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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC  
SERVICE COMMISSION HELD IN ITS OFFICES ON DECEMBER 20, 2018

Commission Chairman Sally A. Talberg called the meeting to order at 1:30 p.m.  
Executive Secretary Kavita Kale called the roll and declared there was a quorum.

**PRESENT**

Commission: Sally A. Talberg, Chairman  
Norman J. Saari, Commissioner  
Rachael A. Eubanks, Commissioner

Staff: Blair Renfro  
Nick Assendelft  
Kavita Kale  
Lisa Felice  
Al Freeman  
Tim Wolf  
Kirk Forbes  
Jake Thelen  
Jill Rusnak  
Chris Forist  
Drew Simon  
Robin Ancona  
Ryan McAnany  
Karen Gould  
Jon DeCooman  
Anna Schiller  
Josh Towslee  
Matt Donahue  
Caitlin Buchanan

Public: Candace Gonzales, Consumers Energy  
Kwafo Adarkwa, ITC  
Mike Delaney, Consumers Energy  
Karen Wienke, Consumers Energy  
Michael Torrey, Consumers Energy  
Adella Crozier, DTE  
Suzy Westmoreland, MEGA  
Yvette Collins, AT&T

- I. Commissioner Saari moved to approve today's agenda, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The agenda was approved.

- II.** Commissioner Saari moved to approve the minutes of the Regular Commission Meeting of December 6, 2018, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The minutes were approved.

### **III. CONSENTED ORDERS**

#### **A. COMMUNICATIONS**

1. U-13710 IN THE MATTER OF THE REQUEST FOR COMMISSION  
APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN  
Z-TEL COMMUNICATIONS, INC. AND AMERITECH MICHIGAN  
(thirteenth amendment)  
U-18049 IN THE MATTER OF THE REQUEST FOR COMMISSION  
APPROVAL OF A MULTI-STATE INTERCONNECTION  
AGREEMENT BETWEEN FIRST COMMUNICATIONS, LLC AND  
VARIOUS AT&T INC. OWNED COMPANIES, INCLUDING AT&T  
MICHIGAN  
(seventh amendment)
2. U-17237 IN THE MATTER OF THE APPLICATION OF SAGE TELECOM  
COMMUNICATIONS, LLC FOR A PERMANENT AND  
TEMPORARY LICENSE TO PROVIDE BASIC LOCAL EXCHANGE  
SERVICES THROUGHOUT THE STATE OF MICHIGAN  
(voluntary surrender)
3. MINUTE PENINSULA FIBER NETWORK, LLC  
ACTION (9-1-1 wireless, U-14000, invoice no. 50007655)
4. MINUTE PENINSULA FIBER NETWORK NEXT GENERATION SERVICES,  
ACTION LLC  
(9-1-1 wireless, U-14000, invoice no. 50007726)
5. MINUTE AT&T MICHIGAN  
ACTION (9-1-1 wireless, U-14000, invoice no. 571 R41-0001 067 9)

6. MINUTE ACTION FRONTIER MICHIGAN (9-1-1 wireless, U-14000, invoice nos. MI9NGMTS9111210 and MI9NZMTS9111210)

**B. ELECTRIC**

1. U-20028 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR CONSUMERS ENERGY COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008  
(final order)
2. U-20029 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR DTE ELECTRIC COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008  
(final order)
3. U-20070 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR RECONCILIATION OF POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-18144) FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2017  
(final order)
4. U-20174 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY, A WISCONSIN CORPORATION, TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2017  
(final order)
5. U-20175 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2017  
(final order)
6. U-20176 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2017  
(final order)

7. U-20324 IN THE MATTER OF THE COMPLAINT OF STEVEN R. AYERS  
AGAINST DTE ENERGY COMPANY  
(final order)
8. U-20342 IN THE MATTER OF THE COMPLAINT OF OTTO M. PIEDMONT  
AGAINST CLOVERLAND ELECTRIC COOPERATIVE  
(final order)

**C. GAS**

1. U-20035 IN THE MATTER, ON THE COMMISSION'S OWN MOTION,  
REGARDING THE REGULATORY REVIEWS, REVISIONS,  
DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR DTE  
GAS COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF  
2008  
(final order)

Commissioner Saari moved that the Commission approve all the orders and minutes on the consent agenda. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The orders and minutes were adopted.

**IV. OTHER ORDERS**

**A. COMMUNICATIONS**

1. U-20160 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO RE-  
ADOPT RULES REQUIRED BY MCL 484.2202(1)(c)(ii)  
(final order)

Case No. U-20160 involves re-adoption of rules for the provision of unbundled network elements and local interconnection. The order before you formally adopts the rules. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

2. U-20161 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO PROMULGATE RULES REQUIRED BY MCL 484.2202(1)(c)(iii) (final order)

Case No. U-20161 involves re-adoption of rules for the provision of basic local exchange service customer migration. The order before you formally adopts the rules. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks

Nays – None

The order was adopted.

3. U-20335 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO DETERMINE POTENTIAL CHANGES TO THE LIFELINE DISCOUNT PURSUANT TO MCL 484.2316 (final order)

Commission Staff Ryan McAnany, Telecommunications Division, presented a brief synopsis of the case listed above. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks

Nays – None

The order was adopted.

## **B. ELECTRIC**

1. U-18043 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO REVISE THE TECHNICAL STANDARDS FOR ELECTRIC SERVICE RULES TO REMOVE RULES AND ADD RULES (final order)
- U-18203 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO REVIEW ISSUES CONCERNING CYBERSECURITY AND THE EFFECTIVE PROTECTION OF UTILITY INFRASTRUCTURE

Commission Staff Cody Matthews, Energy Operations Division, presented a brief synopsis of the case listed above. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg thanked staff for their efforts.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

2. U-18076 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF ITS AMENDED RENEWABLE ENERGY PLAN  
(*ex parte*/extension request)

Case No. U-18076 involves an application by DTE Electric Company requesting extension of the enrollment term of a voluntary renewable energy pilot program. The order before you approves the extension of the enrollment term end date to December 31, 2019. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

3. U-18091 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR DTE ELECTRIC COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ*  
(interim order)

4. U-18092 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR INDIANA MICHIGAN POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ*  
(interim order)

5. U-18093 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR NORTHERN STATES POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ*  
(final order)

6. U-18095 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST

CALCULATION FOR WISCONSIN PUBLIC SERVICE  
CORPORATION TO FULLY COMPLY WITH THE PUBLIC UTILITY  
REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ*  
(final order)

U-18096 IN THE MATTER, ON THE COMMISSION'S OWN MOTION,  
ESTABLISHING THE METHOD AND AVOIDED COST  
CALCULATION FOR WISCONSIN ELECTRIC POWER COMPANY  
TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY  
POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ*

Commission Staff Caitlin Buchanan, Regulatory Affairs Division, presented a brief synopsis of each of the cases listed above. Commissioner Saari moved that the Commission approve the four orders at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order in Case No. U-18091 was adopted.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order in Case No. U-18092 was adopted.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order in Case No. U-18093 was adopted.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order in Case No. U-18095 et al was adopted.

7. U-18333 IN THE MATTER, ON THE COMMISSION'S OWN MOTION,  
REGARDING THE REGULATORY REVIEWS, REVISIONS,  
DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR  
INDIANA MICHIGAN POWER COMPANY TO FULLY COMPLY  
WITH PUBLIC ACT 295 OF 2008  
(petition for rehearing)

Case No. U-18333 involves a remand from the Michigan Court of Appeals seeking a determination from the Commission as to whether the net lost revenue tracker at issue in this proceeding is an unlawful revenue decoupling mechanism pursuant to the Court's holding in

*Enbridge Energy Ltd Partnership v Upper Peninsula Power Co*, 313 Mich App 669; 884 NW2d 581 (2015), *lv den* 500 Mich 997 (2017). The order before you denies a petition for rehearing filed by Indiana Michigan Power Company. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

8. U-18351 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATION, AND/OR APPROVALS NECESSARY FOR CONSUMERS ENERGY COMPANY TO COMPLY WITH SECTION 61 OF 2016 PA 342  
(petition for rehearing)

Case No. U-18351 involves a petition for rehearing filed by Consumers Energy Company in response to the Commission's October 5, 2018 order. The order before you denies the petition. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

9. U-18361 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO PROMULGATE RULES REQUIRED BY MCL 460.10ee(1)  
(final order)

Commission Staff Kirk Forbes, Regulated Energy Division, presented a brief synopsis of the case listed above. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg indicated that staff has prepared an Issue Brief on these rules, as well as the cybersecurity rules, and they will be available on the website today.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.



10. U-20084 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO REQUIRE DTE ELECTRIC COMPANY AND DTE GAS COMPANY TO SHOW CAUSE WHY THESE COMPANIES SHOULD NOT BE FOUND IN VIOLATION OF THE CONSUMER STANDARDS AND BILLING PRACTICES FOR ELECTRIC AND NATURAL GAS SERVICE, R 460.101 *ET SEQ*  
(contested settlement agreement)
- U-18486 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE AN INVESTIGATION INTO DTE ENERGY COMPANY'S BILLING PRACTICES

Commission Staff Jake Thelen, Customer Assistance Division, presented a brief synopsis of the case listed above. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg thanked staff for their efforts.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

11. U-20152 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO PROMULGATE RULES GOVERNING THE CONSUMER STANDARDS AND BILLING PRACTICES FOR ELECTRIC AND NATURAL GAS SERVICE  
(final order)

Commission Staff Karen Gould, Energy Resources Division, presented a brief synopsis of the case listed above. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

12. U-20168 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR AUTHORITY TO AMEND ITS STREET LIGHTING TARIFFS TO PROVIDE EXPANDED USE OF LIGHT EMITTING DIODE STREET LIGHTING SERVICE AND RELATED APPROVALS  
(*ex parte*/final order)

Case No. U-20168 involves an application by Upper Peninsula Power Company requesting authority to amend its street

lighting tariffs to provide expanded use of light emitting diode street lighting service. The order before you approves the request. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

13. U-20284 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO CONSIDER CHANGES IN THE RATES OF ALL THE MICHIGAN RATE-REGULATED ELECTRIC, STEAM, AND NATURAL GAS UTILITIES TO REFLECT THE EFFECTS OF THE FEDERAL TAX CUTS AND JOBS ACT OF 2017: DTE ELECTRIC COMPANY FILES AN APPLICATION FOR DETERMINATION OF CREDIT B AS DESCRIBED IN ORDER U-18494  
(final order)
- U-18494 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO CONSIDER CHANGES IN THE RATES OF ALL MICHIGAN RATE-REGULATED ELECTRIC, STEAM, AND NATURAL GAS UTILITIES TO REFLECT THE EFFECTS OF THE PENDING FEDERAL TAX CUTS AND JOBS ACT. ALPENA POWER COMPANY, *ET AL*
- U-20105 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO CONSIDER CHANGES IN THE RATES OF ALL THE MICHIGAN RATE-REGULATED ELECTRIC, STEAM, AND NATURAL GAS UTILITIES TO REFLECT THE EFFECTS OF THE FEDERAL TAX CUTS AND JOS ACT OF 2017: DTE ELECTRIC COMPANY FILES AN APPLICATION FOR DETERMINATION OF CREDIT A AS DESCRIBED IN ORDER U-18494
14. U-20286 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO CONSIDER CHANGES IN THE RATES OF ALL OF THE MICHIGAN RATE-REGULATED ELECTRIC, STEAM, AND NATURAL GAS UTILITIES TO REFLECT THE EFFECTS OF THE FEDERAL TAX CUTS AND JOBS ACT OF 2017: CONSUMERS ENERGY COMPANY FILED AN APPLICATION FOR DETERMINATION OF ELECTRIC CREDIT B AS DESCRIBED IN ORDER U-18494  
(final order)
- U-18494 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO CONSIDER CHANGES IN THE RATES OF ALL MICHIGAN RATE-REGULATED ELECTRIC, STEAM, AND NATURAL GAS UTILITIES TO REFLECT THE EFFECTS OF THE PENDING

FEDERAL TAX CUTS AND JOBS ACT. ALPENA POWER COMPANY, *ET AL*  
U-20102 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO CONSIDER CHANGES IN THE RATES OF ALL OF THE MICHIGAN RATE-REGULATED ELECTRIC, STEAM, AND NATURAL GAS UTILITIES TO REFLECT THE EFFECTS OF THE FEDERAL TAX CUTS AND JOBS ACT OF 2017: CONSUMERS ENERGY COMPANY FILES AN APPLICATION FOR DETERMINATION OF ELECTRIC CREDIT A AS DESCRIBED IN ORDER U-18494

Commission Staff Dave Isakson, Regulated Energy Division, presented a brief synopsis of each case listed above. Commissioner Saari moved that the Commission approve the orders at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Commissioner Eubanks commented:

“Thank you, madam chair and thanks Dave for the great summary. We are almost at the one-year mark of the Commission’s actions related to federal tax change related proceedings. In that relatively short amount of time our Administrative Law Judges, staff, utilities and stakeholders have completed a tremendous amount of work in over 20 individual cases.

The impact for customers across Michigan being served by 12 different utilities has been tremendous - \$380 million in reductions from Credit A proceedings, and today, \$227 million in reductions from Credit B proceedings, with I&M yet to come. The large amount of Credit B refunds for Consumers and DTE electric customers being approved today, \$162.7 million, is particularly noteworthy.

The Calculation C cases that address larger and longer-term items like deferred taxes will be more complicated, but we encourage all involved to continue to work together efficiently to deliver these significant benefits to customers on a timely basis. Thanks for all you do and happy holidays.”

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order in Case No. U-20284 et al was adopted.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order in Case No. U-20286 et al was adopted.

15. U-20290 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY, A WISCONSIN CORPORATION, SEEKING *EX PARTE* APPROVAL TO IMPLEMENT LIGHT EMITTING DIODE AUTOMATIC OUTDOOR LIGHTING SERVICES  
(final order)

Case No. U-20290 involves the *ex parte* application of Northern States Power Company to implement light emitting diode automatic outdoor lighting services. The order before you approves the

application. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

16. U-20341 IN THE MATTER ON THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR DEFERRED ACCOUNTING TREATMENT OF CERTAIN AMOUNTS OF LOST COST RECOVERY RELATED TO CUSTOMER CHOICE COSTS ARISING FROM CUSTOMER CHOICE  
(final order)

Case No. U-20341 involves an application by Indiana Michigan Power Company for deferred accounting treatment of certain amounts of lost cost recovery related to customer choice. The order before you denies the request. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

## **C. GAS**

1. U-17826 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO PROMULGATE RULES GOVERNING GAS PIPELINE SAFETY  
(final order)

Commission Staff Tim Wolf, Energy Operations Division, presented a brief synopsis of the case listed above. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Commissioner Saari commented:

“I want to reinforce the message delivered by Tim Wolf. The Commission is certain that the changes to these rules will further our mission to enhance the safety of natural gas systems in Michigan for the welfare of the citizens and visitors of this great state.

No one plans to have a natural gas safety accident, but everyone can plan to avoid one from occurring. The gas local distribution companies in Michigan have laudable safety records, but no one should make the false assumption that gas accidents only happen in California and the East Coast. This year our gas

safety staff has investigated numerous incidents statewide, including a serious gas pipeline explosion in Oakland County and a pipeline strike that recently occurred on a gas line serving Belle Isle. The property damages are repairable, and we were fortunate there were no personal injuries caused from these accidents.

With the continued emphasis on replacing the aging gas main distribution infrastructure and Michigan's continued reliance on safe and reliable gas storage fields, these new rules will serve as additional toolkit resources for Commission gas inspectors to work with the utilities and contractors.

I would be remiss if I did not again encourage the gas utilities to implement a similar type of Safety Management System program that PHMSA is advocating nationwide. That extra focus on natural gas safety is not just a check the box for customer satisfaction and a measure to avoid legal consequences but needs to be a thoughtful commitment for a safe and prosperous New Year."

Chairman Talberg thanked staff for their efforts.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

2. U-18010 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF AMENDMENTS TO GAS TRANSPORTATION CONTRACTS PURSUANT TO 1929 PA 9, AS AMENDED  
(interim order)

Case No. U-18010 involves an application by Consumers Energy Company requesting approval of amendments to firm and interruptible gas transportation contracts between the company and Midland Cogeneration Venture Limited Partnership. The order before you affords Consumers Energy Company 30 days to withdraw its notice of withdrawal of application; otherwise, Consumers Energy Company's request to withdraw will be granted, its amended application will be dismissed with prejudice, and the docket will be closed. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

3. U-18999 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY FOR AUTHORITY TO INCREASE ITS RATES, AMEND ITS RATE SCHEDULES AND RULES GOVERNING THE DISTRIBUTION AND

SUPPLY OF NATURAL GAS, AND FOR MISCELLANEOUS  
ACCOUNTING AUTHORITY  
(petition for rehearing)

Case No. U-18999 involves an application filed by DTE Gas Company for authority to increase its rates for the distribution of natural gas and for other relief. The order before you denies a petition for rehearing and reconsideration filed by Retail Energy Supply Association. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

4. U-20339 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY  
FOR ACCOUNTING AUTHORITY TO DEFER THE RECOVERY OF  
AMOUNTS ASSOCIATED WITH PARKING SERVICE COSTS  
(*ex parte*/final order)

Case No. U-20339 involves an application filed by DTE Gas Company requesting authority to defer the recovery of amounts associated with park service costs. The order before you denies the application. Commissioner Saari moved that the Commission approve the order at its December 20, 2018 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The order was adopted.

## V. YEAR-END REVIEW

Chairman Talberg commented:

“This year was an incredibly productive year with significant accomplishments achieved to further the MPSC’s mission - that is, to ensure safe, reliable, and accessible energy and telecommunications services at reasonable rates. Today we are sharing ten highlights, but this list reflects only a fraction of the important day-to-day work our MPSC team has accomplished during 2018.

### 1. Energy Law Implementation

The Commission reached milestones during this year to implement major aspects of the state's landmark energy policy reform laws, PA 341 and 342 of 2016. This included ongoing discussions with stakeholders and staff through various studies and proceedings to achieve more affordable,

reliable and cleaner energy for Michigan residents. These laws were designed to help adapt Michigan's regulatory approaches to the changing world around us with the integration of new energy technologies such as solar, electric vehicles, and energy storage. We learned that customers are increasingly engaged in being part of the decision-making process in how their energy is produced and used.

Commission staff was engaged in activities this year addressing integrated resource planning, adequacy of our power supplies, demand response, increased investments in energy waste reduction and renewable energy, pricing for customer-owned distributed generation, on-bill financing, performance-based ratemaking, code of conduct and "value-added" services, voluntary green pricing programs, and PURPA. We also now operate under compressed 10-month rate case schedules.

We want to recognize the Legislature and Governor Snyder for their policy vision and leadership, and having confidence in the MPSC and its stakeholder process to implement these important laws. It is also important to acknowledge our staff, who maintained their focus to engage varied interest groups on these important issues. Finally, I want to thank all the stakeholders who took the initiative and made the dedicated effort to provide us valuable information to help us make informed decisions that best serve the public.

## **2. Infrastructure Planning and Approvals**

It is no secret Michigan faces challenges with aging energy infrastructure – from electric substations, wires, utility poles, and power plants to underground natural gas pipelines, compressor stations and storage fields. Addressing our infrastructure needs is critical to public safety, service reliability, and our overall economy.

The Commission reviewed numerous energy infrastructure proposals to ensure they provide the best value to customers. In April, the Commission approved a Certificate of Need for DTE Energy's natural gas plant in southeast Michigan. Electricity generated from the new plant will help to replace three aging coal plants. We also monitored the construction of the Upper Michigan Energy Resources Corp's natural gas units in the UP that are expected to go into service in 2019 and replace the Presque Isle coal plant. MPSC staff and other parties were active in the Consumers Energy integrated resource planning case this past year to examine the utility's long-term plans, including a proposal to add significant amounts of solar energy. The Commission has been reviewing proposals by DTE and Consumers to add over 1,400 MW of Michigan-based, renewable energy. There were also important steps taken to defer or displace the need for costly infrastructure. The Commission approved the expansion of utility programs that help businesses and residents cut their energy waste through insulation, heating and cooling, and other equipment.

Michigan's first-ever comprehensive long-term plans for electric distribution were also addressed this year to examine future investments and options. This effort is critical to public safety, reliability, and the integration of new energy technologies. In November, the Commission provided guidance on the next iteration of plans after reviewing significant stakeholder input.

Finally, the Commission approved increased investments to replace aging cast-iron and bare steel gas distribution lines. Michigan's regulatory approach to modernize its natural gas infrastructure is a model for the nation. Our gas operations staff continues to emphasize the importance of following Safety Management Systems in gas infrastructure construction, repair, and replacement programs.

### **3. Refunds of Federal Tax Cut**

The Commission moved swiftly and deliberately—starting with a special Commission meeting between Christmas and New Year’s last year—to ensure Michigan utility customers would receive the full benefit of the lower corporate income tax reduction under the federal Tax Cut and Jobs Act. Over the past year, the Commission has reduced utility rates by \$379.5 million with additional customer refunds totaling \$227.8 million. Our process has ensured accurate calculations of the rate reductions, and significant dollars back in the hands of utility customers. I want to acknowledge Commissioner Eubanks for her leadership on this topic, as well as the administrative law judges, Staff and the parties for handling the multitude of cases.

### **4. Audio Visual Upgrades**

One of our goals at the MPSC is to improve communications and accessibility to the public. Our administrative services team worked through a challenging state procurement process to deploy audio visual upgrades that will improve communications and transparency by video recording and live streaming Commission meetings. The new AV system can provide remote access for stakeholders to participate in events hosted at the MPSC.

### **5. Gas Safety Standards**

Today we promulgated final rules with updated gas safety standards as presented by Tim Wolf. Our gas operations team is second to none and has an outstanding national leadership reputation, with safety always at the forefront of everything they do. In addition to rulemaking activities and infrastructure review in rate cases, we have highly trained engineers in the field day and night monitoring compliance of gas pipeline construction and operations and pursuing enforcement where appropriate to ensure the safety of 10 million Michiganders.

### **6. Electric Vehicles**

The Commission travelled the next mile in the development of electric vehicle programs when the staff hosted a second EV technical conference early this year. The discussions led to Consumers Energy and DTE Electric filing for special EV pilot programs in their current electric rate cases. The Commission established itself as a national regulatory leader by providing guidance on the four important cornerstones of effective EV public policy – education, impact on the grid, pricing, and infrastructure deployment. Commissioner Saari has provided tremendous vision and leadership on this topic, and was invited to participate in several national policy forums, including programs hosted by EPRI, EEI, Ceres, ACEEE, the Great Plains Institute, the Alliance to Save Energy and Electrify America, to discuss the future of electrification of the transportation sector.

### **7. Advancements in Telecommunications**

The Commission provided technical support to Governor Snyder’s Michigan Consortium on Advanced Networks, which released in August a bold roadmap for expanding broadband in the state. The Commission also implemented provisions of Act 51 of 2018 to review costs of next generation 9-1-1 systems, coordinated with the federal government and other partners to update the Lifeline low-income program to cover broadband and other changes, and conducted the final rebalancing of the Access Restructuring Mechanism, or ARM, fund.

### **8. Customer Protection and Assistance**

Through a series of administrative actions, the Commission improved protections for customers, particularly those most in need or at risk from having their utility service disconnected. The Commission ensured improved transparency and consistency in utility disconnection policies during extreme weather; instituted new protections for critical care customers – such as those on life support; expanded funding for special rates for low-income customers; issued \$50 million



in grants for low-income energy assistance; and conducted an enforcement proceeding to address the improper shutoff of customers and billing rule violations. Following the adoption of new customer protection rules, the Commission also approved new utility tariffs addressing privacy and access to customer energy consumption data. Staff also launched a new stakeholder group to focus on issues affecting low-income customers.

#### **9. New Cybersecurity Rules**

The Commission adopted new cybersecurity protection rules to formalize processes for electric utilities – both investor-owned and electric cooperatives – to assess and report to the Commission annually on their cybersecurity efforts. The rules also provide protocols for reporting cyber breaches or events to the Commission.

#### **10. E-dockets**

We are approaching the one-year anniversary of the roll out of the Commission’s new e-dockets system, to manage and provide public access to nearly 130,000 filings in Commission proceedings dating back to 2000. The new system is heavily used with an average of over 200,000 unique users each month since January! It also provides reporting and other tools to manage our dockets internally.

We were the first Commission in the country to have online access to Commission dockets but our legacy system was in need of replacement after 18 years. Through a lean process improvement, our team mapped out the needs and then worked with the vendor to develop the new system on time and on budget. Over the past year, the team made additional enhancements and cleaned up data to improve the user experience. Many state commissions are now looking to our system as a model.

There is an overarching theme associated with these activities: modernizing our infrastructure and regulatory approaches to be adaptive to changes in the energy and communications industries. This is not a one-year endeavor with a known endpoint. We look forward to continued efforts in 2019 and beyond with consideration of additional integrated resource planning cases, thoughtful decisions in rate cases, updates to standards for generators connecting to the electric grid, and implementation of new rules. We have learned a lot by engaging a wide range of interested stakeholders. And we look forward to continuing these discussions and working with a new Administration and Legislature to ensure safe, reliable, affordable and environmentally protective regulatory policies.”

Mike Byrne presented State of Michigan Teamwork coins to the following individuals who designed and implemented the e-dockets system: Kavita Kale (team lead), Robin Ancona, Sharon Feldman, Lori Mayabb, Angela McGuire, Alex Morese, Danielle Rogers, Sally Wallace, Travis Warner, Lisa Felice, Casey Patrick, Angela Sanderson, Nick Revere, and Amy Rittenhouse. Two former MPSC employees, Derrell Slaughter and Susana Woolcock, were also acknowledged for their work in the e-dockets design.

## **VI. PUBLIC COMMENTS**

There were no public comments.

A recording of the proceedings of the December 20, 2018 meeting is archived at:  
[http://www.michigan.gov/mpsc/0,4639,7-159-16400\\_46656---,00.html](http://www.michigan.gov/mpsc/0,4639,7-159-16400_46656---,00.html) .

Chairman Talberg announced that the next regularly scheduled Commission Meeting will be held on January 18, 2019 at 1:30 p.m.

Commissioner Saari moved that the Commission adjourn, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks  
Nays – None

The motion was approved.

The meeting adjourned at 2:30 p.m.

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Kavita Kale  
Executive Secretary