

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
CONSUMERS ENERGY COMPANY for approval)	
of a one-time voluntary refund of revenue.)	Case No. U-21332
_____)	

NOTICE OF OPPORTUNITY TO COMMENT

On December 9, 2022, the Michigan Public Service Commission (Commission) issued an order (December 9 order) in Case No. U-21332. Pursuant to the December 9 order, Consumers Energy Company (Consumers) was required to submit a statement to this docket identifying the final amount of the voluntary refund on or before December 31, 2022. On December 31, 2022, Consumers filed a memorandum identifying the company's voluntary refund in the amount of \$22 million. The Commission Staff reviewed the memorandum and filed a letter to this docket on January 3, 2023, confirming that Consumers' submission complies with the requirements of the December 9 order. On January 20, 2023, Consumers filed its proposed method for voluntary refund. A copy of the company's proposed method of voluntary refund is attached to this notice as Exhibit A.

The purpose of this notice is to provide interested persons with an opportunity to comment on the proposed method of voluntary refund. Written and electronic comments may be filed with the Commission and must be received no later than 5:00 p.m. (Eastern time), March 3, 2023.

Written comments should be sent to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic comments may be submitted through the Commission's webpage at www.michigan.gov/mpsc-edockets. Electronic comments

may also be e-mailed to mpscedockets@michigan.gov. All comments must reference Case No. U-21332.

All information submitted to the Commission in this matter will become public information available on the Commission's website and subject to disclosure.

Dated: February 17, 2023

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY for)
 approval of a one-time voluntary refund of)
 revenue.)
 _____)

Case No. U-21332

CONSUMERS ENERGY COMPANY’S PROPOSED METHOD
FOR VOLUNTARY REFUND

Consumers Energy Company (“Consumers Energy” or the “Company”) respectfully submits this Proposed Method for Voluntary Refund consistent with the Company’s proposed methodology for executing a one-time voluntary refund of revenue in the above-captioned proceeding. In support, Consumers Energy states as follows:

I. INTRODUCTION AND BACKGROUND

1. On November 10, 2022, Consumers Energy filed an Application in the above-captioned case asking the Michigan Public Service Commission (“MPSC” or the “Commission”) to approve the Company’s proposed one-time voluntary refund of revenues. The Company’s Application indicated that the exact amount of funds available for a voluntary refund would not be known until later in December. Accordingly, the Company’s Application also proposed a procedure for finalizing the amount of the refund by the end of December 2022 and for identifying the Company’s proposed method of refund on or before March 15, 2023.

2. On December 9, 2022, the Commission issued an Order approving the Company’s proposed procedure for finalizing the amount of the voluntary refund, which amount was to be identified in a filing with the Commission on or before December 31, 2022. The Commission’s December 9, 2022 Order further directed the Company to file the Company’s proposed method of refund in this docket no later than 5:00 p.m. on March 15, 2023.

3. On December 31, 2022 Consumers Energy filed a memorandum in this docket in which the Company indicated that there was \$22 million of Consumers Energy revenue received in 2022 available for refund to customers.

II. PROPOSED REFUND METHODOLOGY

4. Consumers Energy proposes that the \$22 million refund should take the form of revenue requirement funding for certain electric distribution capital spending above amounts included in rates and contributions to programs that assist, and to directly assist, low-income and payment challenged gas customers with utility bills. The Company proposes to allocate a portion of the \$22 million refund to each of these items as described in more detail below and in connection with the revenue requirement funding for distribution capital spending, commits to spending \$150 million in electric reliability capital in 2023. To the extent that the Company does not utilize the entire amount allocated to these items as described below or does not meet the commitment to spend \$150 million in electric reliability capital spending in 2023, the Company proposes to return those unused amounts to Consumers Energy's electric or gas (depending on whether the unused portion is associated with the electric item or the gas item) customers in the form of a bill credit.

Revenue Requirement of 2022 Electric Distribution Capital Spending Above Amounts in Rates (\$17 million)

5. Consumers Energy has certain electric distribution capital programs that are driven by external factors. See Affidavit of Heidi J. Myers ("Myers Affidavit"), para. 3, attached to this filing as Attachment A. Spending in the asset relocation, new business, and demand failure capital programs are heavily influenced by external factors making it more difficult to accurately project spending for inclusion in rate cases. Myers Affidavit, para. 3. The Commission has acknowledged this by approving a deferral mechanism for these programs beginning in Case No. U-20134 with the approval of a settlement agreement in an order dated January 9, 2019. Myers Affidavit, para. 3.

6. During 2023, electric rates for Consumers Energy will not provide funding for the entire revenue requirement of 2022 capital spending for electric asset relocation, new business, and demand failures. Myers Affidavit, para. 4. There is not an approved deferral in place to provide for the 2023 revenue requirement of the 2022 capital spending for these programs and actual 2022 spending is higher than what will be included in rates during 2023. Myers Affidavit, para. 4. Consumers Energy experienced \$452 million in actual 2022 capital spending for these three electric distribution programs. Myers Affidavit, para. 4. In the Case No. U-20963 Order dated December 22, 2021, the Commission included \$298 million of capital spending in rates for these three programs.¹ Myers Affidavit, para. 4. The Company has calculated the \$17 million 2023 revenue requirement to be covered by this voluntary refund, by calculating the revenue requirement of the difference between actual 2022 capital spending and the capital spending approved for 2022 in Case No. U-20963. ($\$452\text{M} - \$298\text{M} = \$154\text{M}$). Myers Affidavit, para. 4.

7. Responding to emergent capital work driven by external factors resulting in costs that exceed the amounts built into rates and other available resources can come at the expense of other utility programs, since funding for other programs may have to be diverted to support actual spending not supported in rates. Customers benefit from using a portion of the voluntary refund amount toward unfunded capital programs by ensuring that the Company's other customer-focused programs, such as reliability capital spending, can be maintained during calendar year 2023. This use of the voluntary refund allows Consumers Energy to commit to \$150 million in reliability capital spending needed to improve the safety and reliability of the electric distribution system.

8. In the event that the Commission's final order in the Company's next electric rate case includes disallowances for 2022 capital spending in the Company's new business, asset

¹ Before reaching settlement in the Company's most recent electric rate case, Case No. U-21224, the MPSC Staff recommended an even lower amount of \$245 million for the Company's 2022 capital spending on those programs.

relocation, or demand failures programs, the Company agrees to refund the revenue requirement associated with the disallowed amounts not to exceed the \$17 million amount proposed in this filing.

Gas Customer Assistance (\$5 million)

9. Higher commodity costs are expected to increase the number of residential customers struggling to pay their utility bills. The Company proposes to use \$5 million of the voluntary refund amount to make contributions to programs that assist, and to directly assist, low-income and payment challenged gas customers with utility bills.

III. CONCLUSION

WHEREFORE, Consumers Energy Company requests that the Michigan Public Service Commission:

A. Accept this filing proposing to use the \$22 million refund to (i) provide \$17 million of funding for the revenue requirement of 2022 capital spending above rate levels for electric asset relocations, new business, and demand failures allowing for a commitment to spend at least \$150 million in electric reliability capital spending in 2023; and (ii) make \$5 million in contributions to programs that assist, and to directly assist, low-income and payment challenged gas customers with utility bills;

B. Issue an order approving the Company's requested method of refund; and

C. Grant Consumers Energy such further relief as is just and reasonable.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

Dated: January 20, 2023

By:



Scott B. McIntosh
Vice President, Controller, and
Chief Accounting Officer
Consumers Energy Company



Bret A. Totoraitis (P72654)
One Energy Plaza
Jackson, Michigan 49201
Attorneys for Consumers Energy Company
(517) 788-0835

ATTACHMENT A

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
CONSUMERS ENERGY COMPANY for)	
approval of a one-time voluntary refund of)	Case No. U-21332
revenue.)	
_____)	

AFFIDAVIT OF HEIDI J. MYERS

STATE OF MICHIGAN)
) SS
COUNTY OF JACKSON)

Heidi J. Myers, being duly sworn, states:

1. I am employed by Consumers Energy Company (“Consumers Energy” or the “Company”) as Executive Director of Revenue Requirements and Regulatory Affairs. In that role, I am responsible for regulatory stakeholder collaboration and project management for the development of regulatory filings and communications as well as managing and preparing the following: (i) studies related to the level of the Company’s revenue requirement, including the preparation, and monitoring of gas and electric rate filings before the Michigan Public Service Commission (“MPSC” or the “Commission”); (ii) studies related to the Company’s overall profitability of its business units; (iii) other financial analyses related to planning scenarios. In addition, I oversee the calculation of the Company’s Gas Cost Recovery and Power Supply Cost Recovery monthly billing factors.

2. The information provided in this affidavit is based on my first-hand knowledge of the Company’s recent rate case outcomes and the electric distribution programs included in rates approved by the MPSC.

3. The capital costs that Consumers Energy incurs for its electric distribution programs for asset relocation, new business, and demand failure are driven by external factors, which makes it more difficult to accurately project spending for inclusion in rate cases for those programs. The Commission has acknowledged this by approving a deferral mechanism for these programs beginning in Case No. U-20134 with the approval of a settlement agreement in an Order dated January 9, 2019.

4. During 2023, electric rates for Consumers Energy will not provide funding for the entire revenue requirement of 2022 capital spending for electric asset relocation, new business, and demand failures. There is not an approved deferral in place to provide for the 2023 revenue requirement of the 2022 capital spending for these programs and actual 2022 spending is higher than what will be included in rates during 2023. Consumers Energy experienced \$452 million in actual 2022 capital spending for these three electric distribution programs. In Case No. U-20963 Order dated December 22, 2021, the Commission included \$298 million of capital spending in rates for these three programs.¹ The Company has calculated the \$17 million 2023 revenue requirement to be covered by this voluntary refund, by calculating the revenue requirement of the difference between actual 2022 capital spending and the capital spending approved for 2022 in Case No. U-20963. ($\$452\text{M} - \$298\text{M} = \$154\text{M}$).


¹ Before reaching settlement in the Company's most recent electric rate case, Case No. U-21224, the MPSC Staff recommended an even lower amount of \$245 million for the Company's 2022 capital spending on those programs

Further Affiant sayeth not.

A handwritten signature in black ink, reading "Heidi Myers". The signature is written in a cursive style with a large initial 'H' and 'M'.

Heidi J. Myers

Subscribed and sworn to before me this 20th day of January, 2023.

A handwritten signature in black ink, reading "Melissa K. Harris". The signature is written in a cursive style with a large initial 'M' and 'H'.

Melissa K. Harris, Notary Public
State of Michigan, County of Jackson
My Commission Expires: 06/11/2027
Acting in the County of Hillsdale

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-21332

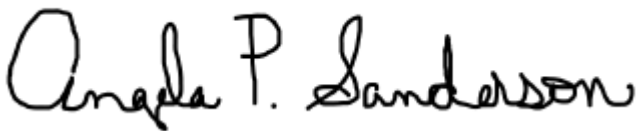
County of Ingham)

Lisa Felice being duly sworn, deposes and says that on February 17, 2023 A.D. she electronically notified the attached list of this **Notice of Opportunity to Comment via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).



Lisa Felice

Subscribed and sworn to before me
this 17 day of February 2023



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case:**U-21332**

Name	On Behalf of	Email Address
Amit T. Singh	MPSC Staff	singha9@michigan.gov
Bret A. Totoraitis	Consumers Energy Company	bret.totoraitis@cmsenergy.com
Consumers Energy Company 1 of 2	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company 2 of 2	Consumers Energy Company	michael.torrey@cmsenergy.com
Monica M. Stephens	MPSC Staff	stephensm11@michigan.gov

Service List for Case:**U-21148**

Name	On Behalf of	Email Address
Amit T. Singh	MPSC Staff	singha9@michigan.gov
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Brandon C. Hubbard	Michigan State University	bhubbard@dickinsonwright.com
Bret A. Totoraitis	Consumers Energy Company	bret.totoraitis@cmsenergy.com
Brian W. Coyer	Residential Customer Group	bwcoyer@publiclawresourcecenter.com
Celeste R. Gill	Department of Attorney General	gillc1@michigan.gov
Christopher M. Bzdok	Michigan Environmental Council	chris@envlaw.com
Christopher M. Bzdok	Sierra Club	chris@envlaw.com
Christopher M. Bzdok	Natural Resources Defense Council (NRDC)	chris@envlaw.com
Consumers Energy Company 1 of 2	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company 2 of 2	Consumers Energy Company	michael.torrey@cmsenergy.com
Don L. Keskey	Residential Customer Group	donkeskey@publiclawresourcecenter.com
Heather M.S. Durian	MPSC Staff	durianh@michigan.gov
Ian F. Burgess	Consumers Energy Company	ian.burgess@cmsenergy.com
Jennifer U. Heston	Retail Energy Supply Association	jheston@fraserlawfirm.com
John R. Liskey	Citizens Utility Board of Michigan (CUB)	john@liskeypllc.com
Jonathan Thoits	ALJs - MPSC	thoitsj@michigan.gov
Mark Matus	Lansing Board of Water & Light	mark.matus@lbwl.com
Michael C. Rampe	Consumers Energy Company	michael.rampe@cmsenergy.com
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Michael J. Pattwell	Association of Businesses Advocating Tariff Equity	mpattwell@clarkhill.com
Monica M. Stephens	MPSC Staff	stephensm11@michigan.gov
Nicholas Q. Taylor	MPSC Staff	taylorn10@michigan.gov
Nihal Shrinath	Sierra Club	nihal.shrinath@sierraclub.org
Nolan J. Moody	Michigan State University	nmoody@dickinsonwright.com
Olivia R.C.A. Flower	Lansing Board of Water & Light	oflower@dykema.com
Peter H. Ellsworth	Michigan State University	pellsworth@dickinson-wright.com
Richard J. Aaron	Lansing Board of Water & Light	raaron@dykema.com
Robert W. Beach	Consumers Energy Company	robert.beach@cmsenergy.com
Stephen A. Campbell	Association of Businesses Advocating Tariff Equity	scampbell@clarkhill.com
Theresa A.G. Staley	Consumers Energy Company	theresa.staley@cmsenergy.com
Tracy Jane Andrews	Michigan Environmental Council	tjandrews@envlaw.com
Tracy Jane Andrews	Natural Resources Defense Council (NRDC)	tjandrews@envlaw.com
Tracy Jane Andrews	Sierra Club	tjandrews@envlaw.com

Service List for Case:

U-21224

Name	On Behalf of	Email Address
Amit T. Singh	MPSC Staff	singha9@michigan.gov
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Benjamin L. King	Michigan State Utility Workers Council	bking@michworkerlaw.com
Bret A. Totoraitis	Consumers Energy Company	bret.totoraitis@cmsenergy.com
Brian R. Gallagher	EVgo Services LLC	bgallagher@moblofleming.com
Celeste R. Gill	Department of Attorney General	gillc1@michigan.gov
Christopher M. Bzdok	Michigan Environmental Council	chris@envlaw.com
Christopher M. Bzdok	Sierra Club	chris@envlaw.com
Christopher M. Bzdok	Natural Resources Defense Council (NRDC)	chris@envlaw.com
Christopher M. Bzdok	Citizens Utility Board of Michigan (CUB)	chris@envlaw.com
Consumers Energy Company 1 of 2	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company 2 of 2	Consumers Energy Company	michael.torrey@cmsenergy.com
Daniel E. Sonneveldt	MPSC Staff	sonneveldtd@michigan.gov
Daniel H.B. Abrams	Environmental Law & Policy Center	dabrams@elpc.org
Daniel H.B. Abrams	Environmental Law & Policy Center	dabrams@elpc.org
Daniel H.B. Abrams	The Ecology Center	dabrams@elpc.org
Daniel H.B. Abrams	Vote Solar	dabrams@elpc.org
Don L. Keskey	Residential Customer Group	donkeskey@publiclawresourcecenter.com
Don L. Keskey	Great Lakes Renewable Energy Association Inc.	donkeskey@publiclawresourcecenter.com
Gary A. Gensch Jr.	Consumers Energy Company	gary.genschjr@cmsenergy.com
Jason T. Hanselman	Michigan Electric Transmission Company LLC	jhanselman@dykema.com
Jennifer U. Heston	Hemlock Semiconductor Operations LLC	jheston@fraserlawfirm.com
Jody Kyler Cohn	The Kroger Company	jkylern@bklawfirm.com
John R. Canzano	Michigan State Utility Workers Council	jcanzano@michworkerlaw.com
Justin K. Ooms	Energy Michigan Inc.	jooms@potomacclaw.com
Justin K. Ooms	Institute for Energy Innovation	jooms@potomacclaw.com
Justin K. Ooms	Michigan Energy Innovation Business Council (MIEI)	jooms@potomacclaw.com
Justin K. Ooms	ChargePoint Inc.	jooms@potomacclaw.com
Justin K. Ooms	Foundry Association of Michigan	jooms@potomacclaw.com
Kurt J. Boehm	The Kroger Company	kboehm@bklawfirm.com
Laura A. Chappelle	Energy Michigan Inc.	lchappelle@potomacclaw.com
Laura A. Chappelle	Institute for Energy Innovation	lchappelle@potomacclaw.com
Laura A. Chappelle	Michigan Energy Innovation Business Council (MIEI)	lchappelle@potomacclaw.com
Laura A. Chappelle	ChargePoint Inc.	lchappelle@potomacclaw.com
Laura A. Chappelle	Foundry Association of Michigan	lchappelle@potomacclaw.com
Lisa M. Agrimonti	Michigan Electric Transmission Company LLC	lagrimonti@fredlaw.com
Lydia Barbash-Riley	Citizens Utility Board of Michigan (CUB)	lydia@envlaw.com
Lydia Barbash-Riley	Sierra Club	lydia@envlaw.com
Lydia Barbash-Riley	Natural Resources Defense Council (NRDC)	lydia@envlaw.com
Lydia Barbash-Riley	Michigan Environmental Council	lydia@envlaw.com
Mark N. Templeton	Urban Core Collective	templeton@uchicago.edu
Melissa M. Horne	Walmart Inc.	mhorne@hcc-law.com
Michael C. Rampe	Consumers Energy Company	michael.rampe@cmsenergy.com
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Michael S. Ashton	Michigan Cable Telecommunications Association	mashton@fraserlawfirm.com
Nicholas J. Schroeck	Environmental Law & Policy Center	schroenj@udmercy.edu
Nicholas J. Schroeck	Vote Solar	schroenj@udmercy.edu
Nicholas J. Schroeck	The Ecology Center	schroenj@udmercy.edu
Nicholas Q. Taylor	MPSC Staff	taylorn10@michigan.gov
Nikhil Vijaykar	EVgo Services LLC	nvijaykar@keyesfox.com
Olivia R.C.A. Flower	Michigan Electric Transmission Company LLC	oflower@dykema.com
Richard J. Aaron	Michigan Electric Transmission Company LLC	raaron@dykema.com
Robert W. Beach	Consumers Energy Company	robert.beach@cmsenergy.com
Sally Wallace	ALJs - MPSC	wallaces2@michigan.gov
Stephen A. Campbell	Association of Businesses Advocating Tariff Equity (ABATE)	scampbell@clarkhill.com
Theresa A.G. Staley	Consumers Energy Company	theresa.staley@cmsenergy.com
Timothy J. Lundgren	Energy Michigan Inc.	tlundgren@potomacclaw.com
Timothy J. Lundgren	Institute for Energy Innovation	tlundgren@potomacclaw.com
Timothy J. Lundgren	Michigan Energy Innovation Business Council (MIEI)	tlundgren@potomacclaw.com
Timothy J. Lundgren	ChargePoint Inc.	tlundgren@potomacclaw.com
Timothy J. Lundgren	Foundry Association of Michigan	tlundgren@potomacclaw.com
Tracy Jane Andrews	Michigan Environmental Council	tjandrews@envlaw.com
Tracy Jane Andrews	Sierra Club	tjandrews@envlaw.com
Tracy Jane Andrews	Natural Resources Defense Council (NRDC)	tjandrews@envlaw.com
Tracy Jane Andrews	Citizens Utility Board of Michigan (CUB)	tjandrews@envlaw.com
Valerie J.M. Brader	Michigan Municipal Association for Utility Issues	valerie@rivenoaklaw.com
Valerie R. Jackson	Michigan Municipal Association for Utility Issues	valeriejackson@rivenoaklaw.com