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 30, 205.

Commission Chair Daniel C. Scripps called the meeting to order at 11:04 a.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission:	Daniel C. Scripps, Chair Katherine Peretick, Commissioner Shaquila Myers, Commissioner
Staff:	Lisa Gold Matt Helms Blair Renfro Lisa Felice Ryan Wilson Al Freeman Jamie Kuras Jill Rusnak Lucy Clay Stephanie Fitzgerald Charlie Tidwell Jerry McClung Andy Hannum Ben Johnson Kate Daymon Zoe Salamey Anne Armstrong Mike Byrne Andi Taylor
Public:	Kelly Hall, Consumers Energy Heidi Myers, Consumers Energy Suzy Westmoreland, MEGA

Additional Staff & Public Attending Telephonically/Video Conferencing: 193 Participants

I. Commissioner Peretick moved to approve today's agenda, Commissioner Myers seconded.

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

The agenda was approved.

II. Commissioner Peretick moved to approve the minutes of the Regular Commission Meeting of September 11, 2025, Commissioner Myers seconded.

Vote: Yeas – Scripps, Peretick, Myers
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 September 1, 2025)
2.	MINUTE ACTION	PENINSULA FIBER NETWORK LLC (9-1-1 wireless, U-14000, invoice no. INV-3723 dated September 1, 2025)
3.	MINUTE ACTION	PENINSULA FIBER NETWORK NEXT GENERATION SERVICES LLC (9-1-1 wireless, U-14000, invoice no. INV-1305 dated September 1, 2025)
4.	MINUTE ACTION	PENINSULA FIBER NETWORK NEXT GENERATION SERVICES LLC (9-1-1 wireless, U-14000, invoice no. INV-1308 dated September 12, 2025)

B. ELECTRIC

1.	U-21434	IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN (CASE NO. U-21433) FOR THE 12 MONTHS ENDED DECEMBER 31, 2024 (proposed settlement agreement)

2. U-21840 IN THE MATTER OF THE COMPLAINT OF JEFF LA ROUX AGAINST DTE ELECTRIC COMPANY
(request to withdraw)

3. U-21953 IN THE MATTER OF THE COMPLAINT OF MERRANDA KOMIVES AGAINST CONSUMERS ENERGY COMPANY
(request to withdraw)

C. GAS

1. U-21612 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A GAS COST RECOVERY PLAN AND AUTHORIZATION OF GAS COST RECOVERY FACTORS FOR THE 12-MONTH PERIOD ENDING MARCH 31, 2026
(proposed settlement agreement)

2. U-21935 IN THE MATTER OF THE APPLICATION OF ELECTRA SPARKS, LLC FOR A LICENSE AS AN ALTERNATIVE GAS SUPPLIER
(request to withdraw)

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

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

The 5 orders and 4 minute actions were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. 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 THE OTHER RELIEF
(*ex parte*/solar power purchase agreements and contracts/final order)

Case No. U-21193 involves an application filed by DTE Electric Company for *ex parte* approval of the Eagle Creek Solar power purchase agreement, Freshwater Solar II power purchase agreement, Au Gres Solar Park Project, Elmwood Solar Park Project, Poseyville Solar Park Project, and Strasburg Solar Park Project, as well as the contracts necessary for the development of the company-owned projects. The order before you approves the *ex parte* application. Commissioner Peretick moved that the Commission approve the order at its September 30, 2025 meeting. Commissioner Myers seconded that motion.

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

The order was adopted.

2. U-21483 IN THE MATTER OF THE APPLICATION OF ALPENA POWER COMPANY FOR APPROVAL OF ITS INTERCONNECTION PROCEDURES AND FORMS, SUBMITTED PURSUANT TO THE COMMISSION'S OWN MOTION, COMMENCING A COLLABORATIVE FOR THE DEVELOPMENT OF ELECTRIC UTILITY INTERCONNECTION PROCEDURES
(request for waivers/interim order)

Case No. U-21483 involves an application for approval of a waiver of Mich Admin Code, R 460.926(3)(c) and (d) for the interconnection system impact study fee and facilities study fee filed by Alpena Power Company. The order before you approves the waivers for one year from the date of this order for Alpena Power Company, as described in the order. Commissioner Peretick moved that the Commission approve the order at its September 30, 2025 meeting. Commissioner Myers seconded that motion.

Chair Scripps commented:
"The order before us approves Alpena Power's request to increase the fee caps for system impact studies and facilities studies for customers seeking to interconnect larger distributed energy systems. We've taken similar steps with other smaller utilities based on a showing that the actual costs involved for these smaller utilities exceeded the caps in our interconnection rules, and Alpena provided similar evidence in this case. This is consistent with the principle that costs for customers seeking to interconnect distributed resources shouldn't be shifted to other customers.

At the same time, however, we're mindful that the costs involved in studies can have a significant and adverse impact on the economics of distributed resources, depriving both those with DERs and others of the benefits that DERs can provide. And so, I'd encourage Alpena and others to continue efforts around cost containment for fees of this type. In the instant case, for example, Alpena included costs associated with developing the request for proposals for an outside consultant to perform these studies, as well as additional costs to review the proposals received. Presumably these are one-time costs that will not need to be incurred for each DER interconnection application or each annual period.

Also of note is that this fee waiver is for one year. If Alpena continues to incur actual costs above the caps included, even after taking reasonable steps to contain costs associated with outside consultants, they can petition for another waiver or cap amendment."

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

The order was adopted.

B. GAS

1. U-21806 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
(final decision)

Commission Staff Jill Rusnak, Commissioner Advisor, presented a brief synopsis of the case listed above. Commissioner Peretick moved that the Commission approve the order at its September 30, 2025 meeting. Commissioner Myers seconded that motion.

Commissioner Myers commented:
"Today's decision reflects the Commission's responsibility to strike a careful and thoughtful balance between the modernization of gas infrastructure, the clean energy transition, and the need to ensure affordability for customers.

We are at a pivotal moment in our energy landscape. The order we issue today does not represent a full embrace of either extreme: it is not a blank check for unchecked infrastructure investment, nor is it a halt to necessary modernization of the gas system. It approves investments that are reasonable and prudent to maintain safe and reliable service while being cognizant of the energy transition, and disallowing expenses that are insufficiently justified, premature, or not aligned with the principles of the prudent planning and cost-effectiveness. The order seeks a pragmatic path forward — one that enables the utility to maintain a safe and reliable gas system, while laying the groundwork and planning for a cleaner energy future.

We have a responsibility to ensure that all investments remain reasonable and prudent. As the energy landscape continues to evolve, we remain committed to a regulatory approach that serves the public by ensuring safe, reliable, and accessible energy at reasonable rates."

Commissioner Peretick commented:
"First of all, I would like to thank all the parties who participated in this case. When a wide variety of perspectives are included in the record, we are able to make better decisions as a Commission.

I would also like to thank ALJ James Varchetti for a thoroughly supported and well-reasoned proposal for decision on this case. The excellent organization, support for decisions, and reliance on Commission precedent was very helpful for us to come to our final decisions in this order.

Like every rate case, there are hundreds of decisions that go into this final order that is before us right now. We spend countless hours digging through the record and deliberating on the issues to make sure we're coming to the most reasonable and most prudent decision we can based on the information presented to us. We take these decisions very seriously. We know how important it is to Michiganders that we invest in our natural gas distribution system to ensure safety and reliability. The hardest part of our job is navigating those decisions about needed investment while also aggressively pursuing improvements in affordability. We keep this in mind for each of the hundreds of individual decisions that need to be made as a part of this final order.

As Ms. Rusnak mentioned, there are approvals for funding in this order before us for replacement of high-risk pipe materials to ensure safety, investments in storage fields to ensure we have enough gas supply during cold winters, approvals to purchase equipment to better detect methane leaks, among many others. These are important investments in our system.

But the order also requires the company to do a better job planning for what the future of gas demand will look like. Right now is the time to plan for expected changes to demand and to usage patterns, and these large, long-term investments being made in the distribution system need to be aligned with accurate forecasts.

And affordability needs to be front and center. This order approves additional support for low- and moderate-income customers to help remove barriers for income-qualified customers to identify and enroll in energy assistance programs. It also lowers the return on equity for Consumers Energy Gas to 9.8%, 10 basis points lower than the previously approved ROE. ALJ Varchetti's analysis was thorough and well-supported, and in balancing the calculation methodologies on the record and providing appropriate weight to the macroeconomic trends, the decision in this order finds that 9.8% strikes the right balance.

Overall, the investments enabled by the order before us will improve safety, reduce methane leaks, increase deliverability, and ensure that we have a right-sized, reliable natural gas system for Michigan customers."

Chair Scripps commented:
"First, I want to echo the thoughtful remarks made by both my colleagues and then speak a little bit to both planning and the capital structure, as well, In the order before us we direct the Company to file an updated 10-year gas delivery plan no later than the end of next year, that considers the costs and risks of various energy transition pathways, and to include in that updated plan forecasted yearly sales for each major customer class and the amount of throughput expected on a peak demand day for each year. There is a fair amount of evidence on the record in this case about gas use, including forecasts for changes in use over the next decade. There is also interesting things happening in the gas industry more broadly, including significant growth in the export of liquified natural gas to other countries, which can have a material impact on both gas price and supply. As regulators, we're charged with evaluating the reasonableness and prudence of proposed investments,

and having a better understanding of the broader context affecting projected gas sales is a key element in allowing us to perform that core regulatory responsibility, and that starts with an updated and more fulsome 10-year has delivery plan that includes forecasted sales and expectations of peak demand.

In addition, I also want to say a few words on the credit metrics approved in this case. As Ms. Rusnak and Commissioner Peretick noted, the order in front of us approves a return on common equity of 9.80%, modestly below the current approved ROE of 9.9% and modestly above the ROE of 9.75% as recommended by the ALJ. This is in line with the 9.80% ROE adopted for DTE Gas Company in its most recent rate case.

We feel this appropriately balances the interest of the Company and its customers as required by Michigan law and a long line of court precedent. Once significant issue in our deliberations was competing evidence on the record that showed the current ROE in the Company's proposed ROE were above industry peers. While at the same time there was also evidence on the record showing that average ROE had increased in the last year, reflecting macroeconomic factors, as well as changes among the peer group. It was the balancing those competing evidentiary points that we found a modest decrease in the ROE was appropriate, but not as much as recommended by staff, the Attorney General, and other parties, and ultimately recommended by the administrative law judge.

I'd also note that ROEs have largely been static in Michigan in recent years, with small decreases in this case and in the most recent DTE gas case. To the extent that ROEs in Michigan have been unreasonably high, my belief is that we've largely driven out the excess at this point and that and is an issue we may revisit if the cost of capital and trends from other peer utilities remain elevated and/or continue to trend higher.

Similarly, evidence on the record supported maintaining the balance between debt and equity at a 50/50 split. This is also not locked in stone and should evidence in future case justify a deviation from that 50/50 balance, we will carefully review that evidence, as we do in all cases.

Finally, I want to share my thanks to the staff, the Company, the intervenors, our attorneys and advisors, specifically, as Commissioner Peretick noted, to Judge Varchetti. It was a very thoughtful description of the issues on capital structure and all of the issues. I very much appreciate a solid and well-reasoned Proposal for Decision. I also want to thank my colleagues. The rate cases are challenging, particularly with 10-month deadlines. We accelerated this one a couple of weeks and Commissioner Myers; you joined in the middle of it with the ability to get up to speed on this. As Commissioner Peretick noted, hundreds of discreet issues are like speaking a foreign language. Commissioner Peretick, your wise counsel and thoughtfulness throughout, as always, was appreciated and made the ultimate decision better. With that, I'm pleased to support the order in front of us."

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

The order was adopted.

V. PUBLIC COMMENTS

Ali Griffith commented on the recent passage of PA 233, the application process of the MPSC, Hecate Solar's approval of the Springport Solar Farm project, and the submission on public comments.

Vanessa Mulnix commented on the use of prime agricultural land for the development of commercial solar plants, zoning of land for the most appropriate use, Hecate Solar's application, and its funding for the project.

Chair Scripps announced:
"From September 15th to October 15th, we are celebrating Hispanic Heritage Month. So, we are right in the middle of it. It celebrates the rich history, culture, and contributions of Hispanic Americans who've done so much to make Michigan and our country a better place to live."

A recording of the proceedings of the September 30, 2025 meeting is archived at: https://www.youtube.com/watch?v=btmyMomPD8g .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Thursday, October 9, 2025 at 1:00 p.m.

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

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

The motion was approved.

The meeting adjourned at 11:35 a.m.

Lisa Felice

Lisa Felice
Executive Secretary