

October 24, 2024

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

Re: 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  
Case No. U-20147

Dear Ms. Felice:

Enclosed for filing in the above-referenced matter, please find the Comments of the Citizens Utility Board of Michigan. If you have any questions, please do not hesitate to contact me.

Sincerely,



Amy Bandyk  
Executive Director  
Citizens Utility Board of Michigan

Enclosure

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter, on the Commission's own motion  
open a docket for certain regulated electric utilities to file their  
distribution investment and maintenance plans  
and for other related, uncontested matters

Case No. U-20147

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**COMMENTS OF THE CITIZENS UTILITY BOARD OF MICHIGAN**

The Citizens Utility Board of Michigan thanks the Commission for the opportunity to comment on the Distribution Planning Staff Proposal ("the Proposal"), included as Exhibit A in the Commission's Sept. 26 order in Case U-20147.

Distribution costs continue to be the biggest driver of spending in utility rate cases, and the degree to which distribution grid spending impacts customer bills is likely to become even stronger in coming years. The results of the audit from The Liberty Consulting Group support that prediction. "The targets of both [Consumers Energy and DTE] would require improvements so substantial as to have significant impacts on electricity prices," The Liberty Consulting Group's John Antonuk said in his presentation at the Commission's Sept. 26 meeting.

The Commission's intention in creating electric distribution plans has been to enhance the ability of all parties involved to scrutinize the distribution grid spending that could lead to these significant price increases. The Staff explained in the Proposal that "the goal of electric distribution plans is to provide the Commission, Commission Staff, and other interested parties a comprehensive understanding of anticipated utility needs, priorities, and spending outside of the contested rate case process, and to allow such parties to properly evaluate significant and necessary investments to the utilities' aging distribution systems."

CUB is concerned, however, that the lack of contested case status for distribution plans would make it harder to give distribution grid investments their proper evaluation. We believe that the Proposal could have the unintended consequence of leading to the rubber stamping of

distribution grid spending items that do not pass a cost-benefit test or lack clear justification despite their expense.

In comments on both DTE and Consumers Energy's distribution plans, CUB, the Michigan Environmental Council, the Natural Resources Defense Council and the Sierra Club [MNSC] argued how the distribution plan process would benefit from the attributes of a contested case. But the Proposal calls "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."<sup>1</sup>

Using this docket to evaluate elements of utility distribution plans that will "feed" into rate case filings makes a lot of sense as a way to give distribution grid-related proposals more evaluation than they could receive in rate cases alone, where they would be competing for attention with the host of other issues that come up in rate cases. It does not make sense, however, if the distribution plans are not subject to attributes of contested cases like discovery, testimony under oath, cross examination and fact-finder consideration of the evidence and arguments.

The concern is that if distribution spending proposals are able to "feed" into rate cases without the chance to give them due scrutiny, those proposals could enter those rate cases with a degree of presumption that they should be approved as part of those rate cases.

MNSC's comments outlined numerous examples where proposals from DTE and Consumers Energy's distribution plans lacked justification, but confirming whether or not they are justified requires more extensive analysis of a kind that can only come from attributes of contested cases.

To name just some examples, first, DTE's 2023 distribution plan proposes a wholesale conversion of its 4.8-kV system to 8.3-kV, but did not provide a circuit-level analysis. Conversion may be appropriate on a circuit-by-circuit basis, but DTE provides no information about individual circuits that would allow that analysis to be completed.<sup>2</sup> Such information would need to be collected through a discovery process.

Second, Consumers Energy proposed in its plan to spend \$300 million to inspect poles, replace poles that fail inspection and replace any poles more than 45 years-old regardless of condition. Consumers Energy did not provide evidence showing why poles need to be replaced at 46 years-old or older.<sup>3</sup> Again, it is up to intervenors to compel that information using the discovery process.

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<sup>1</sup> Sept. 26 order, p. 134.

<sup>2</sup> U-20147-0111. "Comments by Michigan Environmental Council, Natural Resources Defense Council, Sierra Club, and Citizens Utility Board of Michigan on DTE Electric Company's 2023 Distribution Grid Plan." March 15, 2024. p. 27-28.

<sup>3</sup> U-20147-0108. "Comments by Michigan Environmental Council, Natural Resources Defense Council, Sierra Club, and Citizens Utility Board of Michigan on Consumers' 2023 Electric Distribution Infrastructure Investment Plan (EDIIP)." Feb. 16, 2024. p. 27.

In both of those examples, while the necessary information gathering could occur during a rate case, at that point it may be more difficult to extract the full information from the utility, who may claim the proposals were already vetted during the distribution grid plan stage and thus need not be belabored at the rate case stage.

In summary, we think the Staff Proposal has erred in not granting any attributes of a contested case to distribution plans, and that doing so could undermine the purpose of these cases: to shed more light on utility distribution grid spending proposals

Thank you again for the opportunity to submit these comments.

Respectfully submitted,

**CITIZENS UTILITY BOARD OF MICHIGAN**