

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 27, 2026.

Commission Chair Daniel C. Scripps called the meeting to order at 11:05 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
Blair Renfro
Matt Helms
Lisa Felice
Jerry McClung
Andy Hannum
Kate Daymon
Ben Johnson
Charlie Tidwell
Joe Cole
Ryan Cook
Leslie Thomas
Cathy Cole
Jill Rusnak
Kayla Gibbs

Additional Staff & Public Attending Telephonically/Video Conferencing: 285 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 March 12, 2026, 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 March 1, 2026)

B. ELECTRIC

1. U-21877 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, 2026
(proposed settlement agreement)
2. U-21879 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR APPROVAL TO IMPLEMENT A POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDING DECEMBER 31, 2026
(proposed settlement agreement)
3. U-21883 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR APPROVAL TO IMPLEMENT A POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDING DECEMBER 31, 2026
(proposed settlement agreement)

C. GAS

1. U-13322 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
(Lyon 29 Storage Field/proposed modification to groundwater sampling)

D. STEAM

1. U-21448 IN THE MATTER OF THE APPLICATION OF DETROIT THERMAL, LLC FOR RECONCILIATION OF ITS STEAM SUPPLY COST RECOVERY PLAN (CASE NO. U-21447) FOR THE 12 MONTHS ENDED MARCH 31, 2025
(proposed settlement agreement)

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

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

The 5 orders and 1 minute action 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*/Big Mitten project, *et al.*/special contracts)

Case No. U-21193 involves an application filed by DTE Electric Company requesting *ex parte* approval of the Big Mitten Energy Center Tolling Agreement, as well as the equipment supply agreements for battery modules and master service agreements for engineering, procurement, and construction for the Fermi Energy Center Project and Monroe I Energy Center Project. The order before you approves the February 11, 2026 application. Commissioner Peretick moved that the Commission approve the order at its March 27, 2026 meeting. Commissioner Myers seconded that motion.

Commissioner Peretick commented:

“The order before us approves three substantial energy storage contracts for DTE Electric. It includes the Big Mitten Energy Center Tolling Agreement and the associated contracts for the Fermi and Monroe I energy storage projects.

This is a significant approval. These contracts represent 1,000 MW of energy storage capacity, moving DTE Electric meaningfully closer to meeting its share of the State’s energy storage target under Public Act 235. The contracts also reflect progress in implementing the settlement

agreement approved in the July 26, 2023 order in Case No. U-21193, which identified a need for 850 MW of energy storage, including the use of competitive solicitation overseen by an independent monitor and pricing below fair market value.

However, I want to underscore an important issue. Through these contracts, the company is procuring an additional 150 MW of storage beyond what was identified in its IRP. While the settlement agreement allows for this, the company's storage portfolio has already grown substantially beyond what was originally contemplated, including additional storage associated with recent special contracts.

Given that context, I strongly encourage the company to assign this incremental 150 MW to another identified need. If it chooses not to do so and instead seeks cost recovery in a future rate case, it will bear the burden of demonstrating that those costs are reasonable and prudent, particularly given that this capacity exceeds the level identified as necessary in its IRP.

The Commission expects discipline and accountability as the company continues to expand its storage portfolio and seeks to recover these costs from customers.”

Chair Scripps commented:

“The three projects, as was noted in this order, total 1,000 megawatts of battery capacity. Later in the agenda, we have a separate order that considers three additional projects that total 332 megawatts of battery capacity. So, all said, today there's 1,332 megawatts of battery capacity on the agenda for approval. For comparison, DTE's Blue Water Energy Center that was approved by the Commission in 2018 and is the most recent natural gas plant that has been constructed in Michigan was 1,150 megawatts.

The battery contracts on our agenda today are as large as the Blue Water Energy Center, and then some. Batteries play an important role as the energy transition continues, their ability to store energy from intermittent resources allows for greater adoption of wind and solar, as well as smoothing out other times where other plants are unable to operate. I'm excited by this approval and the approval that we're considering later in the agenda that really puts Michigan on pace to continue to responsibly manage the ongoing energy transition.”

Vote: Yeas – Scripps, Peretick, Myers

Nays – None

The order was adopted.

2. U-21870 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 27, 2026 meeting. Commissioner Myers seconded that motion.

Commissioner Myers commented:

“The Commission’s order reflects a clear and deliberate focus on advancing both reliability and affordability for Michigan customers. The approved investments focus on strengthening the electric distribution system, reducing the frequency and duration of outages, and improving overall system resilience.

The order approves an additional year for the investment recovery mechanism which preapproves spending levels for certain distribution programs to facilitate ongoing reliability improvements.

Line clearing is a critical component of ensuring a reliable and resilient system as it is one of the leading causes of service interruptions. Consistent and strategic investment in line clearing helps reduce the severity of outages. To ensure this program is maximized, different approaches are being evaluated—such as cycle length, scope of clearing, and contractor availability.

The order also prioritizes proactive infrastructure improvements as they play an important role in long-term affordability by limiting costly emergency, reactive repairs that occur during extreme weather and storm events. Over time, this approach leads to more efficient system operations and more predictable costs, helping to moderate upward pressure on rates while delivering more reliable service.

The company has been directed to clearly demonstrate how its investments translate into measurable reliability benefits, evaluate cost-effectiveness, and continue to consider the overall impact on customer affordability in future filings.

The decisions in today’s order offer a balanced approach—supporting necessary investments to improve service reliability while maintaining a strong focus on long-term affordability for customers.”

Commissioner Peretick commented:

“I would first like to thank Judge Thoits for his work on the case and the well-supported proposal for decision, Ms. Kayla Gibbs for your leadership on this case, our advising team for your excellent analysis and extensive of presentations of positions, and our team of dedicated Staff who put countless hours into reviewing Consumers Energy’s application, suggesting improvements, and arguing in the interest of Michigan’s customers. The work that you all do every day can be seen in the results from cases like this.

The order before us includes significant steps to improve reliability, transparency, and accountability. I would like to emphasize several areas where the Company must demonstrate meaningful progress in its next filings—particularly in its next electric rate case and Integrated Resource Plan.

First, the order before us requires that Consumers Energy demonstrate a clear link between reliability improvements and capital investments, and assess cost-effectiveness, affordability, and the impacts of its reliability performance forecasts. This requirement is not a procedural exercise. It is fundamental. The record in this case reflects Consumers’ substantial investment proposals,

but also significant concerns from intervenors that not all spending is sufficiently tied to measurable outcomes or justified on a cost-to-benefit basis. As highlighted in the record, many customers are already struggling to pay utility bills, and it's imperative for the utility to prioritize investments that deliver the greatest reliability improvements per dollar spent.

Going forward, the Company must demonstrate, in a transparent and data-driven manner:

- How each major category of capital investment translates into specific, measurable reliability improvements;
- Whether those improvements are the most cost-effective means of achieving the desired outcomes;
- And how those investments affect customer affordability over both the near and long term.

Second, I want to emphasize the importance of fully incorporating customer-owned and third-party resources into the Company's planning framework. The order before us appropriately requires the Company to include a virtual power plant model in its next IRP.

This requirement must be taken seriously. Virtual power plants, demand response, and other aggregated distributed energy resources are not experimental, or "emerging" technology. They are increasingly essential tools for meeting system needs. The order before us requires Consumers, in its next IRP, to:

- Model these resources as dispatchable, scalable alternatives to traditional generation and distribution investments;
- Evaluate their ability to defer or replace capital-intensive infrastructure;
- And provide a transparent comparison of costs, risks, and performance relative to conventional solutions.

A failure to do so will raise significant concerns regarding whether the Company is pursuing the most cost-effective path forward for its customers.

Third, the order before us relies on the findings of the distribution audit performed by Liberty Consulting Group and takes steps to align spending with those recommendations. The record reflects that the Company has historically faced backlogs in critical areas such as vegetation management, and that targeted investments in these areas can be especially cost-effective. However, the record also reflects concerns regarding cost overruns, insufficient upfront analysis, and the risk of customers bearing the full cost of remedial investments that should have been made in the past.

Accordingly, as outlined in the order, I expect the Company to demonstrate in future filings how it is:

- Prioritizing investments that address the most critical backlogs identified in the Liberty Audit;
- Avoiding unnecessary or poorly justified expenditures;
- And transitioning from reactive, catch-up spending to proactive, data-driven asset management.

Fourth, order before requires more transparency in distribution planning by requiring the Company to present distribution system plan investments in a format that allows for comparison and evaluation of prudence and reasonableness.

The Company must ensure that its planning documents clearly show what is being spent, why it is being spent, and what customers are receiving in return.

This includes improving consistency between distribution system plans and rate case filings and providing clear explanations when programs or cost categories change. This is a critical step forward for ensuring that both the Commission and advocates can properly evaluate distribution spending and Consumers' planning process.

Fifth, I want to highlight the importance of the Commission's directives related to environmental justice and the Company's investments in vulnerable community circuits through its broader resilience planning efforts. These investments have the potential to deliver meaningful benefits by reducing outage frequency and duration in communities that have historically experienced disproportionate impacts. Going forward, the Company should clearly report on the reliability improvements achieved in these circuits, the extent to which disparities are reduced, and how these investments support broader goals of resilience and affordability.

Finally, I want to emphasize that reliability and affordability are not competing objectives. They are fundamentally linked. Investments that are well-targeted, data-driven, and cost-effective will reduce outages, minimize the need for emergency and reactive spending, and ultimately lower costs for customers over time. Conversely, poorly planned or inefficient investments will increase rates without delivering commensurate benefits.

This order establishes a strong framework for moving in the right direction. The Company's next IRP and rate case filings must demonstrate that it is meeting these expectations in both substance and execution."

Chair Scripps commented:

"First, I want to echo the thanks for the staff and the interveners in this proceeding as well as the Company. There was a robust record in this case on which to base our decisions and the stronger the record, I think the stronger the decisions can be. I want to express my appreciation.

As my colleagues have noted, there is strong support for ongoing reliability investment, including \$186 million in O&M support for ongoing tree trimming, as well as \$21.7 million in deferral costs for the ongoing ramp towards a more aggressive tree trim cycle. Prior to this ramp, Consumers effective cycle of tree trimming was 10.2 years. That means on average, trees in the utilities' footprint were trimmed every 10.2 years. With the approval in this order, the Company is now on path to cut that by more than 50% such that every part of the system will be trimmed every five years with direction in the order to study the cost of benefits of going even further and considering the four-year tree trim cycle. That, more than anything, resulted in some of the reliability improvements that we've seen over the last couple of years.

In addition, there's additional support for extended additional risk support for reliability based investments, including extending the reliability-based investment recovery mechanism for capital expenditures, including \$226 million for lines reliability on the Company's low voltage distribution system, resiliency, fractionalization, and system protection programs. These investments are working and we're seeing the results in improved reliability, including some of the best improvements across the country. At the same time, the Commission is not unaware of the public's concerns over the affordability of energy costs.

As Miss Gibbs mentioned, the investments in this order will pay dividends in terms of long-term affordability and there's also additional reporting on affordability that's required of the Company. We're also working on optimizing both on the distribution system, including the trade-offs between tree trimming and capital expenditures, as well as in the long-term planning context, including consideration of virtual power plants and aggregated distributed energy resources and meeting growing energy demand in a cost-effective manner. There's also the number of places, including the tree trimming investments that I mentioned earlier, as well as those costs related to a large information technology project, where deferred accounting allows the company to spread out those large bulk costs over a number of years, reducing the immediate cost impact.

Finally, there's a number of places where the proposed spending was found not to be adequately supported and ultimately removed from the Company's request, resulting in more than \$100 million less than the company initially asked for. I think we're getting smarter on spending, and as a result, we've been able to hold residential bill increases to below inflation since 2020, even while making significant improvements in reliability.

This order finally reaffirms the company's existing capital structure, including the return on common equity in the overall capital structure. And I believe that the order in whole represents A balanced order that provides meaningful support for ongoing reliability-based investments while being mindful of the affordability concerns that are always front and center.

I would recommend the order in front of us.”

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

The order was adopted.

3. U-21990 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF SPECIAL CONTRACTS (petitions for rehearing/ motions)

Case No. U-21990 involves an application filed by DTE Electric Company for the approval of special contracts. The order before you denies the petitions for rehearing, the motion to reopen, and the request for a contested case regarding the approval of special contracts concerning battery modules. Commissioner Peretick

moved that the Commission approve the order at its March 27, 2026 meeting. Commissioner Myers seconded that motion.

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

The order was adopted.

4. U-21990 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF SPECIAL CONTRACTS (*ex parte*/Cold Creek, Fish Creek and Pine River projects)

Case No. U-21990 involves an application filed by DTE Electric Company for the approval of special contracts. The order before you approves the January 16, 2026 application filed by DTE Electric Company seeking *ex parte* approval of the Cold Creek Energy Center, Fish Creek Energy Center, and Pine River Energy Center projects, as well as the equipment supply agreements for battery modules and master service agreements for engineering, procurement, and construction associated with the three projects. Commissioner Peretick moved that the Commission approve the order at its March 27, 2026 meeting. Commissioner Myers seconded that motion.

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

The order was adopted.

5. U-22001 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY'S *EX PARTE* REQUEST FOR APPROVAL OF METHODOLOGY FOR THE LED EARLY ADOPTER CREDIT (final order)

Case No. U-22001 involves an application filed by DTE Electric Company for *ex parte* approval of a methodology for a light emitting diode early adopter credit. The order before you approves the application. Commissioner Peretick moved that the Commission approve the order at its March 27, 2026 meeting. Commissioner Myers seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

James DeVisser addressed his concerns regarding Consumers Energy's prices and purchasing vacant land from Consumers that is located near his home.

Kelly Coleman, Saline Township, provided comments regarding Case No. U-21990.

Eric provided comments in Case No. U-21990.

Matt Apple, Hazel Park, provided comments regarding Consumers Energy's gas line replacement in his neighborhood and the hydroelectric dams.

Emily Baker provided comments regarding DTE and Consumer's tree trimming efforts and data centers.

Sarah Brabbs provided comments regarding Case No. U-21990.

Niele Bieber provided comments regarding the accountability of utilities and the environmental impact.

Brooke, Almont, provided comments on the cost of geothermal and electric heating systems and the structure of electric rates.

Peter North provided comments on data centers and solar panels.

Chair Scripps announced:

"Before we close, I want to offer my condolences and those of the Commission to the family and many friends of Craig Borr, who passed away earlier this month. Craig was a long-standing, well-respected, and especially well-liked part of the Michigan energy community, serving as President and CEO of the Michigan Electric Cooperative Association from 2012 through his retirement in October 2025, the capstone of a career with Wolverine Power Cooperative that spanned more than four decades. Over the course of that career, Craig was a critical voice for rural Michigan residents when it came to energy and power issues.

Of course, Craig was much more than his job. He was an active sports enthusiast, and in his younger days played three summers of minor league baseball with the Holland, Michigan-based Wooden Shoe Baseball Team, which is part of the Mickey Mantle League. The team traveled the country, often playing 6-8 games per week, and during his career he even pitched several "no hitters". Of course, he wasn't able to retire every batter he faced, and one claim to fame was that Kirk Gibson hit a few home runs off of him – though that's certainly nothing to be ashamed of.

Our thoughts go out to Brenda Borr, his wife of 28 years, as well as daughter Carly, son Evan, and the many others across the Michigan co-op family who were fortunate to know Craig Borr."

A recording of the proceedings of the March 27, 2026 meeting is archived at:
<https://www.youtube.com/watch?v=h4Ab0mGqyRY> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Friday, April 17, 2026 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 12:03 p.m.

Lisa Felice
Executive Secretary