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Commission approves \$153.8M for Consumers Energy to improve grid reliability, reduce outages and improve service

The Michigan Public Service Commission today approved a \$153,809,000 increase in revenue for Consumers Energy Co., authorizing a number of investments aimed at reducing power outages and making the utility's electric grid more reliable and resilient ([Case No. U-21585](#)).

Today's order represents a more than 52% reduction from the amount Consumers had sought: a combined \$325 million, with \$303 million through rates and \$22 million in a separate 12-month surcharge for distribution deferral.

Rates are approved to take effect April 4. A typical residential customer using 500 kWh a month will see an increase of \$2.78, or 2.79%, on their monthly bill.

The Commission approved a number of investments meant to improve reliability of the electric grid and reduce customer outages:

- Fully funding the \$125,086,000 proposed by the company for tree trimming while also directing Consumers to better consider the benefits of accelerating vegetation management efforts to a four-year fixed tree trimming cycle, something the company's own analysis found was the optimal cycle length.
- Low-voltage distribution (LVD) investments specifically targeted at reducing the number of customers who experience frequent outages. In 2023, 10.7% of Consumers customers experienced four or more outages per year. The LVD investments are aimed at reducing that number to 6% of customers, consistent with the MPSC's Service Quality Rules.
- High-voltage distribution investments designed to improve grid reliability through capacity upgrades, new tools and technology.
- \$86,347,000 for year two of restricted, proactive recovery of strategic distribution investments for LVD line reliability, resilience, and system protection via an investment recovery mechanism.
- System modernization that will allow Consumers to more quickly learn where faults are on the grid and automatically reroute power, helping to isolate the impact of disruptions and minimize customer outages.

The Commission also accepted Consumers' Environmental Justice Resiliency Plan and directed the company to include a regression analysis in future electric rate cases and distribution planning cases.

Today's order adopts enhancements to Consumers' transportation electrification program for electric vehicles (EVs). Among the enhancements are utilization of the North American Charging Standard and expansion of EV-charging rebate options for income-qualified residential customers.

The Commission also directed Consumers Energy to explore, along with other regulated electric and natural gas utilities, changes to summertime extreme weather policies, such as prohibitions on shutoffs during periods of extreme heat. Potential changes will be explored comprehensively in future activity in Case No. U-20140.

The Commission authorized a return on common equity of 9.9% and a capital structure of 50% equity and 50% debt. The utility had sought a return on common equity of 10.25% and a capital structure of 49.25% debt to 50.75% equity.

Intervenors in the case were the Michigan Department of Attorney General; Michigan Cable Telecommunications Association; Citizens Utility Board of Michigan; Michigan Environmental Council; National Resources Defense Council; Sierra Club; Ecology Center; Environmental Law and Policy Center; Union of Concerned Scientists; Vote Solar; Energy Michigan; Foundry Association of Michigan; Michigan Energy Innovation Business Council; Institute for Energy Innovation; Advanced Energy United; Urban Core Collective; Michigan Electric Transmission Co.; Michigan Municipal Association for Utility Issues; Association of Businesses Advocating Tariff Equity; Michigan State Utility Workers Council; Great Lakes Renewable Energy Association; Hemlock Semiconductor Corp; Kroger Co.; and Walmart Inc. MPSC Staff also participated.

COMMISSION APPROVES ANNUAL ADJUSTMENT TO DTE ELECTRIC CO. SECURITIZATION SURCHARGES

The MPSC today approved DTE Electric Co.'s annual true-ups of its securitization charges related to \$238.5 million of costs for retirement of its River Rouge coal-fired generation site and a surge in tree trimming to reduce power outages ([Case No. U-21015](#)). The Commission approved the securitization of those costs in 2021, projecting that it would save ratepayers \$27 million. The Commission required periodic true-ups of the surcharges to ensure amounts collected are sufficient to service securitization bonds. Today's order authorizes DTE Electric to implement the adjustments effective for bills on and after the April 2024 billing month.

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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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