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MPSC kicks off assessment of funding factor for low-income assistance program, OKs one-time Consumers Energy refund

The Michigan Public Service Commission kicked off its annual assessment of the funding factor for a key program that offers energy assistance and self-sufficiency services to income-eligible Michigan households ([Case No. U-17377](#)).

Michigan's Low-Income Energy Assistance Fund each year raises up to \$50 million to support energy assistance and self-sufficiency, through a per-meter charge assessed on retail electric billing meters at a maximum of \$1 per month. The MPSC set the funding factor at [90 cents](#) in 2022, a 3-cent increase from 2021.

Funds raised through LIEAF are distributed through nonprofit service agencies across the state through the Michigan Energy Assistance Program, or MEAP, which in 2022 provided energy assistance and self-sufficiency services to 56,047 qualifying households. The MPSC administers MEAP in partnership with the Michigan Department of Health and Human Services by approving grants to nonprofit organizations that provide direct assistance to qualifying customers.

LIEAF, created through Public Act 95 of 2013, is a significant source of help for families struggling to pay home energy bills. State law requires the MPSC to set the LIEAF funding factor by July 31 each year for the following fiscal year, based on participation by investor-owned, municipally owned and rural electric cooperative utilities.

Electric utilities must file by 5 p.m. June 30, 2021, information showing the number of retail billing meters the utility serves that are subject to the LIEAF funding factor, or file notice that the utility intends to opt out of collecting it. Under the law, non-participating utilities are not allowed to shut off service to any residential customer from Nov. 1 to April 15 for nonpayment of a delinquent account. In addition, state law requires that funds need to be returned to the regions of the state from which they were collected, to the extent possible.

Separately, the Commission today approved a revised request by Consumers Energy Co. to issue a one-time voluntary refund of \$17 million to customers, \$9 million of which will go toward the utility's low-income and payment-challenged bill assistance program,

and \$8 million toward vegetation management meant to help reduce power outages by tree contact with power lines ([Case No. U-21332](#)).

The Commission in April [denied Consumers' request](#) to allocate the remaining \$17 million to incremental electric capital spending, or in the alternative, storm restoration efforts, finding that the company hadn't sufficiently demonstrated a direct benefit to customers through using the \$17 million refund to increase electric capital spending, nor adequately supported using the money to offset storm restoration costs. The Commission indicated in its April order that it would instead favor a form of refund that more directly benefits customers, such as tree trimming or additional assistance for low-income customers.

Help is available for Michigan households struggling with home energy bills. The MPSC's one-stop webpage on utility assistance is at www.michigan.gov/mpsc/gethelp. Residential utility and propane customers in financial distress can contact their utility for help or seek assistance by calling 211 or applying for [State Emergency Relief](#). Income-eligible Michiganders also may apply for the [Home Heating Credit](#). Visit www.michigan.gov/mpsc for additional consumer tips and utility contact information.

MPSC APPROVES 679 OVERLAY FOR DETROIT'S 313 AREA CODE, EXPECTED TO RUN OUT OF UNASSIGNED NUMBERS IN 2026

With Detroit's 313 telephone area code projected to run out of unassigned numbers in 2026, the MPSC today approved an application permitting a 679 overlay area code for new customers in the geographic area of Detroit and some of its immediate suburbs now covered by the 313 area code ([Case No. U-21337](#)). The Commission emphasized that the 313 area code will remain in place, and those with existing 313 phone numbers will not have to change area codes, and that the overlay is preferable to a geographic split of the 313 area code.

The North American Numbering Plan Administrator, which administers telephone numbering plans in the United States, Canada and multiple Caribbean countries, projects the 313 area code will run out of unassigned numbers at an updated estimate of the second quarter of 2026. The new area code would be phased into use, with dates to be determined. Once that happens, new phone customers may be assigned numbers with either the 679 or 313 area code.

The new overlay code covers Detroit, Hamtramck, Highland Park, Allen Park, Dearborn and Dearborn Heights, Ecorse, the Grosse Pointes, Inkster, Lincoln Park, Redford Township, River Rouge and Taylor.

Besides having two area codes, customers in these areas will be required to include area codes for local calls within and between the two area codes — meaning everyone with a 313 or 679 phone number will have to dial at least 10 digits, even for local calls. These calls will continue to be billed as local calls. This change will require the reprogramming of some devices such as auto dialing equipment, medical devices and

home security systems to accommodate the additional digits if that equipment is currently programmed to only dial 7 digits.

COMMISSION OKs DTE ELECTRIC SPECIAL CONTRACT WITH STELLANTIS NV FOR SOLAR POWER TO MEET CARMAKER'S 100% CLEAN ENERGY GOAL

The MPSC today approved a 35-year special contract between DTE Electric Co. and Stellantis NV for up to 400 megawatts (MW) of solar projects aimed at meeting the automaker's goal of reaching 100% clean energy ([Case No. U-21361](#)), among the largest renewable energy purchases from a utility in the country. The Commission also approved the utility's request for an amended renewable energy plan. DTE Electric plans to build 200 MW in 2025 and 200 MW for 2026 as part of the Stellantis contract, as well as 300 MW of additional solar for yet-unnamed customer-requested projects and subsequent contracts in 2025. The Commission in December 2022 approved a [similar deal between DTE Electric and Ford Motor Co.](#) for up to 675 MW of solar energy, at the time the largest-ever renewable energy purchase from an American utility.

MPSC APPROVES UPDATED UTILITY RATE CASE FILING REQUIREMENTS

The Commission approved new rate case filing requirements for electric, natural gas and steam utilities, updating standard rate application filing form requirements enacted in the 2016 update to Michigan's energy laws ([Case No. U-18238](#)). Today's order directs MPSC Staff to incorporate the updates and upload the filing requirements document to the MPSC's website by Aug. 18, 2023. The new Rate Case Filing Requirements are effective today, except for Part III, Attachments 2-12 and 14-17, which take effect May 18, 2024. The Commission also directed Staff to develop with stakeholders a firm, non-modifiable protective order by Sept. 20, 2023, with any letters of disagreement from electric, steam, and gas utilities due by Oct. 4, 2023, opening a 60-day window for Staff to work with objecting utilities to arrive at a final protective order to be filed no later than Dec. 4, 2023. The Commission also directed Staff to host a collaborative to address discovery issues and uniform identification and labeling of testimony and exhibits with stakeholders by Nov. 1, 2023, with a report on the results and recommendations filed by Dec. 1, 2023.

MPSC ENCOURAGES SMALLER NATURAL GAS UTILITIES TO GET INVOLVED IN DISCUSSIONS ON EMERGENCY MUTUAL AID, CONTINGENCY PLANNING

The Commission today summarized a March 31 status report and directed MPSC Staff to file its next status report by Nov. 22, 2023, on the ongoing collaborative on the development of mutual aid agreements for Michigan's natural gas utilities and how to best facilitate development of natural gas transmission contingency planning ([Case No. U-20631](#)). The collaborative's work grew out of recommendations from the MPSC's [Statewide Energy Assessment](#), a major effort to make Michigan's energy systems more secure, reliable and resilient after the 2019 statewide energy emergency in which a fire at a Macomb County compressor station threatened the state's ability to deliver natural gas during a bitter winter cold snap. The Commission thanked participants for their work on the collaborative and strongly encouraged smaller natural gas utilities in Michigan to become involved in the workgroup to be part of conversations and preparations for potential future emergencies.

COMMISSION SEEKS ADDITIONAL COMMENTS, REPLY COMMENTS ON INTERIM REPORT ON RESPONSE TO COVID-19

The MPSC today set up additional time for interested parties to file comments and reply comments on the MPSC Staff's March 16, 2023, [second interim report](#) updating the MPSC's response to the COVID-19 pandemic ([Case No. U-20757](#)). The report focuses on areas including customer access to utility service, consumer protections and affordability and assistance issues, and includes guidance and direction moving forward. Given the breadth of recommendations included in the March 16 report, the Commission found it appropriate to offer additional time for comments on the report, including possible dissents to the report's recommendations. Comments must be filed by 5 p.m. June 15, 2023, and reply comments by 5 p.m. June 29, 2023. They may be submitted via the MPSC's [E-Dockets website](#), mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI, 48909, or emailed to mpscedockets@michigan.gov. All comments should reference Case No. U-20757.

MPSC TAKES NEXT STEPS ON DEVELOPMENT OF UTILITY INTERCONNECTION PROCEDURES; SETS FILING DEADLINES FOR UTILITIES, COOPERATIVES

The Commission today announced it will commence a collaborative on the development of electric utility interconnection procedures as part of the MPSC's ongoing work on revisions to interconnection and distributed generation standards ([Case No. U-21117](#)). The Commission directed Michigan's rate-regulated electric utilities and member-owned electric cooperatives to file draft interconnection procedures by Jun 16, 2023, and directed MPSC Staff to hold a virtual stakeholder workgroup session on June 21, 2023. The Commission further directed the electric utilities and electric cooperatives to file in a new docket their respective applications for approval of their interconnection procedures by Aug. 23, 2023.

MPSC SETS CONTESTED PROCEEDING FOR INDIANA MICHIGAN SOLAR CONTRACTS

The MPSC today denied Indiana Michigan Power Co.'s application for ex parte approval of several solar energy agreements, saying it is not convinced that finalized costs are not significantly higher than initially approved costs or that approval will not affect rates or increase the cost of service to customers ([Case No. U-21189](#)). The Commission instead ordered a contested proceeding to address cost issues. A pretrial hearing was set for June 14, with the Commission aiming to issue an order in the proceeding by Aug. 31, 2023. The Michigan Department of Attorney General and the Citizens Utility Board of Michigan filed objections to ex parte approval.

COMMISSION OKS COST DEFERRAL ACCOUNTING, REGULATORY ASSET FOR REPAIR-RELATED COSTS AT LUDINGTON PUMPED STORAGE

The MPSC approved an application by Consumers Energy Co. and DTE Electric Co. for cost deferral accounting and a regulatory asset for costs to restore allegedly defective work by Toshiba America Energy Systems Corp. during a 2019 overhaul of Unit 3 at the Ludington Pumped Storage Plant, leading to an extended outage of the unit ([Case No. U-21310](#)). Consumers and DTE Electric jointly own the facility on Lake Michigan south

of Ludington and are involved in litigation with Toshiba to recover costs related to delays in the project and an allegedly defective discharge ring extension manufactured and installed by the contractor. The Commission authorized Consumers and DTE Electric to place into the regulatory asset all costs associated with the allegedly defective work performed by Toshiba that haven't been reviewed by the Commission and approved for incorporation into rates, as well as all amounts recovered through pending litigation. The Commission cautioned, however, that the approval is for accounting purposes only. Any such costs will have to be reviewed in future rate case proceedings, and today's order is no indication or guarantee of future cost recovery. Today's order directs the utilities to file an annual report in this docket each year detailing the amount of the regulatory asset and any material developments relating to the ongoing litigation with Toshiba that are likely to impact the total amount of cost exposure, to provide greater transparency and understanding about the magnitude of costs being deferred. The order directs the utilities to work with MPSC Staff on the form and specific elements to be included in this annual report.

MPSC OKS AMENDED SPECIAL CONTRACT BETWEEN UPPER MICHIGAN ENERGY RESOURCES CORP. AND UPPER PENINSULA COPPER REFINERY

The Commission approved an amendment to a special contract between Upper Michigan Energy Resources Corp. and PM Power Group, doing business as White Pine Copper Refinery ([Case No. U-21371](#)). The amendment establishes new electric rates for the refinery and indicates UMEREC may propose to change rates yearly with the refinery, with PM Power Group able to reject the proposal and terminate the contract each Nov. 1. Approval of the amended contract will not increase the cost of service to other UMEREC customers in the central and western Upper Peninsula.

To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).

For information about the MPSC, visit www.michigan.gov/mpsc, sign up for its [monthly newsletter](#) or other [listservs](#). Follow the Commission on [Facebook](#), [Twitter](#) or [LinkedIn](#).

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