

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD VIA MICROSOFT TEAMS VIDEO CONFERENCING ON MAY 26, 2021

Commission Chair Daniel C. Scripps called the meeting to order at 1:31 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)
Tremaine L. Phillips, Commissioner (participating from Ingham County)
Katherine Peretick, Commissioner (participating from Wayne County)

Staff: Lisa Gold
Lisa Felice

Additional Staff & Public Attending Telephonically/Video Conferencing: 106 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 May 13, 2021, Commissioner Peretick seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-12928 IN THE MATTER OF THE APPLICATION OF UNITED TELECOM, INC., FOR A LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE THROUGHOUT THE STATE OF MICHIGAN IN THE

ZONE AND EXCHANGE AREAS SERVED BY AMERITECH MICHIGAN, VERIZON NORTH INC., VERIZON NORTH SYSTEMS, CENTURYTEL OF MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN, INC., CENTURYTEL MIDWEST, INC., AND CENTURYTEL OF THE UPPER PENINSULA, INC.
(request to voluntarily surrender license/final order)

2. U-17001 IN THE MATTER OF THE APPLICATION OF AIR ADVANTAGE, LLC FOR A TEMPORARY AND PERMANENT LICENSE TO PROVIDE LOCAL EXCHANGE SERVICE THROUGHOUT THE STATE OF MICHIGAN
(proposed settlement agreement)
3. U-20927 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF A MULTI-STATE INTERCONNECTION AGREEMENT BETWEEN CROWN CASTLE FIBER LLC AND VARIOUS AT&T INC. OWNED COMPANIES, INCLUDING AT&T MICHIGAN
(interconnection agreement)
4. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC
(9-1-1 wireless, U-14000, invoice no. INV-MEMMOW1 dated April 26, 2021)

B. GAS

1. U-20234 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR RECONCILIATION OF ITS GAS COST RECOVERY PLAN FOR THE 12 MONTHS ENDED MARCH 31, 2020
(proposed settlement agreement)

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

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

The 4 orders and one minute action were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-17861 IN THE MATTER OF THE APPLICATION OF MIDWEST ENERGY COOPERATIVE d/b/a MIDWEST CONNECTIONS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN (final order)

Case No. U-17861 involves the application of Midwest Energy Cooperative, d/b/a Midwest Energy and Communications, to expand its designation as a High Cost and Lifeline eligible telecommunications carrier to include designated census blocks and exchanges. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. U-20956 IN THE MATTER OF THE APPLICATION OF ASPIRE NETWORKS 1, LLC FOR A TEMPORARY AND PERMANENT LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE (final order)

Case No. U-20956 involves an application, as amended, filed by Aspire Networks 1, LLC, for a temporary and permanent license to provide basic local exchange service throughout the state of Michigan. The order before you approves the permanent license. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-20957 IN THE MATTER OF THE APPLICATION OF ASPIRE NETWORKS 1, LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN

(final order)

Case No. U-20957 involves an application filed by Aspire Networks 1, LLC, for designation as an eligible telecommunications carrier for purposes of High Cost and Lifeline support in designated areas in the state of Michigan. The order before you grants conditional eligible telecommunications carrier designation. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

4. U-20958 IN THE MATTER OF THE APPLICATION OF CHARTER FIBERLINK – MICHIGAN, LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN
(final order)

Case No. U-20958 involves an application, as supplemented, filed by Charter Fiberlink-Michigan, LLC, for designation as an eligible telecommunications carrier for purposes of High Cost and Lifeline in designated areas in the state of Michigan. The order before you conditionally approves the application and provides for a process if the awarded census blocks are changed due to Federal Communications Commission updates. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

5. 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
(final order)

Case No. U-20961 involves an application, as amended, filed by LakeNet LLC for a permanent and temporary license to provide basic local exchange service throughout the state of Michigan. The order before you grants the permanent license.

Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

6. U-20965 IN THE MATTER OF THE APPLICATION OF LAKENET LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN (final order)

Case No. U-20965 involves an application, as amended, filed by LakeNet LLC for designation as an eligible telecommunications carrier for purposes of High Cost support. The order before you conditionally approves the application. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

7. U-20981 IN THE MATTER OF THE APPLICATION OF PRESQUE ISLE ELECTRIC & GAS CO-OP FOR A LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE IN DESIGNATED EXCHANGES (final order)

Case No. U-20981 involves an application, as amended, filed by Presque Isle Electric & Gas Co-op for a temporary and permanent license to provide basic local exchange service in designated areas. The order before you grants the permanent license. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

8. U-20982 IN THE MATTER OF THE APPLICATION OF PRESQUE ISLE ELECTRIC & GAS CO-OP FOR DESIGNATION AS AN ELIGIBLE

TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN
(final order)

Case No. U-20982 involves an application, as amended, filed by Presque Isle Electric & Gas Co-op for designation as an eligible telecommunications carrier for purposes of High Cost and Lifeline services. The order before you conditionally grants the application. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

9. U-20998 IN THE MATTER OF THE APPLICATION OF XIBER, LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER WITHIN CERTAIN AREAS OF MICHIGAN
(final order)

Case No. U-20998 involves the application, as amended, of Xiber LLC to be designated as an eligible telecommunications carrier within specified census blocks in the state of Michigan. The order before you conditionally approves the application. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

10. U-20999 IN THE MATTER OF THE APPLICATION OF XIBER, LLC FOR TEMPORARY AND PERMANENT LICENSES TO PROVIDE BASIC LOCAL EXCHANGE SERVICE IN THE PONTIAC EXCHANGE SERVED BY AT&T MICHIGAN
(final order)

Case No. U-20999 involves an application, as amended, filed by Xiber LLC for temporary and permanent licenses to provide basic local exchange service in the Pontiac exchange. The order before you approves the application for a permanent license. Commissioner Phillips moved that the Commission approve the

order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

11. 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 (final order)

Case No. U-21019 involves an application filed by Midwest Energy Cooperative, d/b/a Midwest Energy & Communications, for temporary and permanent licenses to provide basic local exchange service in the additional requested exchanges. The order before you grants the permanent license. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“Thank you, Chair. Prior to voting on what I believe is the final order today related to FCC’s RDOF or Rural Digital Opportunity Fund, I want to take a brief moment to thank our telecommunications division for their work in addressing the necessary applications and licenses needed for Michigan broadband providers to receive federal funds awarded through the RDOF grant.

As a reminder, in December of 2020, the FCC announced those companies who would be awarded funding through the \$20.4 billion dollar program aimed at the construction of highspeed broadband networks in unserved and underserved areas of the state. In Michigan, 13 companies were awarded funding for their projects, which in aggregate will bring the state over \$360M in federal infrastructure investment, sustaining and creating countless jobs while providing highspeed internet to almost 250,000 sites that previously lacked connectivity.

These companies, however, were only given until June 7th of 2021 to present to the FCC required designations from their state Commissions that would allow them to be granted these federal funds. As a result, the telecommunications division has been hard at work processing 15 eligible telecommunications carrier or ETC applications and an additional 8 license applications under the Michigan Telecommunications Act. Our staff has efficiently worked with satellite, co-op, cable, and telecom providers, both familiar and new to the telecommunications landscape in Michigan, in order to guide and assist them in meeting the FCC-imposed deadline.

I will save further details for the presentation that will be offered by members of the Telecommunications Division during our next Commission meeting, but I have little doubt that

RDOF program and by extension your efforts will be viewed as a significant turning point in tackling the digital divide here in Michigan.”

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

The order was adopted.

B. ELECTRIC

1. U-17377 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF 2013 PA 95 (notice regarding low-income energy assistance fund)

Case No. U-17377 involves implementation of the provisions of Public Act 95 of 2013. The order before you reminds utilities of the need to file required low-income energy assistance fund information no later than 5:00 p.m. (Eastern time) on June 30, 2021. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. 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*/full avoided cost rates update)

Case No. U-20165 involves an *ex parte* application by Consumers Energy Company for approval of the Public Utility Regulatory Policies Act of 1978 full avoided cost rates. The order before you approves the February 22, 2021 application. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-20995 IN THE MATTER OF THE APPLICATION OF AXIUM UP HOLDINGS LLC AND LAKE AIV, L.P., FOR APPROVAL, PURSUANT TO MCL 460.6q, FOR THE TRANSFER OF CONTROL OF UPPER PENINSULA POWER COMPANY AND RELATED APPROVALS
(proposed settlement agreement)

Commission Staff Shannon Rueckert, Regulated Energy Division, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“Before we move to the vote on this matter, I want to, first, thank the parties involved in developing what I think is a solid settlement agreement resolving the issues in this case and moves us forward in seeing the significant benefits of the transfer of ownership for the Upper Peninsula Power Company. I want to highlight a couple of what I think are the most significant elements.

First, and perhaps most importantly, this transfer should put UPPCO in a better place in terms of its rate structure, a front-of-mind issue for many UPPCO customers who pay some of the highest residential rates in the country. While there are no silver bullets, Axium’s agreement to move forward in an expeditious manner with its debt refinancing plan should provide meaningful customer benefits both through long-term financial stability and by lower interest rates which reduce financing costs and the overall cost of capital. These are good things and represent a significant step forward.

Second, Axium’s approach to long-term investing bodes well for the U.P. The previous approach to wringing short-term value for investors out of UPPCO has contributed to the rate challenges, and a longer-term approach will, I hope, better balance the interests of UPPCO’s owners and investors with the customers that pay the bills.

Third, the commitment to increase the discretionary cap on UPPCO’s distributed generation program from 2% to 3% addresses some immediate challenges and provides some breathing room in the UPPCO service territory while the Legislature – with participation from the Commission and others – works to identify a more comprehensive approach to distributed energy resources in Michigan.

And finally, I’m particularly pleased with the commitment to address a number of the recommendations coming out of the U.P. Energy Task Force that has been meeting for the past two years and just released its final recommendations earlier this spring. Moving forward with proposals for an electric vehicle station pilot program for its territory, considering electrification opportunities for space and water heating, and proposing a low-income residential customer pilot tariff to assist those customers struggling with high bills are all meaningful commitments that can offer real benefits to UPPCO’s customers and the U.P. as a whole.

There are also a number of other positive elements to the settlement agreement before us today, and I’m encouraged by this transfer of control. I want to formally welcome UPPCO’s new owners to Michigan

and look forward to working with you in the long term in delivering tangible benefits to the people of the U.P.”

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

The order was adopted.

C. GAS

- 1. U-20903 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO PROMULGATE RULES GOVERNING GAS SAFETY (rulemaking/interim order)

Case No. U-20903 involves proposed amendments to the rules governing gas safety. The order before you approves the rules governing gas safety, attached as Exhibit A, and shall be submitted to the Legislative Service Bureau and the Michigan Office of Administrative Hearings and Rules for their formal approvals. Commissioner Phillips moved that the Commission approve the order at its May 26, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

There were no public comments.

Chair Scripps announced:

“First, as a reminder, at our May 13th meeting, it was announced that our regularly scheduled Commission Meeting for July 1, 2021 has been re-scheduled for Friday, July 2nd at 10:30 a.m.

Second, today the Commission issued our annual Summer Energy Appraisal. The Appraisal finds that we have adequate energy supplies and that we are also seeing gas prices returning to more normal levels after last year’s low prices, and that the ongoing impacts of the pandemic continue to add uncertainty to energy markets. I encourage your review of the annual Energy Appraisal. It’s a well-done document coordinated by our Energy Security team here at the Commission focusing on electricity, natural gas, petroleum, gasoline, and distillate fuels like diesel. It also includes an update on some of the Commission’s cybersecurity activities as well as a review of the Enbridge Line 5 case, and so, again, that is the Summer Energy Appraisal that is being issued today.

And then finally, I know many of us this week marked one year since the murder of George Floyd, and I want to recognize that sad anniversary here today. That event, and the killing of too many African Americans and person of color in America, sparked an overdue discussion of race and justice in our country, and we at the Commission have been actively participating in that and in joining others in proclaiming that Black Lives do indeed matter.

Some of our work around this Diversity, Equity, and Inclusion initiative has included conversations between staff, taking a hard look at our processes in terms of attraction, hiring, retention, and advancement, and a number of other things. We see this both important as our role as an organization, but also as a regulator overseeing critical infrastructure sectors that, like so many other parts of our society, continue to bear the scars of racial injustice and systemic bias. We have a unique role in addressing some of that.

This has been a tough, but I think ultimately necessary, year, and I want to thank our Staff, nearly two-thirds of whom have actively participated in this initiative to date, for bringing their best selves to this discussion, a sense of vulnerability and openness to different perspectives, a willingness to learn from one another, and ultimately to be both a better organization and better at the role that we play as regulators. I want to particularly thank my fellow Commissioner, both former Chair Sally Talberg, who helped launch this initiative; Commissioner Peretick for her active involvement from day one on the Commission; and Commissioner Phillips who in many ways has been the heart and soul of this and stepped forward to have conversations, Commissioner, that you did not want to have at that moment. But leadership called and you answered, and I appreciate that.

At this one-year mark, I think we have done a good job in society of elevating the issue. But we're starting to see folks – in the same way that we're all getting back to normal – looking at a chance to turn the page and say maybe we're done with that. I would urge us at this moment to resist that temptation. This has been an important year in elevating the issue, but elevating the issue is not the same as action, and I look forward in the next year and in the years to come to taking some of what we have learned over the last twelve months and applying it to our work – again, both as an organization and as a regulator. This cannot simply be talk. We have had too much of that. I want us to recommit ourselves at this sad anniversary with a commitment to action going forward.”

A recording of the proceedings of the May 26, 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 June 9, 2021 at 1:30 p.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