

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON NOVEMBER 4, 2021.

Commission Chair Daniel C. Scripps called the meeting to order at 1:03 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: Barbara Kunkel
Lisa Felice
Anna Stirling
Al Freeman
Jake Thelen
Ryan Wilson
Mike Byrne
Ben Johnson
Kyle Daymon

Public:

Additional Staff & Public Attending Telephonically/Video Conferencing: 81 Participants

Chair Scripps recognized the month of November as Native American Heritage Month.

- 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 October 13, 2021, Commissioner Peretick seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-20955 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF A TRAFFIC TERMINATION AGREEMENT BETWEEN VARIOUS TDS TELECOMMUNICATIONS OWNED COMPANIES AND MICHIGAN BELL TELEPHONE COMPANY d/b/a AT&T MICHIGAN (first amendment)
2. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC (9-1-1 wireless, U-14000, invoice no. StClair-1 dated October 26, 2021)

B. ELECTRIC

1. U-20536 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-20535) FOR THE 12 MONTHS ENDED DECEMBER 31, 2020 (proposed settlement agreement)
2. U-21008 IN THE MATTER OF THE APPLICATION OF ALPENA POWER COMPANY TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2020 (proposed settlement agreement)
3. U-21012 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2020 (proposed settlement agreement)
4. U-21104 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR APPROVAL OF AN ANNUAL REVIEW OF ITS STATE RELIABILITY MECHANISM CHARGE TO COMPLY

WITH THE REQUIREMENTS OF SECTION 6w OF 2016 PA 341
(proposed settlement agreement)

5. MINUTE ACTION NEPTUNE REGIONAL TRANSMISSION SYSTEM, LLC AND THE LONG ISLAND POWER AUTHORITY V PJM INTERCONNECTION, L.L.C.
(FERC Docket No. EL21-39-000)

C. GAS

1. U-20983 IN THE MATTER OF THE APPLICATION OF MICHIGAN GAS UTILITIES CORPORATION FOR AUTHORITY TO DISCONTINUE SERVICES AND ABANDON A RELATED NATURAL GAS MAIN AND DISTRIBUTION LINE PURSUANT TO MCL 460.6z
(proposed settlement agreement)
2. U-21060 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, 2022
(proposed settlement agreement)
3. U-21086 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR *EX PARTE* APPROVAL OF REVISIONS TO ITS NATURAL GAS CURTAILMENT TARIFF PROVISIONS
(proposed settlement agreement)

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 8 orders 2 minute actions were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-20326 IN THE MATTER OF THE APPLICATION OF GREAT LAKES ENERGY CONNECTIONS, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN

(final order)

Case No. U-20326 involves an application filed by Great Lakes Energy Connections, Inc., to amend the census blocks that it was awarded in the Rural Digital Opportunity Fund auction. The order before you grants the application. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. 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 filed by Charter Fiberlink – Michigan, LLC, to amend the census blocks that it was awarded in the Rural Digital Opportunity Fund auction. The order before you grants the application. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-21006 IN THE MATTER OF THE APPLICATION OF PRESQUE ISLE ELECTRIC & GAS CO-OP FOR A WAIVER FROM CERTAIN PROVISIONS OF THE CODE OF CONDUCT APPROVED BY THE COMMISSION IN CASE NO. U-18361, IF REQUIRED, TO FACILITATE THE PROVISION OF HIGH SPEED BROADBAND IN UNSERVED AND UNDERSERVED PORTIONS OF RURAL MICHIGAN
(opportunity to comment/interim order)

Case No. U-21006 involves a request by Presque Isle Electric & Gas Co-op for a waiver of certain Code of Conduct provisions. The order before you solicits comments from interested persons on whether the requested waiver of the Code of Conduct provisions

should be granted. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

B. ELECTRIC

1. U-20591 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR APPROVAL OF ITS INTEGRATED RESOURCE PLAN PURSUANT TO MCL 460.6t, AND FOR OTHER RELIEF
(motion to extend deadline/interim order)
- 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.

Case Nos. U-20591 *et al.* involve a motion filed by Indiana Michigan Power Company requesting authority to extend its deadline for filing its upcoming integrated resource plan filing to February 28, 2022. The order before you grants the motion. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. U-20604 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF POWER PURCHASE AGREEMENTS
(*ex parte*/proposed purchase agreement with Dow Silicones Corporation)

Case No. U-20604 involves an application filed by Consumers Energy Company requesting *ex parte* approval of a power purchase agreement. The order before you approves the application. Commissioner Phillips moved that the

Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-20629 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO AMEND THE RULES GOVERNING THE SERVICE QUALITY AND RELIABILITY STANDARDS FOR ELECTRICAL DISTRIBUTION SYSTEMS
(rulemaking/public hearing announcement)

Case No. U-20629 involves the amendment of the rules governing the service quality and reliability standards for electric distribution systems. The order before you approves the schedule for a public hearing and the receipt of written comments on the proposed amended rules. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“This is the first of three orders around a set of rule sets to improve the service quality rules, technical standards, and billing rules of the Commission.

I want to recognize the staff who have been so actively involved. This predates, in some ways, the Statewide Energy Assessment. It certainly predates the MI Power Grid initiative. Although it has been rolled into both. The work here has really been outstanding over the course of the last 2+ years working with stakeholders to try and get this right. Certainly, the importance of doing so is highlighted over the summer, given the extreme weather events and some of the reliability challenges that we faced.

I want to thank Charyl Kirkland, Tayler Becker, Brian Sheldon, Nick Evans, Anne Armstrong, and the Customer Assistance Division team, as well as the folks for at the Michigan Office of Administrative Hearings and Rules who helped to expedite the process around these rule makings and requests in response from a request from Governor Whitmer following the extreme weather events of this summer.

This is the step in many ways. There are public hearings and opportunities for comment. As we get started with the formal part of this process, I want to recognize, particularly, the staff who have gotten us to this point.”

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

The order was adopted.

4. U-20630 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO AMEND THE RULES GOVERNING THE TECHNICAL STANDARDS FOR ELECTRIC SERVICE (rulemaking/public hearing announcement)

Case No. U-20630 involves the amendment of the rules governing the technical standards for electric service. The order before you approves the schedule for a public hearing and the receipt of written comments on the amended rules. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

5. U-20735 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO AMEND THE RULES GOVERNING THE PRESERVATION OF RECORDS FOR ELECTRIC, GAS AND STEAM UTILITIES (rulemaking/final order)

Case No. U-20735 involves an action, on the Commission’s own motion, to amend the rules that govern the preservation of records for electric, gas, and steam utilities. The order before you formally adopts the proposed rules. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“Sometimes rule makings aren’t the most exciting thing that comes out of this body. Although, some quibble that there’s anything exciting. This marks the first update to these rules in more than 30 years and records retention issues are simply part of how we do our work. It is that attention to the detail, getting it right, making sure that we are staying in step with the times. I think the pieces included in this rule making that we are concluding today really helped to make sure that we are modernizing our systems and we are responsive to the public that we serve.

I want to thank all of those involved. The staff and our staff attorneys, and also the folks who weighed in through the process from the regulated communities, just to make sure that we get this right and that this first update in 30 years serves us well for the next couple of decades to come.”

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

The order was adopted.

6. U-21128 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF A ONE-TIME REGULATORY LIABILITY AND OTHER ONE-TIME ACCOUNTING AUTHORITY (*ex parte*/final order)
- U-20162 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR AUTHORITY TO INCREASE ITS RATES, AMEND ITS RATE SCHEDULES AND RULES GOVERNING THE DISTRIBUTION AND SUPPLY OF ELECTRIC ENERGY, AND FOR MISCELLANEOUS ACCOUNTING AUTHORITY

Case Nos. U-21128 et al. involve the application of DTE Electric Company for *ex parte* approval of a one-time regulatory liability and other one-time accounting authority. The order before you approves the application, with requirements moving forward. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“I want to recognize the importance of the order in front of us today. In this order, DTE is committing to using at least \$70 million of profits to reinvest in its system in the form of tree hardening. This summer obviously was one of great concern in terms of the number of outages and the duration of outages. Tree trimming remains the single most effective way that we have to reduce both the number and duration of outages.

I want to commend DTE for moving forward and putting a proposal on the table to use. Again, shareholder – not rate payer dollars – to invest at least \$70 million back into their system in an effort to make sure that the experiences of this summer are not replicated in the future. It is clear that we need to do more and that we need to do it faster. I think the investment in this order represents a good step in that direction.”

Vote: Yeas – Scripps, Phillips, Peretick

Nays – None

The order was adopted.

7. U-21150 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO PROPOSE REVISIONS TO THE RULES GOVERNING CONSUMER STANDARDS AND BILLING PRACTICES OF ELECTRIC AND NATURAL GAS UTILITIES REGULATED IN ACCORDANCE WITH 1919 PA 419, AS AMENDED; 1939 PA 3, AS AMENDED; AND 1965 PA 380 (rulemaking/public hearing announcement)

Case No. U-21150 involves the amendment of the rules governing the consumer standards and billing practices for electric and natural gas service. The order before you approves the schedule for a public hearing and the receipt of written comments on the amended rules. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“I would like to expand upon what Ms. Kunkel and Chair Scripps have already outlined.

This is in reference to the orders in Case Nos. U-20629, U-20630, and U-21150. In these cases, the MPSC will be holding hearings to take comments from the public on several proposed updates to rules and technical standards governing utility service. The public hearings on the proposed rules in all 3 cases will be held in-person on the morning of Thursday, December 9, 2021 at the MPSC’s offices. The public is also encouraged to participate remotely via video conference or telephone.

The public hearing on the amendment to the rules governing the service quality and reliability standards for electric distribution systems in Case No. U-20629 will be held on December 9th at 9:00 a.m. and the proposed rules would, among other changes, increase and make power outage credits automatic, shortened required times for utilities to restore long duration outages, enhance the safety and the utilities response to down wire incidents and establish annual reporting requirements for rural electric cooperatives and investor-owned utilities on service quality and reliability performance.

The public hearings on the amendment of rules governing the technical standards for electric service in Case No. U-20630 will take place on December 9th at 10:30 a.m. and the proposed rules include new electric utility reporting requirements on customer outages, additional requirements for utility line clearing programs and updated requirements related to utility cyber security programs.

Finally, the hearing on billing practices for electric and natural gas service in Case No. U-21150 will take place on December 9th at 11:00 a.m. The proposed rules include amendments intended to help ensure customer service for electric and gas utilities are not shut off without proper notice to customers and protect customers from being billed for electricity they have not consumed because of metering or billing issues.

Written comments may also be submitted on any of the proposed rule sets. They must reference the pertinent case number and be received at the Commission office or by mail or email no later than 5:00 p.m. on January 6, 2022.

To the Chair’s comments, I would also like to thank the countless staff and stakeholders who have worked on these proposed changes for months, if not years. I think prior to my start on the Commission in 2019. I know that this can seem like a long and arduous process for stakeholders, but the announcement of these public hearings is a key indicator of their hard work as well as our

staff's hard work and the continued advancement of these rulemakings through the formal proceedings.

I look forward to continuing to take input through these public hearings and continue to advance this ball down the field. Thank you."

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

The order was adopted.

C. 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 (petition for rehearing)

Case No. U-20894 involves an application filed by DTE Michigan Lateral Company for a certificate of public convenience and necessity relating to its Wet Header System and the provision of dry gas transmission service to be provided by DTE Gas Company in the areas of Traverse City, Alpena, Rogers City, and Manistee. The order before you grants in part, and denies in part, the motion for rehearing, reconsideration, and clarification filed by DTE Michigan Lateral Company. Commissioner Phillips moved that the Commission approve the order at its November 4, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. U-21098 IN THE MATTER OF THE APPLICATION OF BRIGHTMARK CASTOR RNG LLC FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE A NATURAL GAS PIPELINE, THE CASTOR RNG PIPELINE, IN OTTAWA COUNTY, MICHIGAN (proposed settlement agreement)

Case No. U-21098 involves an application filed by Brightmark Castor RNG LLC for a certificate of public convenience and necessity to construct, own, and operate the Castor RNG Pipeline in Polkton Township, Ottawa County, Michigan. The order before you approves a settlement agreement resolving all issues in the case and makes the required agency findings regarding the pipeline's environmental impact. Commissioner Phillips moved that the Commission approve the order at its November 4, 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:

“In addition to recognizing Native American Heritage Month at the beginning of today’s meeting, I also want to note that next Thursday, November 11th, we celebrate Veteran’s Day and recognize the commitment and sacrifice of those who have served our country in uniform. We at the MPSC, are fortunate to have a number of veterans who have chosen to continue their service as civilians through their work at the Commission, including one in this room and the Department of Licensing and Regulatory Affairs, in which we are administratively housed, is proud to be recognized as a gold level veteran-friendly employer – committed to military veteran recruitment, training, and retention practices. We have more information of those efforts on our website: www.michigan.gov/mpsc .

As we approach this year’s celebration of Veteran’s Day, I want to take a moment to recognize the veterans of the Michigan Public Service Commission and elsewhere. We salute you.

Yesterday, we released our Annual Winter Energy Appraisal finding a mixed outlook in demand for energy products as the pandemic impacts wane. A couple of key findings from this year’s report; natural gas consumption is expected to decline in Michigan by 4% in large part because of lower demand from the electric power generation sector. But residential demand for home heating is expected to increase moderately by 1%.

For propane, supplies are tighter, and prices are up. Usage is expected to increase 9.9% even as prices at the beginning of October average \$2.39 per gallon. An \$.80 increase from 2020. In terms of supplies, U.S. inventories are down 23% compared to this point last year. In the Midwest, that is mitigated a bit, down only 3.5% from the five-year average.

Electricity demand is expected to rise about 3% compared to 2020, with industrial and commercial demand growing 7.1% and 3.1% respectively. Residential electric demand is expected to grow about 0.2%. Residential electricity rates edged up as customers of investor-owned utilities saw a median rate increase of 2.1% between October 2020 and October 2021.

Demand for motor gasoline is expected to increase by 7.9% to 4.2 billion gallons in 2021. Midwest gasoline prices are expected to average \$2.86 in 2021, up from \$2.04 in 2020.

For those who are struggling with energy costs, there is help available for heating bills or energy self-sufficiency. You can go to our website on utility assistance. Information is also available on the home-heating credit and help in home weatherization to cut energy costs. You can also call 2-1-1. I want to remind folks that help, and assistance is available.”

Commissioner Peretick announced:

“I would like to make a quick announcement about Part 2 of our technical conference that we are hosting tomorrow. This is a two-part technical conference with the purpose of updating and informing the Commissioners, Commission staff, and interested stakeholders on the current state of emergency preparedness, distribution reliability, and storm response, and to discuss the scale and degree of improvements that are required to the system, exploring ideas for how to achieve these improvements. All while maintaining a focus on environmental justice, equity and cost. You can find virtual participation on the MPSC’s website.

We are going to continue our conversation from our successful first day where we were able to set the stage with our learning, current reliability metrics and plans stand. Tomorrow we are covering the topics are whether or not we meet those existing standards, modeling for the future of the reliable grid, performance-based regulation for reliability and resilience, how the MPSC can effectively address reliability in storm response.

We will hear some staff presentations on existing tools that we have in our toolbox to make these changes. We have a representative from the Wisconsin Public Service Commission to comment on their reliability and resilience and a panel discussion on new technologies and grid modernization for reliability. It is a big agenda with a lot of great topics. I welcome all public to join and look forward to the event.”

A recording of the proceedings of the November 4, 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 Thursday, November 18, 2021 at 1:00 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 1:29 p.m.

Lisa Felice
Executive Secretary