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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON MARCH 21, 2025.

Commission Chair Daniel C. Scripps called the meeting to order at 1:04 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: Lisa Gold
Matt Helms
Lisa Felice
Blair Renfro
Dan Williams, Jr.
Ryan Wilson
Jill Rusnak
Stephanie Fitzgerald
Dolores Midkiff-Powell
Anne Armstrong
Ben Johnson
Kate Daymon
Ryan Cook
Cathy Cole

Public: Doug Bontekoe, Marion Township Supervisor
Heidi Myers, Consumers Energy

Additional Staff & Public Attending Telephonically/Video Conferencing: 250 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 March 13, 2025, Commissioner Carreon seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. MINUTE ACTION AT&T
(9-1-1 wireless, U-14000, invoice no. 517 R41-0001 067 9 dated March 1, 2025)

B. ELECTRIC

1. U-21819 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR NORTHERN STATES POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
(proposed settlement agreement)
2. U-21827 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF A POWER PURCHASE CONTRACT
(proposed settlement agreement)

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

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

The 2 orders and 1 minute action were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-21015 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR FINANCING ORDER APPROVING THE SECURITIZATION OF QUALIFIED COSTS (annual true-up adjustment/proposed charges)

Case No. U-21015 involves an application filed by DTE Electric Company for a financing order approving the securitization of qualified costs. The order before you accepts DTE Electric Company's third annual true-up report and authorizes tariffs reflecting the securitization charges after the true-up, as reflected in the report and attachments thereto. Commissioner Peretick moved that the Commission approve the order at its March 21, 2025 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

2. U-21585 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR AUTHORITY TO INCREASE ITS RATES FOR THE GENERATION AND DISTRIBUTION OF ELECTRICITY AND FOR OTHER RELIEF (final decision)

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 March 21, 2025 meeting. Commissioner Carreon seconded that motion.

Commissioner Carreon commented:

"I want to begin by extending my thanks to all intervenors whose participation, testimony, and exhibits have strengthened the outcome of this case, including our truly expert Staff. Thanks also to our MPSC advisors, attorneys, and the Administrative Law Judge for this case, Sally Wallace, for their dedicated and diligent work ensuring our thorough review and processing of this case, and all our cases.

As Ms. Gibbs described this order before us approves investments that the company has proposed for the safety, accessibility, and reliability of service to its electric customers, with numerous embedded goals, including better reliability and resiliency of its distribution system.

Our work at the Commission is to ensure these investments serve the public interest by balancing necessary expenditures with reasonable rates. In this regard, I'd like to focus my comments on three areas:

- 1) Cautioning against leaving certain company practices unchecked,
- 2) Reinforcing the value of parallel proceedings for strategic planning, and
- 3) Emphasizing the need to refine analyses addressing energy equity and the concerns of environmental justice or EJ communities.

First, as we have stated in past cases – including the recent January order for DTE Electric’s rate case, “[u]tility capitalization policies are an ongoing concern for the Commission” and they warrant further investigation; particularly in cases where operations and maintenance investments may provide a more cost-effective approach than capital investments to ensuring the reliability performance the Company seeks to achieve. The recently completed audit of the distribution systems of both Consumers and DTE Electric also point to the need for careful scrutiny of capital vs. O&M expenditures. The Commission will be announcing steps to evaluate these capitalization practices in a future proceeding. As with all its proposed investments, if the Company seeks cost recovery in rates, it must meet its burden of justifying program costs with sufficient evidence on the record, and this includes appropriately justifying new allocation of resources between programs when this information is requested.

I remind the Company that any relabeling or recategorizing of program funds in applications cannot be done with the expectation of presuming automatic reasonableness and prudence of costs. Recategorizing or relabeling prior spending categories or shifting program funds without traceability impedes the evaluation of cost expenditures, of which there are multiple examples throughout the record in this case. Relabeling or recategorizing capital expenditures from one program or tracking method to another does not provide sufficient evidence to demonstrate the reasonableness and prudence of costs nor the benefits of program expenditures.

In fact, one benefit to the Investment Recovery Mechanism or IRM we approved that is not available for approved rate base expenditures is that the IRM funds cannot be moved by the company to other cost categories at will. With the company’s last electric rate case order, the Commission approved an IRM for certain distribution investments subject to reevaluation for any extension approval via IRM planning meetings. This review of whether the IRM should continue will consider how concerns raised by intervenors are addressed and whether benefits outweigh concerns, including criteria such as whether investments are being deployed equitably, whether investments exacerbate or perpetuate racial or socioeconomic disparities in service, and whether there has been a positive impact on reliability and resilience.

Second, I want to highlight the importance of existing forums and proceedings that provide structured opportunities for planning and collaboration outside of time-bound rate cases. These proceedings include the company’s distribution plan, transportation electrification plan, and other tool development proceedings such as the benefit cost analysis toolkit docket, and even monitoring the rate case process improvement docket, all dockets we cite in the order, in addition to other key regulatory proceedings such as IRPs or renewable energy plans.

Proper and coordinated use of these proceedings not only stands to improve the quality of data submitted to the record to aid in decision-making but also fosters transparency and generates depth and breadth of engagement with interested parties and persons. The Commission expects Consumers to leverage these avenues to gather data, address intervenor concerns, and enhance planning alignment,

and I would like to acknowledge the Company's proper use of its Reliability Roadmap to this effect in this case.

Ensuring investments allow for equitable distribution of benefits to customers leads me to my last point, that while the Commission recognizes the progress the Company has made in addressing environmental justice concerns, we emphasize that more work remains. We accept the company's EJ Resiliency Plan and expect to see a more detailed version, with specific proposed investments, in the company's next electric rate case. As Ms. Gibbs explained, we also direct the company to include a relevant regression analysis in future electric rate cases and distribution planning cases; the regression analysis should incorporate information that goes beyond reliability, including data on residential disconnections.

Finally, the Commission also requests that the company evaluate how it executes storm response measures within its EJ framework and analyze any disproportionate impact of outages on EJ communities. When it comes to topics related to affordability, I want to make sure to elevate the work of the Energy Affordability and Accessibility Collaborative and its Affordability, Alignment, and Assistance Subcommittee, whose work includes reviewing programs related to customer credit and percent income payment plan programs, among many effective interventions. Ultimately, the work of the subcommittee and numerous other collaborators and parties across the state can help the Commission assess customer-facing options to enhance affordability in a holistic manner that benefits customers equitably."

Commissioner Peretick commented:

"I'd first like to thank our fantastic Staff at the MPSC for their hard work on this case and thank the 25 different intervenors who provided thoughtful and valuable testimony, giving the Commission a fuller record from which to make a decision. The varied perspectives brought by all these parties aid us greatly in making the right decisions for Michigan customers. I'd also like to acknowledge the invaluable work of ALJ Sally Wallace on this case.

Consumers Energy put forward many real solutions for increasing system reliability and modernizing our electric grid in this case. Today, I'm glad that in the order before us there are investments supporting safety, investments in new beneficial technologies to help operators quickly locate faults on the distribution system and isolate those faults to minimize disruption to customers, and investments in Consumers' transportation electrification plan, focusing on unserved markets and standardization. I'm encouraged to see Consumers Energy's aim at investments in the low voltage distribution category at the customers who are experiencing the most outages and target improvements where they are most needed.

But, in multiple places in this case, the Company did not make it easy for us, our staff, or intervenors to trace some of their proposed investments or track historical investments. The Company recategorized and renamed their spending, moving it in and out of different program areas, which made it very difficult for us to understand total investments for particular projects compared to the expected benefits for Consumers' customers. We have 10-month deadlines to make a final decision in these highly complex, highly important, and impactful rate cases. It is crucial that the company provides clear, traceable requests for revenue so the Commission can make decisions that are in the best interests of customers.

I also want to highlight that the order before us contains a limited approval for a continuation for a two-year investment recovery mechanism (IRM). As both Commissioner Carreon and Ms. Gibbs already noted, we approved this for the first time in the last rate case as a way to restrict and ensure proactive spending on projects that are obviously and definitively beneficial: low voltage distribution line reliability, resilience, and system protection. While we are approving continuation that is in the order before us, it is important that we understand how the IRM reconciliation process will work in practice before we consider expansion of further continuation into future years. While the investments included are highly supported, I want to ensure that the public and other intervenors have a sufficient opportunity to engage before expanding the IRM. I want to complete a reconciliation process and see for a fact that there is enough confidence in the outcome for these investments.

I would also like to address the importance of investment in basic, fundamental tree trimming, as well. Consumers Energy's own study showed that a shorter four-year tree trimming cycle is cheapest for customers, yet they still are planning for a 7-year cycle. I expect to see a better plan that reflects these findings in the next rate case.

And finally, I would like to note that several intervening parties in this case, including our Staff, have expressed concern over the Company's capitalization policies and practices, as noted by Commissioner Carreon. I believe this warrants further investigation. Next steps in evaluating utility capitalization policies will be coming in a separate proceeding soon."

Chair Scripps commented:

"Today's order approves \$153.8 million in additional revenue for Consumers Energy. That is about 60% of the Company's revised ask for costs associated with some of its proposed solar costs were removed from this case. Those costs will be reviewed as part of the Company's ongoing renewable energy plan case.

For an average residential customer, this will result in an increase of \$2.78 each month, or 2.79% on a customer's bill. For comparison, the most recent data shows the U.S. inflation rate is 2.8%.

Included in the order, as noted by Ms. Gibbs and both of my colleagues, are a number of specific investments focused on improving reliability, including fully funding the \$125 million proposed by the Company for tree trimming and vegetation management, as well as a number of other elements highlighted by Ms. Gibbs, including significant increases in low voltage distribution capital expenditures.

I want to echo Commissioner Carreon's comments about our appreciation for how the specific investments were tied to the Company's distribution plan, or what they called their reliability road map, having that additional context to inform the evaluation of the specific investments was helpful.

As we go forward, I think the strategy around how to continue to make improvements on reliability will need to be connected both to the distribution plan reflected in rate cases but also connected to the recently completed utility audit that was issued in September. We have received the Company's feedback, as well as comments from a number of individuals. We are working to finalize guidance in that case as well. That will include tradeoffs between CapEx and forestry as noted by my colleagues,

including better consideration of benefits of accelerating the Company's vegetation management efforts to that four-year fixed tree trimming cycle that was found to be the optimal cycle length by the Company's own analysis.

The goal here, and I think it is a goal that we share, it to get the most improvement, the most effectively. I think having alignment on that strategy will also help to inform further extension or expansion of the IRM as well.

On the IRM, at the Company's suggestion, we are also ring-fencing the strategic capital approved in this case within the Company's existing investment recovery mechanism, and as a result the IRM increases from \$49.3 million last year \$86.3 million, including the investments approved in this case. This will help ensure that the capital approved for specific reliability initiatives will not be diverted to other purposes – even other worthy purposes – which has been an issue in the past and continues to be an issue from other utilities. If those dollars are not spent, it will be returned to customers. Our focus is on reliability, the dollars for strategic capital are focused on reliability, and these dollars need to be spent on improving reliability. I appreciate the company's initiative in bringing forward this proposal.

I want to echo my colleagues' thanks to our Staff, our Administrative Law Judge, to our advisors and attorneys, and to the Company and the intervening parties for the work that's gone in to today in meeting a strenuous ten-month statutory deadline."

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

The order was adopted.

V. PUBLIC COMMENTS

Doug Bontekoe, Marion Township Supervisor, requested additional information and confirmation regarding a farm tap.

Val Wohlscheid-Brennan provided comments and an infographic (attached) regarding Case No. U-21471.

Commissioner Carreon announced:

"It's always important to celebrate great accomplishments as they occur and pause to properly recognize the efforts that led to those accomplishments, so without further ado – On Tuesday of this week, the American Council for an Energy Efficient Economy (or ACEEE) released its biannual State Energy Efficiency Scorecard. And wouldn't you know, the ACEEE scorecard ranks Michigan at the top nationally for utility and public benefits programs! We were also first in the country for natural gas savings as a percentage of retail sales, and second for electricity savings. ACEEE's report also found that our state Energy Waste Reduction programs achieve these excellent results more cost effectively than other leading states who spent more but achieved lower savings. Importantly, we also ranked high for the percentage of funds focused on energy efficiency programming for low-income customers, to ensure that all customers in our state share the benefits from energy efficiency.

Finally, I want to echo the thanks and recognition that Chair Scripps shared internally across the MPSC via email earlier this week for Karen Gould and the entire Energy Optimization Section who helped lead our state not only to these deserved rankings this week, but who continuously serve the public by keeping Energy Waste Reduction and Energy Optimization one of the core strengths of our energy system for the state, and the team members include Brad Banks, Shannon Hartman, Tim Johnson, Joseph Reese, Katie Smith, Fawzon Tiwana, Dave Walker, and Elizabeth Yeager.

Thank you all, and fantastic job!”

Chair Scripps announced:

“Yesterday was the deadline for proposals under the Renewable Energy and Electrification Infrastructure Enhancement and Development grants program (Renewable Energy EIED). This was established under Public Act 121 of 2024. It provides an opportunity for businesses, nonprofit organizations, units of local and state government and Tribal governments to proposed projects connected to the planning development, design acquisition or construction of renewable energy and electrification infrastructure projects. This can include:

- 1) Electrification technologies
- 2) Renewable energy systems
- 3) Waste heat and energy systems
- 4) Combined heat and power using wastewater treatment biogas
- 5) Electric vehicle charging infrastructure
- 6) Renewable natural gas facilities
- 7) Other projects related to renewable energy and electrification infrastructure

The deadline to submit a grant project proposal was yesterday, but that is only one step in the process. As part of the process outlined in statute, we will provide an opportunity for a review of all applications for this grant. Next week we’ll post unredacted versions of all applications received and then open a 45-day review period, followed by a 15-day period in which the applicant has the opportunity to modify their proposal, if they choose. The final deadline for revised or modified proposals is May 27, 2025. We will move forward after that. We will have additional details next week but wanted to make sure we were providing as much transparency around the process as possible.

Second, as we previously noted, Michigan is getting a new area code – 679 – which will cover the current area code that includes the 313 area code covering Detroit and several of its closest suburbs.

An important note: current 313 area code customers will not have to change their phone number and will be able to keep the 313 area code. The new 679 area code applies to new phone lines issued once the 313 area code’s numbers are exhausted, which could happen as early as this November. When that area code goes into effect, all local calls within the 313 area code will require 10-digit dialing, or including an area code with each call.

To prepare phone customers for these new requirements, a six-month permissive dialing period will begin on April 7th to give customers time to get used to the new dialing requirement. During this

period, local call can be made with either 7 or 10 digits. All call that are local will continue to be local even though you dial 10 digits. Note that what is a local call now will remain a local call and the price of a call coverage area, or other rates and services will not change due to this new overlay.

A number of the pieces of equipment, including safety and security equipment like medical alert devices, and alarms and security systems, will need to be programmed to use 10-digit dialing. Most of these systems already do this by default, but some older equipment may use 7 digits. If you have concerns, you should contact your medical alert or security provider to see if your equipment needs to be reprogrammed.

Finally, this is certainly a little bittersweet, I want to wish Nate Burnand the very best as he leaves the Commission for a new role with Georgetown Climate Center, part of Georgetown University Law Center. Over the last several years, Nate has run point on the Commission's efforts to leverage federal funding under the Bipartisan Infrastructure Law and the Inflation Reduction Act, and perhaps more than any other individual in State Government, is responsible for Michigan leveraging more of this funding for energy and telecommunications than any other state in the country.

In total, Michigan's utilities received \$292 million in federal awards and that will lead to \$417 million in needed grid investments. Our utilities were also awarded more than \$4 billion in federal loans to bring down costs connected to natural gas main pipeline replacements, and wind and solar projects. Those grant awards are still pending. When finalized, they will save utility customers tens of millions of dollars just in the cost of financing for these projects.

I want to thank Nate for his leadership and his efforts and his many achievements with the Commission and offer him our very best wishes in his next steps as his career unfolds from here."

A recording of the proceedings of the March 21, 2025 meeting is archived at:
<https://www.youtube.com/watch?v=bxjNoyySeYo> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Thursday, April 10, 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 1:47 p.m.

Lisa Felice
Executive Secretary

Michigan Deserves Equality!

ITC Midwest in Iowa
Beverly to Sub 92
MISO Tranche 1 345kV Project

ITC METC in Michigan
Nelson to Oneida
MISO Tranche 1 345kV Project

Siting near Existing Lines, Roads, Rail Roads, or Divisions of Land to Minimize Impacts and Reduce Right-of-Way. ✓

Selecting the Proposed Line Route

ITC Midwest reviewed several possible line routes, considering the requirements set forth by the Iowa Code:

- Start planning with routes **near or parallel to roads, active railroads, or along division lines of land**
- Minimize impacts** on current land use
- Consider **location of residences and environmentally sensitive areas**
- A segment of the project is co-located with other existing and proposed lines.



ITC FOR THE GREATER GRID

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vs

No Priority to Existing Right-of-Ways, Roads or Divisions of Land to Minimize Impacts and Reduce Right-of-Way ✗

Following the development of a study area and mapping of resource data, the next step in the route study process was the identification of potential routes within the study area boundaries. The objective of this step was to identify potential routes that limit impacts on land use and other natural and social resources by avoiding constraints to routing and taking advantage of routing opportunities where possible; practicable or reasonable from an initial engineering perspective; and cost-effective. Additional routing considerations applied to the development of potential routes included (not in order of importance):

- Minimizing conflicts with existing and planned land uses, including consideration of existing transmission infrastructure, and wind energy facilities
- Minimizing conflicts with residential areas and individual properties and structures
- Minimizing impacts on natural resources (streams, forestland, wetlands)
- Minimizing impacts on agricultural resources
- Minimizing overall length and number of angles
- Avoiding major road crossings near intersections

Final Route Determined AFTER Landowner Negotiations ✓

Selecting the Proposed Line Route

- Again, the final route will be determined after negotiations with landowners.
- ITC Midwest will submit the final route to the Iowa Utilities Commission for approval, which is required before construction can begin.
- According to our proposed schedule:

Easement acquisition complete by:	Third quarter 2025
If approved, construction will begin:	Second quarter 2026

ITC FOR THE GREATER GRID

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vs

Route Determined WITHOUT Landowners Negotiations ✗

METC held public meetings as required by MCL 460.566. These meetings were held open house style, as detailed in the testimony of witness Stump. Members of the public who attended these meetings and spoke to individuals at the various stations may have received feedback at the public meetings to their questions. METC received hundreds of written comments from both landowners and interested members of the public and considered each comment it received. METC summarized the comments it received and provided responses to those summaries in its Application as required by MCL 460.567. There was no formalized process to provide individual feedback to landowners regarding their comments. METC provided landowners with the general area for the Proposed and Alternate Route as specified under MCL 460.564, and then refined each route in its Application filing based on a number of factors discussed in the testimony of witness DuPree, no refinements to the route were precipitated by a single comment alone, although that information was considered.

Michigan Deserves Equality!

ITC Midwest in Iowa
Beverly to Sub 92
MISO Tranche 1 345kV Project

ITC METC in Michigan
Nelson to Oneida
MISO Tranche 1 345kV Project

Easements Follow Fence Lines and Land Divisions

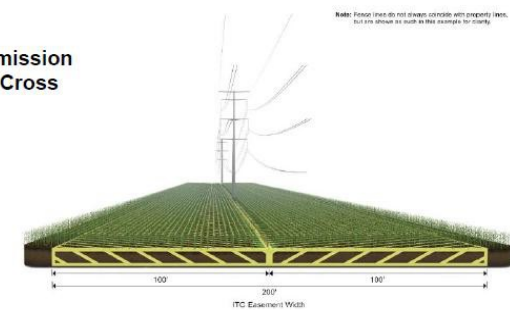


vs

Easements Don't Follow Land Divisions. Create Damage to the Remainder



Structures Located on Private Easement



ITC
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110' Easement Option along Road Right of Way



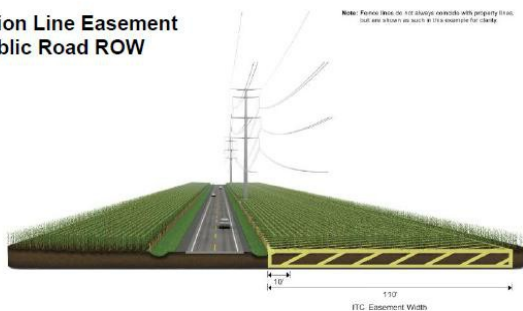
vs

Reduced Road Right of Way Option Not Available



Poles Located Adjacent to Public Right of Way

Typical Transmission Line Easement Adjacent to Public Road ROW



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7 Q. Please describe the ROW necessary for the Project.

8 A. The Project requires a 200-foot ROW.

Michigan Deserves Equality!

ITC Midwest in Iowa
Beverly to Sub 92
MISO Tranche 1 345kV Project

ITC METC in Michigan
Nelson to Oneida
MISO Tranche 1 345kV Project

Easements Paid at 100% of \$13,210 Acre Value ✓

Easement Payment

- Current ISU fee value for Linn County is \$13,210/acre.
- Full transmission line easements are paid at 100% of the county average *fee* land value.
 - Overhang and vegetation management easements are paid at 50% of the county average *fee* land value.

Easement Payment Calculation Sheet

A.	Value / Acre		/Acre
B.	Easement Value (100% of value per acre of line A above)		/Acre
C.	Easement Acreage (from easement plat - Exhibit A)		Acres



vs

Easements Paid at 30% of \$7,000+/- Acre Value! ✗

Easement Payment Calculation Sheet – Option payment MI LRTP Projects

A.	Value / Acre (determined by Market Analysis Report)	\$7,000.00	/Acre
B.	Easement Acreage (determined by property survey)		Acres
C.	Payment for Easement (30% of A x B =)		Total

Proud Track Record for 99% Voluntary Easements ✓

Our Commitment to Landowners

ITC Midwest has a proud track record of working with Iowa landowners on hundreds of transmission line projects over the past 16 years, achieving more than 99% voluntary easements.



vs

1 Voluntary Easement or .005% ✗

Request:

How many landowners (count) have signed an option to acquire an easement for right of way on the Nelson Road to Oneida route as of 10/31/2024? What percentage of linear distance of the route does this represent?

For the Nelson Road to Oneida Project, 1 landowner has signed an option agreement, representing approximately 1100 feet and 0.00520833% of linear distance.

References

ITC Midwest. (2024, October 11). *Beverly – Sub 92 Johnson County Public Information Meeting*. IUC Electronic Filing System. <https://efs.iowa.gov/document/document-permalink/5126775>

Michigan Electric Transmission Company, LLC. (2024, July 15). METC's Application with Testimony and Exhibits, Dykema Appearances, and POS. MPSC E-dockets Community. <https://mi-psc.my.site.com/s/filing/a008y000004jmqwAAA/u214710004>

Michigan Electric Transmission Company, LLC. (2024, July 15). Exhibits - Volume II. MPSC E-dockets Community. <https://mi-psc.my.site.com/s/filing/a008y000004jmssAAA/u214710006>

Michigan Public Service Commission. (2024, February 24). *Exhibits-Official Hearing*. MPSC E-dockets community. <https://mi-psc.my.site.com/s/filing/a00cs00000Vn894AAB/u214710255>