

[MICHIGAN](#)

DTE, Consumers on track to reconnect power for customers, likely avoiding paying credits



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Two days after severe thunderstorms [knocked out power to a half-million Michigan customers](#), some of them are wondering whether they will receive the [\\$38 utility credit](#) that the [Michigan Public Service Commission](#) has set to help compensate them.

The short answer: Probably not.

There is still uncertainty about how and when [the outage will be resolved](#), but the PSC confirmed with the Free Press on Thursday that it is likely — if the utility outage estimates and repair forecasts stay on track — neither DTE Energy nor Consumers Energy will be issuing many credits.

Both companies, when asked Thursday about credits by the Free Press, mostly sidestepped the issue.

What's more, the lack of compensation adds to the concerns already swirling around the PSC, a state agency charged with regulating public utilities, and whether it is too close to the companies it is supposed to oversee and should do more to track, investigate and act on complaints.

Consumers Energy has said it hopes to have most repairs done Thursday; and [DTE said Friday](#) — at the latest.

As of 6 p.m., both utilities had made considerable progress on restoring power. [Detroit-based DTE](#) reported it was down to about 43,000 customers without power out of an estimated 300,000 on Tuesday, and Jackson-based [Consumers Energy](#) had about 18,000 more customers to reconnect out of about 200,000.

Customers are eager to have their power back on, but the thought of receiving no compensation isn't sitting well with many of them who already feel that a \$38 credit — which they explain doesn't begin to cover what they lose in a power outage, especially during a heat wave — is insufficient.

"Into our second day of no power and now need to discard food from (the) freezer/refrigerator," Doug Lombardi, of Livonia, wrote in an email he sent to the Free Press. "Suggest you do a follow up story on how and where to seek compensation for tossed food."

And his reaction to the power outage was among one of more measured ones.

Michigan utilities under pressure

In the past few years, DTE and Consumers Energy have come under increasing fire from the public, nonprofit watchdog groups and even the state attorney general for a lack of energy reliability, which, in the freezing cold of winter or the boiling hot summer, puts Michiganders at risk.

Last year, the Free Press reported the two utilities were among the [worst-performing utilities in the nation](#), ranked by how long it took them to get the lights back on after a power outage. At the same time, Michiganders also were paying more for electricity than their neighbors around the Great Lakes.

The criticism forced the Public Service Commission to change its utility credit guidelines, boosting the credit from \$25 to \$35, and now, \$38, and requiring the utilities to pay them automatically, instead of making customers apply for them.

Moreover, [an in-depth Free Press investigation found](#) the PSC tends to lack decision-making transparency and, as a potential conflict of interest, gets 80% of its funding from DTE and Consumers Energy, which hold a near monopoly on providing electricity to Michigan residents.

Thursday, [another Free Press investigation](#) concluded that thousands of informal complaints lodged annually aren't tracked well, and "most formal complaints against Michigan utilities are dismissed, and a handful of consumers have reached confidential settlements."

The challenge now for Michiganders to get credits after this week's ongoing outage is tied to the formula the PSC set for issuing them. The higher the percentage of customers caught in an outage, the more time a utility is allowed to restore power before a credit is required.

The measure gives utilities a grace period — 16 hours to four days — to make repairs.

The thinking behind this caveat is that more widespread outages require more effort to fix. The new guidelines, which rely on numbers reported by the utility companies, also call for utilities to credit more per day past the grace period when the grace period is exceeded.

But in this outage, based on the two utilities' early estimates of how many people lost power — about 13% for DTE and more than 10% for DTE — and when it will be back on, there is a good chance each utility might avoid big credit payouts.

DTE said its goal is "to never have our customers in a situation where they incur the hardships that an outage brings or where reliability credits would have to be issued," and Consumers Energy said "the discussion around outage credits really goes to a bigger issue over how well we keep the lights on for customers."

Years of unclaimed credits

Outage credits have been around since the 1980s, as one of the measures the PSC has used to encourage utilities to enhance reliability.

But until last year, customers had to apply for them.

That meant millions in credits that customers were eligible for after frequent and long power outages didn't get applied because customers either didn't know the process or didn't have time to apply and the money went unclaimed, according to [a 2000 report by the Lansing State Journal](#).

That same year, the nonprofit [Citizens Utility Board of Michigan](#) also released a study that found when it came to reliability, Michigan's utilities ranked among "the worst in the country." It took days, for example, to restore power to DTE and Consumers Energy customers caught in a 2019 storm.

The Lansing State Journal — which, in addition to the Free Press is part of the Gannett network — noted the nonprofit study and interviewed the group's executive director who called for changes to the credit policy. A year later, yet another storm knocked out power to hundreds of thousands of customers.

And this time, Michigan Attorney General Dana Nessel weighed in.

The state's top law enforcement officer asked utilities to voluntarily credit customers affected by the outage and provide increased credits — the amount, then, just \$25 — to help those who lost hundreds of dollars or more on food and hotel costs.

Adding to the pressure on the utilities, Nessel also [published the results of a survey](#) that ever since has been used by news outlets and consumer groups to question whether the credits are enough. It found 90% of the utility customers in the outage "lost between \$100 to \$500" and 35% "lost between \$500 to \$1,000."

Amid the growing criticism, DTE said that it [agreed to voluntarily issue \\$100 credits](#).

More: [DTE: Power reliability must improve, outage cost estimate at more than \\$50M](#)

It's unclear whether the company would offer voluntary credits again.

When asked Wednesday by the Free Press about it, one of the corporate vice presidents acknowledged it could do better and said the company would have to have internal discussions, but did not commit to customer credits that weren't required or rule it out.

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