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MPSC orders reliability improvements guided by major audit of Consumers Energy Co., DTE Electric Co.

The Michigan Public Service Commission today outlined areas of performance improvements it expects Consumers Energy Co. and DTE Electric Co. to focus on, stemming from the first comprehensive, third-party audit of the equipment and operations of the state's two largest electric utilities ([Case No. U-21305](#)).

The Commission initiated the audit in October 2022, following severe storms that knocked out power to nearly 500,000 customers and resulted in multiple customer contacts with downed wires, including a fatal incident involving a 14-year-old-child. The findings of the audit, [released in September](#) 2024, include 67 observations relating to the distribution systems of Consumers Energy and DTE Electric, 148 conclusions on the state of the two utilities' respective grids, and 75 specific recommendations to guide significant improvements to lagging reliability and slow service restoration times. Today's order takes action on each of the 75 recommendations, detailing how improvements in these areas will be embedded in future rate cases, distribution planning cases, and other matters before the Commission.

"This audit provided an unprecedented look at the operations of the electric systems serving more than 80% of Michiganders," MPSC Chair Dan Scripps said. "The steps the Commission is outlining today build on what we've learned from the audit and a series of initiatives going back nearly a decade and take concrete actions to continue addressing reliability issues that have frustrated customers."

"After a thorough and detailed audit process, now is the time for implementation," Commissioner Katherine Peretick said. "The recommendations provided by the third-party experts will now be embedded into decisions going forward, including distribution plans and rate cases for cost recovery."

"The goals of these audits serve as important reminders: to investigate, audit and review methods employed by DTE Electric and Consumers Energy to secure good electric service and the safety of the public," Commissioner Alessandra Carreon said. "With ongoing engagement from the companies, the results from this audit will provide enduring recommendations that can ensure utilities remain focused on the most impactful and cost-effective actions that lead to real system improvements."

The Commission emphasized the importance of several categories of improvement for both utilities:

- Continue expansion of available resources to address downed wires and file information with the MPSC on personnel, protocols, policies and procedures, and education efforts, among others relating to how the companies address downed wires to ensure public safety.
- Regular tree trimming, a significant means of improving reliability because fallen limbs and branches remain the leading cause of outages.
- Rigorous analysis of various alternatives, including finding the right balance of capital spending vs. operations and maintenance spending and tree trimming, to meet reliability goals as cost-effectively as possible.
- The importance of requests for cost recovery in rate cases being aligned with previously filed electric distribution plans, with full explanation of any changes, including evidence and rationale.
- Prioritizing equipment replacement programs based on inspections and the actual condition of the equipment instead of solely on age of facilities.

The Commission also addressed utility-specific recommendations from the audit.

For Consumers Energy, the Commission emphasized the importance of:

- Analyzing the benefits and costs of moving to a 4-year fixed fixed tree-trimming cycle instead of the company's current 7-year cycle, noting the company's analysis showed that the increased investment in vegetation management would reduce outages and reduce costs for customers
- Increasing the number of employees and contractors on hand during outages, to ensure adequate staffing for quicker restoration of power outages. Consumers agreed to assess and update its processes to ensure adequate staffing.
- Evaluating the costs and benefits of wider use of burying low-voltage distribution lines beyond the company's currently approved undergrounding pilot program.

For DTE Electric, the Commission, among other recommendations:

- Requested that the company submit more detailed distribution plans than it has in the past, with realistic analyses of costs and benefits and alternatives. This would support prioritization of spending and better align the company's planning with rate case recovery requests.
- Noted DTE Electric's improvements in having more staff pre-staged ahead of major weather events but requested that the company improve its estimates of restoration times for customers.
- Requested that the utility file a strategy for improving the safety and reliability of its 4.8 kilovolt system, investments in Viper reclosers, and a comparison to alternatives including tree trimming, in its next distribution plan.
- Encouraged the company to continue its subtransmission cable replacement program while also providing realistic and actionable investment and timeline

plans for future cable replacement planning when it submits cost recovery requests.

- Requested deeper analysis of planning in making capital and operations and maintenance investments to ensure investments are prioritized cost-effectively.

The Commission also requested DTE separately track an additional metric relating to customers experiencing long interruption duration, or CELID. This will add transparency and accountability relating to those customers experiencing the worst performing elements of the company's distribution system.

In another matter addressing reliability, the Commission announced it is seeking comment on a straw proposal filed by MPSC Staff on Dec. 2, 2024, on how to improve the resilience of critical and priority facilities such as schools, hospitals, nursing homes, and community centers ([Case No. U-21388](#)). As part of its ongoing work to improve the resilience of Michigan's power grid, the Commission has undertaken a wide array of actions in recent years, the most recent of which is a focus on better understanding how utilities identify and prioritize critical customers during outages and to increase options for these customers and facilities.

The importance of addressing such issues was made all the more direct through the catastrophic northern Michigan ice storm in March 2025 that caused widespread damage to electrical and communications infrastructure, left customers without power or cellular phone service, led to loss of backup generators, and a whole host of interrelated impacts affecting energy delivery across a dozen counties.

MPSC Staff filed its proposal with recommendations on improving the resilience of critical and priority facilities through changes in the MPSC's Service Quality and Reliability Standards for Electric Distribution Systems. Interested persons may file comments on the MPSC Staff's proposal by 5 p.m. July 30, 2025. Reply comments are due by 5 p.m. Aug. 29.

Written and electronic comments, which must be paginated and reference the relevant case number, may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909, submitted electronically through the Commission's E-Docket website, or emailed to mpscedockets@michigan.gov.

The Commission also directed MPSC Staff to conduct a technical conference on the costs and benefits of undergrounding electric lines and alternatives to undergrounding for reliability and resilience by Sept. 30, 2025, and to file a report with recommended next steps to the Commission by Oct. 31, 2025. The technical conference will include the latest learnings from current undergrounding utility pilot programs.

COMMISSION GRANTS CONSUMERS ENERGY ACCOUNTING AUTHORITY TO DEFER COSTS FROM NORTHERN MICHIGAN ICE STORM

The MPSC approved Consumers Energy's application for accounting authority to defer operations and maintenance (O&M) expenses associated with the catastrophic ice

storm that paralyzed northern Michigan in March and subsequent severe weather that included 14 tornadoes ([Case No. U-21914](#)). The severe weather caused widespread damage to Consumers' electric grid, requiring restoration of 7,600 downed wires, 636 transformers, 1,810 poles and 220 miles of power lines at an estimated cost of \$96 million; the company's total approved O&M budget for calendar year 2025 is \$125 million. Today's order approves the company's request for deferral of the costs as a regulatory asset to be reviewed for recovery in a future rate case. The approval is for accounting purposes only. The MPSC will review Consumers' future request for approval of storm restoration costs, and the Commission directed Consumers to provide comprehensive storm data for the March/April 2025 event, including a breakdown of capital and O&M unit costs for internal and contractor crews. The Commission also directed the company to show how its restoration efforts were conducted in a cost-effective manner and how customers experienced optimal restoration. Finally, the Commission noted that it was reserving judgement on how the deferred costs would ultimately be recovered, directing the company to provide a comparison of different options and to detail why its preferred option served the best interest of its customers.

MPSC SEEKS ADDITIONAL BRIEFINGS ON MICHIGAN ELECTRIC TRANSMISSION CO. PROPOSED TRANSMISSION ROUTE

The Commission is seeking additional briefing on the impacts of the proposed route of major electric transmission lines sought by Michigan Electric Transmission Co. (METC) ([Case No. U-21471](#)). METC in 2024 applied for certificates of public convenience and necessity for a 39.5-mile, 345 kilovolt (kV) double circuit transmission line between the Nelson Road Substation in New Haven Township in Gratiot County and the Oneida Substation in Oneida Township in Eaton County, and a 55-mile, 345 kV double circuit transmission line between a proposed new Helix Substation in Clarence Township in Calhoun County and the Michigan/Indiana border in Gilead Township in Branch County. The Commission noted evidence showing METC's proposed route runs through a rural airport, while an alternative route sidesteps the airport but requires more new right-of-way, has more residences within 500 feet, crosses more parcels and has more archeological sites within the right-of-way. The Commission seeks supplemental briefing on the reasonableness of the route's impact to the airport and the reasonableness of the social impacts of the alternative route. The additional briefings, limited to 15 pages, must be filed by 5 p.m. on June 26, 2025.

CONSUMERS ENERGY'S POWER SUPPLY COST RECOVERY PLAN OKd

The MPSC approved Consumers Energy's application for approval of its power supply cost recovery (PSCR) plan for the year ending Dec. 31, 2024 ([Case No. U-21423](#)). The Commission approved a PSCR recovery factor of \$0.00877 per kilowatt hour and accepted the utility's five-year forecast. The Commission also approved Consumers' PSCR recovery factor ceiling price adjustment for the 2024 PSCR plan year. The Commission noted its concern that adjustment mechanisms could potentially influence an electric utility's analysis when comparing natural gas generation resources with alternatives that have less fuel cost volatility, while noting that such analysis is subject to review in integrated resource plan filings and other proceedings. The Michigan

Department of Attorney General, Michigan Power LP, Ada Cogeneration LP, Energy Michigan, Association of Businesses Advocating Tariff Equity and Sierra Club intervened in the case. MPSC Staff also participated.

COMMISSION OKS SETTLEMENT AGREEMENT ON DETROIT THERMAL'S STEAM SUPPLY COST RECOVERY PLAN

The Commission approved a settlement agreement on Detroit Thermal LLC's application for approval of its steam supply cost recovery (SSCR) plan and factors for the 12 months ending March 31, 2025 ([Case No. U-21616](#)). Detroit Thermal and MPSC Staff entered a settlement agreement resolving all matters in the case, permitting Detroit Thermal to implement a base SSCR factor of \$11.35 per thousand pounds of steam (Mlbs) effective with the billing cycle applicable to the month of April 1, 2025, through March 31, 2026. That's a reduction from the current base SSCR factor of \$11.85 per Mlbs approved in Case No. U-21447. Detroit Thermal generates steam used primarily for space and hot water heating and absorption cooling of more than 100 buildings in greater downtown Detroit.

COMMISSION APPROVES SOLAR CONTRACTS FOR CONSUMERS ENERGY, UPPER PENINSULA POWER CO.

The MPSC today approved contracts for solar energy for two Michigan utilities. In [Case No. U-20350](#), the Commission approved a Member Interest Purchase Agreement between Upper Peninsula Power Co (UPPCO) and Republic Solar Power Holdings, LLC as well as two Engineering, Procurement and Construction Agreements for the 62.5-MW Republic Solar Project in Marquette County. In [Case No. U-15805](#), the Commission approved Consumers Energy's application for approval of an engineering, procurement and construction agreement with Kokosing Industrial Inc. and a module supply contract with Trina Solar (U.S.) Inc. for the utility's Blackman Solar Project. Blackman Solar is a 30-acre solar array in Jackson County that will add 2.5 megawatts (MW) of solar generation to Consumers' Solar Gardens program, a voluntary green pricing program through which customers voluntarily specify a certain amount of electricity purchases to be from renewable energy resources, with costs of the program billed to participating customers. Finally, in Case No. U-20604, the Commission approved a 15-year power purchase agreement (PPA) between Consumers Energy and Pivot Energy MI 18 LLC for the output of the 2-MW Pivot Energy MI 18 Solar Plant in Van Buren County.

MPSC APPROVES INDIANA MICHIGAN POWER CO. INTERCONNECTION AGREEMENTS, GRANTS 2-YEAR WAIVERS

The MPSC approved interconnection procedures, forms and agreements for Indiana Michigan Power Co. (I&M) and granted limited waivers to the utility ([Case No. U-21665](#)). The Commission directed I&M to implement interconnection procedures, forms, and agreements filed in this case and utilize Standard Level 1, 2, and 3 interconnection agreements and Level 4 and 5 agreements as filed in the docket. The Commission also granted I&M various waivers sought by the company.

MPSC TAKES NEXT STEPS IN ADDRESSING AFFORDABILITY METRICS

The Commission ([Case No. U-20757](#)) directed MPSC Staff to develop a straw proposal, in partnership with the MPSC's Energy Affordability and Accessibility Collaborative, outlining energy affordability metrics as part of the MPSC's efforts to address sustainable affordability. The work is part of the MPSC's ongoing review of the response to the COVID-19 pandemic and the need for special protections for customers to ensure access to utility services and assist those struggling with utility bills. In today's order, the Commission maintained its current definition of critical care customers and declined to establish a list of medical equipment that would qualify customers for critical care designation, saying utilities should work directly with certified medical professionals to allow the flexibility inherently needed in patient care. The Commission directed Staff to commence rulemaking changes to keep critical care customers more engaged through participating in energy assistance offerings or entering into a payment plan while enrolled in shutoff protection. The Commission also directed Staff to include a straw proposal for affordability metrics with its Percent of Income Payment Plan analysis report to be filed later this summer.

MPSC APPROVES OUTDOOR SECURITY LIGHTING TARIFF CHANGES FOR INDIANA MICHIGAN POWER CO.

The MPSC approved Indiana Michigan Power Co.'s (I&M) amended application for approval of its outdoor security lighting tariff ([Case No. U-21665](#)). I&M's modified tariff includes two new light emitting diode, or LED, lamp sizes and three new no-pole rates, which the company says will allow customers who pay for the installation of lighting facilities upfront to be charged only for a monthly light rental, and that the proposed modifications are the result of customer requests and I&M's desire to offer additional energy efficient LED options.

MPSC SEEKS COMMENT ON REVISED PROPOSED PROCESS FOR ADDRESSING MISO'S EXPEDITED RESOURCE ADDITION STUDY TARIFF

The Commission today announced it is seeking comment on a revised proposal of a process for addressing requests filed under the Midcontinent Independent System Operator Inc.'s (MISO) Expedited Resource Addition Study (ERAS) tariff ([Case No. U-21902](#)). MISO is the regional transmission operator for most of Michigan, 14 other states and the Canadian province of Manitoba. Interested organizations and individuals may file comments on the Commission's proposal. Comments should be paginated and reference Case No. U-21902. Comments must be received by 5 p.m. June 26, 2025, and replies by 5 p.m. July 11. Comments may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909, emailed to mpscdockets@michigan.gov, or submitted through the MPSC's E-Dockets.

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To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).

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