

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON FEBRUARY 27, 2025.

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: Caitlin Mucci
Matt Helms
Lisa Felice
Blair Renfro
Ryan Wilson
Jacob Martus
Jill Rusnak
Stephanie Fitzgerald
Dolores Midkiff-Powell
Justin Miller
Andy Hannum
Kate Daymon
Ben Johnson
Kayla Gibbs
Mike Byrne
Cathy Cole

Public: Merideth Hadala, Consumers Energy

Additional Staff & Public Attending Telephonically/Video Conferencing: 167 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 February 11, 2025, Commissioner Carreon seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES LLC
(9-1-1 wireless, U-14000, invoice no. INV-1284 dated February 6, 2025)

B. ELECTRIC

1. U-21658 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR RECONCILIATION OF ITS 2023 DEMAND RESPONSE PROGRAM COSTS
(proposed settlement agreement)
2. MINUTE ACTION HOLTEC PALISADES, LLC, PETITION FOR LIMITED WAIVER OF TARIFF PROVISIONS
(FERC Docket No. ER25-1083-000)
3. MINUTE ACTION MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC., NON-CONFORMING GENERATOR INTERCONNECTION AGREEMENT
(FERC Docket No. ER25-1151-000)

C. STEAM

1. U-21280 IN THE MATTER OF THE APPLICATION OF DETROIT THERMAL, LLC FOR RECONCILIATION OF ITS STEAM SUPPLY COST RECOVERY PLAN (CASE NO. U-21279) FOR THE 12-MONTH PERIOD ENDED MARCH 31, 2024
(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 2 orders and 3 minute actions were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-16940 IN THE MATTER OF THE APPLICATION OF Q LINK WIRELESS LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF MICHIGAN
(proposed revocation of ETC designation)

Case No. U-16940 involves the matter of Q Link Wireless LLC's December 19, 2011 application for designation as an eligible communications carrier that was approved by the Commission in the August 28, 2012 order in this docket. The order before you revokes the designation. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

Commissioner Peretick commented:

“I would like to thank our Telecom staff for their diligence and focus on protecting Michigan’s telecom customers in this ETC revocation before us right now. This is the kind of regulator vigilance that government regulators required to ensure that private companies like Q Link are not defrauding vulnerable customers. Our Public Service Commission Telecom staff found that the company Q Link has stolen more than \$100 million from the FCC’s Lifeline program nationally – this is a program that provides discounted landline telephone service to low-income seniors - and our staff acted expeditiously to revoke their license in Michigan. Your work is very valued and important, and I want to thank you for your action in this case.”

The order was adopted.

B. ELECTRIC

1. U-20604 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF POWER PURCHASE AGREEMENTS

(*ex parte*/Manitou Farms LLC)

Case No. U-20604 involves an application filed by Consumers Energy Company requesting *ex parte* approval of a power purchase agreement with Manitou Farms LLC. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

2. U-20959 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES RELATED TO FURTHER ENGAGEMENT, EDUCATION, AND PARTICIPATION OF UTILITY CUSTOMERS (opportunity to comment/interim order)

Case No. U-20959 opens a comment period in response to a proposed revised template and recommendations posed by the Commission Staff related to Data Disclosure and Green Button progress reports. The order also postpones the requirement to submit an annual Data Disclosure report and quarterly Green Button progress report by March 31, 2025, with a new filing date to be established in a future order. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

Commissioner Peretick commented:

“I just want to briefly draw attention and highlight this opportunity to comment on revisions to our utility data disclosure reporting, including reports on customer data protection and sharing. I want to make sure that we get this right and appreciate all input.”

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

The order was adopted.

3. U-21051 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-21050) FOR THE 12 MONTHS ENDED DECEMBER 31, 2022 (final order)

Case No. U-21051 involves an application filed by DTE Electric Company for approval to reconcile its power supply costs and revenues for 2022 metered jurisdictional sales of electricity. The order before you approves the reconciliation as amended by this order. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

4. U-21400 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO ESTABLISH A WORKGROUP TO INVESTIGATE APPROPRIATE FINANCIAL INCENTIVES AND PENALTIES TO ADDRESS OUTAGES AND DISTRIBUTION PERFORMANCE MOVING FORWARD
(interim order)
- U-21122 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO REVIEW THE RESPONSE OF ALPENA POWER COMPANY, CONSUMERS ENERGY COMPANY, DTE ELECTRIC COMPANY, INDIANA MICHIGAN POWER COMPANY, NORTHERN STATES POWER COMPANY, UPPER MICHIGAN ENERGY RESOURCES CORPORATION, AND UPPER PENINSULA POWER COMPANY TO RECENT STORM DAMAGE IN THEIR SERVICE TERRITORIES

Commission Staff Kayla Gibbs, Commissioner Advisor, presented a brief synopsis of the case listed above. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

Chair Scripps commented:

“The order in front of us today represents nearly two years of work towards better connecting the reliability performance of DTE Electric Company and Consumers Energy Company with the financial performance of those two utility companies. This has been the work of many hands and is a classic case of the process and ideas generated and shared during that process making the end result better.

I want to particularly thank Ms. Gibbs for her leadership throughout this efforts, as well as Mike Byrne, our Chief Operating Officer, the many staff involved from across the Commission: Jay Griffin, the former Chair of the Hawaii Public Utilities Commission whose contributions to this process were invaluable, Michigan Attorney General Dana Nessel and her team of attorneys and consultants, who contributed greatly to the final product; representatives from Consumers Energy and DTE, who remained constructive in their engagement throughout this process, and who remained focused on our shared goal of improved reliability while we worked through the details;

and a broad range of organizations representing residential customers, industrial customers, environmental NGOs, and others. My strong sense is that every organization who participated in this effort will see elements of this final proposal reflect their specific input.

Our goal from the beginning was to develop a framework that was balanced, pragmatic, and above all, one that drives improvement in distribution reliability, particularly in the areas that are most frustrating for customers. The metrics that Ms. Gibbs outlined and corresponding ties to financial performance, reflect that focus, including needing to see improvement in the duration of outages both during normal operating conditions and even when accounting for storms and extreme weather; improvements in the percentage of customers reconnected within 48 hours and 72 hours, so that we drive down the number of customers without power for days on end after major storms and ice events; a reduction in the number of customers experiencing four or more outages in a year; and taking aim at the respective utilities' worst performing circuits, fostering a focus on continuous improvement across the system and avoiding situations where it seems the same small set of customers experience the worst performance year-in and year-out.

Over the course of this work, we have worked to refine these metrics based on the feedback we have received, and to ensure that it is workable. There are too many examples of well-intentioned proceedings aimed at implementing performance-base regulation that ultimately failed to move the needle, either because they aimed too broadly, were unrealistic, or failed to consider the very real business, staffing, safety, and other considerations that influence how utilities make their decisions.

I hope – and indeed, I firmly believe – that this approach is different, and by staying focused on a relatively small number of performance metrics closely tied to the most acute pain points felt by customers, and then connecting that to what one utility referred to as a meaningful level of financial exposure, that the framework included in the order in front of us today will – in concert with utility distribution plans, the Commission's Service Quality Rules and Technical Standards for Electric Performance, the results of the recently completed audit to inform prioritization of investment, and other activities – that it will help accelerate the progress we are already seeing in distribution and reliability improvement.

We have used a similar approach in our energy waste reduction framework – using minimum standards, ties to financial performance, and then all of that within the context of planning IRPs, and energy waste reduction plans to see our framework in that context be one of the best in the nation. I firmly believe that using a similar approach here can yield similar results.

As noted in the order, we are directing DTE and Consumers to file stand-alone cases by April 15th to establish the baselines and corresponding incentive and penalty thresholds. These will be evaluated in stand-alone cases, and the Commission intends to issue orders in these cases by the end of the year. We will also periodically revisit this framework to ensure the metrics remain appropriate and to incorporate lessons learned from implementation into future iterations, with the first such review set to begin in October 2027.

In addition, the Commission remains committed to continuing work on broader issues of distribution performance – the “Plus” part of our “Reliability-Plus” approach to performance-based regulation – and will offer additional guidance on framing for this work in the near future.

Again, I very much appreciate the constructive dialog that contributed greatly to our work on this issue. The framework considered as part of today’s order reflects both a high level of engagement and the specific ideas that were presented. I am excited to see how this contributes to improved reliability performance for utility customers across Michigan, and in working with Consumers, DTE, and many groups involved as we shift to implementation.”

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

The order was adopted.

5. U-21654 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO OPEN A CONTESTED CASE PROCEEDING TO DEVELOP AND ADOPT A FRAMEWORK ENERGY WASTE REDUCTION PROGRAM AND TO DETERMINE THE ALTERNATIVE COMPLIANCE PAYMENTS FOR EFFECTIVE ADMINISTRATION UNDER MCL 460.1091 FOR THE FOLLOWING NAMED PARTIES: ALPENA POWER COMPANY, ET AL.
(final order)

Case No. U-21654 involves a contested case proceeding established by the Commission to develop and adopt a framework energy waste reduction program and to determine the alternative compliance payments for effective administration under MCL 460.1091. The order before you adopts the Commission Staff’s proposed framework, as specifically modified in this order. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

6. U-21775 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO OPEN A DOCKET FOR LOAD SERVING ENTITIES IN MICHIGAN TO FILE THEIR CAPACITY DEMONSTRATIONS FOR THE 2028/2029 PLANNING YEAR AS REQUIRED BY MCL 460.6w
(motion for clarification/ interim order)

Case No. U-21775 involves a matter, on the Commission’s own motion, to open a docket for load serving entities in Michigan to file their capacity demonstrations for the 2028/2029 planning year as required by MCL 460.6w. The order before you grants a motion for clarification filed by Energy Michigan and clarifies aspects of the Capacity Demonstration Process and Requirements document and General Affidavit, as described in this order. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

C. GAS

1. U-21291 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY FOR AUTHORITY TO INCREASE ITS RATES, AMEND ITS RATE SCHEDULES AND RULES GOVERNING THE DISTRIBUTION AND SUPPLY OF NATURAL GAS, AND FOR MISCELLANEOUS ACCOUNTING AUTHORITY (petitions for rehearing)

Case No. U-21291 involves an application filed by DTE Gas Company for authority to increase its rates for the distribution and supply of natural gas. The order before you grants the petition for rehearing filed by DTE Gas Company, as set forth in the order, and denies the petitions for rehearing filed by the Association of Businesses Advocating Tariff Equity and Michigan Power Limited Partnership. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

2. U-21439 IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY FOR APPROVAL OF A GAS COST RECOVERY PLAN AND RECOVERY FACTORS FOR THE 12 MONTHS ENDING MARCH 31, 2025

(final order)

Case No. U-21439 involves an application filed by DTE Gas Company for approval to implement a gas cost recovery plan for the 12-month period ending March 31, 2025. The order before you approves the plan, as set forth in the order, and accepts the company's five-year forecast, but also provides caution with regards to costs associated with responsibly sourced gas premiums, pursuant to MCL 460.6h(7). Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

Commissioner Carreon commented:

“For its past three gas cost recovery, or GCR, plan applications, dating back to GCR plans for the 12-month periods through March 2023 and March 2024, respectively, and for the instant case covering the 12-month period ending March 31, 2025, DTE Gas has requested approval for recovery of the premiums associated with its purchase of Responsibly Sourced Gas, or RSG. As described by the company, Responsibly Sourced Gas is “natural gas that has been verified by a third party to have met specified environmental targets during production.” There are many evolving certifications that verify both environmental and social attributes of natural gas, and in its application the company explains it is only considering certifications that verify lower methane-emitting natural gas for its RSG purchases to meet the company's own commitment to reduce greenhouse gas emissions.

In each of the prior relevant plan orders, and in the order before us today, the Commission has issued a Section 7 warning that indicates responsibly sourced gas premiums may not be recoverable in the company's future reconciliation cases without first providing and quantifying evidence of how responsibly sourced gas delivers a benefit to DTE Gas customers and that such costs are reasonable and prudent.

Because this is the third time the company has attempted to plan for expense recovery associated with RSG premiums, and because the Commission has repeatedly issued a Section 7 warning for these premiums with the same relevant explanation for the warning, I'd like to reiterate what the order specifies in the context of this warning to help clarify. In these three orders, DTE Gas has failed to provide sufficient evidence on the record to demonstrate or quantify the benefits to customers who would pay a premium for the company's RSG purchasing strategy, yet this evidence is necessary to determine whether costs incurred were reasonable and prudent. An example of quantified benefits includes potential cost savings from supply chain emissions reductions achieved by monitoring and certifying responsibly sourced and lower methane intensity natural gas. The Commission does not preclude the possibility of cost recovery of the premium expense in a future case with sufficient evidence.

While I commend the company for its commitment to emissions reductions, especially since, as the company states in its application, “Methane is a powerful greenhouse gas when released directly to the atmosphere and is considered approximately 25 times more impactful than CO2 emissions,” I want to emphasize the criticality and importance of ensuring the company can assign benefits at the customer level for its RSG procurement strategy, and not only demonstrate broad carbon reductions associated

with the company’s corporate goals as it has previously reported, if the company seeks to recover the RSG premium expenses eventually. The aim is that these consecutive warnings and our order directives will serve as actionable guidance on the expected quantification of benefits these orders have outlined for future cost recovery attempts.”

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

The order was adopted.

3. U-21782 IN THE MATTER OF THE APPLICATION OF AMERESCO WOODLAND MEADOWS ROMULUS LLC FOR APPROVAL OF CONSTRUCTION AND OPERATION OF PIPELINE IN WAYNE COUNTY, MICHIGAN, FOR THE TRANSPORT OF HIGH BRITISH THERMAL UNIT LANDFILL GAS
(*ex parte*/final order)

Case No. U-21782 involves an application filed by Ameresco Woodland Meadows Romulus LLC requesting *ex parte* approval to install and operate a pipeline associated with a high British thermal unit landfill gas project on the Woodland Meadows Recycle and Disposal Facility located in Van Buren Township, Wayne County, Michigan. The order before you approves the application and makes the required agency findings regarding the pipeline’s environmental impact. Commissioner Peretick moved that the Commission approve the order at its February 27, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

Emily Chockley, Tekonsha, provided comments regarding Case No. U-21471.

Ivad Syed, Novi, provided comments regarding DTE’s failure to follow its own policies for the installation of a secondary meter at his residence.

A recording of the proceedings of the February 27, 2025 meeting is archived at: <https://www.youtube.com/watch?v=UU9y1w9PUQs> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Thursday, March 13, 2025 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 1:36 p.m.

Lisa Felice
Executive Secretary