANY** ) Case No. U-21942  
for approval of power purchase )  
agreement amendments. )  
\_\_\_\_\_)

**SETTLEMENT AGREEMENT**

On July 17, 2025, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application with the Michigan Public Service Commission (“MPSC” or the “Commission”) requesting approval of the amended Power Purchase Agreement (“PPA”) with Peoples LFG, LLC (“Peoples LFG”). Specifically, the Company executed Amendment No. 3 to the PPA due to the planned retirement of the remaining coal-fired base plants planned in May 2025, which served as the primary basis for the prior energy rate structure under the original PPA. The Application was supported by the direct testimony and exhibits of Company witness Effie M. Williams. Pursuant to the Notice of Hearing, an initial prehearing conference was held in this proceeding before Administrative Law Judge James M. Varchetti on September 11, 2025. At the prehearing conference, the Commission Staff (“Staff”) entered its appearance. A second prehearing was scheduled for October 23, 2025. No other parties intervened.

The parties have discussed the issues in this case and, as a result, decided to resolve all issues by virtue of this Settlement Agreement (“Agreement”).

WHEREFORE, the parties agree to the following:

1. The Company and White Pine Power Company entered into an Amended and Restated PPA on September 2, 1993 (“Peoples LFG PPA”). Subsequently, with the Company’s 1

consent, White Pine Power Company assigned the Peoples LFG PPA to North America Natural Resources, Inc. (“NANR”) through an Assignment of Peoples LFG PPA dated November 4, 1994. The Peoples LFG PPA was later amended by the parties through Amendment No. 1 on April 24, 1995, and again through Amendment No. 2 on October 24, 2007. On September 18, 2023, NANR assigned the Peoples LFG PPA, with the Company’s consent, to Peoples LFG, LLC through an Assignment of Consumers Energy Agreements.

2. The Company sought Commission approval of the amended PPA pursuant to Section 6j of Act 304, MCL 460.6j and all other applicable law.

3. The Company and Peoples LFG executed Amendment No. 3 on May 20, 2025 due to the planned retirement of the remaining coal-fired base plants in May 2025, which served as the primary basis for the prior energy rate structure, as described further in the accompanying testimony. Amendment No. 3 updates the energy rate methodology and establishes a fixed, predictable energy rate schedule for the remaining term of the PPA. The amended energy rate schedule, mutually agreed upon by both parties to the PPA, was developed using a three-year analysis of historical energy rate trends from projects whose energy rates were based on the operations and expenditures of qualified base plants. This amendment represents a proactive and balanced approach that ensures continued service reliability, contractual certainty, and alignment with evolving regulatory and market conditions.

4. Amendment No. 3 is expected to reduce customer costs when comparing the amended energy rate to the forecasted energy rate based on a three-calendar year analysis of historical energy rate trends under the prior energy rate methodology for the Peoples LFG PPA. The Company anticipates total customer savings of approximately \$24,391 with the revised energy rate schedule provided by Amendment No. 3, compared to the forecasted costs under the prior

energy rate methodology. These savings will be passed along to customers through the PSCR process.

5. The parties agree that the Commission should approve the amended Power Purchase Agreement between Consumers Energy Company and Peoples LFG and specifically indicate that the Commission approves recovery by Consumers Energy Company of all payments under the PPA for the purposes of Section 6j of 1982 PA 304, MCL 460.6j, and all other applicable law.

6. The parties join in requesting the Commission to issue an order approving this Agreement. The parties agree that approval of this Agreement by the Commission is reasonable and in the public interest.

7. This Agreement has been made for the sole and express purpose of reaching a compromise and an accommodation among the parties to this case. This Agreement shall not in any way prejudice any of the parties' right to take new and/or different positions in any other proceeding. All offers of settlement and discussion relating to this Agreement shall be considered privileged under MRE 408. If the Commission approves this Agreement without modification, neither the parties to this Agreement, nor the Commission shall make any reference to, or use the Agreement, or the order approving it as 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 this Agreement and the order approving it.

8. For the sole purpose of submitting this Agreement to the Commission, the parties waive compliance with the provisions of Section 81 of the Administrative Procedures Act of 1969, MCL 24.281.

**CONSUMERS ENERGY COMPANY**



Digitally signed by  
Evan B. Keimach  
Date: 2025.10.15  
10:09:56 -04'00'

By: \_\_\_\_\_

Evan B. Keimach (P-83418)  
Bret A. Totoraitis (P-72654)  
Attorneys for Consumers Energy  
One Energy Plaza  
Jackson, MI 49201

Date: October 15, 2025

**MICHIGAN PUBLIC SERVICE  
COMMISSION STAFF**



Anna Stirling  
2026.02.13  
09:43:30 -05'00'

By: \_\_\_\_\_

Anna B. Stirling (P-84919)  
Dan Sonndeveldt (P- 58222)  
Assistant Attorneys General  
7109 West Saginaw Highway  
Lansing, MI 48917

Date: February 13, 2026

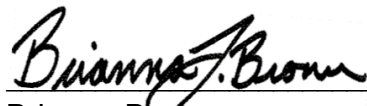
# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-21942

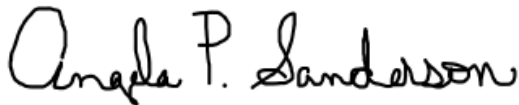
County of Ingham )

Brianna Brown being duly sworn, deposes and says that on April 17, 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 17<sup>th</sup> day of April 2026.



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

**Service List for Case: U-21942**

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<b>Name</b>	<b>On Behalf Of</b>	<b>Email Address</b>
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Bret A. Totoraitis	Consumers Energy Company	bret.totoraitis@cmsenergy.com
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com
Daniel E. Sonneveldt	MPSC Staff	sonneveldtd@michigan.gov
Evan B. Keimach	Consumers Energy Company	evan.keimach@cmsenergy.com
James M. Varchetti	ALJs - MPSC	varchettij@michigan.gov