STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief.	)))))	Case No. U-21870

At the June 11, 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 June 2, 2025, Consumers Energy Company (Consumers) filed an application in this docket requesting authority to increase its retail rates for the generation and distribution of electricity by approximately $436 million based on a projected 12-month test year ending April 30, 2027, plus an additional $24.3 million for a distribution deferral through a 12-month surcharge. Application, p. 2. Consumers also requested other forms of regulatory relief including miscellaneous accounting authority.

On July 2, 2025, Administrative Law Judge Jonathan F. Thoits (ALJ) conducted a prehearing conference at which the ALJ granted intervention to numerous parties, including the Michigan Environmental Council, Natural Resources Defense Council, Inc., Sierra Club, and Citizens Utility

Board of Michigan (collectively, MNSC) and Solar Technology LLC (Solar Technology). Consumers and the Commission Staff (Staff) also participated in the prehearing.

After conducting a contested proceeding, the ALJ issued a Proposal for Decision on January 29, 2026, and an amended Proposal for Decision (PFD) on that same day. On February 2, 2026, the ALJ issued Appendices to the PFD. Thereafter, exceptions and replies to exceptions were filed.

On March 27, 2026, the Commission issued an order in this docket (March 27 order) adopting a May 1, 2026 through April 30, 2027 test year and finding that, effective May 1, 2026, Consumers is authorized to implement rates that increase its annual electric revenues by $276,607,000 on a jurisdictional basis over the rates approved in the March 21, 2025 order in Case No. U-21585 (March 21 order). March 27 order, p. 508. The Commission directed that, within 30 days of the date of the March 27 order, Consumers shall file tariff sheets substantially similar to Attachment B to the March 27 order. On April 23, 2026, the Commission issued an errata that revised the revenue deficiency to $216,903,000.[1] On May 5, 2026, Consumers filed compliant tariff sheets in this docket.

On April 27, 2026, Solar Technology filed a petition for rehearing (public and confidential versions) pursuant to Mich Admin Code, R 792.10437 (Rule 437). On May 18, 2026, MNSC filed a response to the petition for rehearing.

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[1] Also on April 23, 2026, the Dorr Township Ratepayer Protection Group filed a petition to intervene, a motion for a contested case, and a formal complaint in this docket. The Commission notes that the deadline for filing a petition to intervene in this contested case was June 25, 2025. *See*, Mich Admin Code, R 792.10410(1). At the July 2, 2025 prehearing conference, the ALJ granted all of the petitions to intervene that were filed prior to the prehearing. 1 Tr 19. The Dorr Township Ratepayer Protection Group's petition to intervene is denied as untimely and the motion for a contested case is denied as moot. A complaint may be filed in a separate docket. *See*, MCL 462.22; Mich Admin Code, R 792.10439, 792.10441-792.10446.

The Petition for Rehearing and Response

Solar Technology states that it is a retail electric service customer under Consumers' Large Economic Development Rate (Rate LED) and that, during this proceeding, it requested that the Commission "approve a facilities allowance for Rate LED, as recommended by Consumers." Solar Technology's petition, p. 1. As proposed by Consumers, the facilities allowance, if approved, would be made available to new and existing Rate LED customers. Solar Technology states that the ALJ recommended adoption of Consumers' proposed Rate LED facilities allowance, and also recommended that the allowance be made available to the two existing Rate LED customers (one of which is Solar Technology), subject to a showing in an *ex parte* proceeding before the Commission that the existing contract between the customer and Consumers contemplated application of the allowance. Solar Technology's petition, pp. 1-2 (citing PFD, pp. 816-817).

In the March 27 order, the Commission approved the proposed Rate LED facilities allowance, but found that:

> the Commission declines to apply the facilities allowance retroactively or to adopt the ALJ's recommendation to direct Consumers to obtain *ex parte* approval from the Commission to apply the facilities allowance to existing customers. The Commission finds persuasive MNSC's argument that, in the contract for one Rate LED customer:
>
> > [n]othing . . . says that Consumers must provide a facilities allowance to the customer if the Commission did approve it. Nor does the contract say Consumers must continue seeking approval of a facilities allowance if the Commission does not approve it – as happened in [Case No.] U-21389 and the following rate case, [Case No.] U-21585. The same things are true of the contract for the other LED customer.
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> MNSC's initial brief, pp. 114-115. The Commission agrees.

March 27 order, pp. 407-408. Solar Technology agrees with the Commission's approval of the facilities allowance, but contends that the Commission erred in rejecting application of the allowance to existing customers. Solar Technology argues that the basis for the Commission's decision was its agreement with "argument from MNSC that, 'in the contract for one Rate LED customer', there was no language mandating that Consumers provide the facilities allowance to that customer if the Commission approved a facilities allowance, and MNSC's assertion that the same was true for the contract of the other Rate LED customer." Solar Technology's petition, p. 2 (quoting the March 27 order, p. 407). Solar Technology argues that the Commission's decision "was based on the erroneous conclusion that both existing Rate LED contracts contained similar facilities allowance provisions, when they do not. Solar [Technology's] Rate LED contract expressly provides Solar [Technology] with the opportunity to amend its contract if the Commission ever approved a facilities allowance for Rate LED." Solar Technology's petition, p. 5. Thus, Solar Technology contends that the March 27 order has the effect of unconstitutionally impairing Solar Technology's contract with Consumers and is discriminatory.

Solar Technology calls the Commission's decision "factually incorrect" and refers the Commission to paragraph 9(j) of Solar Technology's Rate LED contract as shown in Exhibit MEC-29C. Solar Technology contends that the provisions of that paragraph in Solar Technology's contract differ from the provisions referred to by MNSC regarding another customer's contract which do not expressly require Consumers to provide any approved facilities allowance to that customer. *Id*., pp. 6-7. By comparison, Solar Technology argues that its contract "does expressly provide Solar [Technology] with an opportunity to amend its contract if a facilities allowance were ever approved for Rate LED." *Id*., p. 6; *see also, id*., p. 7 (citing Exhibit MEC-29C, pp. 4 and 19 of 28).[2] Solar Technology further contends that:

[2] Exhibit MEC-29C was filed confidentially and there is no public version of this exhibit, but certain relevant provisions contained in that exhibit (specifically, both versions of paragraph 9(j)) were read into the record at 3 Tr 524-526. *See*, Exhibit MEC-29C, pp. 4 and 19 of 28.

> [p]aragraph 9(i) of the agreement authorizes Solar [Technology], during the term of the contract, to request changes to its electric rates in accordance with Consumers' rate book and for Consumers to agree to amendments to the Rate LED contract under specified conditions. One such condition is approval of a Rate LED facilities allowance. Thus, Solar [Technology's] Rate LED contract expressly gives Solar [Technology] the right to amend its contract prospectively if a facilities allowance was ever approved for Rate LED. The Commission erred in determining otherwise with respect to Solar [Technology's] Rate LED contract.

Solar Technology's petition, p. 7.

Solar Technology notes that the Contract Clause of the U.S. Constitution provides that "No State shall . . . pass any . . . Law impairing the Obligation of Contracts" and the Michigan Constitution similarly provides that "[n]o . . . law impairing the obligation of contract shall be enacted." *Id*. (quoting US Const, art I, sec 10, and Const 1963, art I, sec 10, respectively (the Contract Clauses)). Solar Technology adds that:

> [t]he prohibition on state impairment of contracts, however, is not absolute. To determine whether an impairment is permissible, the Commission has followed the three-part test set forth in *Energy Reserves Group, Inc v Kansas Power & Light Co*, 459 US 400; 103 S Ct 697 (1983) [*Energy Reserves*]. First, for the Contract Clause to apply, the contract impairment must be substantial. Second, the alteration of the contract must serve a significant and legitimate public purpose, such as remedying a broad or general social or economic problem. Third, the change in the agreement must be reasonable and appropriate to the public purpose. If a state action acts as a substantial impairment of a contractual relationship, and is not supported by a significant and legitimate public purpose or where the adjustment of the parties' contractual rights is not based on reasonable conditions appropriate to the public purpose, then the state action violates the Contract Clauses.

Solar Technology's petition, p. 8 (citing the September 8, 2016 order in Case No. U-17929, pp. 30-40; and *Energy Reserves*, 459 US at 411-412). Solar Technology argues that the Commission's decision constitutes a substantial impairment to its contractual relationship with Consumers and does not serve a significant and legitimate public purpose, because it has a valid contract with Consumers that allows it to seek a contract amendment if a facilities allowance is ever approved. Solar Technology asserts that the Commission's decision retroactively modifies its contract with Consumers and changes Consumers' obligations under the contract.

Solar Technology contends that it serves no significant and legitimate public purpose to prevent Solar Technology from taking advantage of a contract term that helped to induce the company to proceed with construction in Michigan. Solar Technology's petition, p. 9. Solar Technology further asserts that the decision is not reasonable or appropriate since there is no "broad or general social or economic problem" that is remedied by excluding one company from using the facilities allowance; and that the decision is drastic in that it acts as a complete prohibition, whereas a "more moderate and appropriate course would be to permit Solar [Technology] to amend its Rate LED contract prospectively to access an allowance." *Id*., p. 11. Solar Technology contends that the March 27 order has the unintended consequence of unlawfully impairing its contract.

Finally, Solar Technology argues that the decision is discriminatory in that it allows the utility to prefer one customer over another and thus mandates rate discrimination between customers who are similarly situated, in violation of MCL 462.4(a). Solar Technology's petition, p. 12; *see also*, MCL 462.16, 462.17. Solar Technology argues that differences in rates must be based upon reasonable differences between the customers charged those rates. Solar Technology's petition, p. 13 (citing *Attorney Gen v Mich Pub Serv Comm*, unpublished per curiam opinion of the Court of Appeals, issued August 18, 1998 (Docket No. 193794), pp. 4-5). Solar Technology observes that all Rate LED customers must meet the same criteria—they must be full service customers adding at least 35 megawatts (MW) of electric demand as three-phase primary voltage service, and must have a written contract. *See*, December 22, 2021 order in Case No. U-21160. Solar Technology avers that all Rate LED customers are receiving service under similar circumstances and conditions and thus the distinction between existing and future customers is not a reasonable one. Solar Technology concludes that "[f]ew customers are required to make the up-front distribution investments required of Rate LED customers, and yet all primary customers (other than the two existing Rate LED customers) receive a facilities allowance without regard to demonstrated need or inducement." Solar Technology's petition, p. 15.

In response, MNSC contends that it showed that application of the facilities allowance to existing Rate LED customers would result in shifting costs to other customers, and asserts that no party submitted evidence disputing MNSC's cost estimate (which is confidential). MNSC's response, p. 2 (citing 6 Tr 3934 (public) and 6 Tr 4678 (confidential)). MNSC explains that Rate LED is used to attract new large load to the state, which brings associated investments and jobs. MNSC's response, p. 2. MNSC argues that the new facilities allowance should not be applied to existing Rate LED customers, including Solar Technology, because those customers do not need an additional inducement to locate in Michigan—they are already here. *Id.*, pp. 2-3.

MNSC further argues that the plain language of the contract between Consumers and Solar Technology shows that Solar Technology is not entitled to receive the facilities allowance, nor is it entitled to a contract amendment. *Id.*, pp. 4-7. Paragraph 9(j) of that contract states as follows:

> The Company has filed with the MPSC [Commission] an application to amend Rate LED to allow for Rate LED customers to qualify for the Contribution in Aid of Construction ("CIAC") credit as well as the possibility to use a day-ahead energy pricing option. A proxy plant pricing option has also been proposed. If any such options are approved and Customer wanted to take advantage of one or more of them the provisions of Section 9(i) would be triggered, with any modifications to this Agreement applying on a prospective basis.

Exhibit MEC-29C, p. 19 of 28, read into the record at 3 Tr 526; *see also*, 3 Tr 523.[3] MNSC notes that this language indicates that Consumers "has filed" the application (the contract was signed on

[3] All citations to Volume 3 are to the corrected volume (located at filing #U-21870-0419).

February 2 and 7, 2024), and refers to "any such options[.]" MNSC's response, pp. 4-5. MNSC contends that Consumers' witness agreed that this language referred specifically to Case No. U-21389, which was filed on May 1, 2023. *Id*., pp. 5-6 (citing 3 Tr 527). MNSC contends that the contract states that Commission approval of "any such options" was a condition precedent to Solar Technology's right to seek an amendment, and that this language refers to the options of either the facilities allowance (the CIAC credit), or the proxy plant pricing option. *Id*., p. 6. MNSC notes that the Commission rejected both options in the March 1, 2024 order in Case No. U-21389, pp. 248-249. Thus, MNSC avers that "the condition that would have given Solar [Technology] the right to seek an amendment was not satisfied." MNSC's response, p. 6. MNSC goes on to argue that nothing in the contract applies to future potential rate cases, and the paragraph in dispute does not contain the word "ever." *Id*., pp. 6-7. Moreover, MNSC notes, even if the right to seek an amendment to the contract was enduring, the provisions of paragraph 9(i) indicate that there is no right to amend and "it certainly cannot be claimed that Solar [Technology] is entitled to receive any and all allowances approved by the Commission." *Id*., p. 7. Finally, with regard to the contract language, MNSC argues that Consumers could not have guaranteed Solar Technology that it would be eligible for any future discount that the Commission may approve.

MNSC contends that the March 27 order does not violate the Contract Clauses. MNSC avers that private parties cannot make themselves immune from state regulation through private contracts, and that Solar Technology has misapplied the legal test. MNSC's response, pp. 8-13. MNSC contends that the Commission's powers include the power to fix and regulate rates, which is a legislative determination. MNSC adds that a state law violates the Contract Clauses if it both operates as a substantial impairment and serves no legitimate public purpose. *Id*., pp. 9-10 (citing *Energy Reserves*, 459 US at 411). MNSC contends that an impairment is substantial if it interferes with contractual benefits that could be reasonably expected. MNSC's response, p. 10 (citing *El Paso v Simmons*, 379 US 497, 498; 85 S Ct 577; 13 L Ed 2d 446 (1965)). MNSC asserts that the March 27 order does not interfere with benefits reasonably to be expected from a Rate LED contract because Solar Technology was not guaranteed either a facilities allowance or the right to amend the contract, and the March 27 order does not interfere with the benefits associated with Rate LED. MNSC argues that:

> [a]ccording to the contract's plain language, the "right to amend" in Section 9(j) only related to the rate proposals in Case No. U-21389, and therefore, the provision was rendered inoperable when both proposals were rejected in that case. Alternatively, if the contract is interpreted to give Solar [Technology] a "right to amend" should the Commission ever approve an applicable facilities allowance, then the obligations of Section 9(j) remain in force, though dormant.

MNSC's response, p. 11 (footnotes omitted). Thus, MNSC contends that any right Solar Technology may have is not actionable under the Contract Clauses and any impairment is an '"impairment of paper rights."' *Id*. (quoting *Borman, LLC v 18718 Borman, LLC*, 777 F3d 816, 827 (CA 6, 2015) (*Borman*)). MNSC adds that "[i]n addition to the parties' reasonable expectations, the Court considers 'objective evidence of reliance on the impaired term.' It also considers 'whether the industry the complaining party has entered has been regulated in the past.' Both factors, however, cut against the substantiality of Solar [Technology's] claim." MNSC's response, p. 11 (quoting *Borman*, 777 F3d at 818 and *Energy Reserves*, 459 US at 411, respectively).

MNSC argues that Solar Technology provided no evidence of its reliance on the language of paragraph 9(j) and it "chose to contract with Consumers and locate in Michigan without a facilities allowance or a future guarantee of one." MNSC's response, p. 12. MNSC notes that Consumers' industry has been heavily regulated in Michigan since 1939. Thus, under this test, MNSC contends that there has been no substantial impairment; and that, even if there were an impairment, the March 27 order serves a significant and legitimate public purpose by broadly protecting the ratepayers who would otherwise have been required to bear the costs that would be shifted as a result of the facilities allowance, and by preventing a windfall to those Rate LED customers who located in Michigan without the incentive of a facilities allowance. *Id*., pp. 12-13.

Finally, MNSC argues that the March 27 order is not unlawfully discriminatory because the distinction between new and existing customers is a reasonable one. *Id*., p. 14 (citing *Bradford v Citizens' Telephone Co*, 161 Mich 385, 389-390; 126 NW 444 (1910)). MNSC notes that Rate LED was first approved in order to '"assist in attracting large, unique, and energy-intensive facilities with incremental load that are seeking competitive energy prices."' MNSC's response, p. 14 (quoting the December 22, 2021 order in Case No. U-21160, p. 4). MNSC notes that the facilities allowance is designed to continue that purpose. However, MNSC asserts, it is not necessary to provide the facilities allowance to attract Solar Technology, and no party presented evidence showing that the facilities allowance would be required in order to retain Solar Technology's presence in the state. MNSC contends that this provides a reasonable basis for the difference between new and existing customers on Rate LED. MNSC's response, pp. 15-16.

<u>Discussion</u>

Rule 437 provides that a petition for rehearing may be based on claims of error, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from compliance with the order. A petition for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission's decision. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.

The Commission finds that Solar Technology disagrees with the Commission's decision in the March 27 order, but has failed to show that rehearing is required due to the identification of errors, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences of the decision.

The parties are correct in noting that the issue of a facilities allowance for Rate LED has existed for some time, as Consumers' last three electric rate cases show. The Commission rejected Consumers' facilities allowance proposal in the March 1, 2024 order in Case No. U-21389, pp. 241-249, based on its design. In the March 21, 2025 order in Case No. U-21585, pp. 418-425, the Commission again rejected the proposal but offered Consumers guidance on future proposals, should the company choose to make any. Consumers followed that guidance in the instant case and in the March 27 order, pp. 386-408, the Commission approved the facilities allowance proposal but rejected retroactive application of the allowance to the two existing Rate LED customers (one of whom is Solar Technology). The Commission stated that it "finds persuasive MNSC's argument that, in the contract for one Rate LED customer: '[n]othing . . . says that Consumers must provide a facilities allowance to the customer if the Commission did approve it[,]'" while noting MNSC's argument that the same is true of the other contract. March 27 order, pp. 407-408 (quoting MNSC's initial brief, pp. 114-115).

The primary goal of contract interpretation is to honor the parties' intent. *Stone v Auto-Owners Ins Co*, 307 Mich App 169, 174; 858 NW2d 765 (2014). "The terms of the contract are accorded their plain and ordinary meaning. . . . If the contractual language is unambiguous, courts must interpret and enforce the contract as written because an unambiguous contract reflects the parties' intent as a matter of law." *Hastings Mut Ins Co v Safety King, Inc*, 286 Mich App 287, 292; 778 NW2d 275 (2009). In determining the meaning of an ambiguous contract, the fact finder "must give effect to every word, phrase, and clause in a contract and avoid an interpretation that would render any part of the contract surplusage or nugatory." *Klapp v United Ins Group Agency, Inc*, 468 Mich 459, 468; 663 NW2d 447 (2003).

In its petition for rehearing, Solar Technology relies on the fact that the two existing Rate LED customer contracts have differing language in paragraph 9(j). *See*, Exhibit MEC-29C, pp. 4 and 19 of 28. This is true, and those differences were read into the public record at 3 Tr 524-526.[4] However, the Commission does not find that the differences change the Commission's finding in the March 27 order. Again, paragraph 9(j) of the Consumers/Solar Technology contract states as follows:

> The Company has filed with the MPSC an application to amend Rate LED to allow for Rate LED customers to qualify for the Contribution in Aid of Construction ("CIAC") credit as well as the possibility to use a day-ahead energy pricing option. A proxy plant pricing option has also been proposed. If any such options are approved and Customer wanted to take advantage of one or more of them the provisions of Section 9(i) would be triggered, with any modifications to this Agreement applying on a prospective basis.

Exhibit MEC-29C, p. 19 of 28, read into the record at 3 Tr 526; *see also* 3 Tr 523.[5] Solar Technology's request for rehearing turns on the interpretation of "any such" in the above language. If the word "ever" appeared in the paragraph, the outcome would likely be different; but the Commission finds that, in the context of the paragraph above, the word "such" refers to the three pricing options listed in the two prior sentences; that is, "such" refers to: (1) the CIAC credit, which is understood to refer to the facilities allowance; (2) the day-ahead energy pricing

[4] Solar Technology did not note the differences in the two contracts or make a constitutional argument in the underlying proceeding.

[5] Paragraph 9(i) of the contract authorizes Solar Technology, during the term of the contract, to request changes to its electric rates in accordance with Consumers' rate book. Solar Technology's petition, p. 7; *see also*, 3 Tr 526. Contrary to Solar Technology's assertions, paragraph 9(i) affords the opportunity to amend the contract, but not the right to amend the contract.

option; and (3) the proxy plant pricing option. The application that is referred to as "filed with the MPSC" is the application for a contested rate case filed in Case No. U-21389 on May 1, 2023, which included a request to amend Rate LED as described. The contract was signed in February of 2024. 3 Tr 525. Within this factual setting, the Commission finds that this interpretation reflects the parties' intent and allows the first two sentences of paragraph 9(j) to retain their meaning and role in the contract without being rendered surplusage. Moreover, this is the interpretation that the other party to the contract—Consumers—adheres to. While it is true that Consumers' witness (Laura Connolley) advocated for application of an approved facilities allowance to existing customers,[6] she also testified that: (1) the reference to the application that the company "has filed" (quoted above) is a reference to Case No. U-21389; (2) the application for a facilities allowance in Case No. U-21389 was denied; and (3) Consumers had no ongoing obligation to continue to seek a facilities allowance under the two contracts. 3 Tr 527; *see also*, 3 Tr 522-527.[7] Thus, the plain language of paragraph 9(j) in Exhibit MEC-29C, p. 19 of 28, does not support Solar Technology's assertion that it is entitled, under the contract, to take advantage of any facilities allowance approved by the Commission at any point in the future. Solar Technology's contract with Consumers guaranteed Solar Technology the right to seek a contract

[6] With reference to both existing customers, Ms. Connolley testified that "part of the negotiation with these customers was around potential for a future facilities allowance" and that "[t]hese customers considered this language and potential for an allowance as part of their decision to locate in the Company's service territory." 3 Tr 170.

[7] The Commission notes that, in explaining why the ALJ's recommendation for an *ex parte* proceeding should be rejected, Solar Technology argued that "Consumers interprets contracts and applies its tariffs to customers daily without the need for further Commission proceedings. Consumers has a staff of legal counsel and regulatory personnel who are skilled at reviewing contracts, interpreting tariffs, and making determinations regarding the application of Consumers' tariffs to a contract." Solar Technology's exceptions, p. 4.

amendment with the utility if the CIAC credit was approved in Case No. U-21389, but did not do more than that. Indeed, the contract could not lawfully have provided a guarantee that the state regulatory body would establish a facilities allowance and that that allowance would be applicable to Solar Technology. Thus, the Commission finds that there is no impairment of the contract. Finding no impairment, the Commission does not find it necessary to apply the three-part test set forth in *Energy Reserves*. The Commission is not persuaded that the March 27 order contains errors or results in unintended consequences with respect to the exclusion of Solar Technology from application of the facilities allowance.

Additionally, the Commission notes that in the order approving Rate LED, the Commission stated that "approval of the new rate will assist in attracting large, unique, and energy-intensive facilities with incremental load that are seeking competitive energy prices." December 22, 2021 order in Case No. U-21160, p. 4. In the March 27 order approving the facilities allowance, the Commission noted that "Consumers' proposed facilities allowance is consistent with the directives in the March 21 order." March 27 order, p. 407. In the March 21 order, the Commission made clear that any facilities allowance for Rate LED should not lead to subsidization by other customers. March 21 order, pp. 424-425. In other words, Rate LED is intended to lead to the addition of large, energy-intensive, incremental load that can result in bringing new investment to Michigan without adding to the burden of existing ratepayer groups. Even leaving aside the issue of retroactive ratemaking, Solar Technology does not fit that description. So, again, the Commission does not find error in the decision to exclude existing customers from the newly-approved facilities allowance for Rate LED.

For the same reasons, the Commission is not persuaded that the decision is discriminatory. The difference between existing and new customers is a significant one in this case, and provides a reasonable basis for a difference in rate treatment. The Commission is vested with complete power to regulate utility rates, and the legislative determinations that are required necessarily involve the use of judgment and discretion. *Attorney General v Pub Serv Comm*, 141 Mich App 505, 510; 367 NW2d 341 (1984). In its ratemaking, the Commission is not bound by any particular ratemaking method and may "make pragmatic adjustments in order to respond to the particular circumstances of any given case." *In re Consumers Energy Co*, 278 Mich App 547, 563; 753 NW2d 287 (2008). The Commission has found that:

> a rate proposal can be lawful and non-discriminatory even though it creates a rate class for which only some customers qualify and even though there are differences in rates among customers within the rate class. Rational differences in classifications and rates can be nondiscriminatory, provided appropriate standards are used to differentiate customers. The resulting issues are largely factual.

May 9, 1995 order in Case No. U-10787, pp. 19-20. Where a rate is intended to attract new load of a specific type, the difference between existing and new customers is a reasonable one. Prospective application of the facilities allowance to potential customers who are shopping for appropriate locations may persuade them to locate in Michigan. Prospective application of the facilities allowance to an existing customer will do nothing to persuade that customer to locate in Michigan.

For all of these reasons, the Commission finds that the petition for rehearing should be denied.

THEREFORE, IT IS ORDERED that the petition for rehearing filed by Solar Technology LLC is denied.

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 June 11, 2026.

Lisa Felice

Lisa Felice, Executive Secretary

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

STATE OF MICHIGAN)

Case No. U-21870

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on June 11, 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 J. Brown

Brianna Brown

Subscribed and sworn to before me
this 11th day of June 2026.

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-21870

Name	On Behalf Of	Email Address
Adam M. Cozort	MPSC Staff	cozorta1@michigan.gov
Alena M. Clark	MPSC Staff	clarka55@michigan.gov
Amanda Urban	Urban Core Collective	aurbanlaw@gmail.com
Amit T. Singh	MPSC Staff	singha9@michigan.gov
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Benjamin J. Holwerda	Association of Businesses Advocating Tariff Equity	bholwerda@clarkhill.com
Bret A. Totoraitis	Consumers Energy Company	bret.totoraitis@cmsenergy.com
Celeste R. Gill	Department of Attorney General	gillc1@michigan.gov
Christopher M. Bzdok	Natural Resources Defense Council	chris@tropospherelegal.com
Christopher M. Bzdok	Citizens Utility Board of Michigan	chris@tropospherelegal.com
Christopher M. Bzdok	Michigan Environmental Council	chris@tropospherelegal.com
Christopher M. Bzdok	Sierra Club	chris@tropospherelegal.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
Courtney F. Kissel	Michigan Electric Transmission Company, LLC	ckissel@dykema.com
Daniel E. Sonneveldt	MPSC Staff	sonneveldtd@michigan.gov
Daniel H.B. Abrams	Union of Concerned Scientists, Inc.	dabrams@elpc.org
Daniel H.B. Abrams	Environmental Law & Policy Center	dabrams@elpc.org
Daniel H.B. Abrams	The Ecology Center	dabrams@elpc.org
Daniel H.B. Abrams	Vote Solar	dabrams@elpc.org
Don L. Keskey	Great Lakes Renewable Energy Association	donkeskey@publiclawresourcecenter.com
Evan B. Keimach	Consumers Energy Company	evan.keimach@cmsenergy.com
Gary A. Gensch Jr.	Consumers Energy Company	gary.genschjr@cmsenergy.com
Hannah E. Buzolits	Michigan Electric Transmission Company, LLC	hbuzolits@dykema.com
Holly L. Hillyer	Natural Resources Defense Council	holly@tropospherelegal.com
Holly L. Hillyer	Sierra Club	holly@tropospherelegal.com
Holly L. Hillyer	Michigan Environmental Council	holly@tropospherelegal.com
Holly L. Hillyer	Citizens Utility Board of Michigan	holly@tropospherelegal.com
Jacob R. Schuhardt	Urban Core Collective	jschuhardt@uchicago.edu
Jacqueline Hillman	Urban Core Collective	obsolete@michigan.gov
Jennifer U. Heston	Solar Technology LLC	jheston@potomaclaw.com
Jennifer U. Heston	Hemlock Semiconductor Operations, LLC	jheston@potomaclaw.com
Jody Kyler Cohn	The Kroger Company	jkylercohn@bkllawfirm.com
Jody Kyler Cohn	The Kroger Company	jkylercohn@bkllawfirm.com
John R. Liskey	Citizens Utility Board of Michigan	john@liskeypllc.com
Jonathan F. Thoits	ALJs - MPSC	thoitsj@michigan.gov

Josh L. Kluzak	Michigan Electric Transmission Company, LLC	jkluzak@dykema.com
Justin K. Ooms	Institute for Energy Innovation	jkooms@varnumlaw.com
Justin K. Ooms	Michigan Energy Innovation Business Council	jkooms@varnumlaw.com
Justin K. Ooms	Foundry Association of Michigan	jkooms@varnumlaw.com
Justin K. Ooms	Advanced Energy United	jkooms@varnumlaw.com
Justin K. Ooms	Energy Michigan	jkooms@varnumlaw.com
Katherine S. Duckworth	Vote Solar	kduckworth@elpc.org
Katherine S. Duckworth	Environmental Law & Policy Center	kduckworth@elpc.org
Katherine S. Duckworth	The Ecology Center	kduckworth@elpc.org
Katherine S. Duckworth	Union of Concerned Scientists, Inc.	kduckworth@elpc.org
Kurt J. Boehm	The Kroger Company	kboehm@bkllawfirm.com
Kurt J. Boehm	The Kroger Company	kboehm@bkllawfirm.com
Laura A. Chappelle	Energy Michigan	lachappelle@varnumlaw.com
Laura A. Chappelle	Advanced Energy United	lachappelle@varnumlaw.com
Laura A. Chappelle	Michigan Energy Innovation Business Council	lachappelle@varnumlaw.com
Laura A. Chappelle	Institute for Energy Innovation	lachappelle@varnumlaw.com
Laura A. Chappelle	Foundry Association of Michigan	lachappelle@varnumlaw.com
Lori Mayabb	MPSC Staff	mayabbl@michigan.gov
Lucas Wollenzien	Department of Attorney General	wollenzienl@michigan.gov
Mark N. Templeton	Urban Core Collective	templeton@uchicago.edu
Melissa M. Horne	Walmart, Inc.	mhorne@hcc-law.com
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Michael J. Pattwell	Association of Businesses Advocating Tariff Equity	mpattwell@clarkhill.com
Michael L. Kurtz	The Kroger Company	mkurtz@bkllawfirm.com
Nicholas Q. Taylor	MPSC Staff	taylorn10@michigan.gov
Olivia R.C.A. Flower	Michigan Electric Transmission Company, LLC	oflower@dykema.com
Richard J. Aaron	Michigan Electric Transmission Company, LLC	raaron@dykema.com
Sean P. Gallagher	Michigan Cable Telecommunications Association	sgallagher@fraserlawfirm.com
Spencer A. Sattler	Consumers Energy Company	spencer.sattler@cmsenergy.com
Stephen A. Campbell	Association of Businesses Advocating Tariff Equity	scampbell@clarkhill.com
Timothy J. Lundgren	Michigan Energy Innovation Business Council	tjlundgren@varnumlaw.com
Timothy J. Lundgren	Energy Michigan	tjlundgren@varnumlaw.com
Timothy J. Lundgren	Institute for Energy Innovation	tjlundgren@varnumlaw.com
Timothy J. Lundgren	Foundry Association of Michigan	tjlundgren@varnumlaw.com
Timothy J. Lundgren	Advanced Energy United	tjlundgren@varnumlaw.com
Tracy Jane Andrews	Natural Resources Defense Council	tjandrews@tropospherelegal.com
Tracy Jane Andrews	Sierra Club	tjandrews@tropospherelegal.com
Tracy Jane Andrews	Michigan Environmental Council	tjandrews@tropospherelegal.com
Tracy Jane Andrews	Citizens Utility Board of Michigan	tjandrews@tropospherelegal.com

Valerie J.M. Brader	Anonymous Customer	valerie@rivenoaklaw.com