

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON JULY 27, 2021.

Commission Chair Daniel C. Scripps called the meeting to order at 1:00 p.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Daniel C. Scripps, Chair
Tremaine L. Phillips, Commissioner
Katherine Peretick, Commissioner

Staff: Kelly Barber-Dodge
Lisa Felice
Barbara Kunkel
Dave Isakson

Additional Staff & Public Attending Telephonically/Video Conferencing: 87 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 July 2, 2021, Commissioner Peretick seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-21034 IN THE MATTER OF THE APPLICATION SPECTROTEL OF THE MIDWEST LLC FOR A TEMPORARY AND PERMANENT LICENSE TO PROVIDE LOCAL EXCHANGE SERVICE THROUGHOUT THE STATE OF MICHIGAN IN THE ZONES AND EXCHANGES SERVED BY FRONTIER NORTH INC., FRONTIER MIDSTATES INC., AT&T MICHIGAN, CENTURYTEL OF MICHIGAN, INC. d/b/a CENTURLINK AND FRONTIER COMMUNICATIONS OF MICHIGAN, INC.
(interim order)
2. U-21101 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF THE LOCAL TRAFFIC EXCHANGE AGREEMENT BY AND BETWEEN WALDRON TELEPHONE COMPANY AND TIME WARNER CABLE INFORMATION SERVICES (MICHIGAN), LLC
(interconnection agreement)
3. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC
(9-1-1 wireless, U-14000, invoice no. INV-B&C1 dated June 21, 2021)

B. ELECTRIC

1. U-20868 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR AUTHORITY TO RECONCILE ITS 2020 ELECTRIC AND GAS ENERGY WASTE REDUCTION COSTS AND REVENUES, AND FOR RELATED APPROVALS
(proposed settlement agreement)
2. U-20870 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR AUTHORITY TO RECONCILE ITS 2020 ELECTRIC AND GAS ENERGY WASTE REDUCTION COSTS AND REVENUES, AND FOR RELATED APPROVALS
(proposed settlement agreement)
3. U-20898 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES RELATED TO IMPLEMENTATION OF EFFECTIVE NEW TECHNOLOGIES AND BUSINESS MODELS
(interim order)

C. GAS

1. U-18366 IN THE MATTER OF THE APPLICATION OF STARION ENERGY NY, INC. FOR A LICENSE TO OPERATE IN THE STATE OF MICHIGAN AS AN ALTERNATIVE GAS SUPPLIER
(request to surrender license/final order)
2. U-20540 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR RECONCILIATION OF ITS GAS COST RECOVERY PLAN FOR THE 12 MONTHS ENDED OCTOBER 31, 2020
(proposed settlement agreement)
3. U-21084 IN THE MATTER OF THE COMPLAINT OF MOHAMMAD ESSA AGAINST DTE ENERGY
(request to withdraw/final order)

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 8 orders and 1 minute action were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-17377 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF 2013 PA 95
(low-income energy assistance funding factor/final order)

Case No. U-17377 involves implementation of the provisions of Public Act 95 of 2013. The order before you adopts the funding factor for the Low-Income Energy Assistance Fund for 2021-2022. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. U-17473 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR A FINANCING ORDER APPROVING THE SECURITIZATION OF QUALIFIED COSTS
(proposed adjustment to securitization charges/interim order)

Case No. U-17473 involves an application by Consumers Energy Company for a financing order to securitize certain regulatory assets and other qualified costs. The order before you approves a true-up adjustment to Consumers' securitization. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-18238 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO REVISE THE STANDARD RATE APPLICATION FILING FORMS AND INSTRUCTIONS PREVIOUSLY ADOPTED IN CASE NO. U-15895
(notice of opportunity to comment/interim order)

Case No. U-18238 involves a matter, on the Commission's own motion, to consider whether to re-open and revise the Commission's Rate Case Filing Requirements for electric, natural gas, and steam utilities. The order before you invites interested persons to submit reply comments no later than 5:00 p.m. (Eastern time) on August 11, 2021. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

4. U-20712 IN THE MATTER OF THE APPLICATION AND REQUEST OF DTE ELECTRIC COMPANY AND DTE GAS COMPANY SEEKING APPROVAL AND AUTHORITY TO AMEND THEIR APPLICATION OF RATES (SECTION C4) TARIFFS
(*ex parte*/final order)

Case No. U-20712 involves a joint application filed by DTE Electric Company and DTE Gas Company seeking *ex parte* approval to implement proposed changes to their shutoff protection plans. The order before you approves the joint request. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“The order before us this afternoon approves the Company’s *ex-parte* request to amend their shutoff protection program (SPP), modifying the number of payments that a customer can fail to make before being removed from the SPP program from two to one failed payment. The SPP is an optional program designed to assist senior citizen and eligible low-income customers to manage outstanding balances on their accounts. The program provides customers with year-around service shutoff protections if monthly payments are made and have been a key part of the company’s strategy to manage customer arrears and shutoffs during the last 18 months.

As data provided by the company in this docket reflects, allowing customers to fall behind on one agreed from to payment does not significantly reduce that customer’s likelihood of defaulting on subsequent payments. Furthermore, the Commission finds the requested changes to the program to be reasonable, prudent, and in the public interest, as it will allow the Company and customer assistance organizations to better assist customers by 1) aligning the Company’s SPP default language with that of Consumer’s SPP program, thereby reducing confusion among customers and support organizations, and 2) this change will allow customers to seek energy assistance before accumulating a level of arrears that limits or disqualifies customers from taking advantage of available energy assistance funds.

Given the 10’s of millions of energy assistance dollars currently available to vulnerable and in-need customers throughout the state, the requested amendment will help to ensure such customers can maximize their access to these state and federal resources. Thank you, Chair.”

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

The order was adopted.

5. U-20713 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS AND/OR APPROVALS NECESSARY FOR DTE ELECTRIC COMPANY TO COMPLY WITH SECTION 61 OF 2016 PA 342
(motion for extension to file tariff/interim order)
- U-20851 IN THE MATTER OF DTE ELECTRIC COMPANY’S APPLICATION FOR THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008

Case Nos. U-20713 *et al.* are a consolidated proceeding involving a motion filed by DTE Electric Company requesting an extension of time to file revised tariff sheets. The order before you grants the motion. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

6. U-20808 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR APPROVAL OF A POWER SUPPLY COST RECOVERY PLAN AND AUTHORIZATION OF MONTHLY POWER SUPPLY COST RECOVERY FACTORS FOR THE 12 MONTHS ENDING DECEMBER 31, 2021
(proposed settlement agreement)

Case No. U-20808 involves an application filed by Upper Michigan Energy Resources Corporation for approval to implement a power supply cost recovery plan for the 12 months ending December 31, 2021. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

7. U-21042 IN THE MATTER OF APPLICATION OF DTE ELECTRIC COMPANY SEEKING APPROVAL OF TARIFF FOR EXPERIMENTAL DEMAND RESPONSE TYPE 1
(*ex parte*/final order)

Case No. U-21042 involves an application by DTE Electric Company seeking *ex parte* approval of its Tariff for Experimental Demand Response Type I. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

Vote: Yeas – Scripps, Phillips, Peretick

Nays – None

The order was adopted.

8. U-21087 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR THE APPROVAL OF A PARTIAL WAIVER OF THE CONSUMER STANDARDS AND BILLING PRACTICES FOR ELECTRIC AND NATURAL GAS SERVICE AND APPROVAL OF A VOLUNTARY PREPAY BILLING PROGRAM
(*ex parte*/final order)

Case No. U-21087 involves an application filed on May 27, 2021, by DTE Electric Company for approval of a prepay program and partial waiver of the Consumer Standards and Billing Practices for Electric and Gas Service. The order before you denies the application and request for waiver without prejudice. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“The ex-parte order before us this afternoon denies the Company’s request for approval of the Company’s proposed pre-pay program and requested waiver to the Consumer Standards and Billing Practices for Electric and Gas Service. The Commission does find merit in offering a program that provides customers with greater flexibility in making utility bill payments and a different interface for engaging with younger and more digitally connected consumers.

The Commission, however, agrees with the comments by ELPC in the case docket that the Company’s application does not contain sufficient information on the benefits of the program for participating customers, when balanced against the protection that participants would forfeit if the requested waivers were approved. This order should not be interpreted as an outright denial or objection by the Commission of this program concept and the Commission encourages the Company and other utilities to continue to pursue innovative approaches to improving customer education and the customer experience in making utility bill payments. However, given questions and concerns raised by the Commission and by ELPC in the docket, the Commission must deny this ex-parte request, but if the Company intends to pursue the program, encourages the Company to put forth a future application with fuller details outlining the benefits of the program, and submit such application for Commission review in either in an upcoming rate case or in a stand along contested proceeding. Thank you, Chair.”

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

The order was adopted.

B. GAS

1. U-20894 IN THE MATTER OF THE APPLICATION OF DTE MICHIGAN LATERAL COMPANY FOR ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONVERT AND OPERATE PORTIONS OF ITS PIPELINE SYSTEM AND TO CONSTRUCT AND OPERATE PORTIONS OF A PIPELINE SYSTEM TO PROVIDE AN ADDITIONAL SUPPLY SOURCE TO THE AREAS OF MANISTEE, TRAVERSE CITY, ALPENA, AND ROGERS CITY (final order)

Commission Staff David Chislea, Energy Operations Division, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“I want to take a few moments to thank staff involved. There are a number of issues involved in this proposal. Review of this application included staff from the Regulated Energy Division on the financial elements, individuals from Mr. Chislea’s group in Gas Operations on the project siting and engineering, other staff across the Commission, as well as our Commission advisors and attorneys from the Regulatory Affairs Division. Like so many of our orders, this was truly a team effort and involved a number of complex issues and an aggressive timeline, in part to avoid interfering with the mating season of the Red-shouldered Hawk - a raptor that is listed as threatened in Michigan and has territory near the route of this project. I also want to thank the parties involved in this case for their efforts in moving through this process in an expeditious fashion and to Judge Robbins for running a smooth case schedule, as always.

Approval of this project, will add redundancy to gas supply in northern lower Michigan and builds on one of the core recommendations from the 2019 Statewide Energy Assessment to increase the reliability of the natural gas system, mitigate the risk of outages, and improve operational flexibility. This project achieves all of those important objectives and by converting existing facilities, limits the need for new construction and reduces the cost impact to Michigan customers. At the same time, the language in the order conditioning the conversion on the completion of the replacement of natural gas gathering system will ensure seamless coordination of the projects and guarantee the continued, uninterrupted operation of the wet header system that serves both gas producers and shippers who have operated in the region for decades, as well as those northern Michigan residents and families who rely on locally produced propane for heating and other purposes. We expect that diligent and good faith efforts will be made by all involved to effectuate these projects in a timely manner.

Moving forward with this important project will certainly enhance the resilience of the gas system in northern Michigan and coordinating this project with the development of alternatives to the current system will ensure that other important elements of the broad northern Michigan energy system are protected. This is a good result all around. Again, I thank the parties involved for their engagement.”

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

The order was adopted.

2. U-20994 IN THE MATTER OF THE APPLICATION OF DTE MICHIGAN GATHERING COMPANY FOR APPROVAL OF THE ANTRIM SYSTEM DELIVERY POINT AGREEMENT
(*ex parte*/final order)

Case No. U-20994 involves an *ex parte* application filed by DTE Michigan Gathering Company requesting approval of new delivery point charges reflected in the August 30, 2017 Antrim System Delivery Point Agreement. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-21102 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY FOR APPROVAL OF A ONE-TIME REGULATORY ASSET TO DEFER TRANSMISSION EXPENSES RELATED TO THE TRAVERSE CITY / ALPENA REINFORCEMENT PROJECT
(*ex parte*/final order)

Case No. U-21102 involves an application filed by DTE Gas Company requesting *ex parte* approval of a one-time regulatory asset to defer transmission expenses related to the Traverse City/Alpena Reinforcement Project. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its July 27, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

Brent Bonnington, Grayling, addressed his concerns regarding Great Lakes Energy. Chair Scripps indicated that Customer Assistance Division staff would follow up with Mr. Bonnington after the Commission Meeting.

Chair Scripps announced:

“At our last meeting, I touched on the significant outages that we have been seeing across the state and the frustration of those who have lost power. Unfortunately, a number of folks across the state know that we have gotten little reprieve in this regard. Every week seemingly brings another round of severe storms and another set of significant outages. The thoughts of this Commission are with all of those who have lost power, particularly those residents of Port Austin who have seen two tornados touch down in the space of just a couple of weeks. As far as I know in my 40+ years living in Michigan, that is unheard of. Also, those folks in the western U.P., in Gogebic County, who have a number of folks up there without power this morning as a result of a strong storm cell. All parts of the state have been impacted at this point.

This has been a front-of-mind issue for the Commission for a number of years. We have in past cases authorized a surge in tree trimming expenses in order to improve vegetation management practices and reduce the number of outages caused by interference from trees. We have required our three largest utilities - DTE, Consumers Energy, and Indiana Michigan - to file distribution plans and for Consumers and DTE, in their past rate cases, to include in those plans, metrics around distribution performance that are attached to both financial incentives and disincentives for either meeting, or not, the different metrics proposed. Those plans were filed in the past couple of weeks by both DTE and Consumers. We are also in the process of updating our service quality rules around outage credits, making them potentially automatic, as opposed to be applied for and increasing the amounts. A number of efforts are really focused on distribution and reliability and improving the performance.

I know these things do take time and there are folks who are frustrated. I encourage folks who are trying to get more information or if you have a complaint, reach out to our Customer Assistance Division. You can do that through the Consumer Information tab on our website at: www.michigan.gov/mpsc or by calling our toll-free number at 800-292-9555. We are certainly here to work for the people of Michigan to get your concerns addressed, even as we continue to look for ways through rate cases, distribution plans, and others, to try to improve the distribution performance and reduce the number of outages, the frequency of outages, and even the number of individual customers who experience multiple outages. There is a lot of focus on this. The past several weeks has brought it front-of-mind (as if it had ever left). I understand the frustration that is out there and we are here to help if you have got specific concerns or complaints.”

Commissioner Phillips announced:

“I would like to thank and recognize, once again, the contractors and utility linemen who have been helping to restore service throughout Michigan over the last several weeks. We have recently heard that there have been some linemen who have been continuously working for the last four weeks. We understand that communities and customers are frustrated, but we do implore and ask that you not take out those frustrations on those frontline workers who are in the field and are working to help restore service. If you do have complaints, we have folks who are available and on call at any time to answer those questions or point you in the right direction. Once again, thanks to those folks

who are on the front lines and hope that they continue to stay well as all service is restored in the next several days.”

A recording of the proceedings of the July 27, 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, August 11, 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 1:31 p.m.

Lisa Felice
Executive Secretary