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April 17, 2025

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

**Via Electronic Filing**

RE: Alpena Power Company  
MPSC Case No. U-21912 – *In the matter of the Petition of **ALPENA POWER COMPANY** for a temporary waiver of the customer accommodation provisions of the Service Quality and Reliability Standards for Electric Distribution Systems because of an interruption in service caused by a major system failure and an “act of God,” pursuant to R 460.751 and R 460.752.*

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned case, please find Alpena Power Company’s Petition.

This is a paperless filing and is therefore being filed only in PDF.

Please contact me at [tmgulden@bfwlawfirm.com](mailto:tmgulden@bfwlawfirm.com) if you have questions, and thank you for your assistance.

Sincerely,

Timothy M. Gulden  
Attorney for Alpena Power Company

TMG/tsm  
Enclosure

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Petition of **ALPENA POWER COMPANY**)  
for a temporary waiver of the customer accommodation )  
provisions of the Service Quality and Reliability Standards )  
for Electric Distribution Systems because of an interruption )  
in service caused by a major system failure and an “act of )  
God,” pursuant to R 460.751 and R 460.752. )  
\_\_\_\_\_ )

Case No. U-21912

PETITION

Alpena Power Company (“Petitioner”) respectfully requests the Michigan Public Service Commission (“Commission”) to approve a temporary waiver of the customer accommodation provisions of the Service Quality and Reliability Standards for Electric Distribution Systems (“SQR Standards”) because of an interruption in service caused by a major system failure and an “act of God.” In support thereof, Petitioner states:

1. Petitioner is a private investor-owned Michigan utility corporation with its principal office located in the City of Alpena, Michigan, supplying electric service to its customers (approximately 16,750) within its service area, which includes: the City of Alpena; the Townships of Alpena, Green, Long Rapids, Maple Ridge, Ossineke, Sanborn, Wellington, and Wilson in the County of Alpena; the Township of Presque Isle in Presque Isle County; the Township of Caledonia in Alcona County; and the Village of Hillman and Township of Hillman in Montmorency County, all in the State of Michigan.

2. Jurisdiction is pursuant to Sections 1, 2, 6, 7, and 8 of 1909 PA 106, as amended, MCLA 460.551 et seq.; 1909 PA 300, as amended, MCLA 462.2 et seq.; Sections 3 and 4 of 1919 PA 419, as amended, MCLA 460.51 et seq.; Sections 4, 6 and 6a of 1939 PA 3, as amended, MCLA 460.1 et seq.; 1982 PA 304, as amended, MCLA 460.6a, 460.6b, 460.6j, 460.6k, 460.6l and 460.6m; 2008 PA 295, MCLA 460.1001 et seq; 1969 PA 306, as amended, MCLA 24.201 et

seq.; the Commission's Rules of Practice and Procedure, 1979 Administrative Code, R 460.17101 et seq.; and Rules 51 and 52 of the SQR Standards (R 460.751 and R 460.752).

3. Beginning on March 28, 2025, Petitioner's entire service territory experienced impactful weather conditions that resulted in extreme and severe ice accumulation, high winds, downed trees and tree damage, impassable roads, downed and damaged power poles, lines, and related equipment, and damaged transformers.

4. The ice storm caused two grid scale outages: (a) the Alpena Station grid from approximately 12:00 a.m. to 7:00 a.m. on March 30, 2025; and (b) the Northern Michigan grid from approximately 9:19 a.m. on March 30, 2025, to 7:00 p.m. on March 31, 2025.

5. On March 30, 2025, Michigan Governor Gretchen Whitmer activated the State Emergency Operations Center; and, on March 31, 2025, she issued a Declaration of State of Emergency, which provided that "[b]eginning on March 28, 2025, and, in some areas, lasting through March 30, 2025, northern Michigan experienced impactful winter weather that resulted in extreme and severe ice accumulation that had significant impacts to critical services throughout the region. In particular, the region has suffered widespread power outages, including the loss of backup generators; loss of phone and cellular services; and impassable roads due to downed trees and other debris."

6. On April 11, 2025, Governor Whitmer requested a Presidential Emergency Declaration for the areas impacted by the ice storm, including Petitioner's service territory.

7. The ice storm resulted in approximately 97,000,000 outage minutes for Petitioner's customers.

8. Petitioner worked diligently to restore service to its customers, with the assistance of Petitioner's personnel, mutual aid labor and equipment, contractor labor and equipment, and National Guard assistance, and Petitioner steadily restored services from March 31, 2025, onward, with full service restoration occurring on April 10, 2025.

9. On April 10, 2023, the rules governing the SQR Standards were amended. According to the Commission's March 17, 2022, Order issued in Case No. U-20629, "[t]he primary purpose of these amendments is to update the existing ruleset to improve wire down response times, mandate outage credits to qualifying customers, discourage long duration distribution system outages and allow the Commission greater transparency for reviewing the power quality and reliability performance of Michigan utilities."

10. As a result of the ice storm, Petitioner's customers experienced "sustained interruptions" caused by "catastrophic conditions," within the meaning of Rule 2(c)(i) and (ii) and Rule 2(u) of the SQR Standards (R 460.702(c)(i) and (ii); R 460.702(u)).

11. According to Rule 44(1) of the SQR Standards (R 460.744(1)), "[u]nless an electric utility ... requests a waiver pursuant to part 5 of these rules, an electric utility ... that fails to restore service to a customer within 96 hours after the start of a sustained interruption that occurred during the course of catastrophic conditions shall provide any affected customer with a bill credit on the customer's bill within 90 days."

12. According to Rule 46(1) of the SQR Standards (R 460.746(1)), "[u]nless an electric utility ... requests a waiver pursuant to part 5 of these rules, a customer of an electric utility ... that experiences 6 or more sustained interruptions in a 12-month period is entitled to a billing credit on the customer's bill within 90 days."

13. Rule 51(1) of the SQR Standards (R 460.751(1)) provides that an electric utility may petition the Commission for a temporary waiver from the applicable rules when specific circumstances beyond the control of the electric utility render compliance impossible or when compliance would be unduly economically burdensome or technologically infeasible.

14. Rule 51(3)(c) of the SQR Standards (R 460.751(3)(c)) provides that an electric utility need not meet the standards or grant the customer credits required by the applicable rules when the problem was caused by an "act of God." This rule defines the term "act of God" as "an event

due to extraordinary natural causes so exceptionally unanticipated and devoid of human agency that reasonable care would not avoid the consequences....”

15. Further, according to Rule 51(3)(d) of the SQR Standards (R 460.751(3)(d)), an electric utility need not meet the standards or grant the customer credits required by the applicable rules when “[t]he problem was due to a major system failure....”

16. As a result of the catastrophic conditions, some of Petitioner’s customers experienced service interruptions beyond the 96-hour restoration time period set forth in Rule 44(1) of the SQR Standards (R 460.744(1)).

17. As a result of the ice storm and the catastrophic conditions, some of Petitioner’s customers experienced 6 or more sustained interruptions in a 12-month period, within the meaning of Rule 46(1) of the SQR Standards (R 460.746(1)).

18. Petitioner requests a temporary waiver of the customer accommodation requirements which call for a bill credit on the affected customers’ bills within 90 days, because, as result of the ice storm and the catastrophic conditions, specific circumstances beyond the control of Petitioner rendered compliance impossible, and when compliance would be unduly economically burdensome to Petitioner because of the amount of the potential bill credits in relation to the size of Petitioner, within the meaning of Rule 51(1) of the SQR Standards (R 460.751(1)).

19. In addition, Petitioner requests a temporary waiver of the customer accommodation requirements which call for a bill credit on the affected customers’ bills within 90 days, because, as result of the severe ice storm and the catastrophic conditions, the problem was caused by an “act of God,” within the meaning of Rule 51(3)(c) of the SQR Standards (R 460.751(3)(c)).

20. In addition, Petitioner requests a temporary waiver of the customer accommodation requirements which call for a bill credit on the affected customers’ bills within 90 days, because, as result of the severe ice storm and the catastrophic conditions, the problem was caused by a major system failure, within the meaning of Rule 51(3)(d) of the SQR Standards (R 460.751(3)(d)).

21. Applicant has attached hereto the testimony of Kenneth A. Dragiewicz in support of this Petition.

22. According to Rule 52(1) of the SQR Standards (R 460.752(1)), a petition for a waiver of a customer credit provision must be handled as a contested case proceeding.

WHEREFORE, Petitioner respectfully requests that the Commission:

1. Accept for filing this Petition in accordance with Rules 51 and 52 of the Service Quality and Reliability Standards for Electric Distribution Systems (R 460.751 and R 460.752).

2. Upon acceptance of the filing of this Petition, fix an early time and place for hearing and give notice thereof in accordance with the laws and rules of practice established by the Commission.

3. Promptly make such investigations as it may deem necessary or advisable in the circumstances.

4. Find that the customer accommodation exceptions set forth in Rules 51(1), 51(3)(c), and 51(3)(d) of the SQR Standards (R 460.751(1), R 460.751(3)(c), and R 460.51(3)(d)) should be applied in this case.

5. Approve the Petition for a temporary waiver of the customer accommodation provisions of the Service Quality and Reliability Standards for Electric Distribution Systems.

6. Grant Petitioner such other and additional relief as the Commission may deem reasonable and appropriate.

Dated:

April 17, 2025

Respectfully submitted,

ALPENA POWER COMPANY

By: \_\_\_\_\_  
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TESTIMONY OF KENNETH A. DRAGIEWICZ  
ON BEHALF OF  
ALPENA POWER COMPANY

1 **Q. State your name and business address.**

2 A. Kenneth A. Dragiewicz, Alpena Power Company, 401 N. Ninth Avenue, Alpena, Michigan 49707.

3 **Q. What is your educational background?**

4 A. I graduated in 1998 from Michigan State University with a Bachelor of Science Degree in Electrical  
5 Engineering. In 2003, I received an MBA from Saginaw Valley State University.

6 **Q. What is your position with Alpena Power Company?**

7 A. I am President, and Chief Operating Officer.

8 **Q. Please state your past work experience with Alpena including your present duties and  
9 responsibilities.**

10 A. I was employed by Alpena in March 2014 as an Electrical Engineer. I was promoted to Assistant Vice  
11 President in April 2016, promoted to Vice President in June 2017, promoted to Executive Vice President  
12 and became a Director of Alpena Power Company in April 2020, and promoted to President and Chief  
13 Operating Officer on June 1, 2021. My responsibilities include general management of Alpena Power  
14 Company. This involves providing direction in daily and long-term planning, developing policies and  
15 structure, directing, and coordinating employee activities, and managing a competent and knowledgeable  
16 workforce, all with the goal of maintaining low cost and reliable service to our customers and providing a  
17 fair return to our shareholders.

18 **Q. Have you previously testified in any proceedings before this Commission?**

19 A. Yes, I testified on behalf of Alpena in the following cases:

- 20 • U-18324 – General Rate Case
- 21 • U-21045 – General Rate Case
- 22 • U-20874 – Energy Waste Reduction Plan
- 23 • U-21320 – Energy Waste Reduction Plan
- 24 • U-21204 – Energy Waste Reduction Reconciliation

- 1 • U-21311 – Energy Waste Reduction Reconciliation
- 2 • U-21140 – Renewable Energy Plan
- 3 • U-21196 – Renewable Portfolio Standard Reconciliation
- 4 • U-21351 – Renewable Portfolio Standard Reconciliation
- 5 • U-18089 – PURPA Biennial Review
- 6 • U-18350 – Voluntary Green Pricing Program
- 7 • U-21483 – Interconnection Procedures
- 8 • U-21488 – General Rate Case
- 9 • U-21548 - Renewable Portfolio Standard Reconciliation
- 10 • U-21556 - Energy Waste Reduction Reconciliation
- 11 • U-21794 – Distributed Generation Tariff Update
- 12 • U-21846 - Renewable Energy Plan
- 13 • U-21828 - Renewable Portfolio Standard Reconciliation

14 **Q. Please briefly describe Alpena’s business and operations.**

15 A. Alpena is a private investor-owned Michigan utility corporation with its office located in the City of Alpena,  
16 Michigan, supplying electric service to approximately 16,750 customers in the Northeastern Lower  
17 Peninsula of Michigan. Alpena purchases 100% of its electric power requirements through existing  
18 contracts with CMS Energy Resource Management Company (“CMS ERM”) approved in Case No. U-  
19 20300 Thunder Bay Power Company approved in Case No. U-21094, Wolverine Electric Power  
20 Cooperative approved in Case No. U-20300, and when available, from certain large industrial customers  
21 under rates established under special contracts. Alpena does not own any generation assets.

22 **Q. Are Alpena’s present rate schedules on file with this Commission?**

23 A. Yes. Alpena presently serves its electric customers under rates and charges as ordered by the Commission  
24 in its July 23, 2024 Order Approving Settlement Agreement in Case No. U-21488 (Alpena’s last completed  
25 general rate case); February 11, 2025 Order Approving Settlement Agreement in Case No. U-21590  
26 (Alpena’s 2025 PSCR Plan); December 1, 2023 Order Approving Settlement Agreement in Case No. U-

1 21320 (Alpena’s 2023 Energy Waste Reduction Plan); and January 20, 2022 Order Approving Settlement  
2 Agreement in Case No. U-21140 (Alpena’s 2021 Renewable Energy Plan).

3 **Q. What is the purpose of your testimony in this proceeding?**

4 A My Testimony will address the following:

5 (a) A description of the weather events and resulting power outages from March 29, 2025, through April  
6 10, 2025

7 (b) A description of the damage to Alpena’s distribution system

8 (c) Describe the causes of the damage to the distribution system and the systems Alpena has in place to  
9 avoid this type of damage

10 (d) A summary of the transmission grid outages experience by Alpena

11 (e) A summary of the resources utilized to restore outages

12 (f) An estimate of the outage minutes experienced by Alpena’s customers during the ice storm and  
13 description of how outage minutes are calculated

14 (g) An estimate of the total amount of outage credits

15 (h) A summary of why Alpena believes the exemptions should apply to outages caused by this historic ice  
16 storm

17 **Description of the weather event in Alpena’s service territory**

18 **Q. Please describe the weather event that began on March 28<sup>th</sup>, 2025, and the impact it had to Alpena’s  
19 service territory.**

20 A. Beginning in the late-night hours of March 28<sup>th</sup> and continuing through April 1, 2025, Alpena’s entire  
21 service territory experienced multiple rounds of freezing rain, ice accumulation, strong and gusty winds,  
22 sleet, and snow.

23 **Q. How much ice accumulation was observed in the service territory?**

24 A. During my damage assessments of the service territory, ice accumulations ranged from 1/4” on the Lake  
25 Huron shoreline to greater than 3/4” inland.

26 **Q. Did the weather event impact other areas in Michigan?**

1 A. Yes, this ice storm affected much of Northern Lower Michigan. On March 30, 2025, Governor Whitmer  
2 activated the State Emergency Operations Center to coordinate assistance. On March 31, 2025, Governor  
3 Whitmer issued a State of Emergency Declaration for 10 Northern Michigan counties and later expanded  
4 the Emergency Declaration to two additional counties.

5 **Q. Is Alpena's service territory located in the area covered by the Emergency Declaration?**

6 A. Yes, Alpena serves customers in 4 counties: Alpena, Alcona, Montmorency, and Presque Isle, all of which  
7 are included in the Emergency Declaration.

8 **Description of the damage to Alpena's distribution system**

9 **Q. Describe the damage to Alpena's distribution system.**

10 A. The damage to the distribution system caused by the storm included broken poles, damaged distribution  
11 transformers, broken crossarms, downed primary wire, downed secondary and service wire, and, to the  
12 largest extent, trees on primary, secondary and service wires.

13 **Q. How many poles were replaced during storm restoration?**

14 A. Alpena replaced 32 poles during storm restoration.

15 **Q. How many distribution transformers were replaced during storm restoration?**

16 A. Alpena replaced 18 distribution transformers during storm restoration.

17 **Q. How many crossarms were replaced during storm restoration?**

18 A. Alpena replaced 22 crossarms during restoration.

19 **Q. How much primary, secondary, and service wire was affected by the storm?**

20 A. Alpena is still in the process of calculating the total amount of primary, secondary, and service wires  
21 affected by the storm, but estimates are in the hundreds of miles.

22 **Causes of damage to Alpena's distribution system**

23 **Q. How did the amount of damaged equipment compare to other Northern Michigan Utilities?**

24 A. The number of damaged poles, transformers and crossarms is significantly less than other utilities, but I  
25 believe the number of miles of line affected and tree damage are in line with other utilities when comparing  
26 the different sizes of the distribution systems.

1 **Q. What was the primary cause of pole, transformer, and crossarm failures?**

2 A. Of the 32 poles that were replaced during the storm, only one was determined to be caused by the weight  
3 of ice alone. The other 31 poles, transformers, and crossarms were damaged as a result of trees and branches  
4 falling onto primary, secondary and service lines.

5 **Q. In your opinion, what was the extent of tree damage in Alpena’s service territory?**

6 A. The tree damage from the ice storm was significantly more severe than anything I have ever experienced.  
7 Throughout the damage assessment phase of restoration, I observed a majority of our service territory and  
8 witnessed circuits and feeders with trees and branches on nearly every span of wire. There are areas of our  
9 service territory where a majority of trees are damaged, which is similar to reports of other areas in Northern  
10 Michigan.

11 **Q. Does Alpena have a vegetation management plan in place to protect its distribution system from  
12 damage during weather events?**

13 A. Yes, Alpena has a vegetation management plan that was described extensively in Alpena’s Distribution  
14 System Plan filed on September 30, 2024, in Case No. U-20147. In summary, Alpena has committed to a  
15 policy of ground to sky right of way clearing with the width depending on the line type and voltage.  
16 Overhead primary distribution is cleared to 15’, 34.5 kV high voltage distribution is cleared to 25’, and 138  
17 kV high voltage distribution is cleared to 50’.

18 **Q. Was the vegetation management plan effective when faced with a storm of this magnitude?**

19 A. While removal of vegetation overhang certainly helped reduce damage, many issues were caused by healthy  
20 trees located outside of the right of way that either fell into the right of way or bent into the power lines due  
21 to the weight of ice they were carrying. I witnessed lines with full ground to sky clearance to 15’ with trees  
22 on nearly every span of wire.

23 **Summary of grid scale outages**

24 **Q. Describe how Alpena’s distribution system is connected to the Michigan Electric Transmission  
25 Company (“METC”) transmission system.**

26 A. Alpena has two connections to METC’s transmission system. The first is at the Progress Street Substation

1 in Hillman, MI. That substation provides power to the Village of Hillman and serves about 450 customers.  
2 The rest of Alpena's 16,750 customers are served through METC's Alpena Substation located in the Charter  
3 Township of Alpena.

4 **Q. Does Alpena own any generation, or is there generation on Alpena's system that can back up the grid**  
5 **connection?**

6 A. Alpena does not own any generation assets. There is third party owned generation on Alpena's system, but  
7 it is only able to supplement the transmission grid connection and does not have the capability or capacity  
8 to operate Alpena's distribution system as a micro-grid.

9 **Q. Without the ability to operate as a micro-grid, what happens to Alpena's system during a**  
10 **transmission grid outage?**

11 A. When a transmission grid outage occurs, all of Alpena's distribution system loses power. The only  
12 customers that remain online are those that have backup generation.

13 **Q. Did Alpena experience any grid scale outages during the storm?**

14 A. Yes, Alpena experienced two grid scale outages during the storm. The first outage occurred at the Alpena  
15 Station and affected more than 97% of Alpena's customers. The outage started at 12 a.m. on Sunday,  
16 March 30, at lasted until 7:00 a.m. on Sunday, March 30. The second grid outage affected all of Alpena's  
17 customers and a large portion of northern Michigan; it started at 9:19 a.m. on Sunday March 30 and lasted  
18 until 7:00 p.m. on Monday, March 31. In total, Alpena experienced 41 hours and 41 minutes of transmission  
19 grid outages.

20 **Q. What is the process of restoring Alpena's distribution system after a transmission grid outage occurs?**

21 A. After a transmission grid outage, the system must be energized in a controlled and sequential manner per  
22 Alpena's black start procedures. First the 138 kV high voltage distribution system is energized; second are  
23 the high voltage distribution substations; third are the 34.5 kV high voltage distribution lines; fourth are  
24 distribution substations; and lastly are distribution circuits.

25 **Q. Did the ongoing weather event slow the black start process?**

26 A. Yes, while the transmission grid is down it is not possible to know what parts of the system are being

1 impacted by the storm without patrolling the circuits for damage. The system will then have to be  
2 reconfigured to account to the damaged sections, which takes additional time.

3 **Q. Does a black start process slow other restoration efforts?**

4 A. Yes, while crews continued to work to repair known damaged areas the circuits cannot be energized when  
5 the work is complete, and crews must return to patrol again before they can be energized. The black start  
6 process also diverts resources away from typical restoration efforts.

7 **Restoration Resources**

8 **Q. What resources did Alpena utilize to restore power to its customers?**

9 A. Alpena utilized internal crews, mutual aid line crews, contractor line crews, tree clearing contractors, and  
10 the National Guard to restore power. Between these groups, Alpena peaked at 109 personnel in the field,  
11 excluding supervision.

12 **Q. How many internal personnel does Alpena employ?**

13 A. Alpena's internal resources consist of 9 line workers, 2 substation technicians, and 1 metering technician.

14 **Q. Does Alpena routinely bring in mutual aid and contractors to restore power during storm events?**

15 A. No, it has been several decades since mutual aid or contract line crews have worked on Alpena's system.

16 **Q. Did Alpena receive additional support?**

17 A Yes, all departments in Alpena's company were supporting the restoration efforts, including coordinating  
18 meals and lodging, downed wire watching, and patrolling of lines. Alpena received many generous  
19 donations from the community including meals, snacks, drinks, and basic necessities and many members  
20 of the community volunteered their time to support the field personnel.

21 **Outage minute estimates**

22 **Q. How does Alpena calculate outage minutes.**

23 A. Alpena does not have AMI and is not automatically notified when a customer loses power. Alpena utilizes  
24 its SCADA system to monitor substations and circuits for large scale outages, utilizes damage assessments  
25 and crew restorations for circuit segments and line sections, and relies on customer calls for individual  
26 outages. Once an outage event is fully restored, Alpena personnel will review the SCADA, damage

1 assessments, crew restorations, and customer call log to calculate outage minutes on a customer-by-  
2 customer basis.

3 **Q. Do you have an estimate on how long it will take to calculate outage minutes for each customer from**  
4 **this event?**

5 A. Yes, it is my estimate that it will take about 60 days to calculate outage minutes for each customer.

6 **Q. Do you have an estimate on how many outage minutes occurred during this storm event?**

7 A. Yes, I have estimated the number of outage minutes during this storm event at 97,000,000 customer outage  
8 minutes.

9 **Q. How did you arrive at this estimate?**

10 A. Daily, I calculated the average number of customers without power and multiplied by the minutes in a day.  
11 That process was continued for the duration of the outage. The estimated outage minutes from March 29  
12 through April 10 was approximately 97,000,000.

13 **Q. How does this storm compare to other major storms in Alpena's service territory?**

14 A. Alpena has major storm records available since 1998. Since that time, the second largest catastrophic storm  
15 occurred in 2012 and resulted in 2,583,311 outage minutes. The 2025 ice storm event was nearly 40 times  
16 larger, on an outage minute basis, than the next largest storm of the past 28 years.

17 **Q. Did some customers experience multiple outages during the storm event?**

18 A. Yes, some customers experienced up to 5 separate outages during the event as crews worked to restore  
19 power to critical areas during the storm and power was then lost due to the ongoing weather. Two separate  
20 transmission grid outages added to the outage totals.

21 **Outage credit estimate**

22 **Q. Do you have an estimate on the total amount of outage credits resulting from the ice storm event?**

23 A. While the exact number of outages, outage minutes, and resulting credits will take weeks to calculate, based  
24 on the catastrophic condition criteria, repetitive outage criteria, and outage minute estimate, the amount of  
25 credits is estimated between \$1M and \$1.5M.

26 **Q. How does that amount of outage credit compare to the size of Alpena Power Company?**

1 A. Alpena is one of the smallest investor-owned utilities in the state, and as of December 31, 2024, had a total  
2 common equity of \$27,372,350. The estimated outage credits would range between 3.7% and 5.5% of total  
3 common equity. By comparison, if the same amount of total common equity was paid by Michigan's  
4 largest investor-owned utilities, outage credit would be in the hundreds of millions.

5 **Summary**

6 **Q. Why does Alpena believe the exemptions to outage credits for this particular storm event should be  
7 approved?**

8 A. I believe the exemptions should be approved for three reasons, all of which are outlined in R 460.751. First,  
9 subsection (1) allows a utility to petition for a waiver when specific circumstances beyond the control of  
10 the utility render compliance impossible or when compliance would be unduly economically burdensome.  
11 In my opinion, a storm of this magnitude is beyond the utility's control, and following utility best  
12 practices for ice loading design and vegetation management would not have prevented large scale,  
13 long duration outages. The outage credits in this circumstance are also unduly economically burdensome  
14 when compared to the size of Alpena Power Company.  
15 Second, subsection 3(c) contemplates problems caused by an "act of God" and further defines the term "act  
16 of God" to mean an event due to extraordinary natural causes so exceptionally unanticipated and devoid of  
17 human agency that reasonable care would not avoid the consequences. The magnitude of this event  
18 compared to historical catastrophic outages for Alpena, along with the Emergency Declaration for 12  
19 northern Michigan counties and a request by the Governor for a Presidential Emergency Declaration for  
20 Northern Michigan, all reinforce the argument that this ice storm constitutes an "act of God."  
21 Third, subsection (d) contemplates problems due to a major system failure. During this storm a large portion  
22 of the northern Michigan transmission system failed, leaving the majority of communities without power,  
23 regardless of which distribution utility served that community. I believe the spirit of the Service Quality  
24 and Reliability Standards are to incentivize utility best practice and accountability for circumstances under  
25 a utility's control and exempt companies from issues outside of their control.

26 **Q. Does this complete your testimony?**

1 A. Yes, it does.