



## NEWS RELEASE

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### **MPSC investigates Consumers Energy over malfunctioning meters, estimated billing, delays in new electric and gas service**

The Michigan Public Service Commission launched an investigation today into Consumers Energy Co. (Case No. U-21458) amid persistent complaints from customers about malfunctioning natural gas meters, potential overbilling due to extended estimated meter reading, and delays in new service installations for electric and gas customers.

The MPSC has received numerous complaints from customers frustrated by malfunctioning meters that were not showing amounts of electricity used, and from customers concerned their bills have been abnormally high because of bills the company estimated in the absence of accurate meter readings. The complaints came as Consumers Energy worked to transition its advanced metering infrastructure (AMI) electric meters from using now-obsolete 3G cellular telephone technology to 4G-based meters. The MPSC in 2019 [granted](#) Consumers a waiver from technical standards and approval of alternative testing procedures for the meters being removed from service and upgraded to 4G technology.

In investigating complaints, MPSC Staff found that Consumers was estimating bills for many electric customers with 3G meters even before cellular phone companies discontinued operating 3G service in January 2023, because the meters were not working and showing blank screens. That meant neither customers nor Consumers meter readers could pull actual readings from the meters.

MPSC Staff learned Consumers had been aware of the malfunctions, which it blamed on battery contamination issues that could cause the blank screens, as far back as 2020, with more than 900,000 meters potentially at risk. But Consumers did not raise the issue when it sought the meter testing waiver in [Case No. U-20639](#).

Concerned about this and other discrepancies in reporting meter issues, MPSC Staff raised the possibility that Consumers could be in violation of several sections of the MPSC's Consumer Standards and Billing Practices for Electric and Natural Gas service, in particular rules regarding the required replacement of failed meter equipment, limits on how many months bills can be estimated, and the inability of customers or the utility to pull accurate electric use readings from broken meters.

The MPSC also received 177 complaints from Jan. 1, 2022, to May 1, 2023, about Consumers' inability to meet Service Quality and Reliability Standards requirements that 90% of new service installations must be completed within 15 business days.

Among other information, today's order directs Consumers to provide to the Commission by Aug. 4:

- An explanation of Consumers' performance history on meter reading from 2020 to present, including the number of customers receiving consecutive meter readings beyond two consecutive months, reasons why customer bills were estimated, who was held accountable for consecutive estimated readings, and who from Consumers or its contractor provided employees to read broken meters.
- An explanation of Consumers' communications with customers about estimated reads, the number of complaints the utility has received, whether customers were provided information on how to read their meters, and whether customers were receiving estimated readings because of the 3G issue or because of malfunctioning meters.
- An explanation of what Consumers is doing with write-offs owing to extended estimated billing, including where write-offs might show up in a rate case, and how the company can accurately bill customers when it is unable to get an actual meter reading.
- An explanation of why, in Case No. U-20639, Consumers did not disclose the number of malfunctioning meters or inform the MPSC that customers would be receiving estimated meter readings until new meters were installed.
- Data on how many 3G and 4G meters have been affected by contaminated batteries in each year in 2020 through 2023, and on how many 3G and 4G meters have been affected by other issues that caused them not to display readings.
- An explanation of the company's process for completing various steps required to provide new electric and natural gas service, and the average number of days it has taken to complete installations in 2019-2023.
- For new installations not being completed in the required 15 days, an explanation why Consumers was unable to meet requirements and what steps it will take to ensure future compliance.

The Commission directed MPSC Staff to analyze the data Consumers provides and make recommendations to address issues identified in today's order by Sept. 29, 2023.

### **COMMISSION APPROVES CONSUMERS ENERGY'S REQUEST TO PROVIDE \$1.6 MILLION IN REFUND AS GAS CUSTOMER BILL CREDIT**

The MPSC today approved an application by Consumers Energy Co. to apply as a bill credit for its natural gas customers \$1.6 million unspent from a previously approved one-time voluntary refund ([Case No. U-20932](#)). The Commission in May 2021 approved Consumers' one-time voluntary refund of \$28 million, to be spent on programs that enhance customer safety, education, and reliability, including incremental spending on

electric service restoration; pipeline pressure testing; gas and electric information technology infrastructure; public outreach on electric residential time-of-use rate implementation; a Percentage of Income Pilot Program to assist low-income customers, with any unspent amount distributed to customers through a bill credit. The refund will be included on customers' August 2023 bills. The Commission also approved allowing Consumers to donate the \$30,167 not spent on outreach about its electric residential time of use rate implementation to a charity chosen by the company.

## **MPSC SEEKS COMMENT ON PROPOSED FUNDING FACTOR FOR LOW-INCOME ENERGY ASSISTANCE FUND**

The Commission today announced it is seeking comment on its proposal to set the funding factor for Michigan's Low-Income Energy Assistance Fund (LIEAF) at 88 cents, the same as the year before ([Case No. U-17377](#)). LIEAF raises up to \$50 million annually, through a monthly per-meter charge assessed on retail electric billing meters in all rate classes that cannot exceed \$1. LIEAF funds are distributed through nonprofit service agencies across the state through the Michigan Energy Assistance Program (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. Utilities that filed notice that they intend to participate in LIEAF are Alger Delta Cooperative Electric Association; Alpena Power Co.; Village of Baraga; Bay City Electric Light and Power; Consumers Energy Co.; Croswell Light and Power Department; City of Crystal Falls; City of Dowagiac; DTE Electric Co.; City of Gladstone; Great Lakes Energy Cooperative; City of Hart Hydro; Hillsdale Board of Public Utilities; HomeWorks Tri-County Electric Cooperative; Indiana Michigan Power Co.; City of Marshall Electric Department; Midwest Energy and Communications; Negaunee Department of Public Works; Newberry Water and Light Board; Niles Utilities Department; Northern States Power Co.; City of Norway; City of Petoskey; Presque Isle Electric & Gas Co-op; City of St. Louis; Thumb Electric Cooperative; Union City Electric Department; Lansing Board of Water and Light; and Upper Peninsula Power Co. Utilities opting out are Bayfield Electric Cooperative; City of Charlevoix; Chelsea Department of Electric and Water; Cherryland Electric Cooperative; Village of Clinton; Cloverland Electric Cooperative; Coldwater Board of Public Utilities; Daggett Electric Department; City of Eaton Rapids; City of Escanaba; Grand Haven Board of Light and Power; City of Harbor Springs; Holland Board of Public Works; Village of L'Anse; Lowell Light and Power; Marquette Board of Light and Power; Ontonagon County Rural Electrification Association; Village of Paw Paw; City of Portland; City of Sebawaing; City of South Haven; City of Stephenson; City of Sturgis; Traverse City Light and Power; Upper Michigan Energy Resources Corp.; City of Wakefield; Wyandotte Department of Municipal Service; and Zeeland Board of Public Works. Utilities opting out of LIEAF shall not shut off service to any residential customer from Nov. 1, 2023, to April 15, 2024, for non-payment of a delinquent account. The Commission cautions opt-out utilities that they may be jeopardizing their customers' access to programs that help with home electric and heating bills, given the statutory requirement that funds collected from a geographic area are returned, to the extent possible, to that geographic area. Public comments

must be submitted by 5 p.m. July 14, 2023. Written comments should be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic comments should be emailed to [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov). All comments must reference Case No. U-17377.

### **MSPC APPROVES AMENDED BIOMASS MERCHANT PLANT CONTRACTS WITH CONSUMERS ENERGY**

The MPSC today approved two orders amending cost recovery procedures and contracts between Consumers Energy and biomass merchant plants that sell electricity to the utility. In [Case No. U-16048](#), the Commission approved a settlement agreement resolving all issues in an application for modified cost recovery procedures sought by Cadillac Renewable Energy LLC; Genesee Power Station LP; Grayling Generating Station LP; T.E.S. Filer City Station; National Energy of Lincoln LLC; and National Energy of McBain LLC. In [Case No. U-21407](#), the Commission approved an amended power purchase agreement between Consumers Energy and TES Filer City, converting the plant from must-run status to an economically dispatchable facility. The amended PPA reduces TES Filer City's requirements to minimum generating capacity when energy production costs are high while allowing maximum generating capacity during periods of low energy production costs relative to regional transmission organization Midcontinent Independent System Operator Inc. energy market prices.

### **MSPC GRANTS PERMANENT LICENSE TO BLOOMINGDALE COMMUNICATIONS INC. FOR EXPANDED BASIC LOCAL EXCHANGE PHONE SERVICE**

The MPSC today granted a permanent license for Southwest Michigan Communications, doing business as Bloomingdale Communications Inc., to expand the geographic area of its license to provide basic local exchange phone service to all zones and exchanges in Michigan ([Case No. U-21411](#)). Today's order permits the company to provide phone service outside of the west Michigan areas it was previously licensed to serve.

### **COMMISSION SETS PUBLIC HEARING ON RE-PROMULGATION OF RULES GOVERNING PROVIDERS OF BASIC LOCAL EXCHANGE PHONE SERVICE**

The MPSC will hold a public hearing on its effort to re-promulgate rules governing the obligations of basic local exchange service (BLES) providers at 9 a.m. on Aug. 1, 2023, at the MPSC's offices at 7109 W. Saginaw Highway, Lansing (Case No. U-21368). The MPSC in May began the process of re-promulgating the rules for BLES providers that opt to discontinue service, which are to expire March 21, 2024. The Commission seeks to re-promulgate the same rules with minor changes, while adding rules about the information BLES providers must provide in notices of discontinuance of service filed with the MPSC. The public may provide comment at the in-person hearing or submit written comments by 5 p.m. Aug. 14, 2023. Written comments may be submitted through the MPSC's E-Dockets system, mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909, or emailed to [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov). Written comments should reference Case No. U-21368.

## **MPSC APPROVES NATURAL GAS SETTLEMENT AGREEMENTS WITH MICHIGAN GAS UTILITIES CORP. FOR REPLACEMENT PIPELINE, NEW SERVICE**

The MPSC today approved two settlement agreements for Michigan Gas Utilities Corp. (MGU) to construct a replacement natural gas pipeline and to provide new gas service to customers in Monroe County. The Commission approved a settlement agreement reached with MPSC Staff for an MGU project to replace an aging 10-inch MGU pipeline with a new 12-inch pipeline along 20 miles in Branch and Calhoun counties, from Marshall to Coldwater ([Case No. U-21292](#)). The Commission also approved MGU's application for a certificate of public convenience and necessity to provide natural gas to two customers in Monroe County's Whiteford Township ([Case No. U-21385](#)).

*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](#).*

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