

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON SEPTEMBER 5, 2024.

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
Katherine Peretick, Commissioner
Alessandra Carreon, Commissioner

Staff: Kelly Barber-Dodge
Matt Helms
Lisa Felice
Blair Renfro
Ryan Wilson
Al Freeman
Jason Mailloux
Anne Armstrong
Kyle Daymon
Andy Hannum
Ben Johnson
Charlie Tidwell
Justin Miller
Jill Rusnak
Mike Byrne
Dolores Midkiff-Powell
Keagan Peterson

Public: Olivia Flower, Dykema
Heidi Myers, Consumers Energy
Kelly Hall, Consumers Energy

Additional Staff & Public Attending Telephonically/Video Conferencing: 137 Participants

- I. Commissioner Peretick moved to approve today's amended agenda, Commissioner Carreon seconded.

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

The amended agenda was approved.

- II.** Commissioner Peretick moved to approve the minutes of the Regular Commission Meeting of August 22, 2024, Commissioner Carreon seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-11962 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN AT&T MICHIGAN AND GLOBAL CROSSING LOCAL SERVICES, INC.
(eleventh amendment)
- U-12798 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN BROADWING COMMUNICATIONS, LLC AND AT&T MICHIGAN
(twenty-first amendment)
- U-14152 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN LEVEL 3 COMMUNICATIONS, LLC AND AT&T MICHIGAN
(sixteenth amendment)
- U-15027 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN TELCOVE OPERATIONS, INC. AND AT&T MICHIGAN
(eighth amendment)
- U-16526 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN AT&T MICHIGAN AND CENTURYLINK COMMUNICATIONS, LLC
(eleventh amendment)

B. ELECTRIC

1. U-21268 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR RECONCILIATION OF ITS POWER

SUPPLY COST RECOVERY PLAN (CASE NO. U-21267) FOR THE
12 MONTHS ENDED DECEMBER 31, 2023
(proposed settlement agreement)

2. U-21457 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN
POWER COMPANY FOR RECONCILIATION OF ITS 2022 DEMAND
RESPONSE AND LOAD MANAGEMENT PROGRAM COSTS
(proposed settlement agreement)
3. U-21554 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN
ENERGY RESOURCES CORPORATION TO COMMENCE A
RENEWABLE ENERGY COST RECONCILIATION PROCEEDING
FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2023
(proposed settlement agreement)
4. U-21621 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC
COMPANY FOR REVIEW AND APPROVAL OF ITS STATE
RELIABILITY MECHANISM CAPACITY CHARGE TO COMPLY
WITH THE REQUIREMENTS OF SECTION 6w OF PA 341
(proposed settlement agreement)

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

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

The 5 orders were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-20629 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO
ESTABLISH A WORKGROUP TO REVIEW THE SERVICE
QUALITY AND RELIABILITY STANDARDS FOR ELECTRIC
DISTRIBUTION SYSTEMS AND TO RECOMMEND POTENTIAL
IMPROVEMENTS TO THE STANDARDS
(bill credit adjustment/interim order)

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 adopts a revised customer
accommodation amount as required under those rules.

Commissioner Peretick moved that the Commission approve the order at its September 5, 2024 meeting. Commissioner Carreon seconded that motion.

Chair Scripps commented:

“This is a standard order under the amendments to the rules governing customer accommodation amounts that were adopted a couple of years ago. This increases the credit to \$40, up from \$38. Recall that the Service Quality Rules ultimately set that as \$35, but importantly tied it to inflation. This is the second inflationary adjustment that we have had to the customer accommodation amount, or bill credit, since those rules were adopted.

I would also like to note that the biggest change, perhaps, is that instead of having to apply for the credit from your utility, these credits are now being made automatic. Once you hit the eligibility threshold for a long-duration outage (whether it is a blue sky day, a gray sky day, or during a catastrophic storm, or if you have more than six outages over the course of a calendar year) you are not only eligible, but automatically enrolled for the credit. It is not up again to \$40 upon the approval of this case.”

Commissioner Peretick commented:

“I just wanted to highlight that if you are interested in seeing the number of, or total dollar value of credits that have been dispersed – broken down by utility and by month, you can do that on the Commission’s website at www.michigan.gov/mpsc . Navigate through the Consumer Information tab, through Electricity, and then the Distribution System Reliability Metrics tab, there is an extensive amount of data and information there and one of those is on the customer outage credits where you can see the amount that has been paid out and by which utilities by month.”

Chair Scripps commented:

“I think that is an important point. There is a whole host of information. One of the number of efforts to increase transparency around this information. I was struck by the pretty significant increase in the amount of credits paid out to customers once they became automatic, again with this higher dollar attached to them, as well.”

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

The order was adopted.

- DELETED 2. ~~U-21053~~ ~~IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-21052) FOR THE 12 MONTHS ENDED DECEMBER 31, 2022 (final order)~~
3. U-21193 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF ITS INTEGRATED RESOURCE PLAN PURSUANT TO MCL 460.6t AND FOR OTHER RELIEF

(*ex parte*/Cedar Fields Solar/power purchase agreement/final order)

Case No. U-21193 involves an application filed by DTE Electric Company requesting *ex parte* approval of the Cedar Fields Solar Park Project and the accompanying Engineering Procurement and Construction Master Service Agreement and the Master Supply Agreement for solar panel modules consistent with the company's approved integrated resource plan. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its September 5, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

4. U-21773 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 (interim order)

Case No. U-21773 involves an application filed by Consumers Energy Company for *ex parte* approval to utilize a regulatory asset or liability for certain projects related to the federal Infrastructure Investment and Jobs Act of 2021. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its September 5, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

5. U-21774 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 (interim order)

Case No. U-21774 involves an application filed by Consumers Energy Company for *ex parte* approval to utilize a regulatory asset

or liability for certain projects related to funding from the federal Infrastructure Investment and Jobs Act of 2021. The order before you approves the *ex parte* application. Commissioner Peretick moved that the Commission approve the order at its September 5, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

B. GAS

1. U-21328 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR SEMCO ENERGY, INC., TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008, AS AMENDED BY PUBLIC ACT 342 OF 2016 (energy waste reduction plan/proposed settlement agreement)

Case No. U-21328 involves the application of SEMCO Energy Gas Company to amend its energy waste reduction plan for the plan years 2024-2025. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Peretick moved that the Commission approve the order at its September 5, 2024 meeting. Commissioner Carreon seconded that motion.

Chair Scripps commented:

“I would like to add a note on this order and the next order under Item IV. B. 2. that will be in front of us. These involve, as Ms. Barber-Dodge noted, proposed amendments to SEMCO’s Energy Waste Reduction Plan and its reconciliation of costs and revenues that were filed in reaction to the recently enacted clean energy legislation at the end of last year. That legislation included increases in the requirements, as well as the incentives for going over and above the minimum statutory requirements for energy waste reduction, for both gas providers (this case here), as well as electric providers.

Just to note a couple of things that are included in this. This is a settlement agreement. We do not normally spend a lot of time detailing the elements of settlement agreements, but I thought that this warranted some highlight as it includes the increase in the minimum incremental energy savings target to 0.875%. For increased incentives in increasing the minimum to 1% and 1.25% of total retail natural gas sales. Those are all reflective of the increased requirements that were included in the laws enacted last year.

It also expands SEMCO’s low-income programs to begin a ramp up to meet the 35% budget requirement where 35% of the energy waste reduction budget would be targeted at programs

benefiting low-income customers ahead of the 2029 target date, as provided for Public Act 229 of 2023, as well as approving a low-income residential surcharge class consistent with the changes to low-income spending targets and low-income energy waste reduction programming. Again, established in Public Act 229. That is in addition to the revision to financial incentive mechanisms and the surcharges that were included in that Act, as well.

It is pleasing to me to see the enactment, the rubber meeting the road, in terms of the increased focus on both overall energy waste reduction, and particularly, for programs designed to help low-income customers being carried forward to SEMCO in this case.”

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

The order was adopted.

- 2. U-21564 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEW, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR SEMCO ENERGY, INC., TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008, AS AMENDED BY PUBLIC ACT 342 OF 2016 (energy waste reduction reconciliation/ proposed settlement agreement)

Case No. U-21564 involves the application of SEMCO Energy Gas Company to reconcile its energy waste reduction costs and revenues for the 12 months ended December 31, 2023. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Peretick moved that the Commission approve the order at its September 5, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

There were no public comments.

Chair Scripps announced:

“Case No. U-21471 was consolidated by the administrative law judge with Case No. U-21472. Both of these cases are regarding applications of Michigan Electric Transmission Company for a license or certificate of public convenience and necessity under Act 30, for construction of major transmission lines. The Commission has set a public hearing which will take place on Thursday, October 3, 2024 from 6:00 – 9:00 p.m. This will be a video or teleconference public hearing. It will

be presided over by Administrative Law Judge Christopher S. Saunders, who is the administrative law judge in that proceeding, as well. The hearing is open to the public and all members of the public may participate. There is additional detail filed in the case docket, Case No. U-21471 that provides additional details and how to participate.

In addition, the Commission is holding a public hearing on DTE Electric Company’s rate case application. That will take place on September 18th at Detroit’s Mumford High School on the northwest side. This in relation to the application by DTE Electric Company to increase its rates in Case No. U-21534. All three of us are looking forward to engaging the public at that hearing on September 18th from 6:00-8:00 p.m. at Mumford High School, which is located at 17525 Wyoming Avenue on the northwest side of Detroit.”

A recording of the proceedings of the September 5, 2024 meeting is archived at: <https://www.youtube.com/watch?v=l6L1BZOWHBk> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Thursday, September 26, 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 1:21 p.m.

Lisa Felice
Executive Secretary