

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 23, 2024.

Commission Chair Daniel C. Scripps called the meeting to order at 10:03 a.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

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

Staff: Alissa Day
Matt Helms
Lisa Felice
Blair Renfro
Corey Osier
Al Freeman
Jacob Martus
Diane Martin
Anne Armstrong
Mary Wilkins
Kyle Daymon
Paul Proudfoot
Charlie Tidwell
Ben Johnson
Cathy Cole
Lauren Fromm
Christina Forist
Laura Weir
Wanda Jones
Sarah Mullkoff
Dolores Midkiff-Powell
Mike Byrne
Kumo Okoro

Public: Kelly Hall, Consumers Energy

Additional Staff & Public Attending Telephonically/Video Conferencing: 154 Participants

I. Commissioner Peretick moved to approve today’s agenda, Commissioner Carreon seconded.

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

The agenda was approved.

II. Commissioner Peretick moved to approve the minutes of the Regular Commission Meeting of July 2, 2024, Commissioner Carreon seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. 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
(request for partial relinquishment)
2. U-21659 IN THE MATTER OF THE APPLICATION OF UNITED COMMERCIAL TELECOM, LLC FOR TEMPORARY AND PERMANENT LICENSES TO PROVIDE ACCESS SERVICES THROUGHOUT THE STATE OF MICHIGAN
(request to withdraw application)
3. U-21660 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF A MULTI-STATE INTERCONNECTION AGREEMENT BETWEEN EARTHGRID PBC AND VARIOUS AT&T INC. OWNED COMPANIES, INCLUDING AT&T MICHIGAN
(interconnection agreement and first amendment)
- U-21668 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF A LOCAL TRAFFIC EXCHANGE AGREEMENT BETWEEN BANDWIDTH.COM CLEC, LLC AND OGDEN TELEPHONE COMPANY
(interconnection agreement)
4. MINUTE ACTION PENINSULA FIBER NETWORK LLC
(9-1-1 wireless, U-14000, invoice no. INV-3480 dated July 1, 2024)

5. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES LLC
(9-1-1 wireless, U-14000, invoice no. INV-1255 dated July 1, 2024)

B. ELECTRIC

1. U-21353 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, 2022
(proposed settlement agreement)
2. U-21425 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, 2024
(proposed settlement agreement)
3. U-21506 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF A SIMPLIFIED PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978 STANDARD OFFER PROGRAM FOR CERTAIN QUALIFYING FACILITIES AND FOR OTHER RELIEF
(proposed settlement agreement)
4. U-21542 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR APPROVAL OF A DEPRECIATION RATE FOR THE MIHM AND KUESTER RICE UNITS
(proposed settlement agreement)
5. U-21548 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, 2023
(proposed settlement agreement)
6. U-21561 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEW, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR UPPER PENINSULA POWER COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008, AS AMENDED BY PUBLIC ACT 342 OF 2016
(energy waste reduction reconciliation/proposed settlement agreement)

7. MINUTE ACTION MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC., ORDER TO SHOW CAUSE REGARDING UNILATERAL TRANSMISSION OWNER RIGHTS TO FUND NETWORK UPGRADES
(FERC Docket No. EL24-80-000)
8. MINUTE ACTION PJM INTERCONNECTION, L.L.C., ORDER TO SHOW CAUSE REGARDING UNILATERAL TRANSMISSION OWNER RIGHT TO FUND NETWORK UPGRADES
(FERC Docket No. EL24-81-000)
9. MINUTE ACTION PJM INTERCONNECTION, L.L.C., SECTION 206 FILING REMOVING RTEP PROTOCOL PROVISIONS FROM OPERATING AGREEMENT
(FERC Docket No. EL24-119-000)
10. MINUTE ACTION PJM INTERCONNECTION, L.L.C., AMENDMENTS TO THE CONSOLIDATED TRANSMISSION OWNERS AGREEMENT
(FERC Docket No. ER24-2336-000)
11. MINUTE ACTION PJM INTERCONNECTION, L.L.C., CONSOLIDATED TRANSMISSION OWNERS AGREEMENT FILING TRANSFERRING THE RTEP PROTOCOL TO TARIFF
(FERC Docket No. ER24-2338-000)

C. GAS

1. U-21445 IN THE MATTER OF THE APPLICATION OF SEMCO ENERGY GAS COMPANY FOR APPROVAL OF A GAS COST RECOVERY PLAN AND FACTORS FOR THE 12 MONTHS ENDING MARCH 31, 2025
(proposed settlement agreement)

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

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

The 10 orders and 7 minute actions 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 2024-2025. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

Vote: Yeas – Scripps, Peretick, Carreon
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 true-up adjustment to securitization charge)

Case No. U-17473 involves a request filed by Consumers Energy Company for approval of the company's 2024 annual true-up adjustment to the current securitization charges in conformity with the December 6, 2013 order in this docket. The order before you approves the request and accepts Consumers Energy Company's 2024 annual true-up adjustment. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

3. U-20496 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF POWER PURCHASE AGREEMENT AMENDMENTS (request to withdraw petition for rehearing)

Case No. U-20496 involves an application by Consumers Energy Company requesting *ex parte* approval of a power purchase

agreement amendment. The order before you grants National Energy of Lincoln, LLC's request to withdraw its petition for rehearing. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

4. U-21543 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO APPROVE PROCEDURES, AGREEMENTS, AND FORMS, FOR USE WITH THE LEVEL 1, 2, AND 3 INTERCONNECTION AND DISTRIBUTED GENERATION PROGRAMS
(final order)
5. U-21481 IN THE MATTER OF THE REQUEST OF ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION, CHERRYLAND ELECTRIC COOPERATIVE, CLOVERLAND ELECTRIC COOPERATIVE, GREAT LAKES ENERGY COOPERATIVE, HOMEWORKS TRI-COUNTY ELECTRIC COOPERATIVE, MIDWEST ENERGY & COMMUNICATIONS, ONTONAGON COUNTY REA, PRESQUE ISLE ELECTRIC & GAS CO-OP, AND THUMB ELECTRIC COOPERATIVE, INDIVIDUALLY AND COLLECTIVELY, FOR APPROVAL OF INTERCONNECTION PROCEDURES, FORMS, FEES AND RELATED RELIEF
(interim order)
6. U-21569 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF SECTIONS 173 AND 177 AND RELATED DEFINITIONS OF PUBLIC ACT 235 OF 2023
(interim order)
U-21767 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO GRANT WAIVERS FROM THE INTERCONNECTION AND DISTRIBUTED GENERATION STANDARDS FOR ALPENA POWER COMPANY, UPPER PENINSULA POWER COMPANY, UPPER MICHIGAN ENERGY RESOURCES, CORPORATION, NORTHERN STATES POWER COMPANY, INDIANA MICHIGAN POWER COMPANY, CONSUMERS ENERGY COMPANY AND DTE ELECTRIC COMPANY, TO CONFORM TO PUBLIC ACT 235 OF 2023
(order opening docket)

Commission Staff Cody Matthews, Energy Operations Division, presented a brief synopsis of the three cases listed above. Commissioner Peretick moved that the Commission

approve the order in Case No. U-21543 at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

Commissioner Peretick commented:

“I first want to thank the fantastic staff here at the MPSC who have been working on these interconnection and distributed generation issues for the past few years. It’s been a lot of work to revise these rules and then adjust to meet the changes made by the new clean energy laws passed by the legislature and signed by Governor Whitmer last year.

These new laws now require an allowance for 10x the previous capacity of distributed solar generation in our state and made other modifications to make installing rooftop solar panels easier and cheaper for homeowners.

As described by Mr. Matthews, the orders before us right now provide guidance to utilities and customers for how to connect distributed energy generation and storage, directs new DG tariffs to be filed to be consistent with the new energy laws, and approves standard interconnection agreements for projects up to 550 kW to simplify and streamline the process.

I’m excited about the progress we are making in the State of Michigan in expanding distributed solar generation and home energy storage solutions: we now have almost 20,000 customers in MI with distributed solar on their properties, increasing by over 8% year over year according to our Status of Renewable Energy, Distributed Generation, and Legacy Net Metering report for 2023. I’m thankful for our staff, like Mr. Matthews and the whole team he worked with, who have been able to effectively implement these changing parameters from the legislature, changing planning and implementation from utilities, and changing preferences from customers.”

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

The order in Case No. U-21543 was adopted.

Commissioner Peretick moved that the Commission approve the order in Case No. U-21481 at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order in Case No. U-21481 was adopted.

Commissioner Peretick moved that the Commission approve the order in Case Nos. U-21569 *et al.* at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order in Case Nos. U-21569, *et al.* was adopted.

7. U-21488 IN THE MATTER OF THE APPLICATION OF ALPENA POWER COMPANY FOR AUTHORITY TO INCREASE ITS RATES FOR THE SALE OF ELECTRICITY
(proposed settlement agreement)

Case No. U-21488 involves an application filed by Alpena Power Company for authority to increase its rates for the sale of electricity. The order before you approves an amended settlement agreement resolving all issues in the case. According to key provisions of the amended settlement agreement, the company's tariffs shall be revised to reflect an annual revenue increase of approximately \$2.5 million, effective for service on and after the date of this order. The authorized rate of return on common equity is 9.85%, and the overall rate of return is 6.29%. The amended settlement agreement also includes a subsequent rate increase moratorium with no new general rate increase prior to January 1, 2026. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

Chair Scripps commented:

"In addition to the core elements that Ms. Day provided, the settlement agreement was agreed to by the Company, our Commission staff, and the Attorney General, also includes a number of additional provisions, including modifying the company's distributed generation tariff to be consistent with the provisions of Public Act 25 of 2023 extending the company's electric vehicle charging pilot through the end of 2028 and revising the time of use provisions and the on peak to off peak ratios in a series of tariffs, including the company's efficient electric heat tariff, a pair of electric vehicle charging tariffs, and tariffs for large power and large industrial customers.

I want to express my thanks to the company, the staff, and the Attorney General for working together on what I think is a constructive settlement in this case. I am pleased to see the order in front of us."

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

The order was adopted.

8. U-21586 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR WAIVERS OF CERTAIN SERVICE QUALITY AND RELIABILITY STANDARDS FOR ELECTRIC DISTRIBUTION SYSTEMS PURSUANT TO R 460.751 AND R460.752 AND RELATED RELIEF
(request to withdraw application)

Case No. U-21586 involves an application filed by Upper Peninsula Power Company for waivers of certain provisions of the Commission's Service Quality and Reliability Standards for Electric Distribution Systems. The order before you dismisses the application at the request of the utility and closes the docket in the proceeding. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

9. U-21768 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE A RULEMAKING PROCEEDING TO AMEND THE UNIFORM SYSTEM OF ACCOUNTS FOR MAJOR AND NON-MAJOR ELECTRIC UTILITIES, MICH ADMIN CODE, R 460.9002 AND R 460.9003
(rulemaking/public hearing announcement)

Case No. U-21768 concerns the commencement of a rulemaking proceeding to amend the Uniform System of Accounts for Major and Nonmajor Electric Utilities, Mich Admin Code, R 460.9002 and R 460.9003. The order before you sets a public hearing regarding adoption of rules and establishes a period for interested persons to provide comments. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

B. GAS

1. U-21490 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR AUTHORITY TO INCREASE ITS RATES FOR THE DISTRIBUTION OF NATURAL GAS AND FOR OTHER RELIEF
(proposed settlement agreement)

Commission Staff Tim Witt, Regulated Energy Division, presented a brief synopsis of the case listed above. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

Commissioner Carreon commented:

“I only have a couple of comments I’d like to make, Chair, as Mr. Witt already did an excellent job summarizing the highlights of this order.

First, I want to thank all the interveners in this case, including our MPSC Staff, the Attorney General, and the numerous organizations who contributed their expertise and collaborated towards the resolutions presented in the settlement agreement.

Second, I’d like to underscore the importance of a few developments resulting from this settlement that are designed to engage interested parties and strengthen data availability while providing transparency into Consumers’ decision-making approaches. These developments include the agreement for Consumers to undertake the two studies Mr. Witt referenced; the first study examining the breakeven points and bringing the breakeven points and customer charges closer to cost of service and, the second study to provide a more detailed analysis of FERC Account 378. Another development is the requirement to hold an annual technical conference, starting in January 2025, ‘for interested parties that will provide the engineering basis and support for the plastic and steel pipe projects selected in the Enhanced Infrastructure Replacement Program planning report,’ including “any other decision criteria used by the Company to determine the plan for that calendar year.” I would encourage those interested in participating and providing input into these studies or the annual conference to engage as able as these are opportunities not only to receive more insight on the Company’s performance reports or cost of service, but they also help inform future prioritization of investment in our energy infrastructure. These studies and the conference are all examples of important ways our utilities can keep the public or interested parties involved and informed on the data and technical details of key infrastructure proposals.”

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

The order was adopted.

2. U-21629 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE THE O-305 WELL LINE
(*ex parte*/final order)

Case No. U-21629 involves an application filed by Consumers Energy Company for *ex parte* approval to construct and operate the proposed O-305 Well Line, which consists of a new 6-inch natural gas pipeline, in the Overisel Storage Field in Allegan County. The order before you approves the application and makes the required agency findings regarding

the project’s environmental impact. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

3. U-21656 IN THE MATTER OF THE *EX PARTE* APPLICATION OF CONSUMERS ENERGY COMPANY FOR ACCOUNTING APPROVAL TO UTILIZE A REGULATORY ASSET TO DEFER THE LOSS ASSOCIATED WITH THE POTENTIAL SALE OF THE RIVERSIDE STORAGE FIELD (interim order)

Case No. U-21656 involves an *ex parte* application filed by Consumers Energy Company for approval to utilize a regulatory asset to defer the loss associated with the potential sale of the company’s Riverside Storage Field. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its July 23, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

Val Wohlscheid-Breanan, Grand Ledge provided comments regarding Case No. U-21471.
Karol Sanborn, Pewamo, provided comments regarding Case No. U-21471.
Robert Williams, Marshall, provided comments regarding Case No. U-21472.
Heidi Drumheller provided comments regarding Case No. U-21472.

Chair Scripps announced:

“The Commission will hold a public hearing in Marquette next Tuesday, July 30th to hear from the public about the study of Upper Peninsula energy issues as directed by the Legislature. All three Commissioners and a number of our staff will be on hand from 6:00-8:00 p.m. at Northern Michigan University, Northern Central Ballroom II, which is located at 1401 Presque Isle Avenue in Marquette. We are looking forward to meeting with and hearing the perspectives of Upper Peninsula residents.

Second, next month on Wednesday, August 28th, we will have a public hearing in Flint from 6:00-8:00 p.m. at the Riverfront Conference Center, on the campus of University of Michigan-Flint, located at One Riverfront Plaza, Flint. This is related to Case No. U-21638 which we opened in May pursuant to the energy reforms adopted by the Legislature last year to consider options to expand opportunities for public engagement in the Commission's decision-making processes and procedures. We look forward to hearing from individuals there as well.

Third, I would like to congratulate Commissioner Peretick who has been named one of 10 Commissioners from across the country and one of two from the Midwest region to the National Association of Regulatory Utility Commissioner's new Federal and State Current Issues Collaborative in partnership with the Federal Energy Regulatory Commission (FERC). The collaborative is designed to provide a venue for federal and state regulators to share perspectives, improve understanding and (where appropriate) identify potential solutions regarding challenges and coordination on matters that affect specific state and federal regulatory jurisdictions with potential topics to include exploring where best to coordinate between state and federal regulators on issues ranging from electric reliability and resource adequacy to natural gas, electric coordination, wholesale and retail markets, new technologies, innovations, and infrastructure. Congratulations on being named to that new collaborative.

Finally, I would like to invite former Commissioner Bob Nelson to come forward, if he is so willing. It is always fun to embarrass our Commissioners Emeritus. Commissioner Nelson was appointed by Governor Engler in May 1999 to the Commission and reappointed in August of that year. He served with distinction as a member of the Public Service Commission representing independence through July 2, 2005. He has had a rich post-Commission career, including (perhaps most notably) helping to form the Citizens Utility Board of Michigan (CUB) and serving on its Board of Directors until stepping down earlier this year as he pursues retirement full-time. Both at the MPSC and CUB, Commissioner Nelson has been universally regarded for his thoughtfulness, his kindness, his regulatory expertise, and his passion for the interests of utility customers.

What folks may not know is that he is also well known internally as the informal Bard of the Commission, helping to initiate a tradition of Commissioner karaoke, where we take popular songs and rewrite them with energy and telecommunications themes. Yes, we really are that nerdy here! That has led to such favorites as The Eagles' 'Take it Easy' being repurposed by former Commissioner Norm Saari as 'Take an EV', George Strait's classic 'Amarillo by Morning' to bid former Chair Sally Talberg goodbye with 'ERCOT Board by Morning' and with great offense to Prince, redoing 'Purple Rain' as 'PURPA Rain'. It is a tradition that carries on to this day and started by Commissioner Nelson.

As you prepare to step into retirement, I want to congratulate you on your many contributions, both in the orders and work of the Commission, and perhaps even more importantly to the culture of the Commission and to CUB and organizations that you have been a part of. While you were 'All about those rates – those rates and tariffs' to perhaps paraphrase Megan Trainer's classic, as a Commissioner you showed us that according to the Beatles 'All you Need is Love' or perhaps 'All you Need is CUB' in your retirement years and maybe to start with the opening lines of *There's Nothing you can do Bob hasn't done/He taught us all to sing/And then we sung*. Perhaps that is the greatest tribute of all.

Congratulations and good luck in your next chapter.”

Bob Nelson thanked the Commission and indicated that he appreciated the recognition.

A recording of the proceedings of the July 23, 2024 meeting is archived at:
<https://www.youtube.com/watch?v=0bNfaBPQvJE> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Thursday, August 22, 2024 at 1:00 p.m.

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

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

The motion was approved.

The meeting adjourned at 10:53 a.m.

Lisa Felice
Executive Secretary