

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>INDIANA MICHIGAN POWER COMPANY</b> for	)	
approval of interconnection procedures, forms,	)	Case No. U-21467
agreements, and related relief.	)	
_____	)	

At the June 12, 2025 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair  
Hon. Katherine L. Peretick, Commissioner  
Hon. Alessandra R. Carreon, Commissioner

**ORDER**

On April 24, 2023, the Commission issued an order in Case No. U-20890 adopting the Interconnection and Distributed Generation Standards (also known as the MIXDG rules), which are codified at Mich Admin Code, R 460.901a *et seq.*, and became effective on April 25, 2023. Included in the MIXDG rules is Mich Admin Code, R 460.920 (Rule 20), which reads (in pertinent part) as follows:

Rule 20. (1) An electric utility shall file applications for approval of interconnection procedures and forms within 120 calendar days of the effective date of these rules.

(2) The commission shall issue its order approving, rejecting, or modifying an electric utility’s proposed interconnection procedures and forms within 360 calendar days of the electric utility filing an application for approval of interconnection procedures and forms. If the commission finds the procedures and forms proposed by the electric utility to be inadequate or unacceptable, the commission may either adopt procedures and forms proposed by another person in the proceeding or modify and accept the procedures and forms proposed by the

electric utility.

(3) Until the commission accepts, rejects, or modifies an electric utility's interconnection procedures and forms, the electric utility may use the proposed interconnection procedures and forms when processing interconnection applications with the exception of fixed fees and fee caps. An electric utility shall only charge fees that comply with the requirements of R 460.926 until the commission accepts, rejects, or modifies the proposed interconnection procedures and forms, unless the commission approves different fees pursuant to R 460.926(5).

(4) Two or more electric utilities may file a joint application proposing interconnection procedures for use by the joint applicants. The proposed interconnection procedures must ensure compliance with these rules.

(5) The proposed interconnection procedures must, at a minimum, include all of the following:

- (a) All necessary applications, forms, and relevant template agreements.
- (b) A schedule of all applicable fixed fees and fee caps.
- (c) Voltage ranges for high voltage distribution and low voltage distribution.
- (d) Required initial review screens.
- (e) Required supplemental review screens.
- (f) The process for conducting system impact studies and facilities studies on DERs [distributed energy resources] when there is an affected system issue.
- (g) Testing and certification requirements of DER telecommunications, cybersecurity, data exchange, and remote control operation.
- (h) Parallel operation requirements.
- (i) A method to estimate the expected annual kWh [kilowatt-hour] output of the generator or generators.
- (j) If an electric utility uses alternative methods for power limited export DER pursuant to R 460.980(3), a description of those methods.
- (k) A cost allocation methodology for study track DERs.
- (l) An evaluation of an interconnection application for a project that includes single or multiple types of DERs at a site for which the applicant seeks a single point of common coupling.
- (m) Details describing how an energy storage device may be integrated into an existing legacy net metering program system without impacting the 10-year grandfathering period or participation in the distributed generation program.
- (n) For electric utilities that are member-regulated electric cooperatives, a procedure for fairly processing applications in instances in which the number of applications exceed the capacity of the electric cooperative to timely meet the deadlines in these rules.
- (o) Examples of modifications that are not material modifications.
- (p) The procedure for performing a material modification review to determine if a modification is material.
- (q) Any required terms and conditions that must be specified in the general liability insurance for level 3, 4, and 5 projects.
- (r) A list of the electric utility's holidays.
- (s) If an electric utility uses an alternative process pursuant to R 460.956, a description of that process.

(t) Fast track eligibility criteria for applications proposing to interconnect DERs with 4.8 kV [kilovolt] distribution systems.

(u) In the event daytime loading data is not available for the initial screen provided in R 460.946(5)(b), the date when the data will be collected.

Additionally, Mich Admin Code, R 460.910 (Rule 10) reads as follows:

Rule 10. An electric utility, customer, alternative electric supplier, applicant, or interconnection customer may apply to the commission for a waiver from 1 or more provisions of these rules and may request expeditious processing. The commission may grant a waiver upon a showing of good cause and a finding that the waiver is in the public interest.

The May 18, 2023 order in Case No. U-21117 (May 18 order) directed the rate-regulated electric utilities to file draft interconnection procedures (MIXDG procedures) in the Case No. U-21117 docket by June 16, 2023, and directed the Commission Staff (Staff) to hold a working session for interested persons on June 21, 2023, to allow for input regarding the draft MIXDG procedures. The May 18 order required final MIXDG procedures to be filed no later than August 23, 2023, per the requirements of Rule 20(1).

On August 23, 2023, Indiana Michigan Power Company (I&M) filed an application in this docket, along with supporting testimony and exhibits, seeking approval of proposed MIXDG procedures, forms, and agreements. On September 28, 2023, the Commission issued an order in this docket soliciting comments and reply comments on I&M's application. On October 27, 2023, the Staff and Ford Motor Company filed comments on the application. On November 13, 2023, I&M filed reply comments.

On February 8, 2024, the Commission issued an order in Case Nos. U-21455 *et al.* (which included this docket) (February 8 order) addressing the changes to the statutory requirements for interconnection resulting from the passage of Public Act 235 of 2023 (Act 235). In the February 8 order, the Commission: (1) rejected I&M's proposed MIXDG procedures due to the statutory changes; (2) directed I&M to file a new application for proposed MIXDG

procedures in this docket by March 22, 2024; (3) allowed for additional initial and reply comments to be filed in this docket no later than May 22 and June 5, 2024, respectively; and (4) invited comments on a Standard Level 1, 2, and 3 Interconnection Agreement in Case No. U-21543.

On March 22, 2024, I&M filed a revised application (March 22 application), along with supporting testimony from Ms. Michele L. Bair, Managing Director of Interconnection Services, American Electric Power Service Corporation (AEPSC), and Carlos J. Casablanca, Managing Director of Distribution Planning and Analysis for AEPSC. In the revised application, I&M seeks waivers pursuant to Rule 10 from Mich Admin Code, R 460.926(3)(b) (Rule 26(3)(b)), R 460.926(3)(c) (Rule 26(3)(c)), R 460.938 (Rule 38), and R 460.962(f) (Rule 62(f)). On May 21, 2024, comments were filed by the Michigan Energy Innovation Business Council and Advanced Energy United (together, MEIU). MEIU expressed concerns about generation meters and system size, suggested changes to insurance and pre-application report requirements, and opposed waivers from fee cap rules. On May 22, 2024, the Staff filed new comments on I&M's application and attached a Sample Interconnection Agreement for Level 4 and 5 and Non-Certified Projects (Staff's comments). The Staff suggested changes to I&M's proposed interconnection procedures, pre-application report request form, and Level 4 and 5 Interconnection Agreement. The Staff also indicated its support for certain limited waivers. On June 5, 2024, I&M filed reply comments. The Commission also notes that in the July 23, 2024 order in Case No. U-21543, the Commission approved a Standard Level 1, 2, and 3 Interconnection Agreement.

On December 16, 2024, I&M filed an *ex parte* motion, under Rule 10, for a waiver of the regulatory deadline for approval of interconnection procedures included in Rule 20(2)

(motion). On January 23, 2025, the Commission issued an order in this docket approving the requested waiver and 90-day extension.

On May 8, 2025, I&M filed a supplemental submission to its March 22, 2024 revised application, with an attached set of revised interconnection (IX) procedures, forms, and agreements (May 8 application). The Commission finds that the revised IX procedures, forms, and agreements attached to the May 8 application are consistent with the MIXDG rules and adequately address the concerns raised by MEIU and the Staff, and accepts the revised IX procedures, forms, and agreements, unless otherwise specified below, for use by the company.

Turning to the waivers, in the May 8 application I&M renews its request for waivers from Rule 26(3)(b), Rule 26(3)(c), Rule 38, and Rule 62(f), citing the testimony filed by Ms. Bair and Mr. Casablanca on March 22, 2024. May 8 application, p. 3.

Rule 26(3) provides, in pertinent part, as follows: “The initial fee caps for a fast track supplemental review and the study track for all levels of DERs are as follows: . . . (b) The study track fee for interconnection application review and the scoping meeting may not exceed \$300. (c) The system impact study fee may not exceed \$10,000.” *See*, May 8 application, Exhibit IM-6. Beginning with Rule 26(3)(b), I&M states that \$300 will not cover the costs incurred by I&M for the interconnection application review and scoping meeting activities. March 22 application, Bair testimony, p. 11. I&M provides the following testimony in support of this requested waiver:

The interconnection application review and scoping meeting involves time spent by the DG [distributed generation] coordinators, AEP Engineers and administrative support personnel. The scoping meeting performed by I&M/AEP, during the normal course of interconnection review, is the activity allotted for I&M/AEP engineers to talk to customers directly about their project details. I&M estimates approximately 5 hours of time is dedicated to an average interconnection application review and scoping meeting. I&M proposes a reasonable amount to charge for the scoping meeting be \$589. *See* Exhibit IM-8 (MLB-8) Rule

460.926(3)(b) Study Track Fee Calculation.

March 22 application, Bair testimony, p. 11. Regarding Rule 26(3)(c) and the system impact study fee cap of \$10,000, I&M proposes that a reasonable fee is \$25,000 per study, and provides the following testimony in support of this proposal:

The amount is based upon actual costs that are being incurred for performing system impact studies across the AEP footprint. As shown on Exhibit IM-9 (MLB-9), the cost to perform a system impact study is frequently in excess of the Michigan proposed cap of \$10,000. In fact, using recent data, the average cost for a system impact study, over the past 24 months, is \$22,662, while the median is approximately \$23,000. AEP continues to see costs related to these studies increase. Increasing the cap protects the Company and non-DER customers from subsidizing the DER interconnection applicant, while limiting the applicant's actual costs responsibility up to the cap. A system impact study cap of \$25,000 is reasonable and representative of actual costs to perform the study.

March 22 application, Bair testimony, pp. 11-12. Because its proposed fees are based on actual costs that the utility is experiencing, I&M argues that its waiver request aligns with cost causation principles because non-participants are not being asked to subsidize interconnection customers.

In its comments, the Staff supports a two-year waiver from the caps in Rule 26(3)(b) and (3)(c) and states that, in the interim the "Staff would like to have the option to review the actual study costs should they arise." Staff's comments, p. 1. The Staff notes that I&M may reapply for this waiver upon its expiration.

The Commission agrees with the Staff and finds that, based on I&M's testimony regarding the actual study costs, a two-year waiver is reasonable and should be granted, conditioned upon the Staff's ability to review the actual study costs for both the study track fee and the system impact study fee during the two-year time period.

Rule 38 requires an electric utility to maintain a publicly available interconnection list in a sortable spreadsheet format, which is also updated on a monthly basis. I&M provides the

following testimony in support of its request for a temporary waiver from this requirement:

I&M is in the process of having IT [information technology] updates made to its Power Clerk System to have this report done monthly. While I&M can do it manually, the effort would be time consuming and prone to human errors. Hence, I&M requests a temporary waiver of this provision until the appropriate IT updates have been completed. While the necessary IT work is taking place, I&M proposes to update the publicly available interconnection list on a semi-annual basis. I&M expects the IT updates to be complete and final in June 2025 and will notify the Commission when the waiver is no longer necessary.

March 22 application, Casablanca testimony, p. 9. In its comments, the Staff supports a two-year waiver. Staff's comments, p. 1.

Based on the testimony provided by the company, the Commission finds that the company expects to have its IT updates completed and finalized this month. As such, the Commission finds that a more limited waiver is appropriate and therefore approves a waiver not to exceed one year or the date on which the company notifies the Commission that the IT work is complete, whichever is sooner.

Rule 62(f) provides that the electric utility “shall complete the facilities study and transmit a facilities study report to the applicant within 80 business days of the receipt of the signed facilities study agreement and payment of the facilities study fee.” I&M provides the following testimony in support of its request for a limited waiver from this rule:

The Company seeks a limited Waiver of Rule 460.962(f), for circumstances where I&M receives two (2) or more new facility study requests in a month. In the event I&M receives two (2) or more new signed and paid Facilities studies agreements in a given month, I&M's ability to respond within the required timeline may be constrained based upon existing internal staffing levels. In the event I&M receives a 2nd or additional new signed and paid Facilities study agreement in a given month, a timeline will be provided to the applicant that will be specific to their Facilities study request and that will account for any resource constraints at that moment in time. I&M further seeks a limited waiver of Rule 460.962(f) timelines in the event the study reveals upgrades may be necessary as follows:

1. modifications within an existing substation (additional 40 days),
2. modifications that will require expanding the footprint of an existing substation (additional 80 days),

3. modifications that will require building a new substation (additional 120 days).

March 22 application, Casablanca testimony, pp. 9-10.

In its comments, the Staff opposes this request. The Staff notes that Mich Admin Code, R 460.908 (Rule 8) anticipates the concern expressed by I&M and allows an electric utility serving fewer than 1,000,000 customers in Michigan (which includes I&M) to have an additional 10 business days to comply with the timelines in Mich Admin Code, R 460.911 (Rule 11). Staff's comments, p. 1. Rule 11 applies to any interconnection studies completed pursuant to the MIXDG rules.

The Commission agrees with the Staff. Rule 8 allows 10 additional business days for the smaller Michigan utilities to comply with the dates applicable to new interconnection studies and "other additional work" (per Rule 11) for IX customers. The Commission finds that the 10 additional business days provided under Rule 8 are sufficient for addressing the concerns expressed by I&M regarding the timeline for the facilities study.

THEREFORE, IT IS ORDERED that:

A. Indiana Michigan Power Company shall implement the May 8, 2025 interconnection procedures, forms, and agreements filed in this docket, consistent with the findings in this order.

B. Indiana Michigan Power Company shall utilize the Standard Level 1, 2, and 3 Interconnection Agreement for Projects Up To 550 Kilowatts With Certified Equipment approved in the July 23, 2024 order in Case No. U-21543 for certified projects; and shall utilize the May 8, 2025 Level 4 and 5 and Non-Certified Projects Interconnection Agreement filed in this docket (Exhibit IM-7), consistent with the findings in this order.

C. Indiana Michigan Power Company is granted a two-year waiver, commencing on the date of this order, from the provisions of Mich Admin Code, R 460.926(3)(b) and is authorized

to charge a maximum study track fee of \$589 during that time; and is granted a two-year waiver, commencing on the date of this order, from the provisions of Mich Admin Code, R 460.926(3)(c) and is authorized to charge a maximum system impact study fee of \$25,000 during that time, as described in this order.

D. Indiana Michigan Power Company is granted a waiver of not more than one year, commencing on the date of this order, from the provisions of Mich Admin Code, R 460.938, as described in this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at [LARA-MPSC-Edockets@michigan.gov](mailto:LARA-MPSC-Edockets@michigan.gov) and to the Michigan Department of Attorney General - Public Service Division at [sheacl@michigan.gov](mailto:sheacl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

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Alessandra R. Carreon, Commissioner

By its action of June 12, 2025.

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Lisa Felice, Executive Secretary

# PROOF OF SERVICE

STATE OF MICHIGAN )

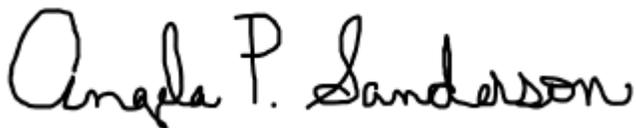
Case No. U-21467

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on June 12, 2025 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

  
Brianna Brown

Subscribed and sworn to before me  
this 12<sup>th</sup> day of June 2025.



Angela P. Sanderson  
Notary Public, Shiawassee County, Michigan  
As acting in Eaton County  
My Commission Expires: May 21, 2030

**Service List for Case: U-21467**

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<b>Name</b>	<b>On Behalf Of</b>	<b>Email Address</b>
Hannah E. Buzolits	Indiana Michigan Power Company	hbuzolits@dykema.com
Indiana Michigan Power Company (1 of 3)	Indiana Michigan Power Company	ajwilliamson@aep.com
Indiana Michigan Power Company (2 of 3)	Indiana Michigan Power Company	msmckenzie@aep.com
Indiana Michigan Power Company (3 of 3)	Indiana Michigan Power Company	mgobrien@aep.com
Jason T. Hanselman	Indiana Michigan Power Company	jhanselman@dykema.com
Olivia R.C.A. Flower	Indiana Michigan Power Company	oflower@dykema.com
Richard J. Aaron	Indiana Michigan Power Company	raaron@dykema.com
Theresa A.G. Staley	Indiana Michigan Power Company	tastaley@dykema.com