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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD VIA MICROSOFT TEAMS VIDEO CONFERENCING ON APRIL 8, 2021

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 Ingham County)
Tremaine L. Phillips, Commissioner (participating from Ingham County)
Katherine Peretick, Commissioner (participating from Wayne County)

Staff: Caitlin Mucci
Lisa Felice

Additional Staff & Public Attending Telephonically/Video Conferencing: 92 Participants

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

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

The agenda was approved.

II. Commissioner Phillips moved to approve the minutes of the Regular Commission Meeting of March 19, 2021, Commissioner Peretick seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-15526 IN THE MATTER OF THE JOINT APPLICATION REQUESTING COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN BANDWIDTH.COM CLEC, LLC AND FRONTIER NORTH INC. AND FRONTIER MIDSTATES INC.
(first amendment)
2. U-20961 IN THE MATTER OF THE APPLICATION OF LAKENET LLC FOR A TEMPORARY AND PERMANENT LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE THROUGHOUT THE STATE OF MICHIGAN
(interim order)
3. U-21019 IN THE MATTER OF THE APPLICATION OF MIDWEST ENERGY COOPERATIVE d/b/a MIDWEST ENERGY & COMMUNICATIONS, FOR EXPANSION OF ITS LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE IN DESIGNATED EXCHANGES
(interim order)
4. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC
(9-1-1 wireless, U-14000, invoice no. INV-Ionia1 dated March 19, 2021)
5. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC
(9-1-1 wireless, U-14000, invoice no. INV-KZOO1 dated March 12, 2021)

B. ELECTRIC

1. U-20723 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2019
(proposed settlement agreement)
2. MINUTE ACTION BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY (FERC DOCKET NOS. EL-21-50-000, *ET AL.*)

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

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

The 4 orders and 3 minute actions were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-11548 IN THE MATTER OF THE APPLICATION OF THE MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC., FOR CERTIFICATION OF ITS MEMBERS AND FRONTIER COMMUNICATIONS OF MICHIGAN, INC., AS ELIGIBLE TELECOMMUNICATIONS CARRIERS FOR UNIVERSAL SERVICE PURPOSES
(request to expand geographic area/final order)

Case No. U-11548 involves an application and amended application filed by Baraga Telephone Company to expand the geographic area of its prior eligible telecommunications carrier designation. The order before you approves the request. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

B & C ELECTRIC & GAS

1. 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.*
(*ex parte*/avoided cost standard rate tariff/ Tariff COGEN/SPP)

Case No. Case No. U-18092 involves an *ex parte* application by Indiana Michigan Power Company requesting authority to update its Public Utility Regulatory Policies Act of 1978 avoided cost standard rate tariff, Tariff Cogeneration and/or

Small Power Production Service. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. 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.*
(*ex parte*/motion to extend avoided cost review deadline)

Case No. U-18093 involves a motion filed by Northern States Power Company requesting authority to extend the deadline for filing its Public Utility Regulatory Policies Act of 1978 avoided cost review. The order before you grants the motion. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-20165 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF ITS INTEGRATED RESOURCE PLAN PURSUANT TO MCL 460.6t AND FOR OTHER RELIEF
(*ex parte*/ proposed power purchase agreement with Calhoun Solar Energy, LLC)

Case No. U-20165 involves an application filed by Consumers Energy Company for *ex parte* approval of a power purchase agreement with Calhoun Solar Energy LLC. The order before you approves this application. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

4. U-20165 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF ITS INTEGRATED RESOURCE PLAN PURSUANT TO MCL 460.6t AND FOR OTHER RELIEF
(*ex parte*/ proposed build transfer agreement with Mustang Mile Solar Energy, LLC)

Case No. U-20165 involves an application filed by Consumers Energy Company requesting *ex parte* approval of a build transfer agreement with Mustang Mile Solar Energy LLC. The order before you approves this application. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

5. U-20525 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL TO IMPLEMENT A POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDING DECEMBER 31, 2020
(final order)

Case No. U-20525 involves the application, filed by Consumers Energy Company for approval of its power supply cost recovery plan for the 12-month period ending December 31, 2020, and for acceptance of its five-year forecast. The order before you approves the plan and accepts the forecast. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

6. U-20527 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL TO IMPLEMENT A POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDING DECEMBER 31, 2020
(final order)

U-20210 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY
(#IV. C. 1) FOR RECONCILIATION OF ITS GAS COST RECOVERY PLAN FOR
 THE 12-MONTH PERIOD APRIL 1, 2018 THROUGH MARCH 31,
 2019
 (final order)

U-20543 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY
(#IV. C. 2) FOR APPROVAL OF A GAS COST RECOVERY PLAN AND
 AUTHORIZATION OF GAS COST RECOVERY FACTORS FOR THE
 12 MONTHS ENDED MARCH 31, 2021
 (final order)

Commission Staff Ryan Laruwe, Strategic Operations Division, presented a brief synopsis of the cases listed above. Commissioner Phillips moved that the Commission approve the orders at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“I would like to thank Commission Staff for their diligent review of the complex issues involved in these cases, Commission Advisors, and particularly Mr. Laruwe, for their assistance in forming our deliberations. I would also like to thank the Commission’s attorneys for their work to ensure consistency in our approach, between plans and reconciliations, between gas and electric supply, and across case years, and particularly their spirit in collaborations in finalizing these orders over the past several weeks, while juggling school schedules, and other commitments.

This Commission has a healthy respect for precedent, and I will say that’s particularly important to me. Our approach to building on past Commission actions, helps ensure consistency and provides certainty to the market and is a big piece of maintaining an attractive and predictable regulatory environment. The benefits of which accrue to utilities and their customers alike.

This approach informs our continued approval the Nexus contract and we continue to value the benefits that long-term contractual arrangements can have in mitigating risk and ensuring access to supply. Our precedent also says that, even with the approval of the underlying Nexus arrangement, DTE Gas and DTE Electric have an on-going responsibility to justify both the costs and the overall reasonableness of their supply arrangements, particularly given the affiliate nature of these contractual arrangements.

In the orders being issued today, the Commission provides additional detail on what evidence could be used to provide that justification as the reasonable cost of the contract. Specifically, evidence to as to how Nexus’ cost compare with other long-term supply options, will be informative as to whether this particular long-term contract provides equivalent customer benefits and comports to the requirements of the Code of Conduct. In addition, as Mr. Laruwe mentioned, given the importance of the Kensington receipt point to the Nexus contract, additional detail on the market outlook of the Kensington will be helpful in evaluating the on-going reasonableness over the full life of this contract and any amendments.

Finally, the Commission will look for evidence of the company's efforts to minimize the cost of gas to its customers. Even within the framework of long-term supplier arrangements there may be opportunities to renegotiate these contracts to ensure the long-term reasonableness of the arrangements and avoid any potential disallowances to the utility companies in the future.

Again, I would like to thank our staff and the other parties for their on-going efforts in these cases."

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

The order in Case No. U-20527 was adopted.

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

The order in Case No. U-20210 was adopted.

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

The order in Case No. U-20543 was adopted.

7. U-20835 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR ACCOUNTING APPROVAL TO ACCELERATE AMORTIZATION OF THE TAX CUTS AND JOB ACT REGULATORY LIABILITY FOR NON-PLANT RELATED ACCUMULATED DEFERRED INCOME TAXES (final order)

Case No. U-20835 involves an application by DTE Electric Company requesting modification of the accounting approval previously received that authorized the company to accelerate the amortization of its Tax Cuts and Jobs Act of 2017 regulatory liability for non-plant-related accumulated deferred income tax balances. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

8. U-20938 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY REQUESTING APPROVAL OF NEW AND REVISED TIME VARIABLE RATE OPTIONS, ADVANCED METERING INFRASTRUCTURE-BASED LOAD MANAGEMENT PILOT PROGRAMS AND RELATED ACCOUNTING AUTHORITY (*ex parte*/final order)

Case No. U-20938 involves the application of Indiana Michigan Power Company requesting *ex parte* approval of tariff and rider modifications, approval of four advanced metering infrastructure pilot programs, and regulatory asset treatment and deferred accounting authority for costs associated with the four proposed advanced metering pilot programs. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“Chair Scripps, I do have one brief comment this afternoon. The order before us today in U-20938 approves Indiana Michigan Power’s request to amend certain specified tariffs and adopt four Advanced Meter Infrastructure-based load management pilot programs. I&M intends to complete full deployment of AMI meters throughout its service territory by 2023, and the implementation of the proposed load management pilots will coincide with the deployment of this technology to I&M customers.

Of particular note, I would like to recognize the proposed AMI HVAC and Electric Water Heater Direct Load Control pilots. Both programs will allow the company to study and demonstrate participation in utility offered demand response programs. Specifically, participation by customers who face barriers to enrollment in other direct load control DR programs due to requirements that those customers have sufficient broadband internet connectivity to support a smart thermostat or other connected devices.

As the efficacy and reliability of energy waste reduction and demand response programs becomes increasingly reliant on the customers use of WiFi enabled load control devices, increased attention on programmatic design and evaluation will be needed to ensure that such customers have avenues to benefit from and participate in these utility offerings.

We know that hundreds of thousands of Michigan households lack broadband service due to challenges related to access, affordability, or adoption. As state and federal-level initiatives continue to expand broadband availability and address the digital divide, it will be increasingly important for electric and gas companies to recognize the growing interdependencies between our evolving energy and telecommunications systems and prevent the stacking of inequities for customers across those sectors.

I again recognize and support the pilot program proposals put forth in the company’s application and encourage other energy companies to enable pathways for all customers, regardless of geography, income or broadband connectivity, to have a role in and benefit from the continued energy transition.

Thank you, chair.”

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

The order was adopted.

9. U-21032 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO
REQUEST COMMENTS ON MIDCONTINENT INDEPENDENT
SYSTEM OPERATOR, INC.’S IMPLEMENTATION OF FEDERAL
ENERGY REGULATORY COMMISSION ORDER NO. 841
REGARDING ENERGY STORAGE RESOURCES
(notice of opportunity to comment/interim order)

Case No. U-20132 involves a matter, on the Commission’s own motion, requesting comments on whether the Commission should allow dual participation of energy storage resources in retail and wholesale markets. The order before you invites interested persons to submit comments no later than 5:00 p.m. (Eastern time) on May 6, 2021. Commissioner Phillips moved that the Commission approve the order at its April 8, 2021 meeting. Commissioner Peretick seconded that motion.

Commissioner Peretick commented:

“I’d like to make a brief comment on this order. Energy storage is going to be an important and effective part of the energy transition we are undergoing, and it is necessary that we set ourselves up for success. Regulation of energy storage is not straightforward, as it does not fit into a neat pre-existing box. But that also allows us to ensure we can properly set up our own structure going forward, and part of this is the interaction with regional transmission operators and independent system operators.

The Court’s recent decision on FERC order 841 allows us the opportunity to gather comments from our stakeholders to help us better understand the benefits storage can provide to Michigan’s customer base, methodologies to quantify the benefits, and the pros and cons of dual participation in retail and wholesale markets and how to realize the full value stack of energy storage resources.

I encourage stakeholders to submit comments to help craft effective energy storage regulation and look forward to putting forth the best guidance possible for the future of energy storage in our state.”

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

The order was adopted.

V. PUBLIC COMMENTS

There were no public comments.

Chair Scripps announced:

“As we welcome the arrival of spring, a reminder that April is Safe Digging Month in the state of Michigan. I know that Governor Whitmer issued a proclamation of this effect earlier in the month and together with the Governor and MISS DIG 8-1-1 – the state’s underground utility locator, we at the Public Service Commission urge all Michiganders to call 8-1-1 or visit www.missdig811.org to fill out a request at least 3-business days before any digging to ensure that you do not accidentally hit or damage any underground utilities leading to dangerous and potentially deadly consequences. Both the use of 8-1-1 and the www.missdig811.org website as well as the process of marking underground utilities is free. It is an easy and important step that you can take to keep you, your family, and your neighbors safe.

Second, as part of a new roll out, to simplify access to the National Suicide Prevention Hotline, telephone users in four Michigan area codes, will soon be required to include the area code in every phone call – known as 10-digit dialing. This applies to callers in Michigan’s 616, 810, 906, and 989 area codes who should start dialing with 10 digits – area code plus the telephone number on April 24, 2021. Though callers who forget and dial only seven digits will still be connected until October. This change is in preparation of July 16, 2022 activation of the new three digit dialing code of 9-8-8 to reach the National Suicide Prevention Hotline. The Federal Communications Commission, in July 2020, designated 9-8-8 as the abbreviated dialing code to reach the Suicide Prevention Hotline that provides 24/7 free and confidential support for people in distress as well as crisis and prevention resources, and best practices for professionals. Until the activation of the 9-8-8 three digit dialing code in July 2022, customers can continue to dial 1-800-273-8255 (1-800-273-TALK) to reach the Suicide Prevention Hotline. The FCC’s order applies to all telecommunication providers, Voice Over Internet Protocol providers and one-way VoIP providers.

Finally, we continue to have a number of open positions at the Commission. We are actively recruiting talented individuals to join our team. Currently, we have openings for a Telecommunications Division Director, a telecommunication’s analyst, a rates analyst in our Regulated Energy Division, and a public utilities engineer working in Gas Operations. Additional details are available on our website at www.michigan.gov/mpsc. I encourage anyone who is interested to apply.”

A recording of the proceedings of the April 8, 2021 meeting is archived at: https://www.michigan.gov/mpsc/0,9535,7-395-93307_93316_93317_93875---Y,00.html .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Wednesday, April 21, 2021 at 10:30 a.m.

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

Vote: Yeas – Scripps, Phillips, Peretick

Nays – None

The motion was approved.

The meeting adjourned at 2:06 p.m.

Lisa Felice
Executive Secretary