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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC
SERVICE COMMISSION HELD VIA MICROSOFT TEAMS VIDEO CONFERENCING ON
DECEMBER 17, 2020

Commission Chair Daniel C. Scripps called the meeting to order at 1:30 p.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Daniel C. Scripps, Chair (participating from Leelanau County)
Sally A. Talberg, Commissioner (participating from Ingham County)
Tremaine L. Phillips, Commissioner (participating from Ingham County)

Staff: Jana Bachman
Lisa Felice

Additional Staff & Public Attending Telephonically/Video Conferencing: 253 Participants

I. Commissioner Phillips moved to approve today's agenda, Commissioner Talberg seconded.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The agenda was approved.

II. Commissioner Phillips moved to approve the minutes of the Regular Commission Meeting of December 9, 2020, Commissioner Talberg seconded.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. MINUTE ACTION AT&T MICHIGAN
(9-1-1 wireless, U-14000, invoice no. 517 R 41-0001 067 9 dated December 1, 2020)

2. MINUTE ACTION FRONTIER MICHIGAN
(9-1-1 wireless, U-14000, invoice nos. MI9NGMTS9111203 and MI9NZMTS9111203 dated December 3, 2020)
3. MINUTE ACTION PENINSULA FIBER NETWORK
(9-1-1 wireless, U-14000, invoice no. 50015284 dated December 1, 2020)
4. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES
(9-1-1 wireless, U-14000, invoice no. INV-SHIAWA1 dated December 1, 2020)
5. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES
(9-1-1 wireless, U-14000, invoice no. INV-Oscoda1 dated December 1, 2020)
6. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES
(9-1-1 wireless, U-14000, invoice no. 50015375 dated December 1, 2020)

B. ELECTRIC

1. U-20703 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
(energy waste reduction reconciliation for 2019/proposed settlement
agreement)
2. MINUTE ACTION MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC,
APPLICATION TO RECOVER COSTS ASSOCIATED WITH A
PROPOSED ELECTRIC VEHICLE INFRASTRUCTURE PILOT
PROJECT
(FERC Docket No. ER21-424-000)

C. GAS

1. U-20812 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN
ENERGY RESOURCES CORPORATION FOR APPROVAL OF A
GAS COST RECOVERY PLAN AND FACTORS FOR THE 12-
MONTH PERIOD ENDING OCTOBER 31, 2021 AND RELATED
APPROVALS
(proposed settlement agreement)

Commissioner Phillips moved that the Commission approve all the orders and minute actions on the consent agenda.
Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The 2 orders 7 minute actions were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-20743 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, DIRECTING ANTHONY MARTELL D/B/A MARTELL CABLE SERVICE TO SHOW CAUSE WHY IT SHOULD NOT BE FOUND TO BE IN VIOLATION OF THE UNIFORM VIDEO SERVICES LOCAL FRANCHISE ACT, 2006 PA 480, MCL 484.3301 *ET SEQ.*
(final order)

Case No. U-20743 involves, on the Commission's own motion, an order for Anthony Martell d/b/a Martell Cable Service to show cause why it has not complied with the requirements of 2006 PA 480. The order before you orders Anthony Martell d/b/a Martell Cable Service to pay a \$1000 fine for repeated violation of 2006 PA 480. Commissioner Phillips moved that the Commission approve the order at its December 17, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

B. ELECTRIC

1. U-20697 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
(final order)

Commission Staff Ryan Laruwe, Strategic Operations Division, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its December 17, 2020 meeting. Commissioner Talberg seconded that motion.

Commissioner Phillips commented:

“Included in the order today is an expansion of the Company’s ongoing PowerMIDrive program through the approval of a new 3 year electric vehicle pilot entitled PowerMIFleet. The \$12.2 million dollar program continues the Commission’s support of utility investments in EV infrastructure under a “make ready” model, and compliments the existing PowerMIDrive program by focusing on rebates, capital expenditures, and the grid management barriers and solutions related to the adoption of electric vehicle fleets.

The order today also does not require a carve out within the pilot program for the electrification of the Company’s fleet vehicles but does request that the company include such a proposal in its next rate case. The pilot program, as discussed in this order, will continue to lay the foundation for the states growing EV charging network while providing much needed learnings and analysis on the challenges to be encountered as the deployment of light and medium class EV fleets by the private and public sectors continues to accelerate.

The order today also provides further clarity in regard to the expectations of the Commission related to the companies advanced metering infrastructure or AMI investments. The order opposes the Company’s contention that continued fulfillment in future rate cases of AMI business case requirements set forth in case U-28322 was unnecessary because the associated investments have been “fully deployed and implemented”. Although the Company may have completed installation of AMI technology, the ongoing exploration and implementation of the full range of Company and customer benefits of the AMI program necessitate the continued filing of an AMI business case in future rate cases, not in perpetuity, but for the foreseeable future.”

Commissioner Talberg commented:

“In today’s order, the Commission is reinforcing its commitment to tree trimming. These sustained vegetation management efforts are necessary to improve public and worker safety and to reduce power outages. Consumers Energy’s focus on tree trimming the past few years has positioned the company to continue to scale up these investments.

I also want to highlight the increased capital investments to support the reliability of the electric distribution system and address aging infrastructure. We know we need a reliable, resilient grid that can integrate new technologies and withstand extreme weather. This order sets us on that path, as Consumers prepares its second comprehensive distribution investment plan due in 2021. These investments in the distribution system leave me encouraged for the future that customers will receive the service they deserve.

This is the 33rd rate case in my 7.5 years serving on the Commission. Let me restate that number - 33 cases. Ten of these cases have been for Consumers Energy gas or electric and eight are DTE cases. We’ve had an average of over 4 cases per year during this time.

We have been seeing more cases in just the last couple of years, and they are – without question -- increasingly complex. This has become extremely challenging with the 10-month statutory deadline and other responsibilities facing the MPSC. Today’s order is almost 350 pages and the underlying record is about 5,000 pages.

I am encouraged that our order today calls for continued exploration of performance based metrics that could be the foundation for a new regulatory approach that achieves the goal of ensuring necessary infrastructure investment in a timely manner while providing the fairness and accountability ratepayers deserve.

Thanks to the parties, Judge Wallace, and all the Staff involved in this case.
Thank you for the opportunity to share these thoughts.”

Chair Scripps commented:

“I echo Commissioner Talberg’s comments on the importance of reliability investments, the order before us would continue to support needed investment in Consumer’s distribution infrastructure and vegetation management in order to increase reliability and reduce both the number and duration of outages.

It also provides further guidance for Consumer’s five-year distribution plan to be filed next summer. Including, as Commissioner Talberg noted, the development of metrics associated with distribution system performance. Enhancing reliability and reducing outages remain priorities at the Commission. This order and the work to be included in the next set of distribution plans will help ensure that we continue to make progress on that front.

I also echo the praise for staff, the parties, and Judge Wallace.”

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

2. U-20889 IN THE MATTER OF THE APPLICATION OF CONSUMERS
ENERGY COMPANY FOR A FINANCING ORDER APPROVING
THE SECURITIZATION OF QUALIFIED COSTS
(final order)

Commission Staff Jill Rusnak, Strategic Operations Division, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its December 17, 2020 meeting. Commissioner Talberg seconded that motion.

Commissioner Phillips commented:

“I thank the intervenors in this case for providing a robust record for which we could base our decision and I thank our staff and the team within the Commission office for the painstaking due diligence necessary to evaluate the proposed securitization by the Company during a compressed case schedule.

One of the more contentious issues in this case was the length of the term of the securitization bond issuance. The order before us adopts the Company’s proposal for an 8-year term, as this timeframe is supported by the financial markets and provides \$62 million in savings or a 53% reduction in total interest payments by customers when compared to the proposed 14-year term. Furthermore, the shorter term length will limit intergenerational inequities on ratepayers and avoid customers having to pay cost related to these long-retired generation assets during a time when needed investments in clean energy, grid modernization, and other infrastructure programs continue. Thank you, Chairman.”

Commissioner Talberg commented:

“This proceeding was called for as part of Consumers Energy’s approved integrated resource plan that accelerates the transition to clean energy. Other states have looked to Michigan as a model for using low-cost securitization financing to address the early closure of coal plants and bring about cost savings for customers.

This order reinforces the Commission’s use of this financing tool and facilitates Consumers implementation of its Clean Energy Plan to move to net zero carbon emissions by 2040.”

Chair Scripps commented:

“Commissioner Talberg, I appreciate your comments and those of Commissioner Phillips, and your leadership. Both in this case and previous securitizations, as you noted, that we are gaining a reputation as a state that uses these tools well. I would note that in addition to helping to facilitate the ongoing transition of Michigan’s generation fleet, the order before us provides for more than \$125 million in savings along that path. That is significant, substantial, and helps ensure that as we continue that transition, we do it in a way that is cost effective for the ratepayers.”

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

3. U-20922 IN THE MATTER OF THE JOINT APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION AND MICHIGAN GAS UTILITIES CORPORATION FOR APPROVAL OF TARIFF SHEETS ADDRESSING THE EFFECT OF MCL 460.1089(2) (*ex parte*/final order)

Case No. U-20922 involves a joint application filed by Upper Michigan Energy Resources Corporation and Michigan Gas Utilities Corporation for *ex parte* approval of revised tariff sheets to comply with MCL 460.1089(2). The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its December 17, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

4. U-20932 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF A ONE-TIME VOLUNTARY REFUND OF REVENUE
(*ex parte*/final order)

Case No. U-20932 involves an application filed Consumers Energy Company for *ex parte* approval of a one-time voluntary refund. The order before you approves the application with those conditions set forth in the order. Commissioner Phillips moved that the Commission approve the order at its December 17, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

C. GAS

1. U-20925 IN THE MATTER OF THE APPLICATION OF SEMCO ENERGY, INC., FOR *EX PARTE* APPROVAL OF REVISIONS TO THE FIRST NATURAL GAS RATE BOOK
(final order)

Case No. U-20925 involves an application by SEMCO Energy, Inc., for *ex parte* approval of revisions to the First Natural Gas Rate Book. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its December 17, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

V. YEAR IN REVIEW

Chair Scripps commented:

“As with so many other areas in our lives, the COVID-19 pandemic response dominated the Public Service Commission’s work in 2020. As the PSC staff transitioned to working remotely to ensure that the agency’s mission of energy and telecommunications regulation continued to be uninterrupted. The

MPSC staff was among the first of the State's agencies to fully transition to remote work and it didn't miss a beat in tackling critical issues during the pandemic. The Commission worked with utilities and other State of Michigan agencies to help expand protections and assistance for vulnerable customers. These efforts included ensuring more than 3,500 disconnected households had their service reconnected and directly linking 41,000 low-income customers to energy assistance. We also helped ensure that \$162 million in federal low-income home energy assistance program funds were distributed broadly in additional \$31.5 million Congress made available to the state through the CARES Act Federal Pandemic Stimulus.

We also worked with Connected Nation Michigan and other State Department agencies to develop a state-wide map of free Wi-Fi hotspots to assist families who lack affordable or accessible hi-speed internet at home. I particularly appreciate the leadership of Commissioner Phillips in that effort.

In addition we also marked the first year of the MIPower Grid initiative that we launched last fall in partnership with Governor Whitmer to maximize the benefits to Michigan residents and businesses of the ongoing transition to cleaner and more distributed energy resources. Our staff, along with hundreds of stakeholders, engaged in seven separate MIPower workgroups, including dozens of meetings, multiple reports, ten Commission orders. Next year looks to be busier as we continue these efforts to focus on action and implementation.

We have also worked to increase transparency and public access. With the Commission's IT team leading efforts to ensure that we could hold Commission Meetings, Administrative Hearings, and Cross-Examinations virtually. These virtual meetings significantly increased the opportunities for public participation.

The Commission's Executive Business Section launched the long anticipated Notify Me of Approved Filings button in the MPSC's electronic docketing system allowing the public the option to receive email updates when new filings are posted in individual cases. In addition, instructions were recently added to make it easier for users to submit public comments on cases before the Commission.

The Commission continues to grow its social media presence through Twitter, LinkedIn. We also recently debuted MPSC Spotlight, a new monthly newsletter to help provide even more transparency of our work.

We have also worked to update our Strategic Plan to take meaningful steps in addressing increase diversity, equity, and inclusion. I want to thank Amy Rittenhouse and Cathy Cole for their leadership of the strategic plan work, and Shatina Jones and Al Freeman for their leadership of the Diversity, Equity, and Inclusion initiative.

Of course, even in a pandemic, and with these new initiatives, we can continue to engage in rate cases, rulemakings, and other work. We updated our Gas Technical Standards for the first time since 1993, including a focus on cybersecurity and also approved gas pipeline projects for DTE and Consumers, to improve safety and add redundancy to Michigan's natural gas infrastructure – a core recommendation from last year's Statewide Energy Assessment.

On the Telecom side, we worked to protect customers by ensuring options were available to Talk America services discontinued telephone service in Michigan. We addressed service outages following the Edenville dam failure area in the Midland area, a cut cable in Pentwater, and continue to focus on expanding broadband to underserved communities across Michigan.

We have participated on nine separate multi-agency State taskforces, completed five major rate cases, finalized the last three integrated resource plan cases included in the first round of IRP cases under the 2016 law, issued an order in the one securitization we decided today, and a partridge in a pear tree.

It has been a busy year at the Commission. As we look to 2021, and the hope to return to something approximating normalcy, it promises to be just as active. One of my core takeaways from 2020 is a profound sense of gratitude to the people that make up the Public Service Commission. Our staff have worked tirelessly to make sure that our work in overseeing energy and telecommunications has continued uninterrupted. From our Customer Assistance staff who continue to field calls and complaints from their homes, to those balance work, children in remote learning, while racing to meet tight statutory deadlines in rate cases and other proceedings. To those who have stepped forward to lead our diversity, equity, and inclusion work. To those, often behind the scenes, working to make sure that our technology platforms function as they should so we can continue to do the people's business in public, even in a pandemic. I am tremendously grateful for the work our team has put in during this most challenging of years. It is a testament to our staff that they continue seek other opportunities to serve. People like Ryan Cook, Customer Assistance Division, who is volunteering part of his time to assist with COVID contact tracing, and the many individuals across our staff who had adopted families during this holiday season.

To the staff of the Public Service Commission, thank you! I am humbled to work with you and deeply appreciate all that you do. I am excited for 2021."

Commissioner Phillips commented:

"It has now been 9 months, or 39 weeks, or exactly 279 days since the Commission began to transition to working remotely on Friday, March 13th and so to our staff at the Commission, I want to say thank you. Thank you for continuing to uphold and strengthen the exceptional reputation and values of the Commission during this immensely challenging, unprecedented, and unpredictable time.

Thank you to your families for putting up with stressed internet bandwidth and kitchen table offices. And thank you all for continuing to keep the health and safety of Michigan residents at the forefront of your minds. So please continue to stay well, invest in your families over the holiday break and I can't wait to reconvene and celebrate our tremendous accomplishments with one another in-person in the new year."

Commissioner Talberg Commented:

"Chair Scripps, I really appreciate you taking over the Commission. You have done an exceptional job as Chair. It has been during very difficult times. You are a great leader, and the Commission is very fortunate to have you. I have enjoyed working with both you and Commissioner Phillips."

VI. PUBLIC COMMENTS

There were no public comments.

Chair Scripps commented:

“I want to stress again that assistance is available for those who are struggling to pay their utility bills. If that includes you, please contact your energy provider or telecommunications provider to see what programs they have in place for bill assistance, affordable payment plans, or you can call 2-1-1 or visit www.MI211.org to be connected with an assistance providers. Assistance is available. I know that there are a number of families who are struggling right now across the state with the pandemic and the economic consequences. I certainly want to make sure that you are connected with the help that is out there.

Second, I want to highlight that staff has been busy with a number of different reports and other efforts released this week, including reports and final drafts of rulesets for the Service Quality and Reliability Technical Standards, MIPower Grid Workgroups, a straw proposal for how to integrate the Governor’s MIHealthy Targets into utility integrated resource plans (including the three IRPs) that are due to be filed in 2021, and a broad based report on the Commission’s ongoing response to the COVID-19 pandemic. Those reports are all publicly available on the Commission’s website at: www.michigan.gov/mpsc . The MIPower Grid reports are available and are linked directly in the workgroup pages on the dedicated MIPower Grid website at: www.michigan.gov/mipowergrid.

I also want to thank the many staff involved in these and other related efforts for their work.

Finally, the end of the year also brings a few notable transitions for the Commission. Heather Cantin has done an incredible job as manager of our Communications Section since it launched nearly 1 ½ years ago. She is leaving at the end of the year for new career opportunities. She is ably lead our work to communicate and engage with new audiences, connect those struggling with available assistance, and other resources and to find ways to better connect the work of the Public Service Commission with the lives of the people we serve. All told, Heather has dedicated nearly 10 years of her career to the PSC and we wish her the very best of luck in the next chapter of her career.

This is Commissioner Sally Talberg’s final meeting. As she steps away from the Commission after 7 ½ years as Commissioner, including 4 ½ years as Chair, and a total of more than 15 years of service to the state of Michigan. It is frankly impossible to fully articulate what she has meant to the work of the Commission, how she has empowered and elevated staff, mentored other employees in ways formal and informal, seen and unseen, and how very much we are going to miss her.

I have known Sally for a long time, well before either of us joined the Commission. In fact, while I was at Michigan Energy Innovation Business Council, I was pleased to recommend to Governor Snyder that he appoint Sally Talberg as Commissioner. Of course, she did not need my help. She was simply the best qualified person for that position and has demonstrated that every single day since she joined the Commission in 2013.

When I was appointed, I got a letter from the National Association of Regulatory Utility Commissioners as part of their ambassador program. I was assigned Sally Talberg as my mentor of the Michigan Public Service Commission. We thought that it was overdoing it, so we wrote back to NARUC and asked that I be assigned a different mentor. In the end, I got two because she has been a friend, mentor, and coach. I am personally indebted to the attention that she has paid to me like she does with every Commissioner that she has worked with and every staff member in our building. It is incredible to be in Sally's orbit and have her as a guiding star in how to do this work and do it well. She has an encyclopedic knowledge of regulatory matters. She pays attention to literally every detail. There is not a footnote that escapes her. She is always learning and pushing and communicating. Her regulatory curiosity is nothing if not contagious, and she makes all of us better at the work that we do. In short, simply the best colleague that you could ever hope to have.

What I will remember the most is her deep commitment to the institution. She has at her core, just a bedrock of integrity. She wants the Commission to always be reflected in the best light. Her elevation of staff has made us better. Her focus on career development for people at every rank in the Commission has made us better. Her focus on process to make sure that we have the tools and the way that we work is the right way. That point can't simply be overstated. It is the little stuff that a lot of folks don't pay attention to, that sometimes gets left behind and organizations suffer when it does. She has been focused on the organization and brought her love of the Commission and its work with her every single day.

That is why I know that even as we prepare to bid her a fond farewell, in important ways she will never truly leave. Her leadership is just fundamentally embedded in our culture. I can't think of a more fitting legacy. In a way it is like that song from former Commissioner Norm Saari's favorite band The Eagles, who sang in Hotel California "You can check out any time you want, but you can never leave".

Commissioner Talberg, I'd say that the Commission won't be the same without you, which is undoubtedly true. You are so much a part of this place. Your spirit, curiosity, and many contributions that you have made to Michigan's regulatory framework will always be a part of this place. I want to thank you."

Commissioner Phillips commented:

"Commissioner Talberg, I can't thank you enough for graciously welcoming me, my wife and two kids to the MPSC family. If you recall, you did this in part by presenting me with oatmeal raisin cookies [my favorite] following my confirmation before the state Senate. This year has been one heck of a sendoff for your remaining time here at the Commission, and though it is unfortunate that 2/3rds of my tenure working with you has been solely through the four corners of this screen, it has been an absolute pleasure and an honor to serve with you and utilize all of your knowhow to navigate us through what was one of the more taxing, uncertain, and dynamic periods in the Commission's history."

Your genuine mentorship and thoughtfulness I know is appreciated by all within our organization. Your work metabolism is second to none, and I have previously worked for former State Senator Lana Pollock. And I say this with no hyperbole, you are the epitome of what a leader should aspire to become

when taking on this tremendous opportunity and responsibility. Your achievements will have a lasting and positive impact on every gas molecule and electron that flows to customers in the great state of Michigan. But today is not a day for sadness, but instead a day for celebration of your esteemed career at the Commission and we wish you well as you lend your talents to ERCOT and the state of Texas.

With that said, I will cede the floor to the Commissioner Talberg.”

Commissioner Talberg commented:

“Thank you, Chair Scripps. It is probably no surprise this is my last Commission meeting. This morning, I gave my resignation to Governor Whitmer. My last day serving on the Public Service Commission will be December 31. It has been a great privilege to serve alongside Chair Scripps, Commissioner Phillips, and former Commissioners Saari, Eubanks, Quackenbush and White. And it has been a true honor to work with our talented staff with their unwavering commitment to utility customers in this state. You all are the best.

Thank you, Happy Holidays, and best of wishes for a happy, healthy 2021.”

A recording of the proceedings of the December 17, 2020 meeting is archived at:
https://www.michigan.gov/mpsc/0,9535,7-395-93307_93316_93317_93875---Y,00.html .

Chair Scripps announced that tentatively the next regularly scheduled Commission Meeting will be held on January 21, 2021 at 1:30 p.m.

Commissioner Phillips moved that the Commission adjourn, Commissioner Talberg seconded.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The motion was approved.

The meeting adjourned at 2:22 p.m.

Lisa Felice
Executive Secretary