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MPSC takes next steps in strengthening distribution system planning for Michigan's electric utilities

The Michigan Public Service Commission today took several steps as it works to strengthen the role of utility electric distribution plans in addressing reliability challenges ([Case No. U-20147](#)).

The MPSC [in September 2022](#) directed DTE Electric Co., Consumers Energy Co. and Indiana Michigan Power Co. (I&M) to file updated 5-year electric distribution system investment and maintenance plans by Sept. 29, 2023, later seeking comments from interested persons. The Commission's directive stemmed from ongoing concerns over the reliability performance of electric utilities.

In addition to summarizing comments received in the case, today's order:

- Noted that more details to support proposed investments should be provided by the utilities in their next round of distribution plans and that distribution plans should inform utility rate cases.
- Emphasized the importance of alternatives analyses along with environmental justice analyses in distribution plans and rate cases to demonstrate customer affordability, rate impacts, and cost effectiveness.
- Called upon the utilities to specifically address climate risks in scenario planning affecting the resilience of their distribution infrastructure as part of the next round of distribution plans.
- Directed the MPSC's Financial Incentives and Disincentives workgroup, part of the Commission's MI Power Grid effort to maximize the benefits of Michigan's transition to clean, distributed energy, to evaluate which metrics are appropriate for distributed energy resources in Case No. U-21400.
- Directed MPSC Staff to develop a protective order for confidential information in the matter, with an opportunity for public comment on it, and seeks public comment on a straw proposal by MPSC Staff designed to clarify and improve the distribution plan process. Among other aspects of the straw proposal, MPSC Staff suggests requiring distribution plans to be filed every three years, with annual updates to reflect changes, and to establish pre-distribution filing meetings between utilities and interested persons for input before filing the plans. Comments on both matters should be filed by Oct. 24, 2024, at 5 p.m. and reference Case No. U-20147. Written comments may be mailed to Michigan

Public Service Commission, Executive Secretary, P.O. Box 30221, Lansing, MI 48909, submitted using the MPSC's E-Dockets website, or emailed to LARA-MPSC-Edockets@michigan.gov. Anyone needing assistance may contact MPSC Staff at 517-284-8090 or by email at LARA-MPSC-Edockets@michigan.gov.

- Directed MPSC Staff to schedule a collaborative session with interested persons after the comment period for further discussion of the straw proposal and related comments.

COMMISSION DIRECTS CONSUMERS ENERGY, DTE ELECTRIC TO FILE RESPONSES TO UTILITY AUDIT AND ADDRESS SAFETY ISSUES IT RAISED

The MPSC today directed Consumers Energy Co. and DTE Electric Co. to file responses to the conclusions of an independent, third-party audit conducted on the two electric utilities' distribution systems and processes that the Commission [released this week \(Case No. U-21305\)](#). Consumers and DTE Electric must file their responses to the audit findings by Nov. 15, outlining how each will address identified safety issues, propose a schedule of actions to address compliance issues and incorporate recommendations in their future distribution plan filings. For Consumers, the Commission emphasized wanting a response to the audit's conclusions that Consumers' response time to reports of downed wires is poor, and that the utility must do better in communicating with customers who require the use of medical equipment that relies on electricity. For DTE Electric, the Commission emphasized that the utility should address the audit's finding that DTE Electric is experiencing an extensive backlog of inspections of pad mount transformers, substantial operational and safety issues with manhole covers, and that the company is not performing well in getting downed wires guarded quickly after storms. Interested persons may submit comments on these and other issues raised in the audits and the utilities' responses to today's Commission order by 5 p.m. Dec. 16, 2024, and reply comments by 5 p.m. on Jan. 17, 2025. Written comments may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909, via the Commission's E-Dockets website or by email to mpscedockets@michigan.gov. Anyone requiring assistance prior to filing comments may contact MPSC Staff at 517-241-6180.

COMMISSION APPROVES INDIANA MICHIGAN POWER CO.'s POWER SUPPLY COST RECOVERY RECONCILIATION

The MPSC approved Indiana Michigan Power Co.'s (I&M) application for approval of the reconciliation of its power supply cost recovery (PSCR) plan costs and revenues for the 12 months ending Dec. 31, 2022, setting a net underrecovery at \$8,885,873 as the utility's 2023 PSCR reconciliation beginning balance ([Case No. U-21053](#)). I&M had sought a PSCR underrecovery of \$10,832,446. Among other actions, the Commission disallowed \$315,453 in costs because I&M has not met savings targets in its energy waste reduction (EWR) plan, which if met could have saved more than 4.5 million kilowatt-hours of electricity costs.

MPSC AUTHORIZES SETTLEMENT AGREEMENT ALLOWING DTE GAS CO. TO EXTEND NATURAL GAS SERVICE TO PARTS OF WEXFORD COUNTY

The Commission approved a settlement agreement between the utility and MPSC Staff granting a certificate of public convenience and necessity to DTE Gas Co. to build and operate natural gas lines serving the Village of Buckley, Wexford Township and Hanover Township in northern Michigan's Wexford County ([Case No. U-21529](#)). The MPSC [awarded DTE Gas](#) a Low Carbon Energy Infrastructure Enhancement and Development grant in July 2023 to expand natural gas service to areas reliant on propane.

MPSC OKs DTE GAS CO.'S 2023-2024 GAS COST RECOVERY PLAN BUT ISSUES WARNING ABOUT RESPONSIBLY SOURCED GAS COSTS

The MPSC approved DTE Gas Co.'s application for its 2023-2024 gas cost recovery (GCR) plan and accepted the company's five-year forecast ([Case No. U-21271](#)). The Commission issued a Section 7 warning regarding responsibly sourced gas, or RSG, because DTE Gas did not provide sufficient evidence demonstrating the benefits of its RSG purchasing strategy. RSG premiums may not be recoverable in future reconciliation cases without more evidence quantifying and explaining how RSG delivers benefits to customers. DTE Gas is authorized to implement a maximum GCR factor of \$4.21 per thousand cubic feet (Mcf). The utility also is authorized to include a supplier of last resort charge of 40 cents per Mcf for gas cost recovery customers and a reservation charge of 27 cents per Mcf for gas customer choice customers to be reflected in the company's monthly billings.

MPSC AUTHORIZES CHANGES TO CONSUMERS ENERGY'S NATURAL GAS GROUP TRANSPORTATION PILOT PROGRAM

The Commission approved Consumers Energy's application for modification of its gas transportation customer pooling pilot program and corresponding tariff sheet, which allows gas transportation customers to choose to be aggregated into groups, allowing for easier administration of supplying gas to customers in a group ([Case No. U-21526](#)). The approved modifications will increase the number of contract accounts in a group and increase the number of groups a supplier can administer, allowing for growth in the program while also allowing Consumers to manage complex billing for these accounts.

COMMISSION APPROVES EXTENSION OF DTE GAS CO. CUSTOMER CARBON OFFSET PROGRAM

The MPSC approved DTE Gas Co.'s application to extend for an additional three years its voluntary CleanVision Natural Gas Balance pilot program, through which customers can offset at various levels the carbon emissions from burning natural gas to heat their homes and other uses ([Case No. U-21408](#)). The utility said enrollment in the program is meeting expectations, but the participation is uneven across four levels available. DTE Gas requested additional time to continue the pilot and flexibility to adjust pricing to increase participation at various levels. If enrollment continues to grow and modifications are successful, the utility says it could make the program permanent.

MPSC OKS UPPER PENINSULA POWER CO.'S INTERCONNECTION PROCEDURES, GRANTS TEMPORARY RULES WAIVER

The Commission authorized Upper Peninsula Power Co.'s (UPPCO) application, revised after the passage of Michigan's [2023 energy laws](#), for approval of the utility's interconnection procedures, forms and agreements as well as a temporary two-year waiver of some interconnection rules and changes to some fees ([Case No. U-21477](#)). The Commission directed UPPCO to utilize the Standard Level 1, 2, and 3 Interconnection Agreement approved in July 2024 and the Level 4 and 5 Interconnection Agreement in the company's application, incorporating MPSC Staff's changes, for certified and non-certified projects at all levels.

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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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