

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON JUNE 22, 2023.

Commission Chair Daniel C. Scripps called the meeting to order at 1:02 p.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Daniel C. Scripps, Chair
Katherine Peretick, Commissioner

Staff: Kelly Barber-Dodge
Matt Helms
Lisa Felice
Al Freeman
Ryan Wilson
Blair Renfro
Dolores Midkiff-Powell
Jill Rusnak
Andy Hannum
Ben Johnson
Kyle Daymon
Leslie Farrow
Meagan Emmons
Li Szilagy
Kayla Gibbs
Mike Byrne
Anna Schiller

Public: Heidi Myers, Consumers Energy
Kelly Hall, Consumers Energy
Andrew Minegar, MIRS
Adella F. Crozier, DTE

Additional Staff & Public Attending Telephonically/Video Conferencing: 238 Participants

I. Commissioner Peretick moved to amend today's agenda, Chair Scripps seconded.

Vote: Yeas – Scripps, Peretick
Nays – None

The motion was approved.

Commissioner Peretick moved to approve today’s amended agenda, Chair Scripps seconded.

Vote: Yeas – Scripps, Peretick
Nays – None

The amended agenda was approved.

II. Commissioner Peretick moved to approve the minutes of the Regular Commission Meeting of June 9, 2023, Chair Scripps seconded.

Vote: Yeas – Scripps, Peretick
Nays – None

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

- 1. U-15938 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN AMENDMENT TO AN INTERCONNECTION AGREEMENT BETWEEN THE DEERFIELD FARMERS TELEPHONE COMPANY AND FRONTIER MIDSTATES, INC. AND FRONTIER NORTH INC.
(second amendment)
- U-16919 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN AMENDMENT TO AN INTERCONNECTION AGREEMENT BETWEEN THE DEERFIELD FARMERS TELEPHONE COMPANY AND FRONTIER COMMUNICATION OF MICHIGAN, INC.
(third amendment)

B. GAS

- 1. U-21273 IN THE MATTER OF THE APPLICATION OF MICHIGAN GAS UTILITIES CORPORATION FOR APPROVAL OF A GAS COST RECOVERY PLAN AND AUTHORIZATION OF GAS COST RECOVERY FACTORS FOR THE 12-MONTH PERIOD FROM APRIL 2023 THROUGH MARCH 2024, AND FOR RELATED APPROVALS
(proposed settlement agreement)

Commissioner Peretick moved that the Commission approve all the orders on the consent agenda. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The 2 orders were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-20604 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF POWER PURCHASE AGREEMENTS
(*ex parte*/Superior Sales, Inc.)

Case No. U-20604 involves an application filed by Consumers Energy Company requesting *ex parte* approval of a power purchase agreement with Superior Sales, Inc. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

2. U-21052 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR APPROVAL TO IMPLEMENT A POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDED DECEMBER 31, 2022
(final order)

Case No. U-21052 involves an application filed by Indiana Michigan Power Company requesting approval to implement its power supply cost recovery plan for the 12-month period ending December 31, 2022. The order before you approves Indiana Michigan Power Company's application and power supply cost recovery factor, as described in this order, accepts the company's five-year forecast, and issues a warning under MCL 460.6j(7) that Indiana Michigan Power Company may not be authorized to recover its full costs incurred under the Ohio Valley Electric Corporation's Inter-Company Power Agreement. Commissioner

Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

3. U-21338 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR FINANCING ORDER APPROVING THE SECURITIZATION OF QUALIFIED COSTS (final order)

Case No. U-21338 involves an application filed by DTE Electric Company for a financing order approving the securitization of qualified costs. The order before you approves the application as described in the order. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Chair Scripps commented:

“Securitization is a process that was authorized in Michigan under Public Act 142 of 2000. We have used securitization in a number of contexts for both DTE Electric Company and for Consumers Energy. This is the latest in those line of cases and securitize the costs associated with two retired coal plants for DTE Electric Company. Through this process essentially, it is a way of financing those costs at lower costs to customers. This particular case is expected to save customers at least \$51.5 million compared to conventional financing. These cases are a little tricky because we need to issue them under statute within 90 days of being filed.

We have once again met our statutory timelines. I just want to thank the company for a thorough filing, our staff, and the interveners both from ABATE and the Attorney General’s office, for their work on this. I am happy to have this in front of us and am particularly pleased by the \$51.5 million as a baseline in customer savings.”

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

4. U-21402 IN THE MATTER OF THE *EX PARTE* APPLICATION OF CONSUMERS ENERGY COMPANY FOR ACCOUNTING APPROVAL TO UTILIZE A REGULATORY ASSET OR LIABILITY FOR CERTAIN PROJECTS RELATED TO FUNDING FROM THE INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021 (final order)

Case No. U-21402 involves an application filed by Consumers Energy Company requesting *ex parte* approval of accounting authority to utilize a regulatory asset or liability for certain projects related to funding from the federal Infrastructure Investment and Jobs Act of 2021, specifically its Empowering Michigan Communities Through Distributed Energy Resource Optimization project. The order before you approves the application, directs Consumers Energy Company to engage with the Commission Staff as the company continues to develop its project as set forth in the order, and dismisses as moot the petition to intervene filed by the Association of Businesses Advocating Tariff Equity. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Commissioner Peretick commented:

“I would like to address this order and the next one which is a similar financing *ex parte* approval of accounting authority. We, as a Commission, have expressed through a variety of orders in the past our support for utilities pursuing federal funding opportunities, and I am excited to see the Consumers Energy applications for over \$120 million in federal funding through the IJA (Infrastructure Investment and Jobs Act). These grant programs require a match in order to obtain the funds, and through the orders in front of us, are requesting *ex parte* approval to utilize regulatory accounting authority for these matching funds. These applications in pursuit of some of the \$550 billion of federal funding available through the IJA and would implement a distributed energy resource optimization platform that integrates grid-edge intelligence, an enterprise-scale distributed energy resource management system and demand response management system, upgrade aging infrastructure and adding system redundancy to mitigate outage impacts from increasingly severe and frequent storms, and with the underlying work prioritizing federally-designated disadvantaged communities.

I’m looking forward to hearing the results of these applications and seeing what other federal funding we can bring into the State of Michigan via the IJA and IRA and other federal funding opportunities.”

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

5. U-21416 IN THE MATTER OF THE *EX PARTE* APPLICATION OF CONSUMERS ENERGY COMPANY FOR ACCOUNTING APPROVAL TO UTILIZE A REGULATORY ASSET OR LIABILITY FOR CERTAIN PROJECTS RELATED TO FUNDING FROM THE INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021 (final order)

Case No. U-21416 involves an application filed by Consumers Energy Company requesting *ex parte* approval of accounting authority to utilize a regulatory asset or liability to defer recovery or refund for expenses above or below amounts approved in rates for

certain projects related to funding from the federal Infrastructure Investment and Jobs Act of 2021, specifically its Sectionalization & Circuit Improvements to Mitigate Outage Impacts for Disadvantaged Communities project. The order before you approves the application, directs Consumers Energy Company to engage with the Commission Staff as the company continues to develop its project as set forth in the order, and dismisses as moot the petition to intervene filed by the Association of Businesses Advocating Tariff Equity. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

6. U-21454 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR MODIFICATION OF TARIFF TO COMPLY WITH MIDCONTINENT INDEPENDENT SYSTEM OPERATOR CALCULATION OF CAPACITY CREDITS
(*ex parte*/final order)

Case No. U-21454 involves an *ex parte* application filed by DTE Electric Company for modification of its Rider No. 17 tariff to comply with Midcontinent Independent System Operator, Inc.’s calculation of capacity costs. The order before you approves the *ex parte* application. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

B. GAS

1. U-20993 IN THE MATTER OF SAGINAW BAY PIPELINE COMPANY’S APPLICATION REQUESTING *EX PARTE* APPROVAL OF NEW RATES FOR TRANSPORTATION ON THE SAGINAW BAY PIPELINE
(final order)

Case No. U-20993 is a matter involving an application by Saginaw Bay Pipeline Company requesting *ex parte* approval of new gas transportation rates reflected in a 20-year firm service agreement between Saginaw Bay Pipeline Company and DTE Gas Company. The order before you directs Saginaw Bay Pipeline Company to file a revised transportation agreement, consistent with this order. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

2. U-21398 IN THE MATTER OF THE APPLICATION BY PALMCO ENERGY MI, LLC, d/b/a INDRA ENERGY FOR A LICENSE TO BE AN ALTERNATIVE GAS SUPPLIER
(final order)

Case No. U-21398 involves an application by PALMco ENERGY MI LLC, d/b/a Indra Energy, to become a licensed alternative gas supplier. The order before you approves the application with conditions. Commissioner Peretick moved that the Commission approve the order at its June 22, 2023 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

V. PRESENTATION ON RESOURCE ADEQUACY BY MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC., MARC KEYSER

VI. PUBLIC COMMENTS

There were no public comments.

Chair Scripps announced:

“We issued a press release last week noting that even though it is very much like summer (I think it is the second day of summer) and as I drove down today, I saw the sunrise a little after 6:00, but heating season is always just around the corner in Michigan. It is a great time to lock in lower price

contracts for those who heat using propane. We are urging propane customers to shop around for the best deals and to research options, ask questions about contracts and get terms in writing. You have the opportunity in many cases to lock in lower prices now and that can also prevent both surprise higher costs if you wait until closer to the cold weather season. Make sure that you have locked in your propane supply. For the 8% of Michigan homes that heat with propane it is significantly higher in the U.P and Northern Lower Michigan and other rural areas. It is a good time as you use the propane for the Fourth of July barbecue to also think about the propane that you are going to need for heating season.

Second, earlier this week we had Monday off to commemorate Juneteenth. That celebrates the emancipation of enslaved African Americans. It is celebrated each year on the anniversary of the order by U.S. Army Major General Gordon Granger proclaiming freedom for enslaved people in Texas on June 19, 1865. It is always remarkable when I think about this because it was more than two months after the Civil War ended and more than two and a half years after President Lincoln actually issued the Emancipation Proclamation. It took that long to reach the folks in Galveston and longer still even after Major General Granger's order to reach others in Texas, showing that we have always got more work to do. This is now very much a national celebration, as well as a State holiday in Michigan. There is a connection even though this started in Texas in that former Michigan Congresswoman Barbara Rose-Collins actually was the first person to introduce Federal Legislation to recognize Juneteenth. She introduced that legislation in 1996, it took until 2021 for it to be signed into law. It is now a federal holiday and one at the state level. We send our celebration out for the second Independence Day of Juneteenth and something that we certainly celebrate here at the Commission as well."

Commissioner Peretick announced:

"I wanted to flag that registration is fully underway for the Mid-America Regulatory Conference on August 6th through 9th and Michigan is hosting it this year in Grand Rapids. Chair Scripps is actually the Chair of that conference. If you haven't registered yet, I recommend doing so if you're interested in hearing conversations about utility regulation, decarbonization and net-zero goals, the future of our electric grid, energy and telecommunications, the future of natural gas, among many many other topics, and talking to Commissioners, Commission staff, and industry from Michigan to North Dakota to Texas to Arkansas and Indiana and all the states in between that border."

Chair Scripps announced:

"I am very excited about this. This was originally supposed to happen in 2020. It was put off a few years because of the pandemic, but we have literally had four years to plan this. We have a great team of staff led by Amy Rittenhouse with dozens of people who are involved this. I am excited to welcome our colleagues to Pure Michigan in August."

A recording of the proceedings of the June 22, 2023 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 Friday, July 7, 2023 at 1:00 p.m.

Commissioner Peretick moved that the Commission adjourn, Chair Scripps seconded.

Vote: Yeas – Scripps, Peretick
Nays – None

The motion was approved.

The meeting adjourned at 1:38 p.m.

Lisa Felice
Executive Secretary