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October 24, 2024

Ms. Lisa Felice, Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: MPSC Case No. U-20147 – In the matter, on the Commission’s own motion, to open a docket for certain regulated electric utilities to file their distribution investment and maintenance plans and for other related, uncontested matters.

Dear Ms. Felice:

Attached for electronic filing in the above-captioned matter is **Comments of the Electric Members of the Michigan Electric and Gas Association.**

Very truly yours,

A handwritten signature in black ink that reads "Dan Dundas" with a stylized flourish at the end.

Dan Dundas (P82184)
President
Michigan Electric & Gas Association
dan@megautilities.org

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s own motion,)	
to open a docket for certain regulated electric)	
utilities to file their distribution investment)	Case No. U-20147
and maintenance plans and for other related,)	
uncontested matters.)	
_____)	

Comments of the Electric Members¹² of the Michigan Electric and Gas Association

I. Background

On September 8, 2022, the Commission issued an order in this case (September 8 order) directing DTE Electric Company (DTE Electric), Consumers Energy Company (Consumers), and Indiana Michigan Power Company (I&M) to file their next distribution investment and maintenance plans (distribution plans) no later than September 29, 2023, and for Alpena Power Company and Northern States Power Company to file their first set of distribution plans no later than September 30, 2024. Each company filed their respective plan. Upper Peninsula Power Company is required to file their plan no later than January 31, 2025 under a separate proceeding. The Commission sought comments on DTE Electric’s, Consumers Energy’s, and I&M’s plans in its October 24, 2023 Order in this docket. In its most recent order on September 26, 2024, the Commission summarized the comments and reply comments received by interested parties as well as identifying Staff’s straw proposal that included the following goals:

- “For distribution plans to be filed every three years, with annual updates in the interim to capture deviations and updates to filed distribution plans

¹ The electric utility members of the Michigan Electric and Gas Association are Alpena Power Co., Indiana Michigan Power Co., Northern States Power-Wisconsin, Upper Michigan Energy Resources Corp., and Upper Peninsula Power Co.

² For reference, Indiana Michigan Power Co. is also filing separate comments in this docket.

- (e.g., changes in spending projections, changes in reliability projections, updates to mapping, projected list of projects, etc.);
- For this distribution plan docket to remain as an uncontested case at this time to serve as an informational docket containing forward outlooks that will feed into the utilities’ general rate case filings. All supporting data, exhibits, and testimony will continue to be required in any rate case filings that cite this informational docket, which is designed to present strategic vision and planning goals for each utility;
 - For the opportunity for pre-distribution plan filing meetings to take place between utilities and interested persons so utilities can share their distribution plan details and seek input from interested persons ahead of filing;
 - For comments following the filing of distribution plans to take place 2-3 months after filing; and
 - For comments to approve a proposed distribution plan outline moving forward.”

Commission September 26, 2024 Order Pages 133-134

The Commission invited feedback on the Staff Straw Proposal and the Draft Protective Order.

II. Introduction

The Electric Members of the Michigan Electric and Gas Association (“MEGA” or “Association”) appreciate the work of the Commission and Staff on the creation of the Straw Proposal and the Draft Protective Order. The Association’s members are committed to providing safe, reliable, and affordable energy for all their customers through, among other things, robust distribution planning. MEGA offers these comments in furtherance of those goals.

III. Comments on Staff Straw Proposal

Overall, the Staff Straw Proposal is reflective of the Commission’s direction and the overall aim of the utilities to provide the Commission, Staff, and stakeholders insight into utility planning that will inform their rate case. A general theme of MEGA’s comments will focus on the width and breadth of the data being requested, especially for smaller utilities that do not file rate cases on an annual basis. These filings, while necessary, are labor intensive and most MEGA members have just recently or will soon file their plans in the docket. As such, MEGA requests

the Commission adopt a bright line as it has in the past³ for utilities to file with the updated parameters contained in the Staff Straw Proposal, once adopted. The Commission could set a date for plans filed after to comply with the new requirements. This would be extremely helpful for the smaller utilities in managing their staff resources.

One other important item to note is that many of the provisions require filing data for 10 or 15 years of planning. The Commission recognized that company plans in this docket are “a utility’s strategy for its distribution system over the next 5+ years, with rate cases connecting to and supporting that strategy.” September 26, 2024 Order Page 137. MEGA submits that any 10- or 15-year outlook would require significant staff time for the utility, and would be speculative at best, as those improvements beyond a 5-year horizon would not be even sought for recovery by the utility in its next rate case. This includes Staff’s recommendation in Section IV(a) wherein Staff recommends forecasted reliability metrics be mapped to planned system investments and expected improvements over 10 years. It is not practical to directly map a 10-year projected reliability metric to specific investments, due to the speculative nature and numerous variables involved that impact the results. MEGA recommends the projection horizon be reduced.

Finally, the pre-filing outreach of 12-months seems excessive. While MEGA can appreciate the Commission and the Staff’s need for planning, particularly considering the 2023 Energy Law amendments which are increasing the burdens on Staff resources, MEGA suggests that similar to rate case filings the time be shorter. One year in advance, a utility (if required to file every 3 years) would be giving notice while a plan could still be pending, depending on the pace of the comments and discussion. The Rate Case Filing Requirements require notice at 60 days prior to filing and MEGA suggests something similar as a consideration.

³ The Commission provided for a one-year waiver of some of the new filing requirements in its May 18, 2023 Order in Case U-18238.

Additional comments by heading:

Interested Party Outreach

- MEGA suggests that there be a threshold for public engagement, such as when the company is considering projects over a certain dollar threshold or number of customers impacted. Engagement is good for both the utility and its customers, but smaller utilities have fewer resources to deploy for outreach and engagement.

Distribution Plan and Documentation

- Understanding that the Commission, Staff, and stakeholders seek consistency in data, MEGA submits that there are additional items in the metrics for benchmarking that some utilities do not track for distribution planning purposes such as CELID and CEMI. Some utilities have waivers right now from certain reliability metrics. Further, the Commission's link⁴ to IEEE benchmark data only includes industry reliability data for SAIDI, SAIFI, and CAIDI, not CELID or CEMI. MEGA suggests that the utility be required to provide the benchmarking for the reliability metrics they are currently required to track at the time of the distribution plan filing.
- The Straw Proposal requests reliability metrics by "condition". The metrics for condition are based on the "percentage of customers restored" under each condition while SAIDI/SAIFI/CAIDI are IEEE definitions for outage durations and frequency with and without MEDs. MEGA suggests removing the requirement to report IEEE metrics by "condition."
- For historical outage events affecting >1%, utilities report this data under the U-21122 reporting, and it is for >10% of MEGA members' customers. MEGA recommends that

⁴ <https://www.michigan.gov/mpsc/consumer/electricity/distribution-system-reliability-metrics> IEEE

the data be consistent with currently required reporting to avoid additional labor on data analysis.

- For Operations and Programs, not all utilities create overlay maps of historical distribution investment, and this could require significant time and investment. Further, detailed designs of planned projects may not be complete at the time of Plan filing.
- For Forecasted Reliability Metrics, not all utilities forecast reliability metrics, but rather they set targeted goals for year over year improvement, as planned system investments are aimed to improve reliability systematically and incrementally over time. MEGA suggests that there be some flexibility to allow the utility to demonstrate that the utility is projecting for year over year improvement.
- In Section III(f)(v), Staff requests distribution plans address streetlight/community lighting management, including investment strategy, operations strategy, and light pollution mitigation efforts. In general, utilities do not offer streetlighting or outdoor lighting design and layout services where the potential for any light pollution could be addressed in the design and layout of the lighting fixtures. Typically, customers that request new streetlighting or outdoor lighting service stipulate the type, size, and location of the requested lighting fixture(s) to the utility for installation. In addition, for example, certain MEGA member customers also have special requirements such as “dark sky” policies that are beyond the control of the utility. Therefore, a utility is not able to manage, moderate, or enforce lighting pollution concerns or requirements upon those customers.
- In Section IV(h), Staff is recommending rate impacts related to resilience approach and planning be included in distribution plan filings. MEGA cautions that utilities consider

many factors in determining the value and priority of distribution projects, while also ensuring safety and maintaining reliability, as part of its distribution planning process. Many of these factors may change over time, especially in the projected outer years. With potential changes in assumptions, resulting rate impacts may also change, altering any potential benefit of a rate analysis.

Furthermore, distribution investments related to resilience initiatives are only a subpart of the overall rate impact to customers. Singling out the distribution costs by customer class before the costs are approved and incorporated into rates would require a cost allocation model based on assumptions and costs not yet approved by the Commission in a future rate case. Utilities do provide rate impacts as part of a base rate case, which includes a Distribution Plan that closely aligns with a Five-Year Distribution Plan. Therefore, a rate analysis that only provides a small piece of a much larger picture, and one that is likely to change, is unnecessary and does not make sense. MEGA's members already consider customer affordability in setting their base rates within a rate case.

Finally, staff further requests this section of the distribution plan address grants. MEGA notes that utilities already report every six months efforts with respect to grant applications; to also include in the 5-Year Distribution Plan is redundant, unnecessary, and is likely to be stale and outdated compared to the six-month reports.

IV. Comments on Draft Protective Order

MEGA has no specific comments on the Draft Protective Order and appreciates the Commission and Staff's recognition that some data may be proprietary and necessarily need to be protected.

V. Conclusion

MEGA again thanks the Commission for the opportunity to provide comments on the pending proposals and looks forward to working with the Commission and Staff as they develop this for further implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Dundas", with a stylized flourish at the end.

Dated: October 24, 2024

Daniel Dundas
President
Michigan Electric and Gas Association