

S T A T E O F M I C H I G A N
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief.)
_____)

Case No. U-21806

QUALIFICATIONS AND DIRECT TESTIMONY OF
BRITTNEY KLOCKE
MICHIGAN PUBLIC SERVICE COMMISSION

April 23, 2025

QUALIFICATIONS OF BRITTNEY KLOCKE
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PART I

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

2 A. My name is Brittney Klocke and my business address 7109 West Saginaw
3 Highway, Lansing, MI 48917.

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

5 A. I am employed by the Michigan Public Service Commission (MPSC or
6 Commission) as a Senior Analyst in the Data Access, Privacy and IT (DAPIT)
7 Section of the Customer Assistance Division (CAD).

8 Q. Please describe your educational background.

9 A. I earned a Bachelor of Arts degree in Political Science from Miami University in
10 2006 and a Juris Doctor degree from Michigan State University College of Law in
11 2009.

12 Q. Please describe your professional experience.

13 A. I began my professional career with the State of Michigan in 2010, when I was
14 hired as an Eligibility Specialist with the Department of Health and Human
15 Services (DHHS). While with DHHS, I worked in a Specialized Medicaid Unit
16 that reviewed retroactive and opened ongoing Medicaid cases.

17 In 2011, I accepted a position with the Department of Treasury
18 (Treasury) as a Field Officer in the Collection Services Bureau. In that role, I was
19 primarily tasked with performing research and analysis assignments related to
20 various tax laws administered by Treasury. That entailed conducting field calls at
21 businesses all over Michigan to verify taxpayer compliance and registration
22 status, as well as identifying complex schemes related to tax avoidance and fraud.

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1 In July 2022, I accepted my current position with the MPSC. In this
2 role, I perform analysis of utilities' rate case recovery requests related to
3 Customer Experience and Information Technology (IT).

4 Q. Have you received any work-related training since your employment with the
5 MPSC?

6 A. Yes. I attended Michigan State University's Institute for Public Utilities' (IPU)
7 Annual Regulatory Studies Program in August of 2022. In September of 2022, I
8 attended IPU's Accounting & Ratemaking Course. In March of 2023, I attended
9 the National Association of Regulatory Utility Commissioners' Rate Case Basics
10 course.

11 Q. Have you previously filed testimony before the Commission?

12 A. Yes.

13 Q. Please list the cases in which you have filed testimony before the Commission.

14 A. I filed testimony in Case No. U-21308, the Consumers Energy gas case, Case No.
15 U-21297, the DTE electric case, Case No. U-21389, the Consumers Energy
16 electric case, Case No. U-21461, the Indiana Michigan Power Company electric
17 case, Case No. U-21490, the Consumers Energy gas case, U-21540, the Michigan
18 Gas Utilities Corporation gas case, Case No. U-21534, the DTE electric case, and
19 Case No. U-21585, the Consumers Energy electric case.

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

2 A. The purpose of my testimony is to present MPSC Staff's (Staff) recommendations
3 regarding Consumers Energy Company's (CE or the Company) request for
4 recovery of proposed expenditures for Customer Information Technology (IT)
5 projects and Customer Experience and Operations areas, as detailed in Company
6 Exhibits A-20 (SHB-5) CONF and A-12 (JRB-1), Schedule B-5.3.

7 Q. Are you sponsoring any exhibits in this proceeding?

8 A. Yes, I am sponsoring the following exhibits:

- 9 • S-11.1: Audit Response U21806-SA-CE-416
- 10 • S-11.2: Audit Response U21806-SA-CE-417
- 11 • S-11.3: Audit Response U21806-SA-CE-418
- 12 • S-11.4: Audit Response U21806-SA-CE-419
- 13 • S-11.5: Audit Response U21806-SA-CE-409
- 14 • S-11.6: Audit Response U21806-SA-CE-411
- 15 • S-11.7: Audit Response U21806-SA-CE-191
- 16 • S-11.8: Audit Response U21806-SA-CE-327
- 17 • S-11.9: Audit Response U21806-SA-CE-328
- 18 • S-11.10: Audit Response U21806-SA-CE-330
- 19 • S-11.11: Audit Response U21806-SA-CE-331
- 20 • S-11.12: Audit Response U21806-SA-CE-332
- 21 • S-11.13: Audit Response U21806-SA-CE-333
- 22 • S-11.14: Audit Response U21806-SA-CE-334
- 23 • S-11.15: Audit Response U21806-SA-CE-335

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- 1 • S-11.16: Audit Response U21806-SA-CE-369
- 2 • S-11.17: Audit Response U21806-SA-CE-370
- 3 • S-11.18: Audit Response U21806-SA-CE-371
- 4 • S-11.19: Audit Response U21806-SA-CE-191_Baker_ATT_1
- 5 • S-11.20: Audit Response U21806-SA-CE-123
- 6 • S-11.21: Audit Response U21806-SA-CE-124
- 7 • S-11.22: Audit Response U21806-SA-CE-125
- 8 • S-11.23: Audit Response U21806-SA-CE-126
- 9 • S-11.24: Audit Response U21806-SA-CE-127
- 10 • S-11.25: Audit Response U21806-SA-CE-128
- 11 • S-11.26: Audit Response U21806-SA-CE-233
- 12 • S-11.27: Audit Response U21806-SA-CE-303
- 13 • S-11.28: Audit Response U21806-SA-CE-304
- 14 • S-11.29: Audit Response U21806-SA-CE-305
- 15 • S-11.30: Audit Response U21806-SA-CE-307
- 16 • S-11.31: Audit Response U21806-SA-CE-308
- 17 • S-11.32: Audit Response U21806-SA-CE-309
- 18 • S-11.33: Audit Response U21806-SA-CE-310
- 19 • S-11.34: Audit Response U21806-SA-CE-312
- 20 • S-11.35: Audit Response U21806-SA-CE-313
- 21 • S-11.36: Audit Response U21806-SA-CE-326
- 22 • S-11.37: Audit Response U21806-SA-CE-341
- 23 • S-11.38: Audit Response U21806-SA-CE-342

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- 1 • S-11.39: Audit Response U21806-SA-CE-343
- 2 • S-11.40: Audit Response U21806-SA-CE-345
- 3 • S-11.41: Audit Response U21806-SA-CE-347
- 4 • S-11.42: Audit Response U21806-SA-CE-348
- 5 • S-11.43: Audit Response U21806-SA-CE-349
- 6 • S-11.44: Audit Response U21806-SA-CE-350
- 7 • S-11.45: Audit Response U21806-SA-CE-351
- 8 • S-11.46: Audit Response U21806-SA-CE-352
- 9 • S-11.47: Audit Response U21806-SA-CE-372
- 10 • S-11.48: Audit Response U21806-SA-CE-377
- 11 • S-11.49: Audit Response U21806-SA-CE-378
- 12 • S-11.50: Audit Response U21806-SA-CE-346

13 Q. Were these exhibits prepared by you or under your supervision?

14 A. Yes.

15 Q. Please provide an overview of your testimony.

16 A. I am recommending and will be discussing adjustments for the following projects:

17 Click to Chat, Web Chat AI and Self-Service Mobile Application enhancements;

18 both of which fall under the greater Product Family Enhancement – Customer –

19 Capital and the Low Moderate Income Customer Support Enhancement.

20 Q. What are Staff’s recommendations regarding the Click to Chat project?

21 A. Staff is recommending a disallowance of \$45,683 in capital expenditures for the

22 historic year ended 12/31/2023, as well as \$2,958 in capital expenditures for the

23 bridge year period ended 12/31/2024. (Staff Exhibit S-19.0, line 5.) This

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1 recommended adjustment corresponds with Company Exhibit A-20 (SHB-5),
2 pages 1 and 8, lines 20 and 140.

3 Q. Why is Staff recommending disallowance of the requested costs for the Click to
4 Chat project?

5 A. Consistent with Staff's position in Case Nos. U-21490 and U-21585, Staff
6 recommends disallowance of the requested costs for this project because Staff
7 finds the project does not offer any new technology or features that are
8 innovative, nor does it represent any cost savings. Per Company Exhibit A-20
9 (SHB-5), pages 1 and 8, lines 20 and 140, the Click to Chat project is described as
10 a platform that customers can use to engage in a chat conversation with customer
11 service agents using the Company's website. The Company was asked in audit
12 about any cost savings that will be associated with this project and it admitted that
13 there are none projected. (Staff Exhibit S-11.3.) Indeed, the same agents who are
14 part of the Company's Business Center and who answer live calls will be
15 responsible for interacting with customers using the Click to Chat feature. (Staff
16 Exhibit S-11.2.) The Company instead intends for this project to offer another
17 contact channel for customers and does not take into account that the project will
18 not provide any long-term monetary savings or cost reductions. (Staff Exhibit S-
19 11.3.)

20 Q. Please discuss other reasons Staff recommends a disallowance for the Click to
21 Chat project.

22 A. In addition to the reasons stated above, Staff recommends disallowing the Click to
23 Chat project because a reduction in calls to the call center is not anticipated from

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1 this project and chats will be handled by a live agent. (Staff Exhibit S-11.3.)
2 Because the Company plans to train current customer service representatives
3 (CSR) to use the tool and those same CSRs will handle Click to Chat requests,
4 there is no anticipated reduction in customer service agents, and, once again, no
5 anticipated costs savings in terms of the call center. (Staff Exhibit S-11.2.)

6 Staff also has concerns that just 314 uses of Click to Chat have been
7 reported by the Company’s agents. (Staff Exhibit S-11.1.) For a project that has
8 now been available for over three years, usage is very low. In that same audit
9 response, the Company stated that it currently has “no tracking regarding how
10 many of their [customers’] problems/issues were fully resolved using this
11 feature.” (Staff Exhibit S-11.1.) Staff finds it troubling that the Company is not
12 tracking the results of this project in an effort to measure its success.

13 Additionally, any major issues customers are experiencing will require
14 assistance from a live customer service agent, and therefore must be conducted
15 during Business Center hours, 8:00am-4:30pm, Monday-Friday. (Staff Exhibit S-
16 11.2.) Customers will be able to report outages using Click to Chat 24/7, yet
17 customers already have mechanisms in which to do so through other channels,
18 such as the website itself.¹ Staff believes it is inevitable that many requests which
19 start as Click to Chat will be escalated to a phone call or email inquiry, and
20 wonders how useful the Click to Chat option will be beyond the most basic of
21 inquiries/requests. Furthermore, everything the Click to Chat option can do is

¹ See Consumers Energy Company website homepage, available online at <https://www.consumersenergy.com>, accessed April 8, 2025.

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1 already available on the Company’s website, such as outage reporting and status
2 updates, Stop, Start, Transfer service, reviewing or updating account information,
3 and Staff does not support a redundant option that costs money and offers
4 customers nothing new for that money.² Staff therefore recommends the
5 Commission disallow all costs associated with the Click to Chat project.

6 Q. What are Staff’s recommendations regarding the Product – Family Enhancements
7 – Customer – Capital project?

8 A. Staff is recommending disallowance of costs related to the Web Chat Artificial
9 Intelligence project, Customer Self-Service Mobile Application project
10 enhancements, and Low Moderate Income Customer Support Enhancements, all
11 located within this project. These disallowances total \$1,905,494 in capital and
12 \$21,439 in O&M expenditures. (Staff Exhibit S-19.0.) Detailed breakdowns of
13 the costs for these projects will be discussed in testimony.

14 Q. What are Staff’s recommendations regarding the Web Chat Artificial Intelligence
15 (AI) project?

16 A. Staff is recommending full disallowance of the costs requested for the Web Chat
17 AI project, representing \$180,565 in capital expenditures and \$14,929 in O&M
18 for the test year ending 10/31/2026. This project falls under the larger Product
19 Family Enhancements – Customer – Capital project. (Staff Exhibit S-11.19, line
20 26.)

² See Consumers Energy Company website homepage, available online at <https://www.consumersenergy.com>, accessed April 8, 2025.

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1 Q. Why is Staff recommending disallowance of the requested costs for the Web Chat
2 AI project?

3 A. In the same vein as the foregoing reasons for Staff’s recommended disallowance
4 of the Click to Chat project, Staff feels the Web Chat AI project offers technology
5 that is redundant and not worth the cost. As described by the Company in an
6 audit response, the Web Chat AI “will utilize an AI-based chatbot to allow
7 customers to ‘chat’ with a computer to find answers to more routine
8 questions/concerns.” (Staff Exhibit S-11.10.) Further, it was stated that the
9 Company plans to have the Web Chat AI tool use information from the
10 Company’s website “as its primary source to assist customers.” (Staff Exhibit S-
11 11.11.) In essence, the Web Chat will simply be aggregating information that is
12 already available to customers on the Company’s website. Staff has and does
13 support the Company’s planned website redesign and feels it would be a much
14 better use of Company resources – and ratepayer money – to update the website to
15 make any general, frequently asked questions easily found.

16 Q. Please discuss other reasons Staff recommends a disallowance for the Web Chat
17 AI project.

18 A. Staff is troubled that the Company’s website redesign has been put on hold yet
19 again, and that there is no current timeline for it. (Staff Exhibit S-11.5.) In settled
20 Case No. U-21224, the Company requested \$7,828,549 in capital expenditures and
21 \$1,101,600 in O&M for the website redesign.³ Per the Company, the planned

³ See U-21224, Hale 7 TR 2029.

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1 redesign will include, among other things, “User-Friendly Navigation” that will
2 help to simply and make navigation intuitive, as well as “Enhanced Accessibility”
3 that will ensure “the site is accessible to all users.” (Staff Exhibit S-11.6.) These
4 updates would essentially provide the same kind of information and accessibility
5 the Web Chat AI tool is supposed to and represent a better and more
6 comprehensive use. The Company notes that the Web Chat AI is meant to address
7 customers’ common inquiries such as “more information about their bill, how to
8 address their usage, insights into the charges on their bill, making a payment,
9 programs available to them, reasons for an outage, help logging into the website,
10 etc.” (Staff Exhibit S-11.16.) Staff thinks these examples are things that should
11 already be easily found on the Company’s website, and if not, the issue could
12 easily be mitigated by developing a comprehensive frequently asked questions
13 page on its website, so that customers could easily find general information, like
14 what is mentioned above. The fact is, any customer who will use the Web Chat
15 necessarily has a certain level of comfort navigating a website, so Staff questions
16 why they would need the Web Chat to help them find information they should
17 already be able to find on their own.

18 Finally, Staff takes issue with the fact that no reduction in overall costs
19 is anticipated from the Web Chat AI. (Staff Exhibit S-11.15.) Again, Staff does
20 not see the value of this project when it will cost ratepayers money and merely
21 offer information that should already be on the Company’s website. According to
22 the Company, the purpose of the Web Chat AI is “to allow customers to better
23 self-serve for certain tasks that might drive unnecessary calls into the customer

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1 contact center.” (Staff Exhibit S-11.14.) Staff does see value in customers’ ability
2 to self-serve using the Company’s website, but is not persuaded that an AI chatbot
3 is the best way for this to happen. As has been stated before, updating the
4 Company’s website to make it more user friendly and easy to navigate will
5 accomplish the same result and is a more prudent use of money.

6 Q. What are Staff’s recommendations regarding the Customer Self-Service Mobile
7 Application (App) expenditures included in the Product Family Enhancements –
8 Customer – Capital project?

9 A. Consistent with every case it has been presented in, Staff is recommending full
10 disallowance of costs requested for the Mobile Application. This represents a
11 decrease of \$61,562 in historical capital costs for the year ended 12/31/2023,
12 \$274,116 in capital costs for the year ended 12/31/2024, \$598,472 in capital costs
13 for the year ending 12/31/2025, and \$550,025 in capital costs and \$6,510 in O&M
14 costs for the projected test year ending 10/31/2026. (Staff Exhibit S-11.19.) The
15 costs for the Mobile App in this case are represented by enhancements that fall
16 under the larger Product Family Enhancements – Customer – Capital project,
17 which corresponds with Company Exhibit A-20 (SHB-5), pages 2, 10, 17, and 22,
18 on lines 29, 145, 244 and 323.

19 Q. Why is Staff recommending a full disallowance of costs requested for the Mobile
20 App?

21 A. Staff’s position regarding the Mobile App has remained the same in every case it
22 has been presented in, starting with Case Nos. U-20697, U-20963, U-21224, U-
23 21389, electric cases, and Case Nos. U-21148, U-21308, and U-21490, gas cases.

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1 In each of those cases, Staff’s position is that the Mobile App represents
2 functionality that is duplicative of the Company’s website, and is therefore
3 unnecessary and its over \$10 million total costs should not be passed on to
4 ratepayers.⁴ The App represents a functionality that is redundant to that offered
5 by the Company’s website and the Company has not proven the need for a mobile
6 application. Staff has made the argument against the Mobile App because the
7 Company has never conclusively proven a need for such an application or
8 customers’ interest in it.

9 Q. Can you please articulate in additional detail why Staff finds the need for the
10 Mobile App – and thus any enhancements to it – has not been proven?

11 A. Yes. The Company also states that the App “does not include the entirety of the
12 website’s information” and Staff questions why this technology is something
13 ratepayers should have to fund since it is redundant to that of the website and
14 offers less functionality.⁵ Staff has consistently supported the Company’s website
15 redesign, and believes that the Company should have been focusing on that in
16 terms of money spent. As mentioned earlier in this testimony, Staff was therefore
17 surprised to learn, again via an audit response, that the Company has put its
18 website redesign on hold. (Staff Exhibit S-11.5.)

19 Q. Does Staff have any additional thoughts regarding the proposed disallowance of
20 the costs requested for the Mobile App?

⁴ See U-21490 Company exhibit A-20 (SHB-5), line 22.

⁵ See U-21490, Mclean 2 TR 798.

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1 A. Yes. Staff is concerned the requested costs for 2025 and 2026 also include
2 unspecified costs that are classified as “emergent.” (Staff Exhibits S-11.19 and S-
3 11.8.) Similar to costs requested for contingency expenses, emergent work
4 expenses allow the Company to spend on projects without the ability for Staff to
5 fully analyze and understand where those expenditures are being allocated to,
6 therefore, Staff and intervenors do not have the opportunity to evaluate the costs
7 for reasonableness and prudence. It is important that the Company does not
8 recover more than it actually needs, and to prevent the Company from potentially
9 over-earning – leading to higher costs for ratepayers – the Commission should
10 disallow the requested emergent costs for the above-listed projects. In addition,
11 two of the enhancements included for 2025 and 2026 – App Support Center and
12 App Login Enhancements – have cost estimates that are not yet completed. (Staff
13 Exhibit S-11.9.) Staff is not comfortable with the unknown nature of those costs
14 and like emergent costs, must ensure that the requested costs are reasonable and
15 prudent, which cannot be done when the costs are unknown. Therefore, at a
16 minimum, Staff recommends the Commission disallow expenditures associated
17 with these emergent and unknown cost requests for the Mobile App
18 enhancements in the amount of \$598,472 for 2025 and \$550,025 in capital and
19 \$6,510 in O&M costs for 2026.

20 Q. What are Staff’s recommendations regarding the Low Moderate Income (LMI)
21 Customer Support Enhancement project?

22 A. Staff recommends full disallowance of the requested costs for the LMI Customer
23 Support Enhancement, which represents \$1.9 million in capital expenditures for

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1 the test year ending 10/31/2026, which corresponds with Company Exhibit A-12
2 (JRB-1), Sch B-5.3. There is an additional \$240,754 in capital expenditures for
3 the bridge year period ending 12/31/2025 that fall under the Product Family
4 Enhancements – Customer – Capital project and Company Exhibit A-20 (SHB-
5 5).⁶ (Staff Exhibit S-11.19.)

6 Q. Why is Staff recommending disallowance of the requested costs for the LMI
7 Customer Support Enhancement?

8 A. According to the Company, the LMI Customer Support Enhancement is meant to
9 make “interactions more accessible, supportive, and efficient for low- to-
10 moderate income (LMI) customers.” (Staff Exhibit S-11.20.) The project is also
11 designed to support those LMI customers with reducing their “utility bill expenses
12 by driving greater awareness and enrollment into eligible programs and
13 services.”⁷

14 While this sounds good on paper, Staff has attempted, through numerous rounds
15 of audit questions, to ascertain exactly what the LMI Customer Support
16 Enhancement will do or will offer customers, and still does not have a clear
17 answer. Even when the Company was asked to provide a “roadmap” of sorts to
18 demonstrate how this project will function, the tangible results remained unclear
19 to Staff. Below I will discuss the four core functions of the LMI project and
20 provide Staff’s opinion on them.

21 Q. Please discuss the first core function of the LMI project.

⁶ Prefiled direct testimony of Company witness Jessica R. Byrom, pages 17-18.

⁷ Prefiled direct testimony of Company witness Jessica R. Byrom, p. 18.

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1 A. The first core function of the LMI project is Simplified Enrollment. According to
2 the Company, this will consist of the following: streamlining the “user flow to
3 allow customers to find and enroll in relevant programs,” “creating a centralized
4 platform where customers can view all available assistance programs in one
5 place,” providing “clear, step-by-step guidance throughout the enrollment process
6 to minimize confusion and errors,” and ensuring the enrollment process is mobile-
7 friendly. (Staff Exhibit S-11.20.) This function is projected to cost \$600,000.
8 (Staff Exhibit S-11.22.) Staff frankly does not understand why this information
9 regarding enrollment is not already available to customers and is unclear why the
10 Company needs so much money to allow customers to enroll in applicable
11 programs. To be clear, this objective of the project is not creating new programs,
12 but is instead simply making it more clear where customers can find these
13 programs and enroll in them. Staff wonders why this is something that was not
14 already in place to assist customers. As has been stated many times before in this
15 testimony, Staff strongly feels that the Company updating their website to make
16 information such as this standard would be a much better use of money.

17 Q. Please discuss the second core function of the LMI project.

18 A. The second core function of the LMI project is Proactive Communications and
19 Program Awareness. This is described as building “the capability to proactively
20 identify and reach out to customers who are showing early signs of crisis. This
21 involves using data analytics to detect customers at risk and initiating contact to
22 educate them about available assistance options.” (Staff Exhibit S-11.20.) It will
23 also direct customers to the “streamlined, digital flow” and “implement education

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1 initiatives to increase awareness about assistance programs and how to access
2 them. This will involve targeted communication campaigns and partnerships with
3 community organizations.” (Staff Exhibit S-11.20.) Finally, customers will be
4 offered personalized communication options, allowing them to choose their
5 preferred method of contact. (Staff Exhibit S-11.20.) This function is projected
6 to cost \$400,000. (Staff Exhibit S-11.22.) According to the Company, customers
7 are already informed on an annual basis of the availability of payment programs
8 and energy waste reduction (EWR) services. (Staff Exhibit S-11.34.) Residential
9 customers, regardless of income, are given outreach via direct mail and email for
10 information about EWR, demand response, and Renewable Energy Programs.
11 (Staff Exhibit S-11.34.) Given this, Staff struggles to see why an additional
12 \$400,000 in outreach is needed at this point.

13 According to an audit response, the Company plans to allocate
14 \$150,000 to proactive outreach and marketing, specifically targeting customers
15 “showing early signs of crisis.” (Staff Exhibit S-11.31.) The issue with this is that
16 Staff does not believe that the Company has a surefire way to reach any and all
17 customers who could be in crisis. In an uncertain economic climate, virtually
18 anyone could be in crisis with the loss of a job, unexpected bill, medical
19 emergency, etc., and Staff believes this information should therefore be available
20 to all customers, not just those the Company defines as low-to-moderate income.
21 As defined by the Company, a crisis is defined “as a situation in which a customer
22 is facing significant financial hardship, particularly related to their energy bills.”
23 (Staff Exhibit S-11.42.) Further, a “customer in crisis,” as defined by the

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1 Company, is someone “with a past due balance who is at risk of shutoff or is
2 currently shut off.” (Staff Exhibit S-11.42.) As stated previously, Staff is not
3 convinced that the Company’s definition of customers in crisis adequately
4 captures all those customers who *could* end up in crisis, and therefore believes all
5 customer classes – not just those identified as low-to-moderate income – should
6 have access to the information the LMI project provides. In Staff’s opinion, the
7 best avenue to disseminate this information is via the Company’s website
8 redesign, not a new, very expensive project. In addition, it was revealed that these
9 outreach materials have not yet been developed. (Staff Exhibit S-11.28.) To
10 Staff, this indicates that the Company has not yet done its due diligence in
11 preparing to launch this project.

12 Q. Please discuss the third core function of the LMI project.

13 A. The third core function of the LMI project is New and Improved LMI Offerings.
14 This is described as integrating “existing offerings such as payment plans, EWR,
15 demand response, and renewable energy programs. This integration will provide
16 customers with a comprehensive support system, ensuring they can easily identify
17 and access the best options to reduce their energy burden without having to search
18 extensively.” (Staff Exhibit S-11.20.) This function will also redesign programs
19 to better serve LMI customers, “making them more accessible and user-friendly.”
20 (Staff Exhibit S-11.20.) This function is projected to cost \$700,000. (Staff
21 Exhibit S-11.22.) Once again, this facet of the LMI project is a very costly one
22 that Staff does not fully understand the need for. Staff is perplexed why a new
23 program such as this one would need such expensive “improvements” already.

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1 Also, the Company stated in an audit response that “several maintenance and
2 annual updates” are anticipated as part of this project. (Staff Exhibit S-11.36.)
3 This means that more costs for improvements to the LMI project – in addition to
4 the \$700,000 being requested here – can and very likely will be requested in the
5 future, and Staff has no way of knowing at this time how much those costs will
6 be. (Staff Exhibits S-11.32 and S-11.36.) There is potential for the costs to
7 snowball out of control, and it is unclear at this point what the money would even
8 be spent on.

9 Q. Please discuss the fourth core function of the LMI project.

10 A. This fourth core function is Continuous Improvement and Feedback, which is
11 described as the Company collecting feedback from customers and stakeholders
12 to “continuously improve the user flow and outreach strategies,” as well as using
13 customer feedback to “identify and address any barriers to program participation”
14 and implementing a “feedback loop that allows customers to easily share their
15 experiences and suggestions for improvement.” (Staff Exhibit S-11.20.) This
16 function is projected to cost \$200,000 and will establish performance and
17 feedback metrics. (Staff Exhibits S-11.22 and S-11.23.) In particular, Staff takes
18 issue with the Company projecting to spend \$50,000 on “Customer Satisfaction.”
19 (Staff Exhibit S-11.33.) Per the Company’s response, no clear difference between
20 the three facets of this core function is shown; the \$50,000 projected to be spent
21 on “Responsive Adjustments,” the \$100,000 to be spent on “Data-Driven
22 Enhancements,” and the \$50,000 for “Customer Satisfaction” all show overlap
23 and do not justify their disparate cost requests. (Staff Exhibit S-11.33.) Again, it

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PART II

1 appears the cost requests and the overall LMI project itself is too premature to be
2 deemed reasonable and prudent.

3 Q. Please discuss other reasons Staff recommends a disallowance for the LMI
4 Customer Support Enhancement project.

5 A. A main reason Staff does not support this project is because Staff does not believe
6 this project will do anything to fix or prevent the root causes of customers either
7 in or on the brink of crisis. The LMI project will not reduce customers' energy
8 burden, even if they are able to utilize a payment plan, select their due date, or
9 anything else – these solutions are mere band aids to the larger root problem of
10 energy unaffordability. (Staff Exhibits S-11.40 and S-11.44.) Indeed, asking
11 ratepayers to fund this project through rates – at a cost of over \$2 million –
12 frankly defies logic.

13 Additionally, on the Company's website there is already a link to
14 Payment Plans and Assistance areas.⁸ When the Company was asked how the
15 LMI project will change or enhance the current website options, the Company
16 answered that this project will provide streamlined navigation, provide a more
17 user-friendly experience, collate comprehensive information regarding programs,
18 and offer continuous improvements to the webpages, among other things. (Staff
19 Exhibit S-11.41.) As mentioned above, Staff would prefer the Company invest
20 time and money into updating the website, making this information easily

⁸ See Consumers Energy Company Payment Plans & Assistance webpage, available online at <https://www.consumersenergy.com/residential/account-and-billing/billing-and-payment/payment-assistance>, accessed April 8, 2025.

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1 accessible to all customers. Staff sees no reason to support the funding of this \$2
2 million project when the information this project would provide should already be
3 available on the Company’s website.

4 There are no projected overall costs savings at this point that will be
5 associated with this project. (Staff Exhibit S-11.35.) The “benefits” of this
6 project the Company posits as rationale for its funding are nebulous and do not
7 justify their high costs. (Staff Exhibit S-11.35.) Staff does not understand how a
8 project projected to cost *at least* \$2 million has such vague benefits as “better
9 understanding of LMI customer needs, improved customer identification and
10 targeting, increased program participation, and economies of scale with
11 centralized enrollment.” (Staff Exhibit S-11.35.)

12 Finally, the Company claims that the LMI Customer Support project
13 “delivers on the priorities of the MPSC’s Energy Affordability and Accessibility
14 Collaborative (EAAC) and Low-Income Energy Policy Board” in three ways: by
15 “integrating energy assistance programs with energy waste reduction initiatives to
16 provide holistic support to LMI customers,” introducing a “streamlined
17 enrollment process designed to enhance customer access to energy assistance and
18 energy waste reduction solutions,” and enhancing “customer awareness” and
19 fostering engagement by “incorporating educational initiatives that highlight
20 available assistance programs and energy-saving practices.”⁹ (Staff Exhibit S-
21 11.50.) Staff appreciates the Company’s commitment to fulfilling the priorities of

⁹ Prefiled direct testimony of Company witness Jessica R. Byrom, p. 19.

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1 the EAAC and the Low-Income Energy Policy Board, but remains unconvinced
2 that the LMI project will provide any avenues to tangibly do so. The information
3 that this project proposes to distribute to customers already exists on the
4 Company's website. This project will simply make that information easier to
5 access, which could also be accomplished by making the Company's website
6 easier to navigate via the monies allocated for the Company's website redesign.
7 For all these reasons, Staff recommends full disallowance of the LMI Customer
8 Support Enhancement project.

9 Q. Please provide a summary of your testimony.

10 A. My testimony provided reasoning for Staff's recommended disallowances in the
11 amounts of \$48,641 for the Click to Chat project, \$195,494 for the Web Chat AI
12 project, \$1,490,685 for Mobile App Enhancements, and \$2,140,754 for the Low
13 Moderate Income Customer Support Enhancements projects.

14 Q. Does this conclude your testimony?

15 A. Yes.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-21806

In the matter of the application of
CONSUMERS ENERGY COMPANY
for authority to increase its rates for the
distribution of natural gas and for other relief.

QUALIFICATIONS AND DIRECT TESTIMONY OF

EMMA ZICHI

MICHIGAN PUBLIC SERVICE COMMISSION

April 23, 2025

**QUALIFICATIONS AND DIRECT TESTIMONY OF
EMMA ZICHI
U-21806**

1 Q. Please state your full name and business address for the record.

2 A. My name is Emma Zichi, and my business address is 7109 W. Saginaw Hwy., Lansing,
3 MI 48917.

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

5 A. I am employed by the Michigan Public Service Commission (MPSC or Commission) as
6 an Analyst in the Data Access, Privacy and IT (DAPIT) Section of the Customer
7 Assistance Division (CAD).

8 Q. Please describe your educational background.

9 A. I earned a Bachelor of Science in Psychology from Michigan State University in 2021
10 and a Master of Social Work degree from the University of Michigan in 2022.

11 Q. What is your professional experience?

12 A. I began working at the MPSC as an Analyst within the DAPIT section in 2024. My
13 responsibilities include analyzing utilities' rate case cost recovery requests related to
14 Information Technology (IT) as well as Physical and Cyber Security. Prior to working at
15 the MPSC I worked as an Outpatient Therapist and at Auto-Owners Insurance as an
16 Associate Quality Analyst where I tested company software systems to ensure quality and
17 accuracy of system changes.

18 Q. Have you received any work-related training since your employment with the MPSC?

19 A. Yes. I have completed the NARUC RTI- Rate Case Basics training.

20 Q. Have you previously filed testimony before the Commission?

21 A. No.

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

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 A. The purpose of my testimony is to present the Michigan Public Service Commission
2 Staff's (Staff) recommendations regarding Consumers Energy Company's (Consumers or
3 the Company) request for recovery of proposed Information Technology (IT) capital
4 expenditures for the bridge period and projected test year, and investment O&M
5 expenditures for the test year in this case. Additionally, I will present Staff's position
6 regarding the Company's requests for the SAP S/4 HANA upgrade project.

7 Q. Are you sponsoring any exhibits in this proceeding?

8 A. Yes. I am sponsoring the following exhibits:

9 Exhibits:

10 S-19.0: Staff's Adjustments to IT Capital and Investment O&M by Project

11 S-19.1: Company Audit Responses

12 S-19.2: Confidential Company Discovery Response

13 Q. Were these exhibits prepared by you or under your direction?

14 A. Yes.

15 Q. What adjustments is Staff recommending to the Company's Information Technology
16 expenditures?

17 A. Staff is recommending a total disallowance of \$45,683 in the historical 12-months ending
18 12/31/2023, \$277,074 in the 12-month bridge period ending 12/31/2024, \$2,474,289 in
19 the 10-month bridge year period ending 10/31/2025 and \$3,150,209 in the test year
20 ending 10/31/2026 (Exhibit S-19.0). These expenditures come from the following
21 programs: Corporate, Electric & Gas Shared, IT/Digital Foundation, and Security and
22 correspond to Exhibit A-12 (SHB-4) lines 1-3,5 and 6. Staff witness Brittney Klocke is

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1 testifying to adjustments in the Customer program.

2 Q. What adjustments are Staff recommending to the Corporate program?

3 A. Staff is recommending a disallowance of \$33,023 in capital and \$62,564 in O&M to the
4 corporate program. This recommendation is made up of the following project-level
5 adjustments: Application Currency-Corporate-Capital, HR-Support Pack and Business
6 Software Inc Upgrade 2025 and HR-Support Pack and Business Software Inc Upgrade
7 2026. I will address each of these projects below.

8 Q. What is Staff's recommended adjustment for the Application Currency – Corporate –
9 Capital project?

10 A. Staff is recommending a partial disallowance of \$15,010 in the 10-month bridge year
11 ending 10/31/2025, and \$18,013 in the projected test year ending 10/31/2026. (Staff
12 Exhibit S-19.0, line 1.) This adjustment corresponds to the capital expenditures present
13 on Company Exhibit A-20 (SHB-5), pages 16 and 21, lines 230 and 308 and falls within
14 the Corporate Program on Exhibit A-12 (SHB-4), Schedule B-5.1, page 1, line 1. Staff is
15 also recommending a partial disallowance of \$1,991 in the projected O&M expense,
16 which falls within the Information Technology Investment O&M program on
17 Exhibit A-19 (SHB-3), page 1, line 3 and corresponds to the O&M expense shown on
18 Exhibit A-20, pages 16 and 21, lines 230 and 308.

19 Q. Why is Staff recommending this adjustment?

20 A. Staff is recommending this adjustment to correct an error that was found through
21 discovery of the Company's Application Currency projects. [REDACTED]

22 [REDACTED]

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1

[REDACTED]

2

[REDACTED]

(Exhibit S-

3

19.2, page 2). This adjustment is shown on line 3 of Exhibit S-19.0.

4 Q.

What is Staff's recommended adjustment for the HR Support Pack and Business

5

Software Inc Upgrade 2025 project?

6 A.

Staff is recommending a partial disallowance of \$20,119 to the Company's projected

7

investment O&M expense. (Staff Exhibit S-19.0, line 2.) This adjustment corresponds to

8

the O&M expenditures presented on Company Exhibit A-20 (SHB-5), page 16, line 234

9

and falls within the Information Technology Investment O&M program on Exhibit A-19

10

(SHB-3), page 1, line 3.

11 Q.

Why is Staff recommending this adjustment?

12 A.

Staff is recommending this adjustment to correct for an error discovered during its audit

13

of the Company's Corporate program projects. In response to an audit request from Staff

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regarding high projected costs for 2025 and 2026, the Company provided that O&M costs

15

for both years were inadvertently overstated, and did not account for optimization in

16

contractor costs (Exhibit S-19.1, page 3 and 4). This adjustment is shown on line 2 of

17

Exhibit S-19.0.

18 Q.

What is Staff's recommended adjustment for the HR Support Pack and Business

19

Software Inc Upgrade 2026 project?

20 A.

Staff is recommending a partial disallowance of \$40,454 to the Company's projected

21

O&M expense. (Staff Exhibit S-19.0, line 3). This adjustment corresponds to the O&M

22

expenditures presented on Company Exhibit A-20 (SHB-5), page 22, line 314 and falls

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1 within the Information Technology Investment O&M program on Exhibit A-19 (SHB-3),
2 page 1, line 3.

3 Q. Why is Staff recommending this adjustment?

4 A. Staff is recommending this adjustment to correct for an error discovered during its audit
5 of the Company's Corporate program projects. In response to an audit request from Staff
6 regarding high projected costs for 2025 and 2026, the Company provided that O&M costs
7 for both years were inadvertently overstated, and did not account for optimization in
8 contractor costs (Exhibit S-19.1, page 4). This adjustment is shown on line 3 of Exhibit
9 S-19.0.

10 Q. What adjustments is Staff recommending to the Electric & Gas Shared program?

11 A. Staff is recommending a disallowance of \$167,867 in capital and \$86,870 in O&M to the
12 Electric & Gas Shared program. This recommendation is made up of the following
13 project-level adjustments: Application Currency-Electric & Gas Shared-Capital, Standard
14 Work Plan, and Next Generation electronic Shift Operations Management System
15 e(SOMS) Replacement. I will address each of these projects below.

16 Q. What is Staff's recommended adjustment for the Application Currency – Electric & Gas
17 Shared-Capital project?

18 A. Staff is recommending a partial disallowance of \$19,146 in the 10-month bridge period
19 ending 10/31/2025, and \$22,975 in the projected test year ending 10/31/2026. (Staff
20 Exhibit S-19.0, line 9.) This adjustment corresponds to the capital expenditures presented
21 on Company Exhibit A-20 (SHB-5), pages 17 and 23, lines 250 and 328 and falls within
22 the Electric & Gas Shared Program on Exhibit A-12 (SHB-4), Schedule B-5.1, page 1,

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1 line 3. Staff is also recommending a partial disallowance of \$7,962 to the Company's
2 projected O&M expense (Staff Exhibit S-19.0, line 9). This adjustment corresponds to the
3 O&M expenditures presented on Company Exhibit A-20 (SHB-5), pages 17 and 23, lines
4 250 and 328 and falls within the Information Technology Investment O&M program on
5 Exhibit A-19 (SHB-3), page 1, line 3.

6 Q. Why is Staff recommending this adjustment?

7 A. Staff is recommending this adjustment to correct for an error that was found through
8 discovery of the Company's Application Currency projects. [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED] (Exhibit S-
12 19.2, page 1). This adjustment is shown on line 9 of Exhibit S-19.0.

13 Q. What is Staff's recommended adjustment for the Standard Work Plan project?

14 A. Staff is recommending a partial disallowance of \$70,665 in O&M expense. (Staff Exhibit
15 S-19.0, line 10). This adjustment corresponds to the O&M expenditures present on
16 Company Exhibit A-20 (SHB-5), page 23, line 335 and falls within the Information
17 Technology program on Exhibit A-19 (SHB-3), page 1, line 3.

18 Q. Why is Staff recommending this adjustment?

19 A. Staff is recommending this adjustment to correct for an error that was discovered during
20 its audit of the Company's IT/Digital Foundation program projects. In an audit response
21 request from Staff regarding projected O&M costs included in 2026 for this project the
22 company identified ongoing support costs were inadvertently added (Exhibit S-19.1, page

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 5 and 6). This adjustment is shown on line 10 of Exhibit S-19.0.

2 Q. What is Staff’s recommended adjustment for the Next Generation electronic Shift
3 Operations Management System (SOMS) Replacement project?

4 A. Staff is recommending a partial disallowance of \$125,746 of capital in the projected test
5 year ending 10/31/2026. (Staff Exhibit S-19.0, line 11.) This adjustment corresponds to
6 the capital expenditures presented on Company Exhibit A-20 (SHB-5), page 23, line 332
7 and falls within the Electric & Gas Shared Program on Exhibit A-12 (SHB-4), page 1,
8 line 3. Staff is also recommending a partial disallowance of \$8,243 of O&M in the
9 projected test year ending 10/31/2026 (Staff Exhibit S-19.0, line 11). This adjustment
10 corresponds to the O&M expenditures presented on Company Exhibit A-20 (SHB-5),
11 page 23, line 332 and falls within the Investment O&M Information Technology program
12 on Exhibit A-19 (SHB-3), page 1, line 3.

13 Q. Why is Staff recommending this adjustment?

14 A. Staff is recommending this adjustment to correct for a change in the project that was
15 discovered during its audit of the Company’s IT/Digital Foundation program projects. In
16 response to an audit request from Staff regarding projected non-labor other costs, the
17 Company provided that the current system can stay and does not need to migrate so
18 Consumers need for this project has changed (Exhibit S-19.1, page 7). This adjustment is
19 shown on line 11 of Exhibit S-19.0.

20 Q. What adjustments are Staff recommending to the IT/Digital Foundation program?

21 A. Staff is recommending a disallowance of \$3,672,192 in capital to the IT/Digital
22 Foundation program. This recommendation is made up of the following project-level

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1 adjustments: ARP-Collaboration, ARP-Field Device Asset Management (FDAM), and
2 ARP-Workstation Asset Management (WAM). I will address each of these projects
3 below.

4 Q. What is Staff recommended adjustment for the ARP – Collaboration project?

5 A. Staff is recommending a partial disallowance of \$6,015 for the 10-month bridge period
6 ending 10/31/2025 and \$7,219 in the projected test year ending 10/31/2026. (Staff
7 Exhibit S-19.0, line 13.) This adjustment corresponds to the capital expenditures
8 presented on Company Exhibit A-22 (SHB-7) page 1, line 3, columns e and g and falls
9 within the IT/Digital Foundation Program on Exhibit A-12 (SHB-4), Schedule B-5.1,
10 page 1, line 5.

11 Q. Why is Staff recommending this adjustment?

12 A. Staff is recommending this adjustment to correct an error that was discovered during its
13 audit of the Company’s IT/Digital Foundation program projects. In response to an audit
14 request from Staff regarding a cost break down for the auditorium refresh, the Company
15 provided the most current quote, which has a lower total projected cost than the one
16 initially used (Exhibit S-19.1, page 8 and 9). This adjustment is shown on line 13 of
17 Exhibit S-19.0.

18 Q. What is Staff’s recommended adjustment for the ARP – Field Device Asset Management
19 (FDAM) project?

20 A. Staff is recommending a full disallowance to the new device purchases for 2025 and 2026
21 that are part of the ARP-FDAM project, which consists of \$831,046 for the 10-month
22 bridge period ending 10/31/2025 and \$999,543 for the projected test year ending

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1 10/31/2026. (Staff Exhibit S-19.0, line 14.) This adjustment corresponds to the capital
2 expenditures presented on Company Exhibit A-22 (SHB-7) page 14, columns e and g
3 lines 4-6 and falls within the IT/Digital Foundation Program on Exhibit A-12 (SHB-4),
4 Schedule B-5.1, page 1, line 5.

5 Q. Why is Staff recommending this adjustment?

6 A. Staff is recommending this adjustment because the Company has not provided clear
7 evidence in support of the expenditures associated with the portion of this project that is
8 intended for new purchases. The Company provides conflicting rationale in testimony
9 and its responses to Staff’s audit for how the projected costs were calculated.

10 Q. Please explain the conflicting information Staff has received.

11 A. In testimony, Company witness Stacy H. Baker states the projected number of new
12 device purchases for the ARP- FDAM project are based on People and Culture Hiring
13 estimates.¹ In the testimony of Ms. Baker, and in Exhibit A-22 (SHB-7) page 4, column c
14 and d, lines 4-6, the estimated number of new device purchases is the same for 2025 and
15 2026.² In audit, Staff asked the Company if the People and Hiring Estimates are expected
16 to be the same for 2025 and 2026. The Company did not directly answer this question
17 and instead stated that it projected the costs for this project using actuals for validation
18 (Exhibit S-19.1, page 12). The Company claimed that it used historical actuals that were
19 part of the ARP-WAM project and provided these numbers in Audit (Exhibit S-19.1, page
20 11).

¹ Prefiled direct testimony of Company witness Stacy H. Baker, page 65.

² *Id* at page 66.

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This is contradictory to testimony because according to Company witness Stacy H. Baker, the device model determines the unit cost.³ This means the overall cost for the purchase of new devices is based on the number of each model needed and the model cost is used to determine this price breakdown.

The price breakdown for new device purchases is based on how many units of each device is expected to be needed. Each device model has its own unit cost which is applied to the number of units the Company projects are needed to calculate the total projected cost for all new device purchases. In audit, the Company does not specifically state what they based the 2025 and 2026 projections on and only shares they validated these projections based on historical costs. The Company failed to address whether People and Culture estimated hiring data was used to project the number of new devices needed and thus does not support why the number of new devices being purchased in 2025 and 2026 should be the same. Without a clear understanding of what the new purchase projections are based on, and why the projections are shown to be the exact same, Staff does not find that these expenditures have been reasonably supported, and therefore, recommends the Commission disallow the portion of the project that is allocated for new purchases.

Q. What is Staff’s recommended adjustment for the ARP – Workstation Management (WAM) project?

³ *Id* at page 65.

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 A. Staff is recommending a full disallowance to the new device purchases for 2025 and 2026
2 that are part of the ARP-WAM project, which consists of \$831,077 for the 10-month
3 bridge period ending 10/31/2025 and \$997,292 for the projected test year ending
4 10/31/2026. (Staff Exhibit S-19.0, line 15.) This adjustment corresponds to the capital
5 expenditures presented on Company Exhibit A-22 (SHB-7) page 12, columns e and g
6 lines 8-17 and falls within the IT/Digital Foundation Program on Exhibit A-12 (SHB-4),
7 Schedule B-5.1, page 1, line 5.

8 Q. Why is Staff recommending this adjustment?

9 A. Staff is recommending this adjustment due to inconsistent evidence used to support the
10 projected expenditures for the new purchases within the asset refresh project. Similar to
11 the ARP – FDAM project, Company witness Stacy H. Baker testifies that the projected
12 number of new device purchases for the ARP-WAM project are based on People and
13 Culture Hiring estimates⁴. In the testimony of Ms. Baker and in Exhibit A-22 (SHB-7)
14 page 12, columns c and d, lines 8-17 the estimated number of new device purchases is the
15 same for 2025 and 2026. In audit, Staff asked the company why these numbers are the
16 same, and why these numbers in the past have not been the same. The Company shared
17 that these estimates are based on historical new purchase data and People and Hiring
18 Culture estimates (Exhibit S-19.1, page 10). In a follow-up audit question, Staff asked if
19 the People and Hiring Culture estimates were expected to be the same for 2025 and 2026.
20 The Company shared that the previous audit response (Exhibit S-19.1, page 10) was not
21 correct, and that the Company did not use these estimates for the projected number of

⁴ *Id* at page 72.

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1 new devices. The Company does not explicitly state how these projections were made
2 and shares that historical actuals were used to validate their cost estimates (Exhibit S-
3 19.1, page 11).

4
5 Company Exhibit A-22 (SHB-7) shows the cost for the new purchases is tied to the
6 number of devices being purchased. The Company failed to provide adequate support that
7 its People and Culture Hiring estimates were the same for these years and went on to say
8 these estimates were not used to project the new device purchases for 2025 and 2026,
9 contradicting what is stated in Ms. Baker's testimony.

10 Q. Did the Company support its position that historical costs should be used to project costs
11 for the ARP-WAM project?

12 A. No. The Company shared a table of historical actual costs for the ARP-WAM project with
13 Staff in audit (Exhibit S-19.1, page 11). There is no pattern in these historical costs to
14 indicate the same number of new devices would be an accurate prediction for 2025 and
15 2026. Additionally, the costs for this project are not estimated based on historical costs
16 and then used to determine the number of new devices that need to be purchased. The
17 number of new device purchases determines the projected cost.

18
19 Through several audit questions asked by Staff, the Company contradicted their initial
20 stance in testimony regarding where and how the number of projected new purchases was
21 determined. While the Company states in testimony that the bridge and test period
22 projections are based on historical costs, the costs for this project directly relate to the

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 number of new purchases. The Company could not reasonably prove why the projected
2 number of new device purchases was the same for 2025 and 2025, nor could they prove
3 what the projections were based on. For these reasons, Staff recommends disallowance
4 of the portion of this project dedicated to new purchases.

5 Q. What adjustment is Staff recommending to the Security program?

6 A. Staff is recommending a disallowance of \$181,600 in capital to the Security program.
7 This recommendation is made up of partial adjustments to the ARP-Physical Security
8 investment. I will address this project below.

9 Q. What is Staff's recommended adjustment for the ARP-Physical Security project?

10 A. Staff is recommending a partial disallowance of \$72,640 in capital for the bridge period
11 ending 10/31/2025 and \$108,960 in capital for the test year ending 10/31/2026. (Staff
12 Exhibit S-19.0, line 17.) This adjustment corresponds to the capital expenditures
13 presented on Company Exhibit A-22 (SHB-7) page 8, line 8 columns e and g and falls
14 within the Security Program on Exhibit A-12 (SHB-4), Schedule B-5.1, page 1, line 6.

15 Q. Why is Staff recommending this adjustment?

16 A. Staff is recommending this adjustment to correct for an error that was discovered during
17 its audit of the Security program projects. In response to an audit request from Staff
18 regarding high software, labor, contractor and overhead costs, the Company identified
19 costs for Allowance for Funds Used During Construction (AFUDC) and employee
20 benefits were inadvertently applied to 2025 and the test year ending 10/31/2026 (Exhibit
21 19.1, page 1 and 2). This adjustment is shown on line 17 of Exhibit 19.0.

22 Q. What is the Company requesting regarding its SAP S/4HANA upgrade?

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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U-21806**

1 A. The Company is requesting deferral of the Investment O&M expenses for this project and
2 will be recovered over the life of the asset. This is addressed by Staff witness Nichols.
3 Additionally, the Company is requesting to amortize the cloud implementation costs for
4 the SaaS over a 15-year asset life. This will be addressed by Staff witness McMillan-
5 Sepkoski.

6 Q. Does Staff have other recommendations regarding the SAP S/4HANA upgrade?

7 A. Yes. Staff is recommending the Commission direct the Company to meet with Staff
8 quarterly to inform them on progress of the SAP S/4HANA implementation project. Staff
9 would like these updates to include any advancements and/or setbacks in project
10 implementation, budget adherence, changes to the project scope, timeline, expenses, and
11 any problems the Company has experienced or anticipates experiencing with any
12 operations or customer interactions.

13 Q. Does Staff have any additional recommendations regarding the SAP S/4HANA upgrade?

14 A. Yes. Additionally, Staff recommends the Company record any over and under recovery of
15 each projected expense in the SAP S/4HANA implementation, compared to the 80% base
16 (ROM projected investment), to be included in the Company's future rate cases until
17 implementation is complete. This will allow Staff to see how the allocated funds relate to
18 the costs spent on each planned objective.

19 Q. Please summarize your recommendations.

20 A. Staff is recommending disallowances for both capital and O&M expenditures for
21 multiple IT projects, and one Security project. Two of these projects are based on
22 unsupported costs, where the Company failed to provide supporting information for these

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1 expenses through audit. All other disallowances are based on errors identified by the
2 company through audit. In total these disallowances account for \$1,774,934 in capital for
3 the 10-month bridge period ending 10/31/2025 and \$2,279,748 in capital and \$149,434 in
4 O&M for the projected test year. Staff also presents recommendations for the
5 Commission to direct the Company to meet with Staff on a quarterly basis to provide
6 updates on the SAP S/4 HANA project. Additionally, Staff is recommending the
7 Company track any over and under spend for the SAP S/4 HANA project to be included
8 in future rate cases and shared at the meetings with Staff.

9 Q. Does this conclude your testimony?

10 A. Yes.

S T A T E O F M I C H I G A N
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for authority to increase its rates)	Case No. U- 21806
for the distribution of natural gas and for)	
other relief.)	
_____)	

EXHIBITS OF
CUSTOMER ASSISTANCE DIVISION
MICHIGAN PUBLIC SERVICE COMMISSION

4/23/2025

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21806-SA-CE-416

Case No.: U-21806
Witness: B. Klocke
Exhibit: S-11.1
Date: April 23, 2025
Page: 1 of 1

U21806-SA-CE-416
Requested By: Brittney M. Klocke (BMK-12 - 1)
Respondent: Jessica R. Byrom
Date of Response: 3/24/2025
Page 1 of 1

Question:

1) Regarding the Click to Chat project, how many customers have utilized it since its implementation? Of the customers who have used Click to Chat, how many were able to have their problems/issues fully resolved using this feature only and not requiring any escalation or further interaction via phone call, email, etc?

Response:

Live agents have had 314 uses of Click to Chat in their queue. There is currently no tracking regarding how many of their problems/issues were fully resolved using this feature.

U21806-SA-CE-417

Requested By: Brittney M. Klocke (BMK-12 - 2)

Respondent: Jessica R. Byrom

Date of Response: 3/24/2025

Page 1 of 1

Question:

2) What hours is the Click to Chat available to customers? Who are the staff members who interact with customers using Click to Chat?

Response:

Click to Chat is available through a logged in eServices account for a Business Center customer.

Chat interactions are acknowledged by a chatbot to collect the customer's intention/need and they may be offered self-service options available 24/7 or placed in a live agent queue Monday through Friday 8am-4:30pm.

The staff members who interact with customers by Click to Chat are the Company's Business Center Agents.

U21806-SA-CE-418
Requested By: Brittney M. Klocke (BMK-12 - 3)
Respondent: Jessica R. Byrom
Date of Response: 3/24/2025
Page 1 of 1

Question:

3) What current value does Click to Chat offer the Company in terms of cost savings, etc?

Response:

There are no cost savings projected at this time. The project entails moving the contact to another channel which would still be handled by a live agent. Understanding the types of conversation flows used in chat will create an opportunity to automate these chat sessions, resulting in savings.

U21806-SA-CE-419

Requested By: Brittney M. Klocke (BMK-12 - 4)

Respondent: Jessica R. Byrom

Date of Response: 3/24/2025

Page 1 of 1

Question:

4) Is the Click to Chat now available for use by all customer classes? Why or why not? If not, what is the timeline for it to be available to all customers?

Response:

Currently, Click to Chat is only available to Business Center assigned customers with eServices profiles. Its effectiveness in meeting customer needs within the Business Center is being monitored. A decision on expanding availability to all customer classes and establishing a rollout timeline has yet to be made.

U21806-SA-CE-409

Requested By: Brittney M. Klocke (BMK-11 - 1)

Respondent: Stacy H. Baker

Date of Response: 3/19/2025

Page 1 of 1

Question:

1) What is the current status of the Company's website redesign?

Response:

The Company has put the website redesign on hold due to extended support of the current on-premises Sitecore web content management system and the Company's SAP S/4HANA planned implementation.

The previous timing for the website redesign was developed with the expectation that the Company would need to migrate to the cloud/Software-as-a-Service (SaaS) version of the Sitecore system based on Sitecore's published product support lifecycle at that time. This would have been a major reason to initiate the website redesign. Since then, Sitecore has extended mainstream support for the on-premises version 10.4 to December 31, 2027, giving the Company more flexibility in its migration schedule.

In addition, the Company's implementation of the SAP S/4HANA system will be a major undertaking, which will significantly impact the design of integration between the Company's website and SAP. The Company plans to complete the S/4HANA implementation before starting the website redesign.

U21806-SA-CE-411

Requested By: Brittney M. Klocke (BMK-11 -3)

Respondent: Stacy H. Baker

Date of Response: 3/19/2025

Page 1 of 1

Question:

3) What areas of the Company's website are slated to be redesigned? Please be specific.

Response:

The Company's full website is in scope for the redesign. The purpose of this initiative is to update the back-end architecture to more current methods and technology. This will provide:

- Flexibility: Enhances flexibility for future development initiatives.
- Scalability: Allows for more efficient resource management and better performance under varying loads.
- Performance and Security: Provides faster page load times and improves security measures.
- Omnichannel Delivery: Delivers content seamlessly across multiple platforms.

A full front-end redesign will also occur, resulting in:

- Modern Visual Design: Creates a fresh, contemporary look and feel.
- User-Friendly Navigation: Simplifies and makes navigation intuitive.
- Enhanced Accessibility: Ensures the site is accessible to all users.
- Interactive Features: Adds new interactive elements to engage users.
- Advanced Analytics: Enhances analytics capabilities to better monitor site performance.

Content updates will be handled as follows:

- Content Assessment: Pages will be assessed and all updated as needed.
- Customer Flows: Customer flows will be evaluated and all redesigned as necessary.

These improvements will significantly enhance the user experience and provide high-quality public services.

U21806-SA-CE-191

Requested By: Brittney M. Klocke (BMK-3 - 1)

Respondent: Stacy H. Baker

Date of Response: 2/7/2025

Page 1 of 1

Question:

The following questions pertain to the Product Family Enhancements-Customer-Capital and Product Family Enhancements-Customer-O&M projects from Exhibit A-20 (SHB-5):

1.) Please breakdown all costs requested for all years for these projects.

Response:

Attachment U21806-SA-CE-191_ATT 1 provides the breakdown of the enhancements included in the Product Family Enhancements-Customer-Capital and Product Family Enhancements-Customer-O&M projects for 2023, 2024, 2025, and 2026.

Please note it was identified that labor costs were inadvertently not projected for 2025 for the Low/Moderate Income enhancement, which is a part of the Product Family Enhancements-Customer-Capital project (Attachment No. U21806-SA-CE-191_ATT 1, line 21, column k).

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21806-SA-CE-327

Case No.: U-21806
Witness: B. Klocke
Exhibit: S-11.8
Date: April 23, 2025
Page: 1 of 1

U21806-SA-CE-327
Requested By: Brittney M. Klocke (BMK-7 - 2)
Respondent: Stacy H. Baker
Date of Response: 2/25/2025
Page 1 of 1

Question:

2) Per U21806-SA-CE-191_Baker_ATT_1, please describe the “emergent needs” as related to the Capital and O&M costs requested for the Mobile App for 2025 and 2026.

Response:

Overall system or mobile application production issues may result in emergent needs, requiring O&M expense to resolve for 2025 and 2026. Additionally, customer feedback may lead to minor or major enhancements requiring O&M expense and capital expenditures for 2025 and 2026.

U21806-SA-CE-328

Requested By: Brittney M. Klocke (BMK-7 - 3)

Respondent: Stacy H. Baker

Date of Response: 2/26/2025

Page 1 of 2

Question:

3) Per U21806-SA-CE-191_Baker_ATT_1, please describe the adjustments to the 2025 and 2026 backlogs for the Mobile App. Please describe the following features: Place a Hold on Payment, Budget Plan Reconciliation, Pay Someone Else's Bill, App Login Enhancements, Low Moderate Income – Single Enrollment Flow in the App, Push Notifications, App Support Center. What are the costs for each of these enhancements/new features? Please breakdown.

Response:

3. The Company will adjust scope based on customer feedback for specific functionality and features, funding sources, and prioritized opportunities based on timing and value.

Following is the description and costs for each feature.

- a. Place a Hold on Payment - Eligible customers can extend their bill payment date up to 10 days (also known as Need More Time to Pay). A similar feature is already available to customers on the consumersgenenergy.com website and has been used by Low to Moderate Income (LMI) customers as well as others who are struggling financially. Total Company estimate = \$156,000 (\$49,031 gas allocation)
- b. Budget Plan Reconciliation – Three new messages added to the App for Budget Plan customers to include messaging for a future month change, a current month change, and/or a past month change. A popup will display in the App upon login for those customers that have had a change to their Budget Plan. A similar feature is already available to customers on the CE Website to provide well-received timely notification to customers related to upcoming changes in their budget plan. Total Company estimate = \$160,000 (\$50,288 gas allocation)
- c. Pay Someone Else's Bill – Adding the feature in the mobile application for a customer to pay someone else's bill. If they want to know the account balance first before paying, they must enter the account number or the last four numbers of social security number. Or they

U21806-SA-CE-328

Requested By: Brittney M. Klocke (BMK-7 - 3)

Respondent: Stacy H. Baker

Date of Response: 2/26/2025

Page 2 of 2

can pay without viewing the balance by entering the account street address, phone number, and last name. An email receipt will be sent to the account holder upon successful payment. This capability has been highly requested by customers over the past two years. A similar feature is already available to customers on the CE Website. Total Company estimate = \$363,000 (\$114,091 gas allocation)

- d. App Login Enhancements – A customer will have the option to enter their email address or phone number instead of their User ID to log into the mobile application (use of multiple identifiers). A similar feature is being planned for customers on the consumersenergy.com website. This effort is in response to customers struggling to remember their User ID. Total Company estimate = Estimate not yet completed.
- e. Low to Moderate Income (LMI) – Simplified Enrollment Flow in the App (Phase 1) – The Simplified Enrollment Flow provides meaningful program recommendations for customers based on their needs and income, eliminating confusion and uncertainty. Minimizing customer data re-entry to make it as easy as possible to enroll in multiple programs at the same time. A similar feature is already available to customers on the CE Website. Total Company estimate = \$524,000 (\$164,693 gas allocation)
- f. Push Notifications - Allow users to turn on/off Push notifications in the mobile application for Energy usage alerts, High Bill alert, Critical Peak Pricing/Peak Time Rewards (CPP/PTR) alerts, and Billing & Payment alerts at the subscription level. Customers will have the ability to turn them off/on via a toggle switch within the App Notification Settings screen for each section. One-time Push Notifications can also be sent when necessary. Total Company estimate = \$447,000 (\$140,492 gas allocation)
- g. App Support Center - Support info and searchable help will be available within the mobile application. This will include energy savings tips, recommendations to lower bill, safety tips, shut off and reconnection information, billing and payment frequently asked questions, information on how to read bill and meter, and quick rate information. Total Company estimate = Estimate not yet completed.

U21806-SA-CE-330

Requested By: Brittney M. Klocke (BMK-7 - 5)

Respondent: Stacy H. Baker

Date of Response: 2/25/2025

Page 1 of 1

Question:

5) Per U21806-SA-CE-191_Baker_ATT_1, what the Web Chat AI projected to look like? How will this differ from the Company's Click to Chat?

Response:

5. The Web Chat Artificial Intelligence (AI) enhancement will utilize an AI-based chatbot to allow customers to "chat" with a computer to find answers to more routine questions/concerns. The current Click to Chat feature utilizes a person behind the screen chatting with customers in real time.

U21806-SA-CE-331

Requested By: Brittney M. Klocke (BMK-7 - 6)

Respondent: Stacy H. Baker

Date of Response: 2/26/2025

Page 1 of 1

Question:

6) What type of information will be available in the Web Chat AI? How “intelligent” will it be? What tools are in place to make sure customers will receive accurate information?

Response:

6. The Web Chat Artificial Intelligence (AI) tool will utilize information from consumersenergy.com as its primary source to assist customers. The AI’s intelligence will depend upon the data it receives. As it learns, interacts, and analyzes data sources, it will become more intelligent. The purpose of this Web Chat AI is to enable customers to self-serve on the website to answer questions, reducing the need to call the contact center. The Company will determine tools or processes to ensure customers receive accurate information as a part of this enhancement.

U21806-SA-CE-332

Requested By: Brittney M. Klocke (BMK-7 - 7)

Respondent: Stacy H. Baker

Date of Response: 2/25/2025

Page 1 of 1

Question:

7) For the Web Chat AI, will customer service representatives be available for escalated inquiries? If so, what will be the hours of availability for those customer service representatives?

Response:

7. The Company has not been determined at this time if customer service representatives will be available for escalated inquiries. The primary purpose of this enhancement is to help customers self-serve without requiring customer service representative intervention.

U21806-SA-CE-333

Requested By: Brittney M. Klocke (BMK-7 - 8)

Respondent: Stacy H. Baker

Date of Response: 2/25/2025

Page 1 of 1

Question:

8) Please further describe the “quick responses to common queries and personalized assistance based on user behavior” for the Web Chat AI, per U21806-SA-CE-191_Baker_ATT_1.

Response:

8. The purpose of the Web Chat Artificial Intelligence (AI) enhancement is to allow customers to self-serve with common inquiries that are seen through chat, calls into the contact center, and known customer frustrations through customer experience surveys.

U21806-SA-CE-334

Requested By: Brittney M. Klocke (BMK-7 - 9)

Respondent: Stacy H. Baker

Date of Response: 2/25/2025

Page 1 of 1

Question:

9) How will the Web Chat AI “reduce operational costs by automating repetitive tasks and providing valuable insights,” per U21806-SA-CE-191_Baker_ATT_1?

Response:

9. The purpose of the Web Chat Artificial Intelligence (AI) tool is to allow customers to better self-serve for certain tasks that might drive unnecessary calls into the customer contact center or other interacts that drive negative customer experiences. By allowing customers to successfully self-serve, these transactions could be handled in a lower cost channel through the website vs. a higher cost channel like the customer contact center.

U21806-SA-CE-335
Requested By: Brittney M. Klocke (BMK-7 - 10)
Respondent: Jessica R. Byrom
Date of Response: 2/26/2025
Page **1** of **1**

Question:

10) What reduction in customer service agents or overall costs reductions are expected from the Web Chat AI?

Response:

Any reduction in customer service agents or overall casts is undetermined at this time and would depend upon

- the migration of customers to the Web Chat AI channel;
- the number and type of transactions that Web Chat AI bots are able to handle; and
- the success rate of customers utilizing Web Chat AI versus other channels.

U21806-SA-CE-369

Requested By: Brittney M. Klocke (BMK-9 - 1)

Respondent: Jessica R. Byrom

Date of Response: 3/12/2025

Page 1 of 1

Question:

1) Per audit response U21806-SA-CE-333, please further describe “known customer frustrations through customer experience surveys” and other common inquiries currently known to the Company which the Web Chat Artificial Intelligence is meant to address.

Response:

From customer experience surveys, the Company knows that customers want more information about their bill, how to address their usage, insights into the charges on their bill, making a payment, programs available to them, reasons for an outage, help logging into the website, etc.

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21806-SA-CE-370

Case No.: U-21806
Witness: B. Klocke
Exhibit: S-11.17
Date: April 23, 2025
Page: 1 of 1

U21806-SA-CE-370

Requested By: Brittney M. Klocke (BMK-9 - 2)

Respondent: Jessica R. Byrom

Date of Response: 3/12/2025

Page **1** of **1**

Question:

2) Where on the Company's website are customers currently directed with basic inquiries, questions, concerns, etc that the Web Chat AI is meant to address? Does the Company have a "Frequently Asked Questions" page or plans to implement one on the Company's website?

Response:

The Company's website does have Frequently Asked Questions pages for specific programs and topic areas, however there is not an overarching FAQ page for the entire website as it would contain a significant amount of content and be hard to navigate.

U21806-SA-CE-371

Requested By: Brittney M. Klocke (BMK-9 - 3)

Respondent: Jessica R. Byrom

Date of Response: 3/12/2025

Page 1 of 1

Question:

3) Per audit response U21806-SA-CE-335, no reduction in customer service representatives or overall costs from the Web Chat AI is currently known/anticipated. If the Web Chat AI is successful and many customers utilize it, resulting in a reduction of contact with the customer contact center/customer service representatives, how will costs be reduced? What will the Company determined to be a “success” of the Web Chat AI?

Response:

Costs could be reduced if large quantities of customers no longer need to call into the contact center as a result of better asking their questions online and increasing containment within the digital channel. The primary success metric for a tool such as Web Chat AI would be if it increases a customer’s overall experience, as measured through CXi.

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Product Family Enhancements-Customer-Capital

Line No.

Line No.	(a) Enhancement	(b) Software	(c) Material	2023 Actuals Capital Gas Allocation				(h) Total	(i) Software	(j) Material	(k) Labor	2023 Actuals O&M Gas Allocation				(o) Total	(p) Description
				(d) Labor	(e) Contractor Costs	(f) Non-Labor Overhead	(g) Non-Labor Other					(l) Contractor Costs	(m) Non-Labor Overhead	(n) Non-Labor Other			
1	CE.com Forestry Requests	-	-	6,735	16,220	1,249	1,066	25,270	-	-	4,859	1,055	146	-	6,060	A new Forestry Flow to filter out ineligible requests through 1) verification of the address to make sure it's in an electric territory and 2) make sure the work is eligible. Once eligible work/premise are identified the customer entry form should then automate the notification creation to eliminate that manual process.	
2	Cust-Mobile Application Enhancements	-	-	4,482	51,556	3,743	1,780	61,562	-	-	26	651	46	-	722	Mobile App Capital Enhancement work for 2023 (including continuous improvements and enhancements including but not limited to the following: Adding Flex Pay functionality, adding link to Energy Use Dashboard, Performance Improvements, Credit Card Fee functionality, added Customer Selects Due Date functionality, etc.	
3	Total	-	-	11,217	67,777	4,993	2,846	86,832	-	-	4,885	1,705	191	-	6,782		

Line No.	(a) Enhancement	(b) Software	(c) Material	2024 Projected Capital Gas Allocation				(h) Total	(i) Software	(j) Material	(k) Labor	2024 Projected O&M Gas Allocation				(o) Total	(p) Description
				(d) Labor	(e) Contractor Costs	(f) Non-Labor Overhead	(g) Non-Labor Other					(l) Contractor Costs	(m) Non-Labor Overhead	(n) Non-Labor Other			
4	Cust-Mobile Application Enhancements	-	-	2,739	14,007	1,084	1,373	19,202	-	-	20,138	277,693	3,310	-	301,141	Mobile App Capital Enhancement work for 2024 (including continuous improvements and enhancements including but not limited to the following: Customer Select Due Date (CSD), Critical Peak Pricing, Peak Time Rewards, OIE Passwordless login, Same Day Payment Cancellation, Phone Number Validation, Report Outage for Someone Else, Easy Pay (Autopay with CC), Advanced Payment Methods (PayPal, PayPal Credit, Venmo, Google Pay, Apple Pay), Easy Pay (Autopay with Advanced Payment Methods).	
5	Mobile App - Passwordless Logon Capability	-	-	-	-	-	-	-	-	-	649	-	2	-	651	Okta Identity Engine login procedure (optional passwordless) added to the App	
6	Mobile App-Peak Time Rewards and Critical Peak Pricing Enrollment	-	-	10,640	82,083	6,034	5,369	104,126	-	-	-	-	-	-	-	Peak Time Rewards (earn bill credits for managing electric use) and Critical Peak Pricing (discounted rate for electricity use during off-peak hours from June through September) enrollment features added to the App.	
7	Mobile App - Passwordless Logon Capability (CAP)	-	-	20,473	92,891	2,920	7,057	123,342	-	-	-	-	-	-	-	Okta Identity Engine login procedure (optional passwordless) added to the App.	
8	CRM Electric Order Management	-	-	6,017	9,053	736	1,448	17,255	-	-	-	-	-	-	-	Improve multiple changes to CRM and some back office processes for electric order/notification creation.	
9	Mobile App - Guest Report Outage	-	-	4,750	16,887	-	1,075	22,713	-	-	-	-	-	-	-	New feature for a user to report an outage for someone else on the App by looking up their address or by account number.	
10	Mobile App - Digital Wallet - Adding Payment Methods	-	-	717	2,402	-	164	3,282	-	-	-	-	-	-	-	Added PayPal, PayPal Credit, Venmo, Google Pay and Apple Pay as payment methods to the app.	
11	Mobile App-Budget Plan Reconciliation Messaging	-	-	272	241	-	62	576	-	-	-	-	-	-	-	Adding Budget plan reconciliation messaging (popups and banners) to the app if a customer's Budget Plan has a past month change, present month change, and/or future month change.	
12	Mobile App - One time place hold for payments	-	-	170	666	-	39	875	-	-	-	-	-	-	-	(AKA Promise to Pay, Need More Time to Pay) Allows eligible customers to apply a one-time 10-day Dunning Lock on their account for a future payment within those 10 days.	
13	CSR Timesheet Automation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Automate entering time from our Work Force Management system into Clarify to eliminate the need for CSRs to have to manually enter the time.	
14	Projected Enhancements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	OKTA Identity Engine Foundation (OIE) - Foundation work to upgrade our OKTA platform to the new platform OKTA Identity Engine (OIE) so that we can subsequently offer new log in improvements to our customers. OKTA Identity 2024 - Work to introduce a new log in widget and new customer facing improvements for the website. Log In Enhancement to Agency and Landlord Portals - The work is being done for landlord and assistance agency users. The scope is to implement a new authentication (log in) process for both of these applications. New chat GPT for contact center - P Creation of an AI search chatbot tool for CSRs to use that will review content from CE's Service Now Knowledge Base articles and potentially other relative sources (such as CE's Website) to find relevant information quickly and save time on customer calls. This should improve CE's CSR handling time per call which allows more calls to be taken and reduces call expense. Recall 6 Year Debts - This enhancement allows our Collections team to recall any debts 6+ years old based upon the final due date. Heating/Cooling Temperature Updates - Bi-annual updates to ensure better accuracy for meter read estimation Device Modifications - Automating the device modification process to reduce register errors during rate transition Stuck Dunning Dashboard Enhancement - add more examples of inactive accounts stuck in the dunning process. This will allow the Collections team the ability to fix more accounts that are "stuck" and not progressing through the dunning process	
15	Total	-	-	45,778	452,804	10,774	16,587	525,943	-	-	20,874	281,042	3,501	-	305,218		

Line No.	(a) Enhancement	(b) Software	(c) Material	2025 Projected Capital Gas Allocation				(h) Total	(i) Software	(j) Material	(k) Labor	2025 Projected O&M Gas Allocation				(o) Total	(p) Description
				(d) Labor	(e) Contractor Costs	(f) Non-Labor Overhead	(g) Non-Labor Other					(l) Contractor Costs	(m) Non-Labor Overhead	(n) Non-Labor Other			
16	Three Year Historical Average	-	-	497,966	58,641	30,840	226,480	813,928	-	-	213,144	10,579	22,310	-	246,033	Based on historical years 2021 through 2023	
17	Mobile App Enhancements	-	-	-	598,472	-	-	598,472	-	-	-	7,813	-	-	7,813	Mobile App Enhancements for 2025 include the following. The enhancement backlog is dynamic and driven by customer feedback, planned features, and emergent needs. The 2025 backlog will be adjusted as necessary through 2025 - Place a hold on Payment Budget Plan Reconciliation Pay Someone Else's Bill	
18	Landlord Portal	-	-	157,150	-	11,001	72,603	240,754	-	-	18,603	-	1,302	-	19,906	The portal's branding, style, functionality (e.g., lack of email/sms notifications), and usability is significantly outdated, giving the appearance and impression of an antiquated application that is not being fully leveraged by property management companies or commercial property owners. We expect to see 25% increase in customers using the portal if upgraded. A security assessment in 2023 found over 100 low to critical security vulnerabilities. Short term, security improvements were made to rectify these issues but eventually these updates will not be possible due to the outdated technology. The portal is a security risk and may attract nefarious and malicious intent including hacks, malware, and data breaches. Cybercriminals often target aging systems looking for vulnerabilities.	
19	High bill/inability to Pay Automation	-	-	188,580	-	13,201	87,124	288,905	-	-	22,324	-	1,563	-	23,887	Inability to pay is the most common cause of all repeat calls, averaging 25%. High bill calls are the longest call type and the subject of the most frequent informal customer complaint. The inability to Pay/High Bill Tool will analyze all customer account details and then offer to the Customer Service Agent the most effective program or solution for each caller's unique situation, prioritizing long term bill payment success	

20	Web Dashboard Redesign	-	-	157,150	-	11,001	72,603	240,754	-	-	18,603	-	1,302	-	19,906	Web Dashboard Redesign: In the current account dashboard, customers lack visibility into programs from all aspects (enrollment status, eligibility, history, impact, etc.). As a result, customers are not engaging in programs that would greatly help manage their bill, especially from a low-moderate income customer perspective. The redesign will help customers more easily discover programs optimized for them and their situation, as well as gain greater clarity into their energy use and the bill impact resulting from that. Current traffic is 1,090,475 unique users visited Account Details in the past 12 months which translates to a large opportunity to impact customers in a positive way.
21	Low/Moderate Income Enhancements	-	-	157,150	-	11,001	72,603	240,754	-	-	18,603	-	1,302	-	1,302	Low Moderate Income (LMI) 2025: 1. Adding the following Programs/plans/alert in personalized offering (LMI Single Enrollment Flow) a. EBII enrollment (Tied to Budget Plan) b. High Bill Alert c. Outage Alert d. Green Giving Program 2. CSR tool for Self-attestation (CRM side) a. Payment Plan b. Move-in 3. Adding personalized offering link in website a. Energy Use Details b. Web Move-in c. Dream Flow 4. In Crisis customer LUXUI 5. State and federal assistance integration 6. BFR integration to Single Enrollment flow 7. MEA User driven scheduling (via API) 8. Improved Customer Communication
22	Total	-	-	1,157,996	657,113	77,042	531,414	2,423,566	-	-	272,675	-	18,392	-	27,780	318,847

Enhancement	2026 Projected Capital							2026 Projected O&M							Description
	Software	Material	Gas Allocation				Total	Software	Material	Gas Allocation				Total	
Three Year Historical Average	-	-	Labor	Contractor Costs	Non-Labor Overhead	Non-Labor Other	832,315	-	-	Labor	Contractor Costs	Non-Labor Overhead	Non-Labor Other	246,033	Based on historical years 2021 through 2023
23			507,560	68,641	39,634	226,480			213,144	10,579	22,310				
24	Mobile App Enhancements	-	-	660,030	-	-	660,030	-	-	-	7,813	-	-	7,813	Below is a list of items being considered for 2026 Mobile App Enhancements. The enhancement backlog is dynamic and driven by customer feedback, planned features, and emergent needs. The 2026 backlog will be adjusted as we progress through 2025 and 2026: App Login Enhancements Low Moderate Income - Single Enrollment Flow in the App Push Notifications App Support Center
25	Web Rebate Information for Personalization	-	-	78,575	-	5,500	36,302	120,377	-	-	9,302	-	651	9,953	Web Rebate Information for Personalization: In our current state, customers do not see rebates that are customized or relevant to their individual situation. By leveraging personalization, we can ensure that customers only see rebates they're likely to use, increasing the value of each offer and making the experience more tailored to their needs. This not only enhances convenience by eliminating the need to search for relevant rebates but also increases the likelihood of customers taking advantage of the deals, ultimately improving their satisfaction, lowering their bill long term, and improving their energy efficiency at home or at work.
26	Web Chat AI	-	-	141,435	-	9,900	65,343	216,678	-	-	16,743	-	1,172	17,915	Web Chat AI: AI-powered chat would provide instant, 24/7 customer support, offering quick responses to common queries and personalized assistance based on user behavior. This would greatly enhance the user experience by reducing the need to call, boosting program engagement, and driving conversions. Additionally, it would help CE reduce operational costs by automating repetitive tasks and providing valuable data insights, while ensuring a seamless handoff to customer service representatives when needed. Overall, AI-powered chat improves efficiency, customer satisfaction, and scalability for businesses, making it a powerful tool for growth.
27	Total	-	-	727,570	718,671	55,035	328,125	1,829,401	-	-	239,189	-	24,134	-	281,714

MICHIGAN PUBLIC SERVICE COMMISSION
 Consumers Energy Company
 Product Family Enhancements-Customer-O&M

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		2023							
		Actuals							
		O&M							
		Gas Allocation							
	Enhancement								Description
1	2023 MPSC Rate Changes	-	-	334	103,450	7,284	-	111,068	These are annual SAP modifications to comply with tariff changes and/or a MPSC order
2	Proactive Budget Plan Reconciliation Estimation	-	-		2,221	173	-	2,393	Proactive Reporting for Budget Plan Reconciliation Estimation - this enhanced our ability to communicate which customers would be having budget plan reconciliation dollar changes and estimating what those dollar impacts would be. We use this information to proactively communicate these dollar plan changes to our customers.
3	MPSC Order U-20959	-	-	487	44	35	-	565	Provide MPSC with aggregated and anonymized usage information at the census tract and zip code level. The IT solution design was provided to the MPSC, but we were not asked to move forward with the build.
4	Create Tcode - Redwood	-	-		788	56	-	844	This was the creation of a new SAP Transaction (T-Code) to eliminate manual work required for daily billing reporting.
5	Forestry Web Form Enhancement - Web Changes	-	-	6,346	5,413	817	-	12,575	Forestry items, and automatically creates orders if needed - Website Changes for self service.
6	Forestry Web Form Enhancement - CRM/SAP Changes	-	-		1,053	67	-	1,120	Forestry items, creates orders if needed - SAP/CRM Changes
7	Dunning Thresholds	-	-	653	1,722	146	-	2,520	SAP Dunning Threshold Changes for Electric & Gas - This change allowed the Revenue Recovery team the ability to change dunning thresholds separately between Electric and Gas commodities
8	Mig Equifax DIT/KBA Tools	-	-	399	9,771	713	-	10,883	Equifax is for FACTA validation. Equifax changed their validation platform and we had to make changes to connect to their new platform or we would not be able to validate customers for new service and we get thousands of requests a month.
9	Street Light Outage Map Light Identification	-	-		4,617	328	-	4,945	Street Light Outage Map Light Identification - The City of Saginaw and City of Jackson provided us a map layer which we added to our Street Light Outage map in order to represent where their lights are located. Having these lights identified on our map prevents customers from dropping pins in areas where we know the lights are maintained by the city.
10	Total	-	-	8,218	129,078	9,618	-	146,914	

		2024							
		Projected							
		O&M							
		Gas Allocation							
	Enhancement								Description
11	Mobile Application Enhancements	-	-	892	11,709	224	-	12,824	2024 Mobile App O&M - This includes the planning for enhancements, operational support work (minor bug fixes), and continuous performance improvements.
12	Total	-	-	892	11,709	224	-	12,824	

		2025							
		Projected							
		O&M							
		Gas Allocation							
	Enhancement								Description
13	2025 Product Family Enhancements-Customer-O&M	-	-	100,024	32,584	9,211	19,729	161,549	Based on historical years 2021 through 2023
14	Total	-	-	100,024	32,584	9,211	19,729	161,549	

		2026							
		Projected							
		O&M							
		Gas Allocation							

15
16

Enhancement	Software	Material	Labor	Contractor Costs	Non-Labor Overhead	Non-Labor Other	Total	Description
2026 Product Family Enhancements-Customer-O&M	-	-	100,024	32,584	9,211	19,729	161,549	Based on historical years 2021 through 2023
Total	-	-	100,024	32,584	9,211	19,729	161,549	

U21806-SA-CE-123

Requested By: Brittney M. Klocke (BMK-1 - 1)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

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Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement discussed by Company witness Byrom on pages 18-21 of her direct testimony.

1.) How will this project be implemented? What will this project look like once implemented? Please be as specific as possible.

Response:

The LMI Customer Support Enhancement project makes interactions more accessible, supportive, and efficient for low- to moderate-income (LMI) customers. The project will be implemented through the following core functions:

1. Simplified Enrollment:

- Develop and implement a streamlined user flow that allows customers to find and enroll in all relevant programs. This reduces complexity and time by establishing a common enrollment process for multiple program options.
- Create a centralized platform where customers can view all available assistance programs in one place.
- Provide clear, step-by-step guidance throughout the enrollment process to minimize confusion and errors.
- Ensure the enrollment process is mobile-friendly, allowing customers to complete it on their preferred devices.

2. Proactive Communication and Program Awareness:

- Build the capability to proactively identify and reach out to customers who are showing early signs of crisis. This involves using data analytics to detect customers at risk and initiating contact to educate them about available assistance options.
- Direct customers to the streamlined, digital user flow, ensuring they can easily access the support they need.

U21806-SA-CE-123

Requested By: Brittney M. Klocke (BMK-1 - 1)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

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- Implement educational initiatives to increase awareness about assistance programs and how to access them. This will involve targeted communication campaigns and partnerships with community organizations to reach LMI customers effectively.
- Offer personalized communication options, allowing customers to choose their preferred method of contact (e.g., email, SMS, phone calls).

3. New and Improved LMI Offerings:

- Integrate existing offerings such as payment plans, EWR, demand response, and renewable energy programs. This integration will provide customers with a comprehensive support system, ensuring they can easily identify and access the best options to reduce their energy burden without having to search extensively.
- Redesign programs to better serve LMI customers, making them more accessible and user-friendly.

4. Continuous Improvement and Feedback:

- Collect feedback from customers and stakeholders to continuously improve the user flow and outreach strategies. This will ensure the project remains responsive to customer needs and adapts to any emerging challenges.
- Use customer feedback to identify and address any barriers to program participation.
- Implement a feedback loop that allows customers to easily share their experiences and suggestions for improvement.

U21806-SA-CE-124

Requested By: Brittney M. Klocke (BMK-1 - 2)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement discussed by Company witness Byrom on pages 18-21 of her direct testimony.

2.) What brought about the idea and need for this project? Please be specific.

Response:

The idea and need for this project arose from the recognition that 37% of CE customers are struggling to make ends meet, 11% are classified as “Low Income” or “always in crisis”, and 26% are classified as “moderate income”, or “one crisis away from being unable to pay their bill.”

The customer research below led us to focus on the core functions that have been outlined in question 1.

- 18% of LMI customers are unaware of how to access help.
- 36% are unaware they qualify for programs.
- 25% perceive the process as overly complex and time-consuming.
- 51% feel too overwhelmed to take on another project.
- 21% consider EWR programs to be price prohibitive.
- 46% are unfamiliar with utility assistance for low-income families.

As previously mentioned, the project aligns with the priorities of the MPSC’s Energy Affordability and Accessibility Collaborative (EAAC) and the Low-Income Energy Policy Board, which emphasize the importance of streamlining energy assistance and program enrollment processes.

U21806-SA-CE-125

Requested By: Brittney M. Klocke (BMK-1 - 3)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

Page 1 of 3

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement discussed by Company witness Byrom on pages 18-21 of her direct testimony.

3.) Please provide a detailed breakdown of all costs involved with this project and how requested money will be spent.

Response:

Core Functions	Cost
Simplified Program Enrollment	\$600,000
Proactive Communication and Program Awareness	\$400,000
New & Improved LMI Offerings	\$700,000
Continuous Improvement	\$200,000
Total	\$1,900,000

Breakdown of how requested money will be spent for the LMI Customer Support Enhancement project include:

1. Simplified Enrollment

- **Streamlined Access:** The project will develop and implement a streamlined user flow, simplifying the process for customers to find and enroll in relevant programs. This will reduce complexity and time required for enrollment, leading to increased participation.

2. Proactive Communication and Program Awareness

- **Proactive Outreach:** The project will build the capability to identify and reach out to customers showing early signs of crisis. This involves using data analytics to detect at-risk customers and initiating contact to educate them about available assistance options.
- **Enhanced Awareness:** Educational initiatives funded by this allocation will increase awareness about our programs through targeted communication campaigns and

U21806-SA-CE-125

Requested By: Brittney M. Klocke (BMK-1 - 3)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

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partnerships with community organizations. This will help customers understand their options and how to access them.

- **Personalized Communication:** The funding will support the development of a notification preference center, ensuring customers receive information through their preferred communication channels, improving engagement and satisfaction.

3. New and Improved LMI Offerings:

- **Comprehensive Support System:** The project will integrate existing offerings such as payment plans, EWR, demand response, and renewable energy programs. This integration will provide customers with a robust support system, ensuring they can easily identify and access the best options to reduce their energy burden.
- **Redesigned Programs:** The funding will support the redesign of current offerings to better serve LMI customers, making them more accessible and effective.
- **New Offerings:** Development of new moderate and low-income customer offerings will address specific needs and gaps in current support.

4. Continuous Improvement and Feedback

- **Responsive Adjustments:** The project will continuously gather feedback from customers and stakeholders to refine the user flow and outreach strategies. This will ensure the project remains adaptable to customer needs and responsive to emerging challenges.
- **Data-Driven Enhancements:** Advanced reporting and modeling tools funded by this allocation will provide insights into program performance, enabling data-driven decisions and optimizations.
- **Customer Satisfaction:** Regularly collecting and analyzing feedback will help identify and address any barriers to program participation, leading to higher customer satisfaction and trust.

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21806-SA-CE-125

Case No.: U-21806
Witness: B. Klocke
Exhibit: S-11.22
Date: April 23, 2025
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Overall, the funding will enable the Company to create a more efficient, effective, and customer-centric support system for LMI customers, ultimately reducing their energy burden and improving their overall experience with the Company.

U21806-SA-CE-126

Requested By: Brittney M. Klocke (BMK-1 - 4)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

Page 1 of 2

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement discussed by Company witness Byrom on pages 18-21 of her direct testimony.

4.) How will the Company develop metrics and measurements for this project if/when it's implemented?

Response:

The Company will develop a comprehensive set of metrics and measurements to evaluate the effectiveness of the LMI Customer Support Enhancement project. These metrics will be designed to track progress towards key outcomes and provide insights for continuous improvement. The following are the primary areas of focus:

1. Simplified Enrollment

- **Enrollment Metrics:** Track the number of customers enrolling in programs, including enrollment rates, total new enrollments, and percentage increases over time.
- **Engagement Metrics:** Measure participation in clean energy programs, such as renewable energy enrollments, energy efficiency initiatives, and clean energy adoption rates.

2. Proactive Communication and Program Awareness

- **Awareness Metrics:** Monitor the reach and impact of educational initiatives and communication campaigns, including customer reach through various channels, engagement rates, and awareness surveys.
- **Early Intervention Metrics:** Evaluate proactive outreach efforts by tracking at-risk customers identified, successful interventions, and reduction in crisis incidents.

3. New and Improved LMI Offerings

- **Financial Metrics:** Assess the financial impact on LMI customers, including average energy bill reductions, financial stability achievements, and arrears reduction.

U21806-SA-CE-126

Requested By: Brittney M. Klocke (BMK-1 - 4)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

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- **Program Impact Metrics:** Measure the financial benefits of programs, such as total financial assistance distributed, bill credits or subsidies received, and reduction in uncollectible accounts.
- **Environmental Impact Metrics:** Evaluate environmental benefits, including carbon emissions reduction, energy savings, and contributions to clean energy goals.

4. Continuous Improvement and Feedback

- **Performance Metrics:** Review the efficiency and effectiveness of enrollment processes and programs, including time to enroll, assistance received, success rates, and project performance.
- **Feedback Metrics:** Track feedback submissions, response rates, and feedback distribution. Analyze customer sentiment, identify common themes, and measure the implementation rate and impact of suggested improvements. Ensure diverse participation in interviews and feedback sessions and assess customer satisfaction post-implementation.

U21806-SA-CE-127

Requested By: Brittney M. Klocke (BMK-1 - 5)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

Page 1 of 3

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement discussed by Company witness Byrom on pages 18-21 of her direct testimony. 5.) Please provide more detail regarding the customer research conducted regarding this project: who were the “partners” surveyed and how was that data utilized? How many of the Company’s customers were included in the survey groups? Will future surveys of LMI customers be conducted?

Response:

- **Solution Concept / Usability Testing:**
 - 6 usability tests with 104 participants for the MVP “My Personalized Offerings”, 54% (56) were Michigan residents
 - 6 Solution concept tests (partnered with Uplight for 1/6 tests)
 - 1 usability test for account dashboard redesign
 - Continuing in 2025 with solution enhancements and program development
- **Customer Panel (Survey):**
 - Self-Identification Validation survey with 1,967 CE customers
 - Account dashboard redesign concept preference survey, 60 LMI participants
 - Continuing in 2025 with message testing
- **In-Depth Interviews:**
 - Generate broad LMI insights
 - Validate direction for My Personalized Offerings
 - Inform outreach channels and messaging (partnered with Uplight)
- **Card Sort / Tree Test:**
 - Determine information architecture for account dashboard website, 223 participants
- **Diary Study:**
 - Generate broad LMI insights, 13 LMI customers (non-CE) over the course of 10 days
- **Desk Research sources:**
 - Accenture, eSource, Civilla, Chartwell

U21806-SA-CE-127

Requested By: Brittney M. Klocke (BMK-1 - 5)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

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The Consumers Energy Experience Design and Research teams led efforts to generate new insights, validate existing findings, and test solutions with Consumer Energy customers and the LMI population. In some instances, we independently ran the study, in others we worked alongside partners. We utilized an archive of published work from various partners for desk research as well.

The insights and data collected were utilized to identify our core areas of focus:

1. Simplified Enrollment:

- By understanding the specific challenges and preferences of LMI customers, we can design a more supportive and efficient customer experience. This includes simplifying processes, reducing perceived complexity, and providing clear, accessible information.
- Insights from partners like Accenture, Uplight, eSource, and Civilla were used to define the need for Simplified Enrollment. For instance, understanding that 25% of customers found the process of enrolling in programs overly complex led to the implementation of a streamlined, self-identification workflow to simplify enrollment.
- The Customer Panel, which included 1,967 Consumers Energy customers, was instrumental in validating the self-identification process. Feedback from this panel ensured that the self-identification method was accurate and acceptable to LMI customers, thereby increasing trust and participation.
- Desk research and case studies, such as the 2024 Los Angeles Dept. of Water and Power study, provided benchmarks and best practices. For example, the finding that using income self-identification increased program enrollment by 40% was a key driver in adopting this approach for the Simplified Enrollment.

2. Proactive Communication & Program Awareness:

- The data collected from surveys, interviews, and ethnographic studies helped identify specific barriers that low and moderate-income (LMI) customers face. For example, it was found that 18% of LMI customers were unaware of how to access help, and 36% were unaware they qualified for programs. This insight is crucial for designing targeted communication strategies to increase awareness and accessibility.

U21806-SA-CE-127

Requested By: Brittney M. Klocke (BMK-1 - 5)

Respondent: Jessica R. Byrom

Date of Response: 1/24/2025

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- The data highlighted that 46% of LMI customers were unfamiliar with utility assistance for low-income families. This insight guided the creation of tailored communication and outreach programs to educate customers about available assistance and how to access it.
- The research revealed that 51% of LMI customers felt too overwhelmed to take on another project. This finding informed the need for proactive outreach strategies, reaching out to customers showing early signs of crisis, educating them about assistance options, and guiding them through the enrollment process.

3. New & Improved LMI Offerings:

- **User testing:** Conducted 104 tests with 54% (56) of the participants being Michigan residents. This helped in understanding the usability and effectiveness of the proposed solutions.

4. Continuous Improvement and Feedback:

- By understanding the specific challenges and preferences of LMI customers, we can design more supportive and efficient customer experiences. Including simplifying processes, reducing perceived complexity, and providing clear, accessible information.

5. Future Surveys of LMI Customers:

- The company plans to conduct ongoing customer interviews to ensure continuous improvement and adaptation of the project to meet the evolving needs of LMI customers. These interviews will help in understanding the impact of the project and identifying any new challenges or opportunities for enhancement.

U21806-SA-CE-128

Requested By: Brittney M. Klocke (BMK-1 - 6)

Respondent: Jessica R. Byrom

Date of Response: 1/29/2025

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Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement discussed by Company witness Byrom on pages 18-21 of her direct testimony.

6.) Please describe each assistance program the company would target for enrollment under this enhancement.

Response:

The initial launch of our Simplified Enrollment flow includes five key programs designed to support our low- and moderate-income customers. Those include

- **Home Energy Analysis & Helping Neighbors Program (income qualified)**
 - Home energy analysis provides an evaluation of how the whole home uses energy and installation of free product upgrades.
- **Budget Plan**
 - Consistent monthly payment with quarterly reviews
- **Customer Selected Due**
 - Select date in which monthly bill is due
- **Billing & Payment Alerts**
 - Text or email alerts to remind of bills and payments due
- **Link to MI Bridges and 2-1-1 (income qualified)**
 - Link to the [Michigan Assistance webpage](#) and click to call option to 2-1-1

This diverse mix of programs aims to assist these customers with billing and usage management, ensuring they have access to the support they need to manage their energy costs.

U21806-SA-CE-233
Requested By: Klocke (BMK-5 - 4)
Respondent: Jessica R. Byrom
Date of Response: 2/6/2025
Page 1 of 1

Question:

4.) In response to U-21806-SA-CE-128, are any of the following being considered for inclusion in the Simplified Enrollment flow for the LMI Customer Support Enhancement? Why or why not?: shut-off protections, LIA and RIA Credits, and the flex-pay and/or installment-pay.

Response:

We are actively considering the inclusion of these offerings in the Simplified Enrollment flow as a part of the LMI Customer Support Enhancement Project. Our assessment process involves a thorough analysis of customer data and research to determine the optimal timing and approach for offering these services within the enrollment flow.

Our goal is to ensure that these offerings are integrated in a way that maximizes their impact and accessibility for our low- to moderate-income customers. By leveraging customer data and research, we can tailor these services to meet the specific needs of our customers, ultimately enhancing their experience and support.

U21806-SA-CE-303

Requested By: Brittney M. Klocke (BMK-6 - 1)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 2

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

1) Please further detail and describe how this enhancement will actually work. Staff would like to see a “roadmap” of sorts which demonstrates how this tool will identify customers, specifically the type of data analytics used to identify customers who may benefit from this, the outreach that will occur once those customers are identified, etc. (See Audit Response U21806-SA-CE-123)

Response:

The roadmap for the LMI Customer Support Enhancement project involves several key steps to identify and support customers:

1. **Data Analytics for Identification:**

- **Behavioral Analysis:** Utilize advanced data analytics to monitor customer behavior patterns, such as payment histories and usage trends.
- **Risk Detection:** Identify customers showing early signs of financial distress through predictive modeling and risk assessment algorithms.
- **Self-Identification:** Customers provide household information, and the system calculates if they qualify as low or moderate income, making program recommendations accordingly. This self-identification process speeds up the recommendation process.

2. **Proactive Outreach:**

- **Targeted Communication:** Once at-risk customers are identified, initiate contact through their preferred communication channels (e.g., email, SMS, phone calls).
- **Educational Messaging:** Provide information about available assistance programs and how to access them, tailored to the customer's specific needs.
- **Marketing Outreach:** Use ZIP code and census tract data to target traditional marketing outreach to geographic areas with higher LMI populations.
- **Call Center Integration:** Extend the user flow into call center scripts and tools for CSRs to assist customers experiencing financial distress.
- **Website Targeting:** Target messages on consumersenergy.com to customers who may currently or historically have had difficulty paying their bills.

3. **Streamlined Enrollment:**

- **Centralized Platform:** Direct customers to a centralized, mobile-friendly platform where they can view and enroll in relevant programs with minimal data re-entry.
- **Guided Process:** Offer clear, step-by-step guidance throughout the enrollment process to minimize confusion and errors.

U21806-SA-CE-303

Requested By: Brittney M. Klocke (BMK-6 - 1)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

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- **Seamless Integration:** Once customers express interest in a recommendation, their information is passed along to Implementation Contractors as qualified leads. Standard processes are then used to provide further information, schedule, enroll, etc., as appropriate.
4. **Continuous Improvement:**
- **Feedback Loop:** Collect and analyze customer feedback to refine the identification and outreach strategies, ensuring the project remains effective and responsive to customer needs.

U21806-SA-CE-304

Requested By: Brittney M. Klocke (BMK-6 - 2)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

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Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

2) Please further detail and describe the proactive communication and program awareness, as mentioned in Audit Response U21806-SA-CE-123. What will this communication look like? Will it consist of emails, phone calls, mailings, etc? If so, please describe any and all materials that will be used for customer communication and program awareness.

Response:

As mentioned in U-21806-SA-CE-303, the range of outreach methods and materials will vary based on application and will depend on customer response and preferred communication methods. These communications are still in development and form a foundational part of the work for Proactive Communications and Program Awareness.

The Company will adopt a data-driven approach to engage with LMI customers, likely utilizing a combination of email, direct mail, and paid media. Additionally, the Company will conduct grassroots outreach with assistance agencies across the state to proactively communicate with these agencies and their clients.

U21806-SA-CE-305

Requested By: Brittney M. Klocke (BMK-6 - 3)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 2

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

3) As mentioned in Audit Response U21806-SA-CE-123, how does the Company plan to “[r]edesign programs to better LMI customers?” Please further describe how the Company plans to integrate existing options for LMI customers.

Response:

As mentioned in Audit Response U21806-SA-CE-123, the Company plans to redesign programs to better serve Low Moderate Income (LMI) customers by making them more accessible, user-friendly, and effective, with a focus on evaluating Company offerings in the following areas to support how to redesign them to achieve those goals:

1. **Eligibility Requirements:**

- **Review and Simplification:** The Company will review existing eligibility requirements for each program to identify any complexities or barriers that may prevent LMI customers from participating. Simplifying these requirements/language for customers will make it easier for them to understand if they are able to qualify for the programs.
- **Alignment with LMI Needs:** The eligibility process will be aligned with the specific needs and circumstances of LMI customers, ensuring that the programs are accessible to those who need them most.

2. **Capacity to Serve:**

- **Assessment of Program Capacity:** The Company will assess the capacity of each program to serve LMI customers effectively. This includes evaluating the resources, infrastructure, and support systems available to handle the anticipated demand.
- **Scalability Enhancements:** Programs will be redesigned to enhance their scalability, ensuring they can accommodate a larger number of participants without compromising the quality of service. This may involve increasing funding, expanding resources, or improving operational efficiencies.

3. **Value Provided:**

- **Evaluation of Program Benefits:** The Company will evaluate the benefits provided by each program to ensure they deliver meaningful value to LMI customers. This includes assessing the impact on customers' energy burden, financial stability, and overall well-being.
- **Enhancement of Program Offerings:** Programs will be enhanced to provide greater value to LMI customers. This may involve adding new benefits, improving existing services, or tailoring offerings to better meet the needs of LMI customers.

4. **Participation:**

Reduction of Participation Barriers: The Company will identify and address any barriers to participation that may exist within current programs. This includes simplifying

U21806-SA-CE-305

Requested By: Brittney M. Klocke (BMK-6 - 3)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

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- application processes, reducing documentation requirements, and providing clear, accessible information.
- **Encouragement of Engagement:** Efforts will be made to encourage greater engagement from LMI customers. This may involve targeted outreach, personalized communication, and incentives to participate in the programs.

To integrate the Company's current offerings and better serve Low Moderate Income (LMI) customers, focus will be on two main areas: 1. Simplified Enrollment and 2. Enhanced Support Programs for LMI Customers.

1. **Simplified Enrollment:** The project will develop and implement a streamlined user flow that allows customers to find and enroll in all relevant programs. This will reduce complexity and time by establishing a common enrollment process for multiple program options. A centralized platform will be created where customers can view all available assistance programs in one place. Clear, step-by-step guidance will be provided throughout the enrollment process to minimize confusion and errors. Additionally, the process will be mobile-friendly, allowing customers to complete it on their preferred devices. This approach ensures that customers can easily navigate and access the support they need without unnecessary hurdles.
2. **Enhanced Support Programs for LMI Customers:** Building on the simplified enrollment process, the project will integrate existing offerings such as payment plans, Energy Waste Reduction (EWR), demand response, and renewable energy programs. This integration will provide customers with a comprehensive support system, ensuring they can easily identify and access the best options to reduce their energy burden without having to search extensively. Programs will be redesigned to better serve LMI customers, making them more accessible and user-friendly. This includes simplifying program requirements, enhancing scalability, and ensuring that the programs deliver meaningful value to LMI customers.

U21806-SA-CE-307

Requested By: Brittney M. Klocke (BMK-6 - 5)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 1

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

5) From the table on page 1 of Audit Response U21806-SA-CE-125, please further breakdown the costs for "Simplified Program Enrollment."

Response:

As mentioned in Audit Response U21806-SA-CE-125 the total cost allocated for "Simplified Enrollment " is **\$600,000**. This amount is further broken down into the following components:

1. **Development and Implementation:** \$250,000
 - **Software Development:** Costs associated with developing the centralized platform and user flow, including coding, testing, and deployment.
 - **User Interface Design:** Expenses related to designing a user-friendly interface that provides clear, step-by-step guidance throughout the enrollment process.
 - **Mobile Optimization:** Costs for ensuring the enrollment process is mobile-friendly and accessible on various devices.
2. **Integration and Data Management:** \$250,000
 - **System Integration:** Expenses for integrating the new enrollment platform with existing systems and databases to ensure seamless data flow and reduce redundancy.
 - **Data Migration:** Costs associated with migrating existing customer data to the new platform and ensuring data accuracy and security.
3. **Customer Support and Training:** \$100,000
 - **Training Programs:** Costs for training Customer Service Representatives (CSRs) and other staff on the new enrollment process and platform.
 - **Customer Support:** Expenses for providing ongoing customer support to assist with the enrollment process and address any issues that arise.

U21806-SA-CE-308

Requested By: Brittney M. Klocke (BMK-6 - 6)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 1

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:
6) From the table on page 1 of Audit Response U21806-SA-CE-125, please further breakdown the costs for "Proactive Communication and Program Awareness."

Response:

As mentioned in Audit Response U21806-SA-CE-125 the total cost allocated for "Proactive Outreach & Program Awareness" is **\$400,00**. This amount is further broken down into the following components:

1. **Proactive Outreach & Marketing:** \$150,000
 - **Data Analytics:** Costs associated with using data analytics to identify customers showing early signs of crisis. This involves detecting at-risk customers and initiating contact to educate them about available assistance options.
 - **Targeted Communication:** Expenses for developing and executing targeted communication campaigns to reach identified customers through their preferred communication channels (e.g., email, SMS, phone calls).
 - **Traditional Marketing:** Costs for traditional marketing methods such as direct mail, paid media, and advertisements to raise awareness about the programs.
 - **Digital Marketing:** Expenses for digital marketing efforts, including online ads, social media promotions, and targeted advertisements on the company website.
 - **Testing New Approaches:** Costs for testing new ways of meeting customers where they are, to cut through the digital noise. This includes experimenting with different communication channels and strategies to find the most effective methods of reaching and engaging LMI customers.
2. **Enhanced Awareness:** \$150,000
 - **Program Awareness Campaigns:** Costs for implementing educational initiatives to increase awareness about assistance programs and how to access them. This includes creating and distributing educational materials such as brochures, guides, and online resources.
 - **Community Partnerships:** Expenses for partnering with community organizations to reach LMI customers effectively. This involves organizing community events, workshops, and other outreach activities.
3. **Personalized Communication:** \$100,000
 - **Notification Preference Center:** Costs for developing a notification preference center that allows customers to choose their preferred method of contact. This ensures that customers receive information in the most convenient way for them, improving engagement and satisfaction.
 - **Customized Messaging:** Expenses for creating personalized messages tailored to the specific needs and circumstances of LMI customers. This includes testing and refining messages based on customer behavior data.

U21806-SA-CE-309

Requested By: Brittney M. Klocke (BMK-6 - 7)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 1

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:
7) From the table on page 1 of Audit Response U21806-SA-CE-125, please further breakdown the costs for "New & Improved LMI Offerings."

Response:

As mentioned in Audit Response U21806-SA-CE-125 the total cost allocated for "New & Improved LMI Offerings" is **\$700,000**. This amount is further broken down into the following components:

1. **Comprehensive Support System: \$450,000**
 - **Integration of Existing Offerings:**
 - Costs associated with integrating payment plans, EWR, DR, Energy Assistance, and Renewable options into a centralized platform to ensure seamless access for customers.
 - Costs for developing a user-friendly interface that allows customers to easily view and select payment plans.
 - Expenses for ensuring compatibility with existing systems and customer databases.
2. **Redesigned Programs: \$150,000**
 - **User-Friendly Redesign:**
 - Costs associated with redesigning existing programs to be more accessible and effective for LMI customers.
 - Expenses associated with conducting user experience (UX) research to understand customer needs and preferences.
 - Costs associated with developing a new user interface (UI) that simplifies navigation and reduces barriers to participation.
 - Expenses associated with conducting usability testing to ensure the redesigned programs are easy to use.
3. **New Offerings: \$100,000**
 - **Development of New Programs:**
 - Costs associated with creating new offerings tailored to the specific needs of moderate and low-income customers.
 - Costs associated with conducting market research to identify gaps in current support and opportunities for new programs.
 - Costs for designing new programs that address identified needs and gaps.
 - Expenses associated with pilot testing new programs to ensure they are effective and well-received by customers.
 - Costs associated with implementing the new programs and promoting them to customers.

U21806-SA-CE-310

Requested By: Brittney M. Klocke (BMK-6 - 8)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 1

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

8) From the table on page 1 of Audit Response U21806-SA-CE-125, please further breakdown the costs for "Continuous Improvement."

Response:

As mentioned in Audit Response U21806-SA-CE-125 the total cost allocated for "continuous Improvement" is \$200,000. This amount is further broken down into the following components:

1. **Responsive Adjustments:** \$50,000
 - **Customer and Stakeholder Feedback:**
 - Setting up systems to continuously gather and analyze feedback.
 - Implementing changes based on feedback to improve user flow and outreach strategies.
2. **Data-Driven Enhancements:** \$100,000
 - **Advanced Reporting and Modeling Tools:**
 - Investing in tools that provide insights into program performance.
 - Using data to make informed decisions and optimize programs for better outcomes.
3. **Customer Satisfaction:** \$50,000
 - **Feedback Collection and Analysis:**
 - Regularly collecting feedback to identify barriers to program participation.
 - Implementing solutions to improve customer satisfaction and trust.

U21806-SA-CE-312

Requested By: Brittney M. Klocke (BMK-6 - 10)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 1

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

10) What current outreach is available to all customers – not just those identified as low or moderate income – regarding payment plans, EWR, demand response, renewable energy programs, etc? Please describe.

Response:

The Company informs customers annually of the availability of payment programs and EWR services. Outreach is made to residential customers, regardless of income, throughout the year via email and direct mail for EWR, Demand Response, and Renewable Energy Programs.

U21806-SA-CE-313

Requested By: Brittney M. Klocke (BMK-6 - 11)

Respondent: Jessica R. Byrom

Date of Response: 2/24/2025

Page 1 of 1

Question:

The following questions all pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

11) What, if any, savings to the Company are projected for this project? What benefits are projected?

Response:

The Low Moderate Income (LMI) Customer Support Enhancement project is expected to deliver the following benefits to the Company and its customers:

1. **Better Understanding of LMI Customer Needs:**
 - The project will provide deeper insights into the needs and behaviors of LMI customers, enabling the Company to tailor its programs and services more effectively.
2. **Improved Customer Identification and Targeting:**
 - By identifying customers who may be eligible for support, the Company can enhance the effectiveness of its messaging and targeting efforts, ensuring that the right customers receive the right information at the right time.
3. **Increased Program Participation:**
 - Educating customers about the range of programs and services they may be eligible for will increase awareness and participation, leading to greater utilization of available benefits and support.
4. **Economies of Scale with Centralized Enrollment:**
 - Implementing a centralized enrollment process will streamline operations, reduce redundancy, and create efficiencies that can lead to cost savings for the Company.

These benefits collectively contribute to a more efficient, effective, and customer-centric support system for LMI customers.

U21806-SA-CE-326

Requested By: Brittney M. Klocke (BMK-7 - 1)

Respondent: Stacy H. Baker

Date of Response: 2/25/2025

Page 1 of 1

Question:

1) Regarding the Low Moderate Income (LMI) Customer Support Enhancement project, what sort of maintenance or annual updates to the project are anticipated?

Response:

1. The Company is anticipating several maintenance and annual updates as a part of the Low Moderate Income (LMI) Customer Support Enhancement project. The Company plans to centralize and simplify the enrollment process, making it easier for customers to access and enroll in multiple programs. This involves minimizing data re-entry and providing meaningful program recommendations. Regular monitoring of system performance metrics is essential to identify areas for improvement, ensuring quick response times and efficient processing of customer interactions.

The communications platform will undergo regular updates to remain effective in capturing customer attention and driving awareness of helpful programs, with continuous testing and refinement of messages based on customer behavior data. Additionally, the Company will focus on continuous improvements in system integration and scalability to ensure the platform can handle the required scope and volume of data efficiently. This includes enhancing integration capabilities with other systems to streamline data flow and reduce redundancy.

U21806-SA-CE-341

Requested By: Brittney M. Klocke (BMK-8 - 1)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 2

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

1) Per Audit Response U21806-SA-CE-123, please further describe the programs slated to be “redesigned” and how and why they will be? How will those redesigns better serve LMI customers?

Response:

As mentioned in U21806-SA-CE-123, new and improved LMI offerings are part of our ongoing efforts to better serve those customers. The Company is currently evaluating existing programs to identify any gaps and determine if there is a need to redesign or develop new programs, with focus on evaluating offerings in the following areas to support any potential redesign:

1. Eligibility Requirements:

- **Review and Simplification:** The Company will review existing eligibility requirements for each program to identify any complexities or barriers that may prevent LMI customers from participating.
 1. Simplifying these requirements will make it easier for customers to understand and qualify for the programs.
- **Alignment with LMI Needs:** Eligibility criteria will be aligned with the specific needs and circumstances of LMI customers, ensuring that the programs are accessible to customers who need them most.

2. Capacity to Serve:

- **Assessment of Program Capacity:** The Company will assess the capacity of each program to serve LMI customers effectively.
 1. This includes evaluating the resources, infrastructure, and support systems available to handle the anticipated demand.
- **Scalability Enhancements:** Programs will be redesigned to enhance their scalability, ensuring they can accommodate a larger number of participants without compromising the quality of service.
 1. This may involve increasing funding, expanding resources, or improving operational efficiencies.

3. Value Provided:

- **Evaluation of Program Benefits:** The Company will evaluate the benefits provided by each program to ensure they deliver meaningful value to LMI customers.
 1. This includes assessing the impact on customers' energy burden, financial stability, and overall well-being.
- **Enhancement of Program Offerings:** Programs will be enhanced to provide greater value to LMI customers.

U21806-SA-CE-341

Requested By: Brittney M. Klocke (BMK-8 - 1)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 2 of 2

1. This may involve adding new benefits, improving existing services, or tailoring offerings to better meet the needs of LMI customers.

4. **Participation:**

- **Reduction of Participation Barriers:** The Company will identify and address any barriers to participation that may exist within current programs.
 1. This includes simplifying application processes, reducing documentation requirements, and providing clear, accessible information.
- **Encouragement of Engagement:** Efforts will be made to encourage greater engagement from LMI customers.
 1. This may involve targeted outreach, personalized communication, and incentives to participate in the programs.

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21806-SA-CE-342

Case No.: U-21806
Witness: B. Klocke
Exhibit: S-11.38
Date: April 23, 2025
Page: 1 of 1

U21806-SA-CE-342

Requested By: Brittney M. Klocke (BMK-8 - 2)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page **1** of **1**

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

2) Please specify what the “new and improved LMI offerings,” per Audit Response U21806-SA-CE-125, will be.

Response:

As mentioned in U21806-SA-CE-123 “new and improved LMI offerings” are part of the Company's ongoing efforts to better serve these customers. The Company is currently evaluating existing programs to identify any gaps and determine if there is a need to redesign or develop new programs. Note: the program evaluation criteria to achieve this evaluation is outlined in response U21806-SA-CE-341. As the Company continues to evaluate current offerings, the specific details of the new and improved LMI offerings will be determined

U21806-SA-CE-343

Requested By: Brittney M. Klocke (BMK-8 - 3)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 2

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

3) What gaps exist currently for assisting customers in or with the potential to be in crisis, and how will this program address those? Who will be eligible for these new programs? (see U21806-SA-CE-125)

Response:

Based on the ongoing evaluation of the Company's LMI offerings, the following gaps in assisting customers in crisis have been identified:

1. **Lack of Moderate-Income Solutions:**

- **Eligibility Gaps:** Existing offerings often focus on low-income customers, leaving moderate-income customers without adequate support. These customers may not qualify for low-income assistance but still face significant financial challenges.
- **Limited Support Options:** There are few offerings specifically designed to address the needs of moderate-income customers. This lack of targeted support means that many customers who are struggling financially do not receive the help they need.

2. **Eligibility and Enrollment Restrictions:**

- **Complex Eligibility Criteria:** The current eligibility criteria for offerings can be complex and difficult for customers to understand. This complexity can create barriers to participation, as customers may not know if they qualify or how to apply.
- **Restrictive Enrollment Processes:** The enrollment processes for many offerings is often cumbersome and time-consuming. Customers may be required to provide extensive documentation and navigate multiple steps, which can be overwhelming, especially for those already in crisis.
- **Limited Information and Accessibility:** There may be a lack of clear, accessible information about the available programs and how to enroll. This can prevent customers from accessing the support they need in a timely manner.

Addressing These Gaps

To better assist customers who are in or have the potential to be in crisis, the Company is focusing on the following strategies:

1. **Moderate-Income Solutions:**

Exploring better ways to support moderate-income customers. This may include revising eligibility criteria to encompass a wider range of income levels and creating support options that address the diverse financial challenges faced by these customers.

U21806-SA-CE-343

Requested By: Brittney M. Klocke (BMK-8 - 3)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page **2** of **2**

2. Simplifying Eligibility Criteria:

- Aiming to simplify the eligibility criteria for offerings to make them more understandable and accessible. This includes reducing the complexity of the requirements and aligning them with the specific needs of customers.

3. Streamlining Enrollment Processes:

- Streamlining the enrollment processes for offerings to make them more user-friendly. This involves minimizing paperwork, reducing the number of steps required to apply, and leveraging technology to create a more efficient and accessible process.

4. Improving Information and Accessibility:

- Providing clear, accessible information about programs and how to enroll. This includes developing user-friendly resources to help customers understand their options and navigate the enrollment process more easily.

Eligibility for New Programs

The Company has not yet determined if there is a need to develop entirely new programs. The ongoing evaluation will help to identify whether redesigning existing programs or creating new ones is the best approach to address the identified gaps.

U21806-SA-CE-345

Requested By: Brittney M. Klocke (BMK-8 - 5)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

5) Where – on the website or when contacting the Company in other ways – are current LMI customers currently directed? If those customers use the Click to Chat option on the Company’s website, where does that tell them to go to access LMI offerings?

Response:

Currently, there is no specific user flow or service path dedicated exclusively to LMI customers on the website, other than the Simplified Enrollment flow. At present state, each customer interacts with individual products to determine their eligibility for participation.

When contacting the Company in other ways, such as by phone, LMI customers can call the Contact Center. A Customer Service Representative (“CSR”) will discuss available options and assist with enrollment in the appropriate programs.

Online, customers can enroll in various services directly from their account details dashboard screen. These services include:

- Custom Due Date: Allows customers to select a billing due date that aligns with their financial schedule.
- Billing & Payment Alerts: Provides notifications about billing and payment status.
- Budget Plan: Helps customers manage their energy costs by spreading payments evenly throughout the year.

Additionally, customers can schedule a Home Energy Analysis online at <https://homeanalysis-consumersenergy.com/>. Education and awareness information on assistance is available at <https://www.consumersenergy.com/residential/account-and-billing/billing-and-payment/payment-assistance>.

The significant difference between the current experience and the Simplified Enrollment flow is that, prior to the Simplified Enrollment flow, these were all separate transactions that customers had to independently locate and act on. Each service or program required customers to find the relevant information, determine their eligibility, and complete the enrollment process separately. This often involves navigating multiple web pages, filling out various forms, and potentially contacting different departments or representatives for assistance.

The Simplified Enrollment flow transforms this process by integrating awareness, eligibility, education, and enrollment into a single, streamlined online experience.

The Company does not offer the Click to Chat option in the LMI space at this time.

U21806-SA-CE-347

Requested By: Brittney M. Klocke (BMK-8 - 7)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

7) This link is to the Company's current website page for customers who need assistance paying their bills, etc Payment Plans & Assistance | Consumers Energy. How will this program change or enhance the current website options? Please describe.

Response:

The referenced website content provides an index of existing programs with some filters to help provide basic matching to customer needs. Under the Low Moderate Income Enhancement Project, the Simplified Enrollment process will significantly change and enhance the current website options in several ways:

1. **Streamlined Navigation:**
 - The Simplified Enrollment process will make it easier for customers to navigate the available options. Instead of having to search through multiple pages and filters, customers will be guided through a streamlined process that directs them to the programs they are eligible for.
2. **Unified Eligibility Check:**
 - Customers will be able to isolate the programs they are eligible for in a single step. This unified eligibility check will save time and reduce confusion, as customers will no longer need to individually assess their eligibility for each program.
3. **Enhanced User Experience:**
 - The Simplified Enrollment process will provide a more user-friendly experience. The interface will be designed to be intuitive and easy to use, ensuring that customers can quickly and efficiently find the assistance they need.
4. **Comprehensive Information:**
 - Detailed information about each program will be readily available, including eligibility criteria, benefits, and application instructions. This comprehensive approach will help customers make informed decisions about which programs to apply for.
5. **Continuous Improvement:**
 - As improvements are identified and made, these web pages will be updated accordingly. This ensures that the information remains current and relevant, and that the enrollment process continues to evolve based on customer feedback and changing needs.
6. **Integrated Support:**
 - The Simplified Enrollment process will integrate support options, such as FAQs, instructional videos, and contact information for customer service representatives. This will provide customers with the resources they need to successfully navigate the enrollment process and access the support they require.

U21806-SA-CE-348

Requested By: Brittney M. Klocke (BMK-8 - 8)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

8) Please describe the targeted communications that will be directed at customers who could benefit from this program. What is a "crisis" and who is a "customer in crisis," as identified by the Company?

Response:

The LMI Enhancement Project aims to understand how to meet customers where they are, using the communication channels of their choice. Recognizing that no single method of communication will work for all LMI customers, the project will focus on utilizing a variety of channels to better understand how to effectively reach and engage with them.

To ensure the effectiveness of these communication efforts, the LMI Enhancement Project will involve testing various messaging and channels to determine the most impactful ways to reach LMI customers. This includes:

- **Message Testing:** Evaluating different messages to see which ones resonate most with LMI customers and effectively convey the benefits of the programs.
- **Channel Testing:** Assessing the effectiveness of various communication channels to identify which ones are most successful in reaching and engaging LMI customers.
- **Feedback Collection:** Gathering feedback from customers to understand their preferences and experiences with different communication methods, allowing for continuous improvement.

Definition of a "Crisis" and a "Customer in Crisis"

A "crisis" is defined as a situation in which a customer is facing significant financial hardship, particularly related to their energy bills.

A "customer in crisis" is identified as a customer with a past due balance who is at risk of shutoff or is currently shut off. These customers are in urgent need of assistance to prevent disconnection or to restore their service.

U21806-SA-CE-349

Requested By: Brittney M. Klocke (BMK-8 - 9)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page **1** of **1**

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

9) For any new programs instituted under the LMI Customer Enhancement tool, how is the Company planning to fund them, or what funding will be requested to implement any such programs?

Response:

New programs or expansion of the LMI Customer Enhancement tool requiring additional investment will be presented for approval in future rate cases.

U21806-SA-CE-350

Requested By: Brittney M. Klocke (BMK-8 - 10)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

10) Per U21806-SA-CE-128, are customers who self-identify currently able to sign up for budget plan, select their due date, etc? Why or why not? Would signing up for those things help customers out of a crisis?

Response:

Customers who self-identify are currently able to sign up for programs such as the budget plan and select their due date, provided they meet the eligibility requirements.

Participation in these programs **could** potentially help customers avoid financial crises—depending on what those are. These programs are designed to offer flexibility and predictability, which can be crucial in helping customers manage their bills more effectively. The budget plan allows customers to spread their energy costs evenly throughout the year, avoiding significant month-to-month changes in the amount due. Similarly, the option to select a due date enables customers to align their bill payments with their paychecks or other income sources, ensuring that household bills are not all due on the same day.

U21806-SA-CE-351

Requested By: Brittney M. Klocke (BMK-8 - 11)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page **1** of **1**

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

11) From what the Company is currently aware of, how many missed opportunities to assist customers either currently in or potentially in crisis have there been? How many more enrollments in assistance programs or other customer assistance programs does the Company hope to achieve under the LMI program?

Response:

Approximately 37% of Consumers Energy customers are payment challenged (i.e. has a past due balance, is unable to pay and/or pay on time, received a shut off notice, cannot afford a payment in balance with other bills etc.), meaning they are either one crisis away from (moderate income customer) or are currently experiencing a financial crisis (low-income customer).

Based on actual program participation data, the Company estimates that only 14% of LMI customers are served via existing offerings.

The Company's goal is to increase the number of LMI customers served to 35% by 2026. This target aims to expand support to customers in need, thereby reducing missed opportunities to assist those who are either currently in or potentially facing a financial crisis.

U21806-SA-CE-352

Requested By: Brittney M. Klocke (BMK-8 - 12)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

12) What “other plans” does the Company plan to offer LMI customers? Are those plans going to be outside of the box plans, payment plans, etc? Please describe.

Response:

The Company is currently in the exploration and evaluation phase to better understand what additional plans might best support LMI customers, and is actively researching and benchmarking various innovative and flexible solutions. Consequently, no concrete plans have been developed at this time.

However, plans in discussion include a range of supportive measures designed to address the unique challenges faced by LMI customers, with a goal to develop and implement programs that provide comprehensive support, enhance financial stability, and improve the overall customer experience for LMI customers.

U21806-SA-CE-372

Requested By: Brittney M. Klocke (BMK-9 - 4)

Respondent: Jessica R. Byrom

Date of Response: 3/12/2025

Page 1 of 2

Question:

4) Regarding the Company's Low Moderate Income Customer Support Enhancement, will all customers – even those not currently in or projected to be in crisis – be able to access the offerings of this program? Once the targeting of customers begins under this program, will these programs only be offered for those customers who are identified as currently or close to being in crisis? How does the Company plan to target or inform customers who may not meet current demographics of “being in crisis” – or the potential to be in crisis - but are perhaps one missed paycheck, job loss, etc away from crisis?

Response:

- A. The Company is currently focused on evaluating the potential to redesign or develop new offerings to better serve Low Moderate Income (LMI) customers. Under the LMI Customer Support Enhancement Project, the Company identifies low-income customers as "being in crisis" and moderate-income customers as "one crisis away" from being in crisis.

Examples of "one crisis away" include situations such as a missed paycheck or job loss. This means that the scope of the LMI Customer Support Enhancement Project includes exploring ways to support customers who do not currently qualify for low-income assistance but still face significant financial challenges.

The Company will apply the same criteria when evaluating and implementing its targeting approach, as our scope is inclusive of customers who do not meet the current demographics of an “in-crisis” customer.

The LMI Enhancement Project aims to understand how to meet customers where they are, using the communication channels of their choice. Recognizing that no single method of communication will work for all LMI customers, the project will focus on utilizing a variety of channels to better understand how to effectively reach and engage with them.

To ensure the effectiveness of these communication efforts, the LMI Enhancement Project will involve testing various messaging and channels to determine the most impactful ways to reach LMI customers. This includes:

- a. **Message Testing:** Evaluating different messages to see which ones resonate most with LMI customers and effectively convey the benefits of the programs.
- b. **Channel Testing:** Assessing the effectiveness of various communication channels to identify which ones are most successful in reaching and engaging LMI customers.
- c. **Feedback Collection:** Gathering feedback from customers to understand their preferences and experiences with different communication methods, allowing for continuous improvement.

U21806-SA-CE-372

Requested By: Brittney M. Klocke (BMK-9 - 4)

Respondent: Jessica R. Byrom

Date of Response: 3/12/2025

Page **2** of **2**

The LMI Customer Support Enhancement Project is designed to better serve Low Moderate Income (LMI) customers by identifying and supporting those who are "in crisis" or "one crisis away" from being in crisis, and the Company is committed to inclusivity by making the programs accessible to a broader range of customers who may not currently qualify for low-income assistance but still face significant financial challenges.

Additionally, the capabilities and infrastructure being developed under the LMI Customer Enhancement Project will support all customers in several ways:

Simplified Enrollment Process: The implementation of a centralized, mobile-friendly platform for simplified enrollment will benefit all customers by providing a more user-friendly and efficient way to access and enroll in relevant programs. This streamlined process will reduce complexity and time, making it easier for everyone to find and utilize the support they need.

Proactive Outreach and Data Analytics: The use of advanced data analytics to identify customers at risk of financial distress will enhance our ability to provide timely support to a broader range of customers. Proactive outreach efforts will ensure that more customers are informed about available offerings before they reach a crisis point.

Continuous Improvement: By continuously collecting feedback from customers and making improvements based on their experiences, we will ensure that our programs remain responsive and effective for a wider audience. This ongoing process of refinement will benefit all customers by enhancing the overall quality and accessibility of our services.

U21806-SA-CE-377

Requested By: Brittney M. Klocke (BMK-10 - 4)

Respondent: Jessica R. Byrom

Date of Response: 3/13/2025

Page 1 of 2

Question:

4) Regarding the Low Moderate Income (LMI) Customer Support Enhancement, how do customers currently seek the information proposed to be streamlined in this project using the Company's website or other sources? Do the Company's customer service representatives receive a lot of phone calls or emails regarding this information? Please describe.

Response:

A. Currently, customers seeking the information that the Company is proposing to streamline through the Low Moderate Income (LMI) Customer Support Enhancement project use various methods to find the support they need. These methods can be broadly categorized into **internal resources** provided directly by the Company and **external resources** from partner agencies and community platforms. Here's how they typically access this information

Internal Resources

1. Company Website and Individual Product Pages:

- **Company Website:** Customers can visit the Company's main website to find information about available programs and services. The website provides a comprehensive overview of the Company's offerings, including various assistance programs, eligibility criteria, and application instructions.
- **Individual Product Pages:** Specific product pages on the website offer detailed information about individual services and programs. These pages include information about payment plans, energy assistance programs, and other services designed to help customers.

2. Contact Center:

- **Phone Support:** Customers can call the Company's Contact Center to speak with a Customer Service Representative (CSR). The CSR will discuss available options and assist with enrollment in appropriate programs. This method is often used by customers who prefer direct interaction.
- **Current Data:** Over the past six months, the Company's customer service representatives have received an average of 24,000 calls per month from customers seeking assistance with paying their bills. This represents approximately 13% of the total calls received by our customer service team.

U21806-SA-CE-377

Requested By: Brittney M. Klocke (BMK-10 - 4)

Respondent: Jessica R. Byrom

Date of Response: 3/13/2025

Page 2 of 2

External Resources

1. Agency Partner Pages:

- **Local Community Agencies:** Customers can visit local community agency websites that partner with the Company to provide support and resources for LMI customers. These agencies often have dedicated sections on their websites with information about available assistance programs, eligibility criteria, and how to apply.
- **Non-Profit Organizations:** Non-profit organizations that focus on energy assistance and financial support for low-income households may also have relevant information. These organizations often collaborate with utility companies to offer additional resources and support.

2. Social Media:

- **Community Groups:** Joining community groups on social media platforms can also be beneficial. These groups may share information about local resources, upcoming events, and opportunities for assistance. Members can also provide personal experiences and recommendations.

3. Online Forums and Discussion Boards:

- **Energy Assistance Forums:** Customers can participate in online forums and discussion boards dedicated to energy assistance and financial support. These platforms allow users to ask questions, share experiences, and receive advice from others who have navigated similar situations.
- **Reddit Communities:** Subreddits focused on personal finance, energy savings, and community support can be valuable sources of information. Users can find discussions about various assistance programs, tips for reducing energy costs, and advice on managing utility bills.

The LMI Customer Support Enhancement project aims to streamline these processes by integrating information from both internal and external resources into a cohesive, user-friendly experience. By leveraging proactive outreach, the project will meet customers where they are, ensuring they receive timely and relevant information through their preferred channels. This approach will not only simplify the process of finding and enrolling in assistance programs but also enhance the overall customer experience, making it easier for customers to access the support they need.

U21806-SA-CE-378

Requested By: Brittney M. Klocke (BMK-10 - 5)

Respondent: Jessica R. Byrom

Date of Response: 3/13/2025

Page **1** of **1**

Question:

5) For the LMI Customer Support Enhancement, how does the Company foresee this project providing a long-term solution for customers either in crisis or on the verge of crisis? Please describe.

Response:

A. The Low Moderate Income (LMI) Customer Support Enhancement project is poised to deliver a transformative, long-term solution for customers in crisis or on the verge of crisis. By simplifying eligibility requirements, the Company will remove barriers that currently prevent many LMI customers from accessing vital assistance programs. Enhancing program capacity and scalability ensures that more customers can be served effectively, without compromising the quality of support. The project also focuses on evaluating and improving the benefits provided by each program, ensuring that they deliver meaningful value and address the specific needs of LMI customers.

Moreover, the integration of financial assistance with energy efficiency initiatives will not only provide immediate relief but also promote long-term sustainability by helping customers reduce their energy consumption and lower their utility bills. Comprehensive support and customer education will empower customers to make informed decisions about their energy usage and participation in assistance programs, fostering greater financial stability and well-being. Proactive outreach and the use of multiple communication channels will ensure that customers receive timely and relevant information through their preferred methods, making it easier for them to access the support they need.

By streamlining the process of finding and enrolling in assistance programs, the LMI Customer Support Enhancement project will significantly enhance the overall customer experience, providing a robust and sustainable support system for those in need. This project is not just a temporary fix; it is a strategic initiative designed to create lasting positive impacts for LMI customers, ensuring they have the resources and support necessary to navigate financial challenges and achieve greater stability.

U21806-SA-CE-346

Requested By: Brittney M. Klocke (BMK-8 - 6)

Respondent: Jessica R. Byrom

Date of Response: 3/3/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement:

6) Please further explain how this program aligns with the goals and values MPSC's EAAC and Low Income Policy Board.

Response:

The LMI Customer Enhancement project aligns with the goals and values of the Commission's EAAC and Low-Income Policy Board in three key ways:

1. Energy Affordability:

The project integrates energy assistance programs with energy waste reduction initiatives to provide holistic support to LMI customers. This alignment ensures access to both direct assistance programs and opportunities to lower utility bills through reducing energy consumption. This integrated approach is a primary goal of both the Low-Income Policy Board and the EAAC.

2. Simplified Processes:

This project introduces a streamlined enrollment process designed to enhance customer access to energy assistance and energy waste reduction solutions. This approach helps identify and assist eligible participants more effectively, enabling broader access to vital programs and services.

3. Customer Education, Awareness and Engagement:

This project is designed to enhance customer awareness and foster engagement by incorporating educational initiatives that highlight available assistance programs and energy-saving practices. By delivering clear and accessible information, the project empowers customers to make well-informed decisions about managing their energy use and participating in assistance programs effectively.

Line No.	Project Name	Business Category/Product Line	Adjustment					
			Historical 12 Mos Ended 12/31/2023	Projected Bridge Year		Projected Test Year 12 Mos Ending 10/31/2026	12 Mos Ending 10/31/2026 O&M	
				12 Mos Ending 12/31/2024	10 Mos Ending 10/31/2025			22 Mos Ending 10/31/2025
1	Application Currency-Corporate-Capital	Corporate			\$ 15,010		\$ 18,013	\$ 1,991
2	HR Support Pack and Business Software Inc Upgrade 2025	Corporate						\$ 20,119
3	HR Support Pack and Business Software Inc Upgrade 2026	Corporate						\$ 40,454
4	Total Corporate		\$ -	\$ -	\$ 15,010	\$ -	\$ 18,013	\$ 62,564
5	Click to Chat	Customer	\$ 45,683	\$ 2,958				
6	Product Family Enhancements-Customer-Capital*	Customer		\$ 274,116	\$ 699,355	\$ 772,843	\$ 870,461	\$ 22,959
8	Total Customer		\$ 45,683	\$ 277,074	\$ 699,355	\$ 772,843	\$ 870,461	\$ 22,959
9	Application Currency-Electric & Gas Shared-Capital	Electric & Gas Shared			\$ 19,146		\$ 22,975	\$ 7,962
10	Standard Work Plan	Electric & Gas Shared						\$ 70,665
11	Next Generation electronic Shift Operations Management System e(SOMS) Replacement	Electric & Gas Shared					\$ 125,746	\$ 8,243
12	Total Electric & Gas Shared		\$ -	\$ -	\$ 19,146	\$ -	\$ 148,721	\$ 86,870
13	ARP-Collaboration	IT/Digital Foundation			\$ 6,015		\$ 7,219	
14	ARP-Field Device Asset Management (FDAM)	IT/Digital Foundation			\$ 831,046		\$ 999,543	
15	ARP- Workstation Asset Management (WAM)	IT/Digital Foundation			\$ 831,077		\$ 997,292	
16	Total IT/Digital Foundation		\$ -	\$ -	\$ 1,668,138	\$ -	\$ 2,004,054	\$ -
17	ARP-Physical Security	Security			\$ 72,640		\$ 108,960	
18	Total Security		\$ -	\$ -	\$ 72,640	\$ -	\$ 108,960	\$ -
19	TOTAL IT Capital and Investment O&M Adjustments		\$ 45,683	\$ 277,074	\$ 2,474,289	\$ 772,843	\$ 3,150,209	\$ 172,393

* The disallowances for this project come from the following areas:
Web Chat AI, Low Moderate Income (LMI) Customer Support Enhancements and the Self-Service Mobile Application project

U21806-SA-CE-018-Revised
Requested By: Emma Zichi (EZ-1 - 18)
Respondent: Stacy H. Baker
Date of Response: 02/26/2025
Page 1 of 2

8Question:

18. Regarding A-22 (SHB-7), 'ARP-Physical Security' project:
- a. Why are there two lines (no.6 and no.7) for "NVR/Monitor"?
 - b. Why did the "Avg. Unit Cost" for both lines of "NVR/Monitor" change so much for 2025?
 - c. Why are there two different lines (no.2 and no.3) for "Cameras"?
 - d. Why did the "Avg. Unit Cost" for both lines of "Cameras" go up for 2025, 2026, and the Test Year?
 - e. Why is "Logistics and Operations Expense" cost so much more for 2025 and the Test Year?
 - f. Why is "Software, labor, contractor and overhead and other costs" so much more for 2025 and the Test Year compared to 2024?

Revised Response:

- a. Lines 6 and 7, on page 8 of exhibit A-22 (SHB-7) for NVR/Monitors are on separate lines due to the different average unit cost for each year.
- b. The Avg. Unit Cost for 2025 is based on the types of NVR/Monitors planned to be replaced that year. NVR/Monitors requirements can vary from site to site, impacting the average unit cost.
- c. Lines 2 and 3, on page 8 of exhibit A-22 (SHB-7) for cameras are on separate lines due to the different average unit costs for each year.
- d. The Avg. Unit Cost for 2025, 2026, and Test Year are based on the types of cameras planned to be replaced that year. Camera requirements can vary from site to site, impacting the average unit cost.
- e. Logistics and Operations Expense is for contractor travel expenses associated with each unit. The Logistics and Operations Expense costs changed in 2025 based on the sites which units planned to be replaced.
- f. The Software, labor, contractor, and overhead and other costs represent capital expenditures for software, labor, contractor, IT administration cost allocation based on IT Labor and Contractor costs, employee benefit overheads (OPEB, Pension, Adm&Gen, OthCost), and

U21806-SA-CE-018-Revised
Requested By: Emma Zichi (EZ-1 - 18)
Respondent: Stacy H. Baker
Date of Response: 02/26/2025
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Allowance for Funds Used During Construction (AFUDC). AFUDC was inadvertently applied to Materials, Labor and Contractor costs and employee benefit overheads were inadvertently applied to Contractor costs, causing Non-Labor Overhead costs to be higher for 2025 and 2026. The original and corrected breakdown of the gas allocation of capital Non-Labor Overhead is provided in the tables below. The projected gas allocation capital should be reduced by \$72,640 for the Bridge Period and \$108,960 for the Test Year.

Original Breakdown:

	2025	2026	Bridge Period	Test Year
Cost Category	Gas Capital Non-Labor Overhead	Gas Capital Non-Labor Overhead	Gas Capital Non-Labor Overhead	Gas Capital Non-Labor Overhead
AFUDC	\$30,594	\$39,772	\$25,495	\$38,242
OPEB, Pension, Adm&Gen, OthCost	\$71,660	\$93,159	\$59,717	\$89,576
IT Administration Allocation	\$2,640	\$3,432	\$2,200	\$3,300
Total	\$104,894	\$136,363	\$87,412	\$131,118

Corrected Breakdown:

	2025	2026	Bridge Period	Test Year
Cost Category	Gas Capital Non-Labor Overhead	Gas Capital Non-Labor Overhead	Gas Capital Non-Labor Overhead	Gas Capital Non-Labor Overhead
AFUDC	\$-	\$-	\$-	\$-
OPEB, Pension, Adm&Gen, OthCost	\$15,086	\$19,612	\$12,572	\$18,858
IT Administration Allocation	\$2,640	\$3,432	\$2,200	\$3,300
Total	\$17,727	\$23,044	\$14,772	\$22,158

U21806-SA-CE-049-Revised
 Requested By: Emma Zichi (EZ-2 - 4)
 Respondent: Stacy H. Baker
 Date of Revised Response: 2/24/2025
 Page 1 of 2

Question:

4. Regarding A-20 (SHB-5), the “HR Support Pack and Business Software Inc Upgrade 2024-2026” project:
 a. Why are the projected costs for 2025 and 2026 so much more compared to 2024?

Revised Response:

- a. The projected O&M costs for 2025 and 2026 were inadvertently overstated for the HR Support Pack and Business Software Inc Upgrade 2025 and HR Support Pack and Business Software Inc Upgrade 2026 projects. The cost estimates did not account for the optimizations in contractor costs achieved through automation and elimination of licensing costs for impact analysis software.

The original and revised breakdown of the gas allocation of O&M by cost category is provided in the tables below for the HRS Support Pack and Business Software Inc Upgrade 2025 project. The gas allocation O&M should be reduced by \$20,119 for the Test Year.

HR Support Pack and Business Software Inc Upgrade 2025 - Original Breakdown:

Cost Category	2025	2025	Test Year
	Total Company O&M	Gas O&M	Gas O&M
Software	\$ 77,310	\$ 28,764	\$ 4,794
Labor	\$ 103,928	\$ 38,668	\$ 6,445
Contractor	\$ 540,425	\$ 201,075	\$ 33,512
Non-Labor Overhead	\$ 45,105	\$ 16,782	\$ 2,797
Non-Labor Other	\$ 193,963	\$ 72,168	\$ 12,028
Total	\$ 960,730	\$ 357,457	\$ 59,576

HR Support Pack and Business Software Inc Upgrade 2025 - Revised Breakdown:

Cost Category	2025	2025	Test Year
	Total Company O&M	Gas O&M	Gas O&M
Software	\$0	\$0	\$0
Labor	\$103,928	\$38,668	\$6,445
Contractor	\$490,739	\$182,588	\$30,431

U21806-SA-CE-049-Revised
 Requested By: Emma Zichi (EZ-2 - 4)
 Respondent: Stacy H. Baker
 Date of Revised Response: 2/24/2025
 Page 2 of 2

Non-Labor Overhead	\$41,627	\$15,488	\$2,581
Non-Labor Other	\$0	\$0	\$0
Total	\$636,293	\$236,744	\$39,457

The original and revised breakdown of the gas allocation of O&M by cost category is provided in the tables below for the HRS Support Pack and Business Software Inc Upgrade 2026 project. The gas allocation O&M should be reduced by \$40,454 for the Test Year.

HR Support Pack and Business Software Inc Upgrade 2026 - Original Breakdown:

Cost Category	2026	2026	Test Year
	Total Company O&M	Gas O&M	Gas O&M
Software	\$77,310	\$28,764	\$23,970
Labor	\$103,928	\$38,668	\$32,224
Contractor	\$540,425	\$201,075	\$167,562
Non-Labor Overhead	\$45,105	\$16,782	\$13,985
Non-Labor Other	\$0	\$0	\$0
Total	\$766,767	\$285,289	\$237,741

HR Support Pack and Business Software Inc Upgrade 2026 - Revised Breakdown:

Cost Category	2026	2026	Test Year
	Total Company O&M	Gas O&M	Gas O&M
Software	\$0	\$0	\$0
Labor	\$103,928	\$38,668	\$ 32,224
Contractor	\$490,739	\$182,588	\$152,157
Non-Labor Overhead	\$41,627	\$15,488	\$12,907
Non-Labor Other	\$0	\$0	\$0
Total	\$636,293	\$236,744	\$197,287

U21806-SA-CE-075

Requested By: Emma Zichi (EZ-3 - 16)

Respondent: Stacy H. Baker

Date of Response: 1/24/2025

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Question:

16. Regarding A-20 (SHB-5), the "Standard Work Plan" project:

- a. Please explain the projected costs for this project included in the 2026 spend year when this project has an end date of 03/28/2025.
- b. If the project start date is 06/04/2024, why are there no costs included in the 2024 spend year?
- c. Where is the cost of purchasing the SaaS solution for this project?
 - i. Why are there no "Software Costs-Gas" for this project?
- d. Can you please provide a breakdown of the "Labor Costs-Gas" and "Contractor Costs-Gas" for both spend years (2025 and 2026) and for both O&M and capital expenses.

Response:

- a. The Standard Work Plan project inadvertently included ongoing support costs in the 2026 project costs. The projected gas allocation O&M should be reduced by \$70,665 for the Test Year.
- b. In 2024, Investment Planning began on the project, which is part of the Operations O&M. The project funding was shifted to 2025, but the projected dates were not updated to reflect the change. This project is now expected to begin in May 2025.
- c. The cost of purchasing the Software as a Service solution is not considered part of the project costs and would be planned in contracts as a part of Operations O&M.
 - i. Software as a Service solution is not considered part of the project costs and would be planned in contracts as a part of Operations O&M.
- d. The table below provides the gas allocation capital and O&M breakdown for Labor and Contractor costs for 2025, based on part a response to remove 2026 costs.

Labor Description	2025	
	Gas Allocation	
	Capital	O&M
Labor to build integration with SAP and Data Lake	\$128,863	\$0
Labor for integration, training and hypercare	\$0	\$29,765
Labor for testing	\$0	\$7,441
Total	\$128,863	\$37,207

Contractor Description	2025
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U21806-SA-CE-075
 Requested By: Emma Zichi (EZ-3 - 16)
 Respondent: Stacy H. Baker
 Date of Response: 1/24/2025
 Page 2 of 2

	Gas Allocation	
	Capital	O&M
Professional Services to build integration with SAP and Data Lake	\$81,718	\$0
Professional Services for build and testing	\$0	\$77,762
Professional Services for training, hypercare, and PowerBi Reporting	\$0	\$40,555
Total	\$81,718	\$118,317

The \$77,762 of professional services O&M was inadvertently categorized as labor. Following is the original and revised categorical cost breakdown for Standard Work Plan for 2025 for Exhibit A-20 (SHB-5), line 256.

Original:

PROJECT NAME	GAS PORTION O&M SPEND FOR APPLICABLE YEAR	SOFTWARE COSTS-GAS	MATERIAL COSTS-GAS	LABOR COSTS-GAS	CONTRACTOR COSTS-GAS	NON-LABOR OVERHEAD-GAS	NON-LABOR OTHER-GAS
Standard Work Plan	\$166,411	\$-	\$-	\$114,969	\$40,555	\$10,887	\$-

Revised:

PROJECT NAME	GAS PORTION O&M SPEND FOR APPLICABLE YEAR	SOFTWARE COSTS-GAS	MATERIAL COSTS-GAS	LABOR COSTS-GAS	CONTRACTOR COSTS-GAS	NON-LABOR OVERHEAD-GAS	NON-LABOR OTHER-GAS
Standard Work Plan	\$166,411	\$-	\$-	\$37,207	\$118,317	\$10,887	\$-

U21806-SA-CE-076

Requested By: Emma Zichi (EZ-3 - 17)

Respondent: Stacy H. Baker

Date of Response: 1/23/2025

Page 1 of 1

Question:

17. Regarding A-20 (SHB-5), the "Next Generation electronic Shift Operations Management System (eSOMS) Replacement" project:

- a. Please breakdown the costs for "Material Costs-Gas" (capital).
- b. Please breakdown the costs for "Non-Labor Other-Gas" (capital) costs.

Response:

- a. The capital Material costs of \$6,046 for the Next Generation electronic Shift Operations Management System (eSOMS) Replacement project are for new infrastructure: three database servers and three application servers.
- b. The capital Non-Labor Other costs for the Next Generation electronic Shift Operations Management System (eSOMS) Replacement project are for the Information Technology administrative labor cost allocation based on contractor costs to support the project. The Contractor Costs are for Hitachi, the application vendor, to provide a new work notification interface from Lumada to SAP.

On December 5, 2024, Hitachi delivered an eSOMS Roadmap update to Consumers Energy. Hitachi announced that instead of requiring eSOMS customers to migrate to a new platform, Lumada, the new functionalities would be integrated into eSOMS through regular updates. This changes the Company's need for this project at this time. The projected gas allocation capital and O&M should be reduced by \$125,746 ROM Adjusted Capital and \$8,243 O&M for the Test Year.

U21806-SA-CE-178

Requested By: Emma Zichi (EZ-4 - 43)

Respondent: Stacy H. Baker

Date of Response: 2/6/2025 Page 1 of 1

Question:

43. Regarding A-22 (SHB-7), the “ARP-Collaboration” project:

- a. Please explain Line No. 3 "Conference room refresh - Auditorium" and provide a breakdown of the projected costs for this project in 2025 and 2026.
 - i. Why are the projected cost the same for both years?
- b. Please explain what Line No. 61 "Gen 1 Replacements" is for 2024.
- c. Please provide a cost break down for the "Software, labor, contractor and overhead and other costs" for 2024, 2025 and 2026

Response:

- a. Refer to Attachment No. U21806-SA-CE-178_ATT 1 for the projected cost breakdown of one auditorium refresh. This projected cost breakdown is based on a current quote from the vendor and differs from the \$150,00 initially projected. The projected gas allocation capital should be reduced by \$6,015 for the Bridge Period and \$7,219 for the Test Year.
 - i. The Company projected the same costs for 2025 and 2026 for the Conference Room Refresh – Auditorium, because the Company plans to refresh one auditorium each year.
- b. The Gen 1 Replacements in Exhibit A-22 (SHB-7), line 61, for 2024 are for the replacement of first-generation surface hubs.
- c. The gas allocation cost breakdown for software, labor, contractor, non-labor overhead, and non-labor other costs in Exhibit No. A-22 (SHB-7), page 1, lines 21 and 121 for 2024, 2025, and 2026 are provided in Exhibit A-20 (SHB-5), lines 181, 272, and 352 in columns m, o, p, q, and r.

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Auditorium Cost Breakdown

Attachment: U21806-SA-CE-178_ATT 1
 Witness: SHBaker
 Date: February 2025

Line
 No.

(a) (b) (c) (d)

	Units	Avg. Unit Cost	Units	Total Dollars
1	7100 Lumen Advanced Professional Laser Installation Projector	4,065.85	3	12,197.55
2	UNIVERSAL RPA WHITE	191.66	3	574.98
3	CEILING PLATE, 8" X 24"	117.56	3	352.68
4	ADJ. PIPE 6" TO 9" WHITE	61.28	3	183.84
5	ADVANTAGE 123D 65X104NPA MW	2,680.50	3	8,041.50
6	3-Series 4K DigitalMedia Presentation System 350	6,806.25	1	6,806.25
7	DigitalMedia 8G+ 4K60 4:4:4 HDR Wall Plate Transmitter	687.50	3	2,062.50
8	DigitalMedia 8G+ 4K60 4:4:4 HDR Receiver & Room Controller 100	613.75	1	613.75
9	4-Series Control System	1,375.00	1	1,375.00
10	10.1 in. Wall Mount Touch Screen, Black Smooth	1,906.25	3	5,718.75
11	M4250-26G4XF-POE+ MNGD SWITCH PERP	2,087.50	3	6,262.50
12	Poly GC8 Touch Controller	1,099.00	3	3,297.00
13	1yr Poly + GC8 USB Controller	143.75	3	431.25
14	HP Mini Conf G9 wMTR i712700T 16GB/256PC U.S	1,375.00	3	4,125.00
15	PC Poly+ OS,3YR,HP Mini Conf PC w/Teams	75.00	3	225.00
16	HDMI EDID Emulator Passthrough 3rd Generation Premium Aluminum Eliminated Emulator Adapter	25.00	3	75.00
17	RoboSHOT 12E OL BRIDGE Express	6,005.13	3	18,015.39
18	Ceiling Array Microphone, Square, White, 24 inch	3,938.75	6	23,632.50
19	Tesira Audio Chassis w/ AVB Card	5,568.75	1	5,568.75
20	Biamp Four-Channel Auto Echo Cancellation Input Card	565.00	3	1,695.00
21	Tesira 64x64 Dante module for use in SERVER or SERVER-IO chassis	1,135.00	3	3,405.00
22	Biamp Four-Channel Output Card	248.75	3	746.25
23	4" CEILING SPKR W/X-FORMER (2 PER CTN)	140.00	18	2,520.00
24	4-Channel Power Amplifier, 600W/Ch.	2,406.25	1	2,406.25
25	Misc. Hardware and Wire	1,250.00	1	1,250.00
26	Engineering, Installation, Programming and Project Management			10,940.00
27	Shipping Charges			4,511.34
28	Total			127,033.03

U21806-SA-CE-181

Requested By: Emma Zichi (EZ-4 - 46)

Respondent: Stacy H. Baker

Date of Response: 2/7/2025

Page 1 of 1

Question:

46. Regarding A-22 (SHB-7), the "ARP-Workstation Asset Management (WAM)" project:

- a. Please provide a cost breakdown for "Software, labor, contractor and overhead and other costs" Line No. 19 for 2025.
 - i. Why is the projected cost for this so much higher for 2025 compared to 2024 and 2026?
 - b. Why are the "Total Units" (column c and d) for 2025 and 2026 the exact same for new purchases (lines 8-16)?
 - c. Why is the number of new assets being purchased in 2025 and 2026 the exact same, when the number for new asset purchases in 2023 and 2024 are not the exact same?

Response:

- a. The gas allocation cost breakdown for software, labor, contractor, non-labor overhead, and non-labor other costs in Exhibit No. A-22 (SHB-7), page 12, line 19 for 2025 for the ARP-Workstation Asset Management (WAM) project is provided in Exhibit A-20 (SHB-5), line 277 in columns m, o, p, q, and r.
 - i. The projected costs are higher for 2025 based on the number of units that are required to be refreshed in 2025 is more than 2024 and 2026.
- b. The 2023 Total Units are based on the actual new purchases that were required in 2023 based on hiring and device needs. The 2024 projected Total Units are based on actual and projected new purchases that are required in 2024 based on hiring and device needs. The 2025 and 2026 Total Units are determined based on historical new purchase data and People and Culture hiring estimations.
- c. Refer to part b response.

U21806-SA-CE-288
Requested By: Emma Zichi (EZ-6 - 22)
Respondent: Stacy H. Baker
Date of Response: 2/24/2025
Page 1 of 1

Question:

Regarding the Audit response U21806-SA-CE-181:

22. Are the People and Culture Hiring estimations, referenced in part b, expected to be the same for 2025 and 2026?

Response:

22. Although the Company stated in response U21806-SA-CE-181 that it determined 2025 and 2026 projections based on People and Culture hiring estimations, further investigation revealed that the Company did not use these estimates for projecting new purchases for 2025 and 2026. The Company projected Total Company new purchases of \$1 million for 2025 and 2026 (Exhibit No A-22 (SHB-7), page 12, rows 8-18, columns e and f). The historical actuals used to validate the reasonableness of the projected 2025 and 2026 new purchase capital costs for the ARP-Workstation Asset Management (WAM) project are provided in the table below. The Company excluded 2019 actuals, because it did not have the breakdown of new purchases and replacements available.

Year	Total Company	Gas Allocation
2020	\$1,194,153	\$354,425
2021	\$5,791,517	\$1,738,034
2022	\$2,192,974	\$658,112
2023	\$1,198,829	\$384,584
Average	\$2,594,368	\$783,789

U21806-SA-CE-325
Requested By: Emma Zichi (EZ-8 - 6)
Respondent: Stacy H. Baker
Date of Response: 2/25/2025
Page 1 of 1

Question:

Regarding the Audit response U21806-SA-CE-179 and Exhibit A-22 (SHB-7):

6. Are the People and Culture Hiring estimates expected to be the same for 2025 and 2026?

Response:

6. The Company projected Total Company new purchases of \$997,255 and \$1 million for 2025 and 2026 respectively (Exhibit No A-22 (SHB-7), page 4, rows 4-6, columns e and f). The historical actuals used to validate the reasonableness of the projected 2025 and 2026 new purchase capital costs for the ARP-Field Device Asset Management (FDAM) project were a part of ARP-Workstation Asset Management historically and were provided in Audit response U21806-SA-CE-288.

EXHIBIT S- 19.2

IS CONFIDENTIAL AND BEING FILED
UNDER SEAL WITH THE MPSC

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief.)
_____)

Case No. U-21806

PROOF OF SERVICE

Melissa S. Siemen being duly sworn, deposes and says that on April 23, 2025, A.D., she emailed a copy of the attached MPSC Testimony and Exhibits to the persons as shown on the attached list.

Melissa S. Siemen

Melissa S. Siemen

Subscribed and sworn to before me
this 23rd day of April 2025.

Jillian Bowden _____
Jillian Bowden, Notary Public
State of Michigan, County of Ingham
Acting County of Eaton
My Commission Expires June 19, 2025

Service List for U-21806

Consumers Energy Company

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Anne Uitvlugt
Evan Keimach
Spencer Sattler
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Service List for U-21806

**Michigan Environmental Council “MEC”,
Sierra Club, Citizens Utility Board “CUB”**

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