

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ESCANABA, MICHIGAN AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON OCTOBER 10, 2024.

Commission Chair Daniel C. Scripps called the meeting to order at 10:04 a.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

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

Staff: Charlie Cavanagh
Matt Helms
Lisa Felice
Brandy Quinn
Lucy Clay
Zack Heidemann
Nate Burnand
Reka Voelker

Public: Gerald Pirkola, City of Escanaba
Eric Stocking, UPPCO
Dan Dundas, MEGA
Glendon Brown, City of Escanaba/Electric Advisory Committee

Additional Staff & Public Attending Telephonically/Video Conferencing: 201 Participants

Chair Scripps commented:

“Today’s meeting of the Michigan Public Service Commission is being held in-person at the Besse Center Auditorium on the campus of Bay College, 2001 N. Lincoln Rd., Escanaba, Michigan. We are excited to be here.

I would also note for the record that Commissioner Carreon had the best reason for an excused absence for today’s meeting, as she is currently on parental leave. We are very excited for her and her growing family and look forward to having her back in due course.”

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

Vote: Yeas – Scripps, Peretick
Nays – None

The agenda was approved.

II. Commissioner Peretick moved to approve the minutes of the Regular Commission Meeting of September 26, 2024, Chair Scripps seconded.

Vote: Yeas – Scripps, Peretick
Nays – None

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-17031 IN THE MATTER OF THE APPLICATION OF AT&T CORP. FOR A PERMANENT AND TEMPORARY LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICES IN THE STATE OF MICHIGAN IN THE AREAS SERVED BY AT&T COMMUNICATIONS OF MICHIGAN, INC.
(request to surrender license/final order)
2. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES LLC
(9-1-1 wireless, U-14000, invoice no. INV-1263 dated October 1, 2024)

B. ELECTRIC

1. U-21264 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-21263) FOR THE 12 MONTHS ENDING DECEMBER 31, 2023
(proposed settlement agreement)
2. U-21266 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-21265) FOR THE 12 MONTHS ENDED DECEMBER 31, 2023
3. U-21321 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR CONSUMERS ENERGY COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008, AS AMENDED BY PUBLIC ACT 342 OF 2016

(energy waste reduction plan/proposed settlement agreement)

C. GAS

1. U-21498 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY FOR ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE THE 2” DAGGETT PIPELINE IN MENOMINEE COUNTY, MICHIGAN
(proposed settlement agreement)
2. U-21510 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY AND CONSUMERS ENERGY COMPANY FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE THE OAKLAND RESILIENCE INTERCONNECT PIPELINES
(proposed settlement agreement)
3. U-21604 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, 2025 AND RELATED APPROVALS
(proposed settlement agreement)

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

Vote: Yeas – Scripps, Peretick
Nays – None

The 7 orders and 1 minute action were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-21189 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR APPROVAL OF ITS INTEGRATED RESOURCE PLAN PURSUANT TO MCL 460.6t, AVOIDED COSTS AND FOR OTHER RELIEF
(*ex parte*/power purchase agreements/final order)

Case No. U-21189 involves an application requesting *ex parte* approval of the amended Elkhart County Solar power purchase agreement, the Hoosier Line Solar power purchase agreement, the Meadow Lake Wind power purchase agreement, and the Lawrenceburg capacity only purchase agreement, and other related relief. The order before you approves the company's application for approval of the projects, as described in the order, authorizes Indiana Michigan Power Company to establish a regulatory asset, and grants the company authority to recover the development costs for the projects through its power supply cost recovery clause and factors over a period of two years. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

2. U-21427 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 ENDING DECEMBER 31, 2024
(final order)

Case No. U-21427 involves an application filed by Indiana Michigan Power Company requesting approval to implement a power supply cost recovery plan for the 12 months ending December 31, 2024. The order before you approves the 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 Intercompany Power Agreement. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

3. U-21456 IN THE MATTER OF THE COMPLAINT OF BONNIE REX AGAINST CONSUMERS ENERGY COMPANY
(final order)

Case No. U-21456 involves a complaint filed by Bonnie Rex against Consumers Energy Company. The order before you dismisses the complaint with prejudice. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

4. U-21461 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR AUTHORITY TO INCREASE ITS RATES FOR THE SALE OF ELECTRIC ENERGY AND OTHER RELATED MATTERS
(*ex parte*/tariff amendments/final order)

Case No. U-21461 involves an application filed by Indiana Michigan Power Company for *ex parte* review and approval of its amended residential service critical peak pricing tariff and general service critical peak pricing tariff. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

5. U-21541 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR AUTHORITY TO INCREASE ELECTRIC RATES AND FOR RELATED RELIEF
(proposed settlement agreement)

Commission Staff Elaina Braunschweig, Regulated Energy Division, presented a brief synopsis of the case listed above. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Chair Scripps commented:

“I just wanted to recognize the work of the many parties in bringing forward the settlement agreement before us today. As Ms. Braunschweig noted, this is the first rate increase that we have seen since UMERC was formed in 2016. As a part of the resolution to a whole series of challenges involving the power system in the U.P., the settlement agreement before us (I believe) represents a reasonable resolution of a number of issues involved in the case, including supporting needed

infrastructure investment while approving an increase that is 40% less than the company originally requested.

I would also like to highlight some of the elements that Ms. Braunschweig also covered, including the gradual unification of the service territories within UMERC, which I believe will help to fulfill the promise of a truly standalone U.P.-based and U.P.-focused electric utility over the course of that time. In addition, the residential and senior assistance support, and participation of the Low-Income Energy Assistance fund that provides support to the Michigan energy assistance program, including grantees here in the Upper Peninsula that provide direct assistance to customers, including the Superior Watershed Partnership, as well as the filing of distribution investment and maintenance plan. Looking at the reliability of the UMERC distribution system, I think are all significant steps in the right direction.

I appreciate our staff’s involvement, the Company, and other intervening parties, including the Attorney General. I am pleased to have the settlement agreement and the order adopting it in front of us today.”

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

6. U-21547 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO OPEN A DOCKET TO IMPLEMENT THE PROVISIONS OF PUBLIC 233 OF 2023 (application instructions and procedures/final order)

Commission Staff Sarah Mulkoff, Energy Operations Division, presented a brief synopsis of the case listed above. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Commissioner Peretick commented:

“First of all, I’d like to thank our dedicated team of staff who diligently have set up this entirely new process for us at the MPSC to issue siting certificates for renewable energy and energy storage projects. This was no small task. A large team of staff worked on this, but I’d especially like to thank Sarah Mulkoff, Travis Warner, Cathy Cole, Julie Baldwin, Charlie Cavanagh Eddie Garcia, Reka Holley-Voelker, Naomi Simpson, and Mike Byrne for their particular work on this.

I’d also like to thank all of the commenters who submitted thoughtful comments, suggestions, and guidance for this process, and participated in the eight different public meetings our staff held to gather input. This truly was a team effort, and all the input from commenters was invaluable for developing a robust, clear, and fair siting process.

Not all renewable energy and energy storage siting permits must go through this new, voluntary process at the commission. In fact, we expect most siting permits to still be granted through local siting processes. This pathway is only available to very large projects – over 100MW for wind, and

over 50MW for solar and storage, and only with full landowner support. And it is only a backstop siting process if the local unit of government does not have a siting ordinance that is compatible with PA 233 passed at the end of last year, and siting through the local process fails (regardless if their ordinances are compatible). This siting process is designed to provide a strong voice to local units of government and provides funding for legal costs of participating in a siting proceeding.

A lot of thought, effort, and work has gone into this process, and I'm excited that we're in the position here today, in Escanaba in our state's upper peninsula, to be able to approve this order and attached filing instructions."

Chair Scripps commented:

"First, I would like to echo your acknowledgement of work of our staff. You used the word diligent. That is exactly the word that I had written down myself. Really, the amount of hours, the amount of work, and the quality of that work in the recommendations that were brought forward, I think speaks to the dedication and commitment of our staff. I believe the process that they used – the 8 public workshops that Ms. Mullkoff detailed – in my mind represent a model of public engagement. One that engendered trust from participants in the work groups, and ultimately provided us with a comprehensive set of recommendations. I also appreciate the many participants, including the more than 100 groups and individuals who provided specific comments to shape our thinking.

The application instructions and procedures in front of us today, I believe, are faithful to the limited grant of authority to site certain wind, solar, and energy storage systems provided to the Commission by the Legislature under Public Act 233. As you noted Commissioner Peretick, in most cases project development process will still originate at the local level. The only exceptions are where there is a moratorium on project development in place or where the local unit of government itself requests the developer, ultimately, to use the Commission's siting process. Otherwise, it starts at the local level and can only move to the Commission if the local unit of government denies, fails to either approve or deny a project application within the timelines outlined in Statute, or if the local unit of government adds additional restrictions beyond those detailed in Statute, while the application is pending, and then, only if the project meets the minimum size requirements that you outlined in the order today. The accompanying application instructions and procedures provides guidance for those applications that may ultimately be filed with the Commission. Again, not all applications will come to the Commission. For those applications that continue to go through the local siting process, the Commission has no jurisdiction, and therefore, provides no guidance.

Again, I would like to express my thanks to all parties, and particularly to Ms. Mullkoff and staff for their diligent work. The order today in front of us, I believe, is well-grounded in Statute and faithful to the limited grant of authority provided to the Commission by the Legislature under Act 233."

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

7. 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 (petition for rehearing)
- 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

Case Nos. U-21569 *et al.* involve, on the Commission’s own motion, the opening of dockets for the purpose of receiving comments on issues related to Public Act 235 of 2023 and providing guidance to affected utilities. The order before you denies the petition for rehearing filed by the Great Lakes Renewable Energy Association. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

8. 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/interim order)

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 approves the rules and acknowledges the transmission of the rules to the Joint Committee on Administrative Rules. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

9. U-21799 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF ONE-TIME ACCOUNTING AUTHORITY
(*ex parte*/ accounting proposal/tree trimming/final order)

Case No. U-21799 involves an application filed by DTE Electric Company requesting *ex parte* approval for a one-time accounting authority. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its October 10, 2024 meeting. Chair Scripps seconded that motion.

Chair Scripps commented:

“Just to unpack what Mr. Cavanaugh said, in terms of what this order does, it is around accounting authority, but importantly accounting authority to pull forward tree trimming and vegetation management activity that would otherwise pause and be rolled over into 2025. The increased focus on tree trimming and vegetation management has been one that we have been working with DTE on since 2019 – the rate case that was approved in May of that year. That started their surge in tree trimming and notably was one of the core recommendations of the recent comprehensive audit (third-party independent comprehensive audit) into the distribution systems of both DTE Electric Company and Consumers Energy Company. This allows DTE to continue the momentum around tree trimming and vegetation management and an effort to improve reliability performance, as opposed to pausing it and then restarting it next year. We felt this was not in the interest of customers.

We appreciate DTE bringing this application in front of us. I am supportive of the order in front of us.”

Vote: Yeas – Scripps, Peretick
Nays – None

The order was adopted.

V. PUBLIC COMMENTS

Ibaad Syed, Novi, addressed his concerns regarding his informal complaint against DTE that is before the Commission regarding his secondary meter installation for an electric vehicle and DTE’s territorial monopoly.

Charity, Detroit/We the People requested that the Commission deny DTE’s application for a rate hike.

Chair Scripps announced:

“I want to sort of share my thoughts, certainly and those of the Commission, with those struggling in the wake of the recent hurricanes – Hurricane Helene that came up the Atlantic coast and Hurricane Milton that crossed over Florida overnight last night. There are millions of people literally without power this morning and many others who are facing even more challenging circumstances than that. We are thinking of the first responders, the crews out in the field working overnight to restore power, and those who are struggling and know that the thoughts of the people of Michigan and the Michigan Public Service Commission are with you.”

Commissioner Peretick announced:

“I want to thank all for coming out to our meeting today in Escanaba. It’s important for us to be present in and hear from Michiganders across both of our peninsulas, and I’m thankful to be able to be here with you all today.”

A recording of the proceedings of the October 10, 2024 meeting is archived at:
<https://www.youtube.com/watch?v=KZHVAMQtbxI> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Thursday, November 7, 2024 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 10:48 a.m.

Lisa Felice
Executive Secretary