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DTE

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September 10, 2025

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: In the matter, on the Commission's own motion, to investigate opportunities for improving the process by which it reviews applications filed under MCL 460.6a.
MPSC Case No. U-21637

Dear Ms. Felice:

Attached for electronic filing in the above captioned matter are the Comments of DTE Electric Company and DTE Gas Company pursuant to the Michigan Public Service Commission's Order dated July 10, 2025.

Very truly yours,

Andrea E. Hayden

Digitally signed by Andrea E. Hayden
Date: 2025.09.10 15:08:42 -04'00'

Andrea E. Hayden

AEH/cdm
Attachment

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, on the Commission's own motion, to investigate opportunities for improving the process by which it reviews applications filed under MCL 460.6a.	)))))	Case No. U-21637

COMMENTS OF DTE ELECTRIC COMPANY AND DTE GAS COMPANY

I. BACKGROUND

On November 28, 2023, Governor Gretchen Whitmer signed Public Act 231 of 2023 (Act 231), which became effective on February 13, 2024. Section 6aa(3) of Act 231, MCL 460.6aa(3), provides that "[n]ot later than June 1, 2024, the commission shall open a proceeding to investigate opportunities for improving the process by which it reviews applications filed under section 6a." "Section 6a" refers to MCL 460.6a, which governs the rate case process.

The Michigan Public Service Commission ("Commission" or "MPSC") opened the docket for the purpose of conducting this investigation into improving the rate case process on May 23, 2024 and allowing the public an opportunity to provide the Commission feedback on improving the rate case process. The Commission prompted commenters with nine questions related to the rate case process under Section 6a, seeking input on specific provisions of the section as well as rules and other processes governing the rate case process in Michigan. On September 27, 2024, interested parties provided comments to these questions. 10 parties provided comments in this docket including DTE Electric Company and DTE Gas Company ("DTE" or the "Companies"). On October 25, 2024 reply comments were filed by eight parties.

On July 10, 2025, the Commission issued an order requesting additional comments on the issues of: (1) an appropriate schedule for a contested settlement in a rate case; (2) a new demand response (DR) process; and (3) how potential bill impacts should be communicated to customers during the course of a rate case.

II. COMMENTS

1. The appropriate schedule for a contested settlement in a rate case.

DTE agrees that a consistent and transparent process for contested settlements is beneficial and understands the Commission's request to build in an extension of a case schedule as part of the process. DTE suggests that the extension to the predetermined 10-month rate case process be limited and established as part of the contested settlement process so that settling parties are not subject to unknown schedule delays after the filing of a settlement. As such, DTE proposes a 60-day contested settlement process. The settlement process would include a corresponding 60-day stay of the case which both the utility must stipulate to in writing and file along with the proposed settlement. Taking into account the requirements of R 792.10431, DTE believes that a 60-day process provides objecting parties substantial opportunity to be heard and to present evidence at their election. Beyond 60 days, as the length of schedule extensions increases, the likelihood that the contested settlement process is utilized decreases. A 60-day contested settlement process could be implemented on the following schedule:

Day 1 – File contested settlement

Day 14 – Objections filed. If the objecting party desires a hearing, written testimony should be provided along with the objection.

Day 24 – Rebuttal testimony (if filed) or response to objections filed by settling parties

Day 29 - Hearing

Day 45 – If no hearing is held, Commission issues decision

Day 60 – If hearing is held, Commission issues decision on the settlement

2. Comments on the current three-part demand response (DR) process.

The current three-phase framework causes timing and alignment issues between the rate case and reconciliation filings and overcomplicates the process. In the first phase, DR proposals are evaluated in the context of an integrated resource plan (IRP). In the second phase, DR plans that were approved as part of the IRP are considered pre-approved and the associated costs are included in rates in the utility's future general rate cases. The third phase then involves a reconciliation of DR costs, participation rates, and demand savings achieved on an annual basis. To the extent issues are separated from a rate case, they should be issues for which the Commission has the ability to authorize cost recovery, otherwise a multi-part filing process like DR creates extra administrative burden on all parties involved and delays implementing new plans and rates.

DTE has been following the progress of the DR surcharge that was proposed by Consumers Energy and was ultimately approved by the Commission in Case No. U-21585. To remove regulatory lag, DTE supports removing the 'three-phase' framework and replacing it with an annual plan and reconciliation filing that would be used to calculate an annual DR surcharge, similar to Energy Waste Reduction. The DR surcharge would be all encompassing and would include capital, O&M, financial incentive and customer incentives or bill credits from the DR plan while including any over/under recovery adjustments resulting from the DR reconciliation. Consistent with the current process, long-term DR targets would still be included in IRP filings. To reduce and simplify the number of case filings where DR exists, DTE proposes that the DR plan, reconciliation and surcharge calculation all remain within the rate case filing. As DTE has multiple interruptible rates that have been around for decades and are embedded in the cost-of-service model, these rates would be kept within the revenue requirements calculations of the broader rate case filing. DTE supports the surcharge methodology that was approved in Case No. U-21585.

3. How potential bill impacts should be communicated to customers during the course of a rate case.

DTE agrees with the Commission that it “is not convinced that customer bills are the optimal place to communicate information on possible bill impacts associated with requested rate cases due to the potential for confusion” (Commission July 10, 2025 Order in U-21637, pg. 39). An important consideration is when any communication might occur, and what is assumed of the bill impact timing and inputs. The breadth of positions with potentially conflicting views articulated by the Company, Staff, and the 25+ intervenors that have been participating in recent electric rate cases would make providing communication on bill impacts throughout the course of the rate case process confusing and complex. At present, the rate case includes potential bill impact analyses with the Company’s initial filing and with the Commission’s final order. The Company believes that this “before and after” cadence is appropriate for communicating the request and the outcome, providing transparency without introducing confusion. Upon a final Commission Order, the Company communicates rate impacts to all customers through a combination of bill messages, direct outreach, and public media. Thus, at this time, the Company does not believe bill impacts need to be further communicated to customers during the rate case however it welcomes continued discussion on the topic.

III. CONCLUSION

DTE appreciates the opportunity to provide comments on the specific topics above and looks forward to further engaging on how to improve the rate case process.