

February 7, 2025

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Post Office Box 30221  
Lansing, MI 48909

**RE: MPSC Case No. U-21859 – In the Matter of the Application of Consumers Energy Company for Ex Parte Approval of Certain Amendments to Rate GPD.**

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned case, please find **Consumers Energy Company's Application and Company Witness Laura M. Connolly's Testimony, Affidavit, and Exhibit**. This is a paperless filing and is therefore being filed only in PDF.

Sincerely,

Anne M. Uitvlugt  
Phone: 517-788-2112  
Email: [anne.uitvlugt@cmsenergy.com](mailto:anne.uitvlugt@cmsenergy.com)

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
**CONSUMERS ENERGY COMPANY** )  
for Ex Parte Approval of Certain Amendments )  
to Rate GPD. )  
\_\_\_\_\_ )

Case No. U-21859

**APPLICATION**

Consumers Energy Company (“Consumers Energy” or the “Company”) requests that the Michigan Public Service Commission (“MPSC” or the “Commission”) issue an order approving certain amendments to the Company’s Rate GPD, as described in this Application. In support of this Application, Consumers Energy states as follows:

1. Consumers Energy is, among other things, engaged as a public utility in the business of generating, purchasing, distributing, and selling electric energy to approximately 1.9 million retail customers in the state of Michigan. The retail electric system of Consumers Energy is operated as a single utility system.

2. Consumers Energy’s retail electric business is subject to the jurisdiction of the Commission pursuant to various provisions of 1909 PA 106, as amended, MCL 460.551 *et seq.*, 1919 PA 419, as amended, MCL 460.54 *et seq.*, and 1939 PA 3, as amended, MCL 460.1, *et seq.* Pursuant to these statutory provisions, the Commission has the power and jurisdiction to regulate Consumers Energy’s retail electric rates and the terms and conditions under which Consumers Energy provides retail electric service.

3. Some new businesses considering locating in Michigan are data centers. A data center consists of a centralized facility used for the management, storage, processing, and distribution of data. Data centers are often massive, energy intense facilities that require large

capital investments to serve their energy needs. Data centers play a role in supporting the modern digital economy by providing the infrastructure for cloud computing, big data analytics, artificial intelligence, and other high-performance computing tasks. The load profile of data centers is unique because, unlike other commercial or industrial businesses that run varying shifts of production or only operate during normal business hours, they require consistent, high levels of demand – operating 24 hours a day, 7 days a week, 365 days a year. Additionally, data center customers are unique in that they are extremely large loads but bring more risk than other Rate GPD customers as these customers are unlike traditional manufacturing customers who take service under Rate GPD. Data centers do not have significant numbers of on-site employees, and do not have significant local supply chain needs, making it easier for data centers to “pick up shop” and reduce or leave the Company’s service. These factors create a greater risk for stranded assets with respect to data center customers than exists for other Rate GPD customers.

4. Due to the unique scale and load profile of data centers, in 2024, the Company proposed an update to the availability of Rate LED and to close that tariff to new data centers which have not already contracted for service under the rate. The Commission approved this request. MPSC Case No. U-21646, June 6, 2024 Order, page 3.

5. Through the filing of this Application, Consumers Energy is proposing to serve data center load growth in a manner that justly and reasonably balances the interests of new data centers with other Consumers Energy customers. More specifically, the Company is proposing changes to address the unique circumstances created by data centers and to ensure that accommodating the growth attributed to data centers does not create unacceptable risks for Consumers Energy or its customers.

6. The Company has reviewed its existing rates and believes that Rate GPD is appropriate for new data centers, with a load of 100MW or more at a single site or aggregated among different sites in the Company's service territory. Keeping future data centers on the same rate allows the Company to designate customers as data centers so that the customers' load shape can be better analyzed. While Rate GPD is reasonable for new data center customers at this time, the Company believes additional protections are necessary due to the size of the data center customer's load and the impacts it could cause to the Company and its other customers.

7. **Project Proposal Fee.** To ensure that potential data center customers cover the costs associated with their project development, the Company requests MPSC authority to charge proposed data center customers an upfront administrative fee, not to exceed \$100,000 per project proposal, on the project proposals made for them. This administrative fee would collect the costs incurred by the Company for the engineering study, supply planning, project management, economic development, and rates support needed to develop a project proposal. The fee will be calculated based on estimated labor hours and hourly labor rates expected to generate the study and supporting materials. There is a significant amount of prospective data center load in the economic development pipeline and considerable time and resources go into preparing an engineering study to determine the most economical solution to serving this potential load. Establishing an upfront administrative fee allows the Company to focus on those prospective customers that are most serious about investing in Michigan.

8. **Fifteen Year Minimum Contract Term.** To address concerns regarding proper planning for the system and help ensure that the data center customer is responsible for the costs of providing service to it, Consumers Energy proposes that a data center customer must enter into a rate contract term for an initial period of at least 15 years in order to receive electric service. The

rate contract shall include a specified Contract Capacity amount and allow for a ramp up period, not to exceed five years, after which the minimum 15-year contract term would commence. A minimum contract term of 15 years reasonably reflects the term of the power supply resources the Company anticipates needing to procure in order to serve new data center loads.

9. **Minimum Billing Demand.** Consumers Energy also proposes that new data center customers be required to pay for a monthly Minimum Billing Demand for the term of their rate contract, to be 80% of the data center's Contract Capacity and applied to their Maximum Demand and On Peak Demand. The Minimum Billing Demand requirement will ensure that investments in the system will be utilized and paid for by the data centers that create the need for such investments rather than placing the risk of paying for the associated incremental investment on other customers should the data center have lower usage than anticipated.

10. **Discretionary Reduction in Contract Capacity.** Consumers Energy requests authority to allow a one-time reduction to a data center's Contract Capacity. Under this provision, the Company proposes that the data center customer have a one-time opportunity to request to reduce its existing Contract Capacity. The Company will grant such request if it determines, in its sole discretion, that the requested reduction would not create a stranded asset or otherwise shift costs to the Company or its other customers.

11. **Increase in Contract Capacity or Suspension of Service.** The Company also requests authority to take action if a data center customer's usage exceeds the Contract Capacity by more than 1,000 kW. If such an increase in usage occurs, it could cause disruptions on the Company's system and negatively impact service for other customers. If an increase in the customer's usage occurs, the Company will assess its system to determine if it has the capacity to serve such added load. If the Company has such capacity, it will adjust the customer's Contract

Capacity -- and its associated Minimum Billing Demand -- to reflect the increased demand. If additional capacity is not available, the Company will inform the customer that it must reduce its usage to its Contract Capacity, and if the customer does not comply, the Company would have the right to suspend service in order to protect its system and other customers.

12. **Financial Security.** The Company will make significant investments to serve new data center customers and must undertake efforts to ensure that the customer is economically viable to pay the costs of such investments. Therefore, the Company is requesting the authority to require financial security from the data center customer if the Company determines such security is appropriate to protect against financial risk.

13. **Exit Fee.** As another security measure, and to help mitigate the risk of stranded costs, Consumers Energy requests authority to charge an exit fee in the event the data center customer stops taking full (generation and distribution) electric service from the Company during the contract term. Under the Exit Fee, the Company would recover from the data center customer a fee which is calculated by multiplying the customer's most recent Minimum Billing Demand by the remaining months in the contract term. This will protect the Company and its other customers in the event the data center stops taking full service during the term of its contract with the Company.

14. The Company will provide an annual report documenting its service to data center customers. Specifically, the annual report will provide information on the number of administrative fees assessed and the number of executed rate contracts. The report will also provide the aggregated data center provision MWs and MWhs in service and the number of reductions and/or increases to capacity requests and associated MWs. Additionally, the report will provide the number of termination of contract notices and the exit fees applied.

15. Concurrently with the filing of this Application, Consumers Energy is filing the written direct testimony of Laura M. Connolly, along with an affidavit, and a draft tariff reflecting the proposed amendments to Rate GPD.

16. The proposed amendments to Rate GPD comply with Michigan law, are reasonable and prudent, and should be approved. Approval of the proposed amendments will not increase any existing rates or the cost of service to other customers. Therefore, the Commission may approve the proposed amendments to the Company's Rate GPD on an *ex parte* basis. MCL 460.6a(1).

17. Consumers Energy has several new data center customers who are considering locating in the Company's service territory. In order to ensure the requested amendments to Rate GPD are in place before the Company enters into contracts to serve new data centers, the Company requests the Commission grant the relief requested in this Application in an expeditious manner. Expeditious consideration and approval of this Application will help protect all customers, and will fairly inform potential data center customers of the terms of electric service that will apply to the rate contracts they execute with the Company.

WHEREFORE, Consumers Energy Company requests that the Michigan Public Service Commission approve the proposed amendments to Rate GPD.

Respectfully submitted,

CONSUMERS ENERGY COMPANY



By:

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Kelly M. Hall  
Deputy General Counsel and Vice  
President, Rates and Regulation

Dated: February 07, 2025



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Jackson, Michigan 49201  
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(517) 788-2112



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Case No. U-21859

VERIFICATION

Kelly M. Hall states that she is Deputy General Counsel and Vice President, Rates and Regulation of Consumers Energy Company; that she has executed the foregoing Application for and on behalf of Consumers Energy Company; that she has read the foregoing Application and is familiar with the contents thereof; that the facts contained therein are true, to the best of her knowledge and belief; and that she is duly authorized to execute such Application on behalf of Consumers Energy Company.



Dated: February 07, 2025

By:

\_\_\_\_\_  
Kelly M. Hall  
Deputy General Counsel and Vice  
President, Rates and Regulation

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Case No. U-21859

**DIRECT TESTIMONY**

**OF**

**LAURA M. CONNOLLY**

**ON BEHALF OF**

**CONSUMERS ENERGY COMPANY**

February 2025

LAURA M. CONNOLLY  
U-21859 DIRECT TESTIMONY

1 **Q. Please state your name and business address.**

2 A. My name is Laura M. Connolly, and my business address is One Energy Plaza, Jackson,  
3 Michigan 49201.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Consumers Energy Company (“Consumers Energy” or the “Company”)  
6 as Director of Regulated Pricing in the Rates and Regulation Department.

7 **Q. Please describe your educational background and business experience.**

8 A. I received a Bachelor of Business Administration degree in Finance in December 2000  
9 from the University of Michigan – Flint. In January 2001, I joined Consumers Energy as  
10 a Rate Analyst in the Revenue Requirements section of the Rates Department, where I held  
11 positions of increasing responsibility. I joined the Cost Analysis, Pricing and Tariff section  
12 of the Rates Department in 2012 and was promoted to Director of Regulated Pricing in  
13 July 2021.

14 **Q. What are your responsibilities as Director of Regulated Pricing for Consumers  
15 Energy?**

16 A. In my current role I oversee the development of the Company’s cost-of-service study  
17 (“COSS”), load research, rate design, and other rate-related analyses.

18 **Q. Have you previously testified before the Michigan Public Service Commission  
19 (“MPSC” or the “Commission”)?**

20 A. Yes. I have filed testimony in the following cases:

21 Case No. U-12575-R Gas Cost Recovery Reconciliation;

22 Case No. U-13220 Gas Cost Recovery Plan;

23 Case No. U-13570 Gas Cost Recovery Plan;

24 Case No. U-13570-R Gas Cost Recovery Reconciliation;

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1	Case No. U-13730	Gas General Rate Case;
2	Case No. U-13916	Gas Cost Recovery Plan;
3	Case No. U-13917-R	Power Supply Cost Recovery (“PSCR”) Reconciliation;
4	Case No. U-14274-R	PSCR Reconciliation;
5	Case No. U-14347	Electric General Rate Case;
6	Case No. U-14403	Gas Cost Recovery Plan;
7	Case No. U-14403-R	Gas Cost Recovery Reconciliation;
8	Case No. U-14701-R	PSCR Reconciliation;
9	Case No. U-14716	Gas Cost Recovery Plan;
10	Case No. U-14716-R	Gas Cost Recovery Reconciliation;
11	Case No. U-15001-R	PSCR Reconciliation;
12	Case No. U-15415-R	PSCR Reconciliation;
13	Case No. U-15454	Gas Cost Recovery Plan;
14	Case No. U-15675-R	PSCR Reconciliation;
15	Case No. U-16045	PSCR Plan;
16	Case No. U-16045-R	PSCR Reconciliation;
17	Case No. U-16736	Energy Optimization Reconciliation;
18	Case No. U-16432	PSCR Plan;
19	Case No. U-16432-R	PSCR Reconciliation;
20	Case No. U-16890	PSCR Plan;
21	Case No. U-17197	Gas General Rate Case;
22	Case No. U-17281	Energy Optimization Reconciliation;
23	Case No. U-17601	Energy Optimization Reconciliation;
24	Case No. U-17688	Public Act 169 of 2014;
25	Case No. U-17735	Electric General Rate Case;

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1	Case No. U-17990	Electric General Rate Case;
2	Case No. U-18322	Electric General Rate Case;
3	Case No. U-20134	Electric General Rate Case;
4	Case No. U-20102	Electric Tax Credit A;
5	Case No. U-20286	Electric Tax Credit B;
6	Case No. U-20563	Demand Response Reconciliation;
7	Case No. U-20889	Securitization of Karn Units 1 and 2;
8	Case No. U-20803	PSCR Reconciliation;
9	Case No. U-21308	Gas General Rate Case;
10	Case No. U-21049	PSCR Reconciliation;
11	Case No U-21321	Energy Waste Reduction Plan
12	Case No U-21258	PSCR Reconciliation; and
13	Case No. U-21585	Electric General Rate Case.

14 **Q. What is the purpose of your direct testimony?**

15 A. The purpose of my direct testimony is to sponsor the proposed changes to the General  
16 Primary Demand (“GPD”) Rate that are necessary to serve new data center load while  
17 protecting other customers.

18 **Q. Are you sponsoring any exhibits?**

19 A. Yes. I am sponsoring the following exhibit:

20 Exhibit A-1 (LMC-1) Proposed Tariff Sheets.

21 **Q. Was this exhibit prepared by you or under your supervision?**

22 A. Yes.

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1 **Q. How does the Company define a “data center”?**

2 A. The Company defines a data center as a centralized facility used for the management,  
3 storage, processing, and distribution of data with a load of 100 MW or more at a single site  
4 or on an aggregated (more than one site in the Company’s service territory) basis.

5 **Q. Why are tariff changes needed to serve new data center load?**

6 A. The Company has seen an influx in requests to serve new data center load over the last  
7 12 months and expects this trend to continue. The Company has data center inquiries that  
8 total over 15 gigawatts of electric load in the economic development pipeline. These are  
9 often massive, energy intensive facilities that require large capital investments on the part  
10 of the utility. This is an unprecedented volume of requests and potential load growth for a  
11 relatively new industry. Data centers require a high level of demand 24 hours a day, 7 days  
12 a week, 365 days a year. They bring initial job growth in the development stage while  
13 employing a small number of permanent, long-term employees as compared to a similarly  
14 sized industrial customer. This rapid load growth is fueled in part by developments in  
15 artificial intelligence which is an evolving technology. It is not known how these needs  
16 will change over time, potentially creating efficiencies that may reduce load needs in the  
17 future. The Company must put tariff provisions in place for data centers to protect other  
18 customers from stranded assets and increased costs should the data center load not  
19 materialize after resources are committed to serve them or the load is not in place for as  
20 long as expected.

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1 **Q. Please explain Exhibit A-1 (LMC-1).**

2 A. Exhibit A-1 (LMC-1) contains, in redlined format, all revisions the Company is proposing  
3 to make to its current electric tariffs in the Company's Rate Book for Electric Service.  
4 These proposals are described in detail below.

5 **Q. What rate does the Company propose to offer to new data center customers?**

6 A. The Company proposes to offer new data center customers service on Rate GPD.

7 **Q. Why does the Company propose to offer Rate GPD to new data center customers?**

8 A. At this time, Rate GPD is the most competitive rate available to this type of load. Keeping  
9 new data centers on the same rate will allow the Company to designate customers as data  
10 centers so that it can analyze their load shape. Once large-scale data centers start to come  
11 online, the Company expects to use the load data to analyze putting data centers in their  
12 own cost of service column and developing a rate specific to data centers.

13 **Q. What language is the Company proposing to be added to the Rate GPD tariff?**

14 A. The Company is proposing the following language be added for data centers:

- 15 • 15-year minimum contract term, commencing after the negotiated ramp up  
16 period;
- 17 • A Minimum Billing Demand Requirement;
- 18 • Financial Security Stipulations;
- 19 • Exit fee requirement;
- 20 • One time reduction to Contract Capacity at the Company's sole discretion;
- 21 • Suspension and/or Contract amendment if the customer uses 1,000 kW or more  
22 above Contracted Capacity; and
- 23 • Upfront administrative fee for project proposal.

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1 **Q. Why is the Company proposing to require a 15-year minimum contract term?**

2 A. The Company must make significant investments in capacity, energy, and distribution to  
3 serve the requested data center load. Many of these investments are long term in nature,  
4 such as Power Purchase Agreements (“PPAs”) and/or building generation assets. Self  
5 build construction of new assets generally includes resources with a 30 year or greater  
6 depreciation schedule while PPAs are generally 15- to 25-year agreements. A 15-year  
7 minimum contract term ensures that the customer that is causing the assets to be procured  
8 is committing to taking service for, and paying for, the assets in place to serve them.

9 **Q. Why is the Company proposing to require a Minimum Billing Demand requirement?**

10 A. A Minimum Billing Demand requirement ensures that the customer the investment was  
11 made to serve is covering the costs of that investment, whether they are using the requested  
12 capacity or not. A data center customer would be required to declare a contracted capacity  
13 amount (“Contract Capacity”). The Minimum Billing Demand would be 80% of the  
14 Contract Capacity. The customer and the Company would agree on a ramp up schedule  
15 and the Minimum Billing Demand requirement would start at the end of the ramp up period  
16 and commence for the length of the 15-year contract.

17 **Q. How would the Minimum Billing Demand requirement be applied?**

18 A. At the end of the defined ramp up period, the customer would be required to pay On Peak  
19 Demand, Transmission, and Max Demand charges based on no less than 80% of the  
20 Contracted Capacity amount, regardless of actual usage.

21 **Q. Please explain the proposed language for financial security.**

22 A. The Company will be making significant investments to serve data center customers.  
23 Before it does so, it must first ensure the customer is economically viable to pay for the



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1 investments needed to serve it. Therefore, the Company is requesting the ability to require  
2 financial security if the Company's standard risk review deems it appropriate.

3 **Q. Why is the Company proposing an Exit Fee?**

4 A. Given the investments needed to serve these customers, there is potential for significant  
5 stranded assets should a customer cease to take full service from Consumers Energy. The  
6 proposed Exit Fee protects other customers from having to pay for those stranded assets.

7 **Q. How would the Exit Fee be calculated?**

8 A. The Exit Fee would be calculated by multiplying the data center customer's Minimum  
9 Billing Demand requirement by the number of months remaining in the term of the  
10 contract, as of the date the customer ceases to take service from the Company.

11 **Q. Please describe the one-time contract change allowance proposal.**

12 A. The Company recognizes that data center customers may not always know their exact load  
13 requirements 15 to 20 years out in the future and outside considerations can impact their  
14 load plans. Therefore, the Company is proposing to include flexibility to allow a data  
15 center customer a one-time reduction to their contracted capacity amount, at the  
16 Company's discretion. The Company would honor the request if doing so does not create  
17 a stranded asset related to investment made to serve the customer's original load request,  
18 or otherwise cause costs to be shifted to other customers.

19 **Q. Why is the Company proposing to suspend service and/or amend the contract if a  
20 customer is using 1,000 kW or above its Contracted Capacity amount?**

21 A. The Company must protect the integrity of its system. If a data center customer is using  
22 above its Contracted Capacity amount, it could cause disruptions in the system and  
23 negatively impact other customers. The proposed tariff language allows the Company to

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1 assess the system in place to serve the customer should their needs be greater than  
2 originally planned. If the additional capacity is available, the Company may seek to adjust  
3 the Contract Capacity amount going forward. If additional capacity is not available, the  
4 Company will inform the data center customer that it must reduce its usage to its Contract  
5 Capacity, and if the customer does not comply, the Company would have the right to  
6 suspend service to the customer.

7 **Q. Why is the Company proposing to assess an upfront administrative fee to provide a**  
8 **project proposal?**

9 A. As mentioned previously, there is over 15 gigawatts of prospective data center load in the  
10 economic development pipeline. This pipeline is made up of requests from over 30  
11 different data center leads. Data center customer requests also ask for information on  
12 multiple sites and for multiple load scenarios. The sites requested are often new and not  
13 previously studied by the Company. Considerable time and resources go into preparing  
14 extensive engineering studies to determine the most economical solution to serving this  
15 potential load. This is different from the Company's typical economic development type  
16 request where customers are looking at one or two sites based on detailed load expectations.  
17 Given the sheer volume and speculative nature of these requests, establishing an upfront  
18 administrative fee allows the utility to focus on those prospective customers that are most  
19 serious about investing in Michigan. This administrative fee collects the costs incurred by  
20 the Company for the engineering study, supply planning, project management, economic  
21 development, and rates support needed to develop a project proposal. The fee will be based  
22 on estimated labor hours and hourly labor rates expected to generate the study and  
23 supporting materials. The Company would cap the fee at no more than \$100,000 per

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1 project proposal to focus on those most serious customers without applying an overly  
2 burdensome fee. After benchmarking other utilities, it was identified that many have or  
3 are in the process of implementing similar fees to deter speculative interest and support  
4 extensive engineering analysis that is required for this level of load requests. These utilities  
5 include Dominion Energy, Duke Energy, ComEd, Arizona Public Service, and Ameren  
6 Illinois.

7 **Q. Why is the Company proposing to amend Rate GPD to include these changes only for**  
8 **new data centers above 100 MW, and not all new Rate GPD customers with very large**  
9 **loads?**

10 A. The Company believes that new large scale data centers are different than other Rate GPD  
11 customers, and that the provisions described herein are tailored specifically to the risks  
12 which new data centers present for the Company and its other customers.

13 **Q. Please explain.**

14 A. Data center customers are unique in that they are extremely large loads but bring more risk  
15 than other Rate GPD customers. Currently the Company's largest Rate GPD customer is  
16 around 28 MW in size. In contrast, some of the data centers inquiring into obtaining service  
17 from Consumers Energy are quoting loads greater than 1,000 MW. The utility investments  
18 needed to serve new data center loads will be substantial, and the Company is seeking  
19 changes to Rate GPD to protect other customers from the risk of stranded investments  
20 associated with data centers and the investments needed to serve them.

21 In addition, the Company believes that data centers are more inclined to reduce or  
22 eliminate electric loads than traditional Rate GPD customers. The data center industry is  
23 rapidly growing and developing, and the computer infrastructure used in data centers is

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1 upgraded or replaced on a relatively frequent basis. Industry reporting suggests this  
2 infrastructure, specifically data center hardware, needs to be refreshed every five years  
3 which is much more often than typical manufacturing equipment.<sup>1</sup> In addition, the  
4 companies developing data centers have numerous locations outside Michigan where they  
5 could transfer the functions of the data centers located in Michigan.<sup>2</sup> Moreover, unlike  
6 traditional manufacturing customers who take service under Rate GPD, data centers do not  
7 have significant numbers of on-site employees, do not have significant local supply chain  
8 needs, making it easier for data centers to “pick up shop” and reduce or leave the  
9 Company’s service. They also do not create significant commercial activity associated  
10 with housing and residential growth, in contrast to large manufacturing customers. These  
11 factors create a greater risk for stranded assets with respect to data centers than exists for  
12 other Rate GPD customers.

13 **Q. Why is the Company requesting expeditious Ex Parte Approval of these tariff**  
14 **revisions?**

15 A. The Company has a number of data center requests in the pipeline. Some of these have  
16 been working with the Company for months and would like to review final contract terms.  
17 Expeditions approval will allow us to move forward with these requests. Having these  
18 provisions in place will help protect all customers. It will also fairly inform potential data  
19 center customers of the terms of electric service that will apply to any rate contracts they  
20 execute with the Company.

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<sup>1</sup> <https://horizontechnology.com/news/data-center-hardware-refresh-cycles/>

<sup>2</sup> <https://www.fortinet.com/resources/cyberglossary/hyperscale>

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1 **Q. Does the Data Center Provision language proposed increase Company rates?**

2 A. No. The Company is proposing to charge data center customers the currently approved  
3 Rate GPD tariff rates. The language proposed serves to provide protections to all  
4 customers against any potential stranded assets from data center load that does not  
5 materialize as expected after the Company has made investments to serve expected load.

6 **Q. Does the Company intend to keep the Commission informed of the participation on**  
7 **the proposed data center provision?**

8 A. Yes, the Company proposes to submit a report annually to the Commission. The data  
9 center report would include:

- 10 i. The number of administrative fees assessed
- 11 ii. The number of executed contract agreements
- 12 iii. Aggregate Data Center Provision MWs in service
- 13 iv. Aggregate Data Center Provision MWhs in service
- 14 v. Notices of reduction to capacity requests and associated MW reduction
- 15 vi. Contracted capacity increases and associated MW increases
- 16 vii. Notice of termination of contract and exit fee applied.

17 **Q. Does this conclude your direct testimony?**

18 A. Yes.

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**AFFIDAVIT OF LAURA M. CONNOLLY**

Laura M. Connolly, being first duly sworn, deposes and says as follows:

1. I am the Director of Regulated Pricing in the Rates and Regulation Department.
2. I am the witness who sponsors the accompanying testimony entitled Direct Testimony of Laura M. Connolly on Behalf of Consumers Energy Company (the "Testimony").
3. The Testimony was prepared by me and under my direction and supervision.
4. If inquiries were made as to the facts in the Testimony I would respond as set forth therein.
5. The Testimony is true and correct to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Laura M. Connolly

Subscribed and sworn to before me this 7<sup>th</sup> day of February, 2025.

\_\_\_\_\_  
Crystal L. Chacon, Notary Public  
State of Michigan, County of Eaton  
My Commission Expires: 05/25/30  
Acting in the County of Jackson

STATE OF MICHIGAN  
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**EXHIBIT**  
**OF**  
**LAURA M. CONNOLLY**  
**ON BEHALF OF**  
**CONSUMERS ENERGY COMPANY**

February 2025

**RATE CATEGORIES AND PROVISIONS**  
 (Continued From Sheet No. D-10.00)

Description	Full Service	Retail Open Access
<b>GENERAL SERVICE PRIMARY RATE GP</b>		
Commercial (Customer Voltage Level 1, 2 or 3)	1200	2200
Industrial (Customer Voltage Level 1, 2 or 3)	1210	2210
<u>Provisions</u>		
Commercial (Customer Voltage Level 1, 2 or 3) Resale	Applicable	Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Educational Institution (GEI)	Applicable	Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Self-Generation (SG) **	1745	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Self-Generation (SG) **	1750	Not Applicable
Net Metering Program	Applicable	Applicable
Distributed Generation Program	Applicable	Applicable
Demand Response Program	Applicable	Not Applicable
Green Generation Program ***	Applicable	Not Applicable
Renewable Energy Credit (REC) Programs	Applicable	Not Applicable
Non-Residential Electric Vehicle Programs	Applicable	Applicable
<b>LARGE GENERAL SERVICE PRIMARY DEMAND RATE GPD</b>		
Commercial (Customer Voltage Level 1, 2 or 3)	1220	2220
Industrial (Customer Voltage Level 1, 2 or 3)	1230	2230
<u>Provisions</u>		
Commercial (Customer Voltage Level 1, 2 or 3) Resale	Applicable	Applicable
Industrial (Customer Voltage Level 1, 2 or 3) Resale	Applicable	Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Aggregate Peak Demand (GAP) **	Applicable	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Aggregate Peak Demand (GAP) **	Applicable	Not Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Educational Institution (GEI) **	Applicable	Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Educational Institution (GEI) **	Applicable	Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Interruptible (GI)	Applicable	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Interruptible (GI)	Applicable	Not Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Self-Generation (SG) **	1755	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Self-Generation (SG) **	1760	Not Applicable
<u>Industrial (Customer Voltage Level 1, 2, or 3) With Data Center</u>	<u>Applicable</u>	<u>Not Applicable</u>
Net Metering Program	Applicable	Applicable
Distributed Generation Program	Applicable	Applicable
Demand Response Program	Applicable	Not Applicable
Green Generation Program ***	Applicable	Not Applicable
Renewable Energy Credit (REC) Programs	Applicable	Not Applicable
Non-Residential Electric Vehicle Programs	Not Applicable	Applicable
<b>GENERAL SERVICE PRIMARY TIME-OF-USE RATE GPTU</b>		
Commercial (Customer Voltage Level 1, 2, or 3)	1280	Not Applicable
Industrial (Customer Voltage Level 1, 2, or 3)	1285	Not Applicable
<u>Provisions</u>		
Commercial (Customer Voltage Level 1, 2 or 3) Resale	Applicable	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) Resale	Applicable	Not Applicable
Commercial with Education Institution (GEI)	Applicable	Not Applicable
Industrial with Education Institution (GEI)	Applicable	Not Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Interruptible (GI)	Applicable	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Interruptible (GI)	Applicable	Not Applicable
Commercial (Customer Voltage Level 1, 2 or 3) With Self-Generation (SG) **	1765	Not Applicable
Industrial (Customer Voltage Level 1, 2 or 3) With Self-Generation (SG) **	1770	Not Applicable
Net Metering Program	Applicable	Not Applicable
Distributed Generation Program	Applicable	Not Applicable
Demand Response Program	Applicable	Not Applicable
Green Generation Program ***	Applicable	Not Applicable
Renewable Energy Credit (REC) Programs	Applicable	Not Applicable
Non-Residential Electric Vehicle Programs	Applicable	Not Applicable

\*\* Provisions shall not be taken in conjunction with the Net Metering Program or Distributed Generation Program.

\*\*\* Closed to new customers, effective April 5, 2019.

(Continued on Sheet No. D-12.00)



**LARGE GENERAL SERVICE PRIMARY DEMAND RATE GPD**  
(Continued From Sheet No. D-66.00)

**Monthly Rate: (Contd)**

**Interruptible Service Provision – Market-Price Option (GI2) (Cont)**

**Conditions of Interruption**

The Company will notify the customer as to the amount of total load on this rider to be curtailed. Load identified as monthly firm service and billed on Rate GPD is not considered as interruptible and does not need to be curtailed under the terms of GI2. Although actual load at time of interruption may vary from contract capacity, the total measured load on this provision shall be subject to curtailment by the Company.

The Company shall provide the Customer at least thirty minutes advance notice of a required interruption, and if possible, a second notice. The notice will be communicated by telephone to the contact numbers provided by the Customer. The Customer shall confirm the receipt of such notice through the automated response process. Failure to acknowledge receipt of such notice shall not relieve the customer of the obligation for interruption under the GI Provision. The customer shall be informed, when possible, of the estimated duration of the interruption at the time of interruption. Within 30 minutes of receiving an interruption notice, the customer shall reduce their total load level by the amount of contracted interruptible capacity or have the total facility subject to interruption.

Any load designated as interruptible by the customer may require the installation and maintenance of equipment that allow the Company to remotely interrupt the customer's load. If the company determines it is required to install and maintain equipment at the customer's site to comply with any requirements associated with the GI service provision then it shall do so at the customer's expense. In addition, the customer shall also adhere to any advance notification requirements the Company deems are necessary to comply with its obligations to MISO under this provision.

Any load designated as interruptible by the customer is also subject to Midcontinent Independent System Operator's Inc. (MISO) requirements for Load Modifying Resources and the Company shall inform the Customer of such MISO requirements. Interruption under this provision may occur if MISO declares a Maximum Generation Emergency Event that requires deployment of Load Modifying Resources in accordance with the currently effective MISO Emergency Electrical Procedure or NERC Emergency Event Alert 2 notice indicating that MISO is experiencing or expects to experience a shortage of economic resources and the Company has declared Emergency Status. Participation in the GI provision does not limit the Company's ability to implement emergency electrical procedures as described in the Company's Electric Rate Book including interruption of service as required to maintain system integrity.

Under this provision, the customer shall be interrupted at any time, on-peak or off-peak, the Company deems it necessary to maintain system integrity. The Company shall provide notice in advance of probable interruption, and if possible, a second notice of positive interruption. The notice will be communicated by telephone to the contact numbers provided by the Customer. The Customer shall confirm the receipt of such notice through the automated response process. Failure to acknowledge receipt of such notice shall not relieve the Customer of the obligation for interruption under the GI2 provision. The customer shall be informed, when possible, of the estimated duration of the interruption at the time of interruption.

The Company shall not be liable for any loss or damage caused by or resulting from any interruption of service under this provision.

Interruptions beyond the Company's control, described in Rules C1.1, Character of Service, and C3., Emergency Electrical Procedures, of the Company's Electric Rate Book, shall not be considered as interruptions for purposes of this provision.

Should the Company be ordered by Governmental authority during a national emergency to supply firm instead of interruptible service, billing shall be made on an applicable firm power schedule.

**Cost of Customer Non-Interruption**

Failure by a customer to comply with a system integrity interruption order of the Company shall be considered as unauthorized use and billed at (i) the higher of the actual damages incurred by the Company or (ii) the rate of \$25.00 per kW for the highest 15-minute kW of Interruptible On-Peak Billing demand created during the interruption period, in addition to the prescribed monthly rate. In addition, the interruptible contract capacity of a customer who does not interrupt within one hour following notice shall be immediately reduced by the amount which the customer failed to interrupt, unless the customer demonstrates that failure to interrupt was beyond its control.

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**LARGE GENERAL SERVICE PRIMARY DEMAND RATE GPD**

**(Continued From Sheet No. D-67.00)**

**Monthly Rate: (Contd)**

**Data Center Provision:**

**Availability**

A Data Center is defined as a centralized facility used for the management, storage, processing, and distribution of data with a load of 100MW or more at a single site or aggregated among more than one site in the Company's service territory. In order to receive electric service from Consumers Energy, a Data Center Customer must agree to a rate contract term for an initial period of a minimum of fifteen (15) years from the initial service date for billing purposes. The minimum contract term shall commence after a negotiated ramp-up period not exceeding five (5) years, as determined by the Company. The ramp-up period will be specified at the time of contract execution and will be included in the contract terms.

Consumers Energy is authorized to require additional financial security from Data Center customers receiving service under this rate, including other collateral in amounts up to the projected cost of providing service for the term of the rate contract. The authorization in this paragraph does not limit the Company's other authority to impose other financial security requirements from customers.

**Minimum Billing Demand**

The Company shall require a monthly Minimum Billing Demand of 80% of the Contract Capacity, defined as the amount of capacity reserved for the Data Center Customer. The Minimum Billing Demand shall be applicable to both the Maximum Demand and On-Peak Billing Demand for the term of the rate contract. The Data Center Customer's Maximum Demand and On-Peak Billing Demand shall not be less than the Customer's Minimum Billing Demand, regardless of the Customer's actual usage.

**Contract Capacity**

The Data Center Customer shall specify the amount of capacity to be reserved for its use in its rate contract with the Company, which is defined as the Contract Capacity.

The Company reserves the right, at its sole discretion, to allow a one-time reduction to the Contract Capacity if requested by the Data Center. A requested reduction to Contract Capacity will be granted if the reduction will not result in cost increases for the Company or its other customers, and will be documented in an amendment to the rate contract.

If the Data Center Customer's usage exceeds the Contracted Capacity by 1,000 kW or more, the Company shall amend the contract to reflect the increased usage if the Company determines it has the capacity to serve the additional load without negatively impacting other customers or the Company. If the Company determines it does not have capacity to serve the additional load without negatively impacting other customers or the Company, it shall inform the Customer that it must reduce its usage to its Contract Capacity. If the Customer does not comply with the request to reduce its usage to its Contract Capacity, the Company is authorized to suspend service to the Customer until the Customer complies with the requirement to limit its usage to its Contract Capacity.

The Data Center Customer will be responsible for any additional costs incurred due to changes in the Contract Capacity and usage above its Contract Capacity.

**Administrative Fee**

At the Company's discretion, an Administrative Fee may be imposed to cover the costs associated with providing project proposals to Data Center customers. This fee will be charged directly to the entity requesting the proposal and is non-refundable. The Administrative Fee shall be capped at \$100,000 per project proposal.

**Exit Fee**

In the event the Data Center Customer ceases to take power supply service from the Company at the Customer's Facility, the Company shall be entitled to recover an Exit Fee from the Customer. The Exit Fee shall be calculated by multiplying the Minimum Billing Demand by the number of months remaining in the rate contract term as of the date the Customer ceases to take power supply service from the Company. The Company may reduce the Exit Fee if it determines, in its sole discretion, that the loss of Customer's load will not harm the Company or its other customers.

(Continued on Sheet No. D-68.00)

**LARGE GENERAL SERVICE PRIMARY DEMAND RATE GPD**  
(Continued From Sheet No. D-67.00~~10~~)

**Monthly Rate: (Contd)**

**Net Metering Program:**

The Net Metering Program is available to any eligible customer as described in Rule C11.2., Net Metering Program, who desires to generate a portion or all of their own retail electricity requirements using a Renewable Energy Resource as defined in Rule C11.2.B., Net Metering Definitions.

A customer who participates in the Net Metering Program is subject to the provisions contained in Rule C11.2., Net Metering Program.

**Distributed Generation Program:**

The Distributed Generation Program is available to any eligible customer as described in Rule C 11.3., Distributed Generation Program, who desires to generate a portion or all of their own retail electricity requirements using a Renewable Energy Resource as defined in Rule C 11.3.B., Distributed Generation Definitions.

A customer who participates in the Distributed Generation Program is subject to the provisions contained in Rule C 11.3., Distributed Generation Program.

**Green Generation Program:**

Customer contracts for participation in the Green Generation Program shall be available to any eligible customer as described in Rule C10.2, Green Generation Program.

A customer who participates in the Green Generation Program is subject to the provisions contained in Rule C10.2, Green Generation Program.

**Renewable Energy Credit (REC) Programs:**

These programs provide customers with the opportunity to subscribe to the environmental attribute of renewable energy by offering customers the ability to utilize renewable energy credits to match up to 100% of their total annual energy.

A customer that participates in one of the Renewable Energy Credit (REC) Programs is subject to the provisions contained in Rule C10.7., Renewable Energy Credits (REC) Programs.

**Non-Residential Electric Vehicle Programs:**

The Non-Residential Electric Vehicle Programs are available to any eligible customer as described in Rule C19.2., Non-Residential Electric Vehicle Programs.

M.P.S.C. No. 14 – Electric  
Consumers Energy Company

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**LARGE GENERAL SERVICE PRIMARY DEMAND RATE GPD**  
(Continued From Sheet No. D-68.00)

**Monthly Rate: (Contd)**

**Self-Generation (SG):**

To be eligible for Self-Generation, a Customer with a generating installation operating in parallel with the Company's system, must meet the requirements described in Rule C 11.1., Self-Generation.

**General Terms:**

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00.

**Minimum Charge:**

The System Access Charge included in the rate, and applicable any non-consumption based surcharges. [Data Center customers shall also be required to meet the Minimum Billing Demand.](#)

**Due Date and Late Payment Charge:**

The due date of the customer bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance, net of taxes, shall be assessed to any bill which is not paid on or before the due date shown thereon.

**Term and Form of Contract:**

For customers with monthly demands of 300 kW or more, all service under this rate may require a written contract with a minimum term of one year.

For customers with monthly demands of less than 300 kW, service under this rate shall not require a written contract except for: (i) service under the Resale Service Provision, (ii) service under the Green Generation Program, (iii) service under the Educational Institution Service Provision, (iv) service under the Aggregate Peak Demand Service Provision, (v) service under the Interruptible Service Provision, (vi) service under the Demand Response Program or (vii) at the option of the Company. If a contract is deemed necessary by the Company, the appropriate contract form shall be used and the contract shall require a minimum term of one year.

[Customers participating in the Data Center Provision shall require a written rate contract with an initial term of at least fifteen years, which initial term shall begin after any applicable ramp up period specified in the rate contract.](#)

A new contract will not be required for existing customers who increase their demand requirements after initiating service, unless new or additional facilities are required or service provisions deem it necessary.

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