

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 generation and distribution of)
electricity and for other relief.)

)

Case No. U-21870

QUALIFICATIONS AND DIRECT TESTIMONY OF
HUNTER HANSEN
MICHIGAN PUBLIC SERVICE COMMISSION

09/30/2025

**QUALIFICATIONS OF HUNTER HANSEN
CASE NUMBER U-21870
PART I**

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

2 A. My name is Hunter Hansen (he/him), and my business address is 7109 W.
3 Saginaw 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 Public Utilities Engineer in the Data Access, Privacy & IT
7 Section of the Customer Assistance Division.

8 Q. Please describe your educational background.

9 A. I earned a bachelor's degree in mechanical engineering from Michigan State
10 University in 2022.

11 Q. What is your professional background?

12 A. I began working for the MPSC in the Data Access, Privacy & IT Section as a
13 Public Utilities Engineer in 2023. I am responsible for analyzing rate case
14 recovery requests relating to Advanced Metering Infrastructure (AMI), Meter
15 Reading, and Information Technology (IT).

16 Prior to my current position, I worked as a research assistant at Michigan State
17 University in the Department of Biosystems and Agricultural Engineering. My
18 job duties included the assembly, installation, and maintenance of devices that
19 collected data on farm fields throughout Michigan. I also analyzed the data
20 collected from these devices. I also assisted with designing and carrying out
21 various experiments and the writing of research papers on the outcomes of these
22 experiments.

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

3 A. Yes, in January of 2024 I attended the National Association of Regulatory Utility
4 Commissioners' Basics of Utility Accounting and Ratemaking course. I also
5 attended Michigan State Universities Institute of public Utilities Annual
6 Regulatory Studies Program fundamentals course in August of 2024.

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

8 A. Yes, I have filed testimony in Case No. U-21540, Michigan Gas Utility
9 Corporation's gas rate case, Case No. U-21555, Upper Peninsula Power
10 Company's electric rate case, Case No. U-21585, Consumers Energy Company's
11 electric rate case, and in Case No. U-21860, DTE Electric Company's electric rate
12 case.

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Part II

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

2 A. The purpose of my testimony is to present Michigan Public Service Commission
3 Staff's (Staff) recommendations regarding Consumers Energy Company's
4 (Consumers or the Company) request for recovery of capital expenditures for
5 Facilities and Shared Services expenses located on Company Exhibit A-102
6 (QAG-3). I will also present Staff's recommendation to the Commission
7 regarding the Company's proposed updates to the advanced metering
8 infrastructure (AMI) opt-out charges.

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

10 A. Yes, I will be sponsoring the following exhibits:
11 Exhibit S-12.0 Supporting Audit Responses
12 Exhibit S-12.1 Facilities & Shared Devices Disallowance Calculation
13 Exhibit S-12.2 AMI Opt-Out Upfront Charge Breakdown
14 Exhibit S-12.3 AMI Opt-Out Monthly Charge Breakdown

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

16 A. Yes.

17 **Facilities and Shared Services**

18 Q. What 'Facilities and Shared Services' expenditures have been included in this
19 case?

20 A. Facilities and Shared Services expenditures are located on Company Exhibit A-
21 102 (QAG-3). In addition to other expenditures, this exhibit includes costs for two
22 categories: Other Equipment and Emergent Repairs. For Other Equipment, the
23 Company is requesting \$357,000 in the historic year ending 12/31/2024, \$838,000

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1 in the projected bridge period of 16 months ending 4/30/2026, and \$670,000 in
2 the projected test year ending 4/30/2027. For Emergent Repairs, the Company is
3 requesting \$1,010,000 in the historic year ending 12/31/2024, \$1,344,000 in the
4 projected bridge period of 16 months ending 4/30/2026, and \$2,706,000 in the
5 projected test year ending 4/30/2027.

6 Q. What is Staff's recommended adjustment for Other Equipment and Emergent
7 Repairs expenditures?

8 A. Staff's recommended adjustment for Other Equipment is a disallowance of
9 \$98,200 in the projected test year ending 04/30/2027 (Exhibit S-12.1). Staff's
10 recommended adjustment for Emergent Repairs is a disallowance of \$948,800 in
11 the projected test year ending 04/30/2027 (Exhibit S-12.1).

12 Q. Why is Staff recommending these adjustments?

13 A. In audit, Staff asked the Company to provide any expenditures in this case that
14 represent placeholder or blanket work orders, or are set aside for contingency,
15 risk, unforeseen events, or emergent work. The Company provided the Other
16 Equipment and Emergent Repairs line items as falling under these categories
17 (Exhibit S-12.0, p. 1). For both line items, the Company stated that spend in each
18 category is maintained at or below the 5-year average historic spend (Exhibit S-
19 12.0, p. 1). Staff then asked the Company to provide the 5-year historic spend for
20 each line item in its next round of audit, which the Company provided (Exhibit S-
21 12.0, p. 2). For both the Other Equipment line item and the Emergent Repairs
22 line item, the 5-year historic average spend is less than what the Company is
23 requesting recovery for in the projected test year (Exhibit S-12.1). The Company

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1 did not provide any evidence for why it should receive more in the projected test
2 year than what it has spent on average in the last five years. Staff's proposed
3 disallowance for both line items is the difference between the Company's
4 projected test year request and the 5-year historic average. The Commission
5 should adopt Staff's proposed disallowances of \$98,200 in the projected test year
6 ending 04/30/2027 for the Other Equipment line item and \$948,800 in the
7 projected test year ending 04/30/2027 for the Emergent Repairs line item.

8 **AMI Opt-Out Charges**

9 Q. What has the Company included regarding AMI opt-out charges in this
10 proceeding?

11 A. Company Witness Kelly describes the Company's updated AMI opt-out charges
12 on pages 188-191 of his direct testimony. The Company is proposing to change
13 the upfront charge for the meter installation from \$123.91 to \$216.22 and the
14 monthly charge from \$3.00 to \$3.09.

15 Q. Why did the Company propose updated charges?

16 A. The Company is proposing these updated charges due to the Commission order in
17 Case No. U-21585 in which the Commission ordered the Company to re-evaluate
18 the charges to ensure alignment with cost-of-service and to include the updated
19 charges in its next rate case.¹

20 Q. What is Staff's recommendation regarding the proposed upfront charge?

¹ MPSC Case No. U-21585, 3/21/2025 Order, p 98.

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1 A. Company Witness Kelly’s testimony describes each of the components that go
2 into the cost of the upfront charge on page 189 of his testimony and the cost
3 breakdown for each component is shown on Exhibit A-136 (MPK-26). Two of the
4 components are described as reflecting the costs associated with swapping out a
5 standard AMI meter for a non-transmitting meter, but one of these components
6 accounts for \$45 of the upfront cost while the other accounts for \$93. Believing
7 that these costs may be duplicative of one another, Staff asked about these costs in
8 audit. The Company explained that the incorrect basis was used for the \$93 cost
9 and that it should be equal to the \$45 cost, since it is reflective of the potential to
10 replace a non-transmitting meter back to a standard AMI meter in the future
11 (Exhibit S-12.0, p. 3). This changes the proposed upfront charge from \$216.22 to
12 \$168.07 (Exhibit S-12.2). The Commission should adopt this updated opt-out
13 upfront charge of \$168.07.

14 Q. What is Staff’s recommendation regarding the proposed monthly charge?

15 A. In audit, Staff asked for a breakdown of each of the costs shown on Company
16 Exhibit A-136 (MPK-26) (Exhibit S-12.0, p. 4). The Company provided a
17 breakdown; however, Staff has concerns with the basis for the costs (Exhibit S-
18 12.3). The first section, lines 1-6, shows the cost of all non-AMI reads, the
19 number of manual gas reads, the number of manual electric reads, and the number
20 of automated meter reading (AMR) gas reads. The cost is then divided by the total
21 number of reads to arrive at the average read cost. The vast majority of the reads
22 are AMR gas reads, 13.9 million out of 14.2 million, with only 133,000 manual
23 electric reads. Therefore, Staff believes that this cost is far more reflective of the

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1 cost of AMR gas reads than it is of AMI opt-out reads. Staff asked the Company
2 to provide the cost to read the Company's non-transmitting meters to which the
3 Company replied that it does not track the costs to read non-transmitting meters
4 separately from total meter reading costs (Exhibit S-12.0, p. 5). As it is currently
5 calculated, Staff finds that the proposed monthly charge is not reflective of cost-
6 of-service and should be rejected by the Commission. Staff recommends that the
7 Commission require the Company to begin tracking the costs of reading opt out
8 AMI meters so that the Company can propose an updated, cost-of-service based,
9 monthly charge in a future proceeding.

10 Q. Please provide a summary of your testimony.

11 A. My testimony presents Staff's recommendation to the Commission to make a
12 disallowance to the Other Equipment and Emergent Repairs line items due to the
13 Company's request in the projected test year being more than the 5-year average
14 historic spend for the same line items. My testimony also presents Staff's
15 recommendation to the Commission to reject the Company's proposed AMI opt-
16 out upfront charge of \$216.22 but to adopt the updated upfront charge of \$168.07.
17 Lastly, my testimony recommends that the Commission reject the Company's
18 proposed AMI opt-out monthly charge because it is not cost-of-service based and
19 to require the Company to begin tracking the cost of reading the Company's non-
20 transmitting meters so that the monthly charge can be updated based on cost-of-
21 service in a future proceeding.

22 Q. Does this conclude your direct testimony?

23 A. Yes.

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Consumers Energy Company)
for authority to increase its rates)
for the generation of electricity)
and for other relief.)
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Case No. U-21870

QUALIFICATIONS AND DIRECT TESTIMONY OF
BRITTNEY KLOCKE
MICHIGAN PUBLIC SERVICE COMMISSION

September 30, 2025

QUALIFICATIONS OF BRITTNEY KLOCKE
CASE NUMBER U-21870
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 (Treasury) as a
18 Field Officer in the Collection Services Bureau. In that role, I was primarily
19 tasked with performing research and analysis assignments related to various tax
20 laws administered by Treasury. That entailed conducting field calls at businesses
21 all over Michigan to verify taxpayer compliance and registration status, as well as
22 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 role, I
2 perform analysis of utilities' rate case recovery requests related to Customer
3 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. • Case No. U-21308, the Consumers Energy gas case
15 • Case No. U-21297, the DTE electric case
16 • Case No. U-21389, the Consumers Energy electric case
17 • Case No. U-21461, the Indiana Michigan Power Company electric case
18 • Case No. U-21490, the Consumers Energy gas case
19 • Case No. U-21540, the Michigan Gas Utilities Corporation gas case
20 • Case No. U-21534, the DTE electric case
21 • Case No. U-21585, the Consumers Energy electric case
22 • Case No. U-21806, the Consumers Energy gas case
23 • Case No. U-21860, the DTE electric case

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PART II

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 for the Customer Experience and Operations areas, as detailed in
6 Company 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-10.1 – Audit Response U21870-SA-CE-081

10 • S-10.2 – Audit Response U21870-SA-CE-151_Baker_ATT_1

11 • S-10.3 – Audit Response U21870-SA-CE-198

12 • S-10.4 – Audit Response U21870-SA-CE-245

13 • S-10.5 – Audit Response U21870-SA-CE-241

14 • S-10.6 – Audit Response U21870-SA-CE-242

15 • S-10.7 – Audit Response U21870-SA-CE-207

16 • S-10.8 – Audit Response U21870-SA-CE-208

17 • S-10.9 – Audit Response U21870-SA-CE-210

18 • S-10.10 – Audit Response U21870-SA-CE-211

19 • S-10.11 – Audit Response U21870-SA-CE-196

20 • S-10.12 – Audit Response U21870-SA-CE-231

21 • S-10.13 – Audit Response U21870-SA-CE-232

22 • S-10.14 – Audit Response U21870-SA-CE-233

23 • S-10.15 – Audit Response U21870-SA-CE-234

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- 1 • S-10.16 – Audit Response U21870-SA-CE-235
- 2 • S-10.17 – Audit Response U21870-SA-CE-236
- 3 • S-10.18 – Audit Response U21870-SA-CE-237
- 4 • S-10.19 – Audit Response U21870-SA-CE-205
- 5 • S-10.20 – Audit Response U21870-SA-CE-216
- 6 • S-10.21 – Audit Response U21870-SA-CE-217
- 7 • S-10.22 – Audit Response U21870-SA-CE-218
- 8 • S-10.23 – Audit Response U21870-SA-CE-219
- 9 • S-10.24 – Audit Response U21870-SA-CE-220
- 10 • S-10.25 – Audit Response U21870-SA-CE-223
- 11 • S-10.26 – Audit Response U21870-SA-CE-224
- 12 • S-10.27 – Audit Response U21870-SA-CE-225
- 13 • S-10.28 – Audit Response U21870-SA-CE-226

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

15 A. Yes.

16 Q. Please provide a summary of your testimony.

17 A. I am recommending and will be discussing adjustments for the following projects:
18 Customer Self-Service Mobile Application, Low Moderate Income Customer
19 Support Enhancements, Web Chat AI, Web Dashboard Redesign, and Web
20 Rebate for Personalization projects, all of which are part of the larger Product
21 Family Enhancements – Customer – Capital project from Company Exhibit A-20
22 (SHB-5) and the Low Moderate Income Customer Support Enhancement project
23 from Company Exhibit A-12 (JRB-1), Schedule B-5.3.

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1 Q. What are Staff's recommendations regarding the Customer Self-Service Mobile
2 Application (Mobile App or App)?

3 A. Staff is recommending disallowance of the requested costs within the Product
4 Family Enhancements – Customer – Capital project from Company Exhibit A-20
5 (SHB-5), lines 14, 112, 193 and 269 for the Mobile Application. This represents
6 a decrease of \$1,056,334 in historical capital costs for the year ended 12/31/2024
7 and \$1,305,671 in capital costs for the year ending 12/31/2025. (Staff Exhibit S-
8 10.2.)

9 Q. Why is Staff recommending a full disallowance of costs associated with the
10 Mobile App?

11 A. Staff's position regarding the Mobile App has remained consistent in every case it
12 has been presented in, starting with Case Nos. U-20697, U-20963, U-21224, U-
13 21389, electric cases, and Case Nos. U-21148, U-21308, U-21490 and U-21806,
14 gas cases. In each of those cases, Staff's position is that the Mobile App
15 represents a functionality that is duplicative of the Company's website, and is thus
16 unnecessary.¹ At over \$10 million, this very expensive project should not have its
17 costs passed on to ratepayers.² The Mobile App itself offers functionality that is
18 redundant to that offered by the Company's website and the Company has never
19 proven customers' need or interest in it.

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

¹ See U-21490 Company exhibit A-20 (SHB-5), line 22.

² *Id.*

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1 A. Yes. The Company also states that the App “does not include the entirety of the
2 website’s information” and Staff questions why this technology is something
3 ratepayers should have to fund since it is redundant to that of the website and
4 offers even less information.³ Everything customers can do with the Mobile App
5 they can also do on the website, whether using a desktop computer or mobile
6 device. The overall usage of the App still trails behind the website with over 1
7 million Business Partner (BP) numbers logging into the website and 356,553 BPs
8 via the App in 2024. (Staff Exhibit S-10.8.) When asked to describe what
9 constitutes a “session” of customer usage of the App, the Company revealed that a
10 user merely accessing the App and then ending their interaction with either a
11 period of inactivity or user sign-out is how the Company tracks the customers’
12 usage of the App. (Staff Exhibit S-10.9.) Unlike the website, the Mobile App is
13 not a necessity and Staff does not find further recovery in this investment to be
14 prudent.

15 Another ongoing issue with the Mobile App is the Company being unable to show
16 strong customer desire for such an app. The Company stated that in 2021, prior to
17 the launch of the App, just 169 customers noted that an App was a platform they
18 were requesting. (Staff Exhibit S-10.10.) This is a shockingly low amount for a
19 Company with a total customer base of 6.8 million customers.⁴ Further, though it
20 was noted that over 1 million customers have downloaded the App, downloading

³ See U-21490, Mclean 2 TR 798.

⁴ See Consumers Energy About Us webpage, available online at <https://www.consumersenergy.com/about-us/who-we-are/corporate-overview>, accessed 9/15/2025.

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1 it does not equal usage. (Staff Exhibit S-10.1.) In fact, just 28% of the
2 Company's digital traffic is from the App. (*Id.*)

3 In the Commission Order for Case No. U-20697 part of the rationale behind the
4 Commission's decision to disallow the requested costs for the App were because
5 it was anticipated that just 30% of the Company's customers would use it.⁵ Now
6 after several years of availability, the App's usage has plateaued at under 30%.

7 That reason alone demonstrates that the App has not proved its usefulness and
8 further cost recovery for it should be denied. For all these reasons, the costs from
9 the Product Family Enhancements – Customer – Capital project for the Mobile
10 Application in the amount of \$1,056,334 in historical capital costs for the year
11 ended 12/31/2024 and \$1,305,671 in capital costs for the year ending 12/31/2025
12 should be disallowed. (Staff Exhibit S-10.2.)

13 Q. What are Staff's recommendations regarding the Low Moderate Income (LMI)
14 Customer Support Enhancements project?

15 A. Staff recommends full disallowance of the requested costs for the LMI Customer
16 Support Enhancement, which represents \$1.87 million in capital expenditures for
17 the test year ending 4/30/2027, which corresponds with Company Exhibit A-12
18 (JRB-1), Sch B-5.3. There is an additional \$525,246 in capital expenditures for
19 the bridge year period ending 12/31/2025 that fall under the Product Family
20 Enhancements – Customer – Capital project and Company Exhibit A-20 (SHB-5).
21 (Staff Exhibit S-10.2.)

⁵ See U-20697 Order, pages 130 & 132.

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

3 A. According to the Company, the LMI Customer Support Enhancement is designed
4 to support LMI customers in “reducing their utility bill by driving greater
5 awareness and enrollment into eligible programs and services” in the hopes that
6 this will allow customers to alleviate their energy burden, reduce the risk of
7 service disconnections due to unpaid bills, and ultimately improve household
8 stability.⁶ Per the Company, currently only 1 in 6 LMI customers engage in
9 assistance programs and the LMI project aims to increase that engagement to 1 in
10 3 LMI customers.⁷ (Staff Exhibit S-10.19.)

11 Staff has attempted to ascertain exactly what the LMI Customer Support
12 Enhancement will do or will offer customers and still does not have a clear
13 answer. Despite many audit responses from the Company that laid out the project
14 parameters to demonstrate how this project will function, the tangible results
15 remained unclear to Staff. I will begin by discussing the four core functions of
16 the LMI project and provide Staff’s concerns on them.

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

18 A. The first core function of the LMI project is Simplified Enrollment. This function
19 will consist of the following: streamlining the “user flow to allow customers to
20 find and enroll in relevant programs,” “creating a centralized platform where
21 customers can view all available assistance programs in one place,” providing

⁶ Prefiled direct testimony of Company witness Jessica R. Byrom, p. 25.

⁷ *Id.* at p. 26.

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1 “clear, step-by-step guidance throughout the enrollment process to minimize
2 confusion and errors,” and ensuring the enrollment process is mobile-friendly.
3 (Staff Exhibits S-10.20 & 10.26.) This function is projected to cost \$600,000.
4 (Staff Exhibit S-10.22.) No new programs will be created under this function;
5 rather, it will simply be made more clear where customers can *find* these
6 programs and enroll in them. It is unclear to Staff why so much money is needed
7 for this function that amounts to directing customers where to enroll in programs.

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

9 A. The second core function of the LMI project is Proactive Communications and
10 Program Awareness. This function is described as building “the capability to
11 proactively identify and reach out to customers who are showing early signs of
12 crisis. This involves using data analytics to detect customers at risk and initiating
13 contact to educate them about available assistance options.” (Staff Exhibit S-
14 10.20.) It will also direct customers to the “streamlined, digital flow” and
15 “implement education initiatives to increase awareness about assistance programs
16 and how to access them. This will involve targeted communication campaigns
17 and partnerships with community organizations.” (Staff Exhibit S-10.20.)
18 Customers will be offered personalized communication options, allowing them to
19 choose their preferred method of contact. (Staff Exhibit S-10.20.) This function
20 is projected to cost \$370,000. (Staff Exhibit S-10.22.) However, Staff struggles
21 to understand why so much money is needed to make customers aware of
22 program options that are already present on the Company’s website and other

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1 means such as mailings.⁸ Customers may also already choose or update their
2 contact method through the website.

3 The Company plans to allocate \$120,000 of the \$370,000 to targeted outreach
4 campaigns, specifically tracking at-risk customers. (Staff Exhibits S-10.20 and S-
5 10.22.) Staff’s issue with this is that the Company has not demonstrated the
6 ability to reach all customers who could potentially be in crisis. The LMI
7 project will target low-income customers who are considered to be “in crisis and
8 facing immediate challenges in paying their energy bills”, as well as moderate-
9 income customers who are considered “one crisis away from financial hardship.
10 (Staff Exhibit S-10.28.) Staff is not convinced that the Company’s definition of
11 customers in crisis adequately captures all those customers who *could* end up in
12 crisis and believes all customers, not just those identified by the Company as low-
13 to-moderate income, should have access to all the information the LMI project
14 provides. (*Id.*) In Staff’s opinion, the best avenue to disseminate this information
15 is via the Company’s existing website or mailings, which can reach all customers,
16 including ones the Company may not know are on the cusp of needing these
17 services.

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

19 A. The third core function of the LMI project is New and Improved LMI Offerings.
20 This is described as integrating “existing offerings such as payment plans, EWR,
21 demand response, and renewable energy programs. This integration will provide

⁸ See Consumers Energy Company Compare Programs webpage, available online at <https://www.consumersenergy.com/residential/savings-and-clean-energy/save-money-and-energy/compare-programs>, accessed September 16, 2025.

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1 customers with a comprehensive support system, ensuring they can easily identify
2 and access the best options to reduce their energy burden without having to search
3 extensively.” (Staff Exhibit S-10.20.) This function will also redesign programs
4 to better serve LMI customers, “making them more accessible and user-friendly.”
5 (Staff Exhibit S-10.20.) This function is projected to cost \$700,000. (Staff
6 Exhibit S-10.22.) This facet of the of the LMI project is very costly and Staff is
7 unclear as to why a new program such as this one would is projected to need such
8 expensive improvements already. It is also unclear what the new offerings funded
9 by this function would be. Additionally, “ongoing maintenance” will be required,
10 along with anticipated annual updates. (Staff Exhibit S-10.25.) It is therefore
11 likely that more costs for improvements to the LMI project, in addition to the
12 \$700,000 being requested here, can and very will be requested in the future and
13 those costs remain unknown at this time. (*Id.*)

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

15 A. This fourth core function is Continuous Improvement and Feedback, which is
16 described as the Company collecting feedback from customers and stakeholders
17 to “continuously improve the user flow and outreach strategies,” as well as using
18 customer feedback to “identify and address any barriers to program participation”
19 and implementing a “feedback loop that allows customers to easily share their
20 experiences and suggestions for improvement.” (Staff Exhibit S-10.20.) This
21 function is projected to cost \$200,000 and will also establish performance and
22 feedback metrics. (Staff Exhibit S-10.22.) Nowhere has the Company
23 demonstrated why this function will cost so much; seemingly, this function will

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1 just be dedicated to collect data from the Company’s customers who interact with
2 the LMI tool.

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

5 A. When asked how the Company foresees the LMI project as a long-term solution
6 for customers either in crisis or on the verge of crisis, the Company stated the
7 following: “[b]y streamlining the process of finding and enrolling in assistance
8 programs, the LMI Customer Support Enhancement project will significantly
9 enhance the overall customer experience, providing a robust and sustainable
10 support system for those in need.” (Staff Exhibit S-10.27.) This response does
11 not answer the question asked regarding a long-term solution for LMI customers
12 and nowhere in this response did the Company acknowledge that this information
13 is already available to its customers and this project will simply be a new way to
14 disseminate that information. Indeed, on the Company’s website there is already
15 a link to Payment Plans and Assistance areas.⁹ The LMI project will not change
16 or enhance the current website options and Staff sees no reason to support the
17 funding of this \$2 million project when the information this project would provide
18 should already be available on the Company’s website.

19 Additionally, the number of customers the Company surveyed
20 regarding the LMI project is very low: the Company conducted 6 “usability tests”
21 with 104 participants; just 54% (56) of those participants were Michigan

⁹ 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 September 16, 2025.

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1 residents. (Staff Exhibit S-10.24.) A “Self-Identification Validation” survey was
2 conducted among 1,967 of the Company’s customers, and 60 LMI customers
3 were surveyed regarding the account dashboard redesign. (*Id.*) Just 13 LMI
4 participants – who were not even the Company’s own customers – conducted a
5 diary study to generate broad LMI insights. (*Id.*) For a company with literally
6 millions of customers, the effort and amount of customers surveyed for this
7 expensive project is extremely low.

8 Finally, the Company claims that the LMI Customer Support project
9 “aligns with the priorities of the MPSC’s Energy Affordability and Accessibility
10 Collaborative (EAAC) and Low-Income Energy Policy Board” which emphasizes
11 the importance of streamlining energy assistance and program enrollment
12 processes. (Staff Exhibit S-10.21.) Staff does appreciate the Company’s
13 commitment to fulfilling the priorities of the EAAC and the Low-Income Energy
14 Policy Board but remains unconvinced that the LMI project is the correct way to
15 fulfill those priorities. The information that this project proposes to distribute to
16 customers already exists on the Company’s website. Staff does not understand
17 how a project projected to cost *at least* \$2 million has such vague benefits as
18 making interactions “more accessible, supportive, and efficient” for LMI
19 customers. (Staff Exhibit S-10.20.) For all these reasons, Staff recommends full
20 disallowance of the LMI Customer Support Enhancement project.

21 Q. Is there anything else regarding the proposed disallowance for the LMI Customer
22 Support Enhancement project you would like to address?

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1 A. Yes. Regarding my recommendation for the above adjustment of \$1.87 million in
2 capital expenditures for the test year ending 4/30/2027, which corresponds with
3 Company Exhibit A-12 (JRB-1), Sch B-5.3, it should be noted that my analysis
4 concluded after Staff's revenue deficiency was finalized. Thus, the impacts of
5 this adjustment are not reflected in the testimony and exhibits of other Staff
6 witnesses or in the Staff's revenue deficiency supported by Staff witness
7 Nichols. However, all impacts of this adjustment will be included in Staff's Brief.

8 Q. What are Staff's recommendations regarding the Web Chat Artificial Intelligence
9 (AI) project?

10 A. Staff is recommending disallowance of the requested costs within the Product
11 Family Enhancements – Customer – Capital project from Company Exhibit A-20
12 (SHB-5), lines 14, 112, 193 and 269 for the Web Chat AI project, representing
13 \$157,574 in capital expenditures for the partial bridge year ending 4/30/2026 and
14 \$315,148 in capital and \$19,896 in O&M for the partial test year ending
15 12/31/2026. (Staff Exhibits S-10.2, line 22 & S-10.15.)

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

18 A. Staff believes the Web Chat AI project offers technology that is redundant and not
19 worth the cost as it brings little value to customers. As described by the Company
20 in an audit response, the Web Chat AI “will utilize an automated Artificial
21 Intelligence (AI)-powered chat dialog that would provide instant, 24/7 customer
22 support, offering quick responses to common queries.” (Staff Exhibit S-10.12.)

23 In addition, it was stated that the Company primarily plans to have the Web Chat

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1 AI tool use information from the Company’s existing website and data as its
2 primary source of information. (Staff Exhibit S-10.13.) In essence, the Web Chat
3 will simply be aggregating information that is already available to customers on
4 the Company’s website. As stated by the Company, there is already a Frequently
5 Asked Questions page for specific programs and topic areas on the Company’s
6 website. (Staff Exhibit S-10.17.)

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

9 A. The Company notes that the Web Chat AI is meant to assist customers “with
10 information about general, most asked questions—similar to an easily searchable
11 comprehensive high-level Frequently Asked Questions.” (Staff Exhibit S-10.15.)
12 Customers are already able to search the Company’s website directly from its
13 homepage.¹⁰ As the Web Chat AI is meant to contain “high-level, frequently
14 asked questions that resolves customers’ general and most sought after inquiries,”
15 it is not clear why any customer could not just search directly from already-
16 existing search bar on the Company’s homepage. (Staff Exhibit S-10.13.) Any
17 complex questions with answers that are not available on the website would likely
18 be escalated to a customer service representative, whom are available during
19 regular business hours of Monday-Friday, 7:00am-6:00pm for residential
20 customers and 8:00am-4:30pm for business customers. (Staff Exhibit S-10.14.)
21 If customers are unable to find answers to their queries without help from a

¹⁰ See Consumers Energy Company “Search Consumers Energy” search bar on Company’s homepage, available online at <https://www.consumersenergy.com/residential>, accessed September 17, 2025.

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1 customer service agent this would render the 24/7 nature of the Web Chat AI
2 moot.

3 Finally, it is problematic that no reduction in overall costs is
4 anticipated from the Web Chat AI and that the Company’s “primary success
5 metric” for it would be an increase in customers’ overall experience. (Staff
6 Exhibits S-10.16 & 10.18.) Again, Staff does not see the value of this project
7 when it will cost ratepayers money and merely offer information that is already be
8 on the Company’s website. Staff does see value in customers’ ability to self-serve
9 using the Company’s website but is not persuaded that an AI chatbot is a prudent
10 or useful avenue for this.

11 Q. What are Staff’s recommendations regarding the Web Dashboard Redesign
12 project?

13 A. Staff is recommending disallowance of the requested costs within the Product
14 Family Enhancements – Customer – Capital project from Company Exhibit A-20
15 (SHB-5), lines 14, 112, 193 and 269 for the Web Dashboard Redesign project in
16 the amount of \$525,246 in capital costs for the bridge year ending 12/31/2025.
17 (Staff Exhibit S-10.2, line 17.)

18 Q. Why is Staff recommending disallowance of the requested costs for the Web
19 Dashboard Redesign project?

20 A. The Web Dashboard Redesign is proposed in order to “help customers more
21 easily discover programs optimized for them and their situation, as well as gain
22 greater clarity into their energy use and the bill impact resulting from that.” (Staff
23 Exhibit S-10.2). According to the Company, customers currently lack visibility

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1 into programs from all aspects and those customers are therefore not engaging in
2 programs that could help manage their bill, especially low-moderate income
3 customers. (*Id.*) The Company states that these customers will be helped by this
4 redesign by more easily being able to discover programs “optimized for them and
5 their situation.” (*Id.*)

6 This project clearly shares overlap with the Simplified Enrollment
7 from the LMI project, as that portion of the project is intended to “develop and
8 implement a streamlined user flow that allows customers to find and enroll in all
9 relevant programs” and is meant for low-moderate income customers, as is the
10 proposed Web Dashboard Redesign. (Staff Exhibits S-10.20 & S-10.2.) This
11 project seems both redundant and unnecessary. Staff was not provided with any
12 further information about this redesign and struggles to understand why more than
13 \$500,000 is needed for it. Further, the Company has not identified how exactly
14 redesigning the dashboard will result in better customer engagement and any such
15 results are speculative at best. Even if the ALJ and Commission decline to
16 disallow the requested expenditures for the LMI project, they should disallow the
17 requested expenditures for the Web Dashboard Redesign project due to the
18 overlap between the two projects.

19 Q. What are Staff’s recommendations regarding the Web Rebate for Personalization
20 project?

21 A. Staff is recommending disallowance of the requested costs within the Product
22 Family Enhancements – Customer – Capital project from Company Exhibit A-20
23 (SHB-5), lines 14, 112, 193 and 269 for the Web Rebate for Personalization

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1 project in the amount of \$87,541 for the partial bridge year ending 4/30/2026 and
2 \$175,082 in capital and \$16,580 in O&M for the partial test year ending
3 12/31/2026. (Staff Exhibit S-10.2, line 21.)

4 Q. Why is Staff recommending full disallowance of the requested costs for the Web
5 Rebate for Personalization project?

6 A. The Company stated that currently, customers do not see rebates that are
7 customized or relevant to their individual situation. (Staff Exhibit S-10.2.) The
8 Company intends for the Web Rebate for Personalization project to ensure that
9 customers only see rebates they are likely to use. (*Id.*) When asked to provide
10 more information regarding this project and its costs, Staff was informed that the
11 small blurb provided in Company audit response U21870-SA-CE-
12 051_Baker_ATT_1 regarding the project is the only information and cost
13 breakdown they can provide. (Staff Exhibit S-10.3.) There has been very little
14 provided by the Company regarding this project and it remains unclear to Staff
15 why and how this money is needed for this project.

16 In addition, the Company states that this project is necessary at this
17 time to help with affordability by informing customers of rebates. (Staff Exhibit
18 S-10.5.) However, the Company also states that the website already offers a
19 search option for rebates, albeit a general one, as well as direct marketing to
20 customers to inform them of rebates that may be good fit for them. (*Id.*) Indeed,

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1 there is an entire webpage on the Company’s website dedicated to rebates and
2 discounts and that should suffice to inform customers of applicable rebates.¹¹

3 Finally, the costs for this project were determined by projecting a
4 “high-level work effort of 2,500 hours based on the description of capabilities,” so
5 those costs are not necessarily accurate as they are based on conjecture. (Staff
6 Exhibit S-10.6.) Staff questions the reasonableness of a project’s cost projection
7 whose costs are so unknown. In addition, the project is not expected to reduce
8 costs from any area in the Company. (*Id.*) Given all this, Staff cannot support
9 this project and recommends full disallowance of the requested costs.

10 Q. Please provide a summary of your testimony.

11 A. My testimony provided reasoning for Staff’s recommended disallowances for
12 capital and O&M expenses for the Product Family Enhancements – Customer –
13 Capital project from Company Exhibit A-20 (SHB-5) and the Low Moderate
14 Income Customer Support Enhancement project from Company Exhibit A-12
15 (JRB-1), Schedule B-5.3. (Staff Exhibit S-14.0.)

16 Q. Does this conclude your testimony?

17 A. Yes.

¹¹ See Consumers Energy Company Rebates & Discounts webpage, available online at <https://www.consumersenergy.com/residential/savings-and-clean-energy/rebates>, accessed September 17, 2025.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-21870

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

QUALIFICATIONS AND DIRECT TESTIMONY OF

EMMA ZICHI

MICHIGAN PUBLIC SERVICE COMMISSION

September 30, 2025

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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 Annual Regulatory Studies Program (CAMP): The
20 Fundamentals course, hosted by the Institute of Public Utilities (IPU) at Michigan State
21 University. I have also completed the NARUC RTI Rate Case Basics – How to Read and
22 Analyze a Rate Case training.

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

2 A. Yes. I have filed testimony in the following cases:

- 3 • U-21806 Consumers Energy Gas Rate Case
- 4 • U-21860 DTE Electric Rate Case

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

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

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

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

14 Exhibits:

15 S-14.0: Staff's Adjustments to IT Capital and Investment O&M by Project

16 S-14.1: Company Audit Responses

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

18 A. Yes.

19 Q. What is Consumers Energy Company's total Information Technology expenditures
20 request in this case?

21 A. Consumers is requesting \$44.023 million for the historic year, \$80.310 million in the
22 bridge year (\$52.118 million in 2025 and \$28.191 million for 4 months of 2026), and

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1 \$77.719 million for the 12-month projected test year ending 4/30/2027 in capital
2 expenditures. (Exhibit A-12 (SHB-4), Schedule B-5.1 page 1, line 7.) The Company is
3 also requesting \$26.303 in Investment O&M for the 12-month projected test year ending
4 4/30/2027. (A-19 SHB-3 page 1, line 5.)

5 Q. What adjustments is Staff recommending to Consumers Information Technology
6 expenditures?

7 A. Staff is recommending a total capital disallowance of \$1,056,334 in the historical 12-
8 months ending 12/31/2024, \$2,606,186 in the 12-month bridge period ending 12/31/2025,
9 \$944,130 in the 4-month bridge year period ending 4/30/2026, and \$2,675,579 in the test
10 year ending 4/30/2027. Additionally, Staff is recommending a total investment O&M
11 disallowance \$355,474 in the 12-month projected test year ending 4/30/2027. (Staff
12 Exhibit S-14.0.) These disallowances come from the following Consumers Information
13 Technology programs: Customer, Electric, IT/Digital Foundation, and Security. Staff
14 witness Brittney Klocke will address adjustments in the Customer program and Staff
15 witness Jessica Duell will address an adjustment in the Electric program.

16 Q. What adjustments is Staff recommending to the IT/Digital Foundation program?

17 A. Staff is recommending a disallowance of \$3,046,500 in capital and \$273,946 in
18 investment O&M to the IT/Digital Foundation program. (Staff Exhibit S-14.0.) This
19 recommendation is made up of the following project-level adjustments: ARP –
20 Collaboration, ARP – Field Device Asset Management (FDAM), ARP – Workstation
21 Asset Management (WAM), Digital – Infrastructure Automation, and the ISIS Papyrus. I
22 will address each of these projects below.

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1 Q. What is Staff's recommended adjustment for the ARP – Collaboration project?

2 A. Staff is recommending a partial disallowance of \$250,023 in the 12-month bridge year
3 period ending 12/31/2025, \$46,300 in the 4-month bridge year period ending 4/30/2026,
4 and \$138,902 in the projected test year ending 4/30/2027. (Staff Exhibit S-14.0, line 5.)

5 This adjustment corresponds to the capital expenditures present on Company Exhibit A-
6 20 (SHB-5), pages 18, 27 and 36, lines 143, 217 and 295 and falls within the IT/Digital
7 Foundation program on Exhibit A-12 (SHB-4), Schedule B-5.1, page 1, line 5.

8 Q. Why is Staff recommending this adjustment?

9 A. Staff is recommending this adjustment to correct for an update in the projection that was
10 discovered through audit of the Company's ARP projects. Through audit Staff asked the
11 Company to provide a cost breakdown for all auditorium refreshes included in this
12 project for 2025, 2026 and 2027. In response, the Company stated that the original
13 projection for 2025 was based on costs to replace historical equipment. The Company
14 was able to refresh the historical equipment at a lower cost than what was projected and
15 shared through audit the revised cost estimate for all conference room refreshes taking
16 place in 2025, 2026 and 2027. (Staff Exhibit S-14.1, pages 1-4.) This adjustment is
17 shown on line 5 of Exhibit S-14.0.

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 of all new device purchases for 2026 and 2027
21 included in the ARP-FDAM project, which consists of \$228,567 for the 4-month bridge
22 year period ending 4/30/2026 and \$658,700 for the projected test year ending 4/30/2027.

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1 (Staff Exhibit S-14.0, line 6.) This adjustment corresponds to the capital expenditures
2 presented on Company Exhibit A-22 (SHB-7) page 5, line 3, columns e and f and falls
3 within the IT/Digital Foundation Program on Exhibit A-12 (SHB-4), Schedule B-5.1,
4 page 1, line 5.

5 Q. Why is Staff recommending this adjustment?

6 A. Staff is recommending this adjustment due to a lack of information provided by the
7 Company through audit regarding the methods used to calculate the total projected costs
8 for new purchases in 2026 and 2027. Through audit Staff asked the Company to provide
9 a breakdown of all new device purchases included in Exhibit A-22 (SHB-7) page 5, line
10 3, similar to what is shown for replacements. In the Company's audit response, it shared
11 that the projection for new purchase devices has changed in this case due to the
12 uncertainty of knowing the exact number of new devices needed each year. The Company
13 now reviews actual historical costs over the past four years to ensure its projection is
14 reasonable and prudent. (Staff Exhibit S-14.1, pages 5 and 6.)

15 Q. Why does Staff find this new method for projecting the total cost of new device
16 purchases problematic?

17 A. Staff finds this problematic because the Company did not explicitly state in its audit
18 response that the average of all 4 years of historical data was used to determine the total
19 projected costs of new device purchases. Instead, it stated that the projected costs were
20 validated using historical costs. This response provides uncertainty as to the methods
21 used by the Company to calculate the total projected cost for new device purchases.
22 Additionally, in a follow-up audit question, Staff asked the Company to share the

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1 calculation used that produced the \$1 million in total projected costs for new device
2 purchases. In response to Staff, the Company stated it did not use a calculation to project
3 the cost for new device purchases of \$1 million. Instead, the Company referred Staff to its
4 previous audit response and reiterated that the projected costs were *validated* using actual
5 historical costs. (Staff Exhibit S-14.1, page 15.) The Company failed to provide Staff
6 with a calculation or method used to show how the projected cost of \$1 million was
7 chosen. The Company has failed to provide any support for the projected cost.

8 Q. Does Staff believe the purchase of new devices for the ARP-FDAM project is
9 unnecessary?

10 A. No. Staff understands the importance of new device purchases for this project and does
11 believe the Company will spend money in this area. However, Staff cannot complete a
12 full analysis of these costs if the Company does not share the methods or calculations
13 used to project these costs. The Company failed to provide supporting information
14 showing how the projected costs for new devices purchases of \$1 million were derived.
15 Without a clear explanation for how the Company determined the total projected costs of
16 \$1 million, the costs remain baseless. If the Company has chosen a new way of predicting
17 new device purchases, it should have a method or calculation to support it. Neither
18 Company testimony, supporting exhibits, nor audit responses explained how the \$1
19 million annual spend for new purchase devices was calculated, only how it was
20 *validated*, which is not the same.

21 Q. What is Staff's recommended adjustment for the ARP- Work Station Management

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1 (WAM) project?

2 A. Staff is recommending a full disallowance of all new device purchases for 2026 and 2027
3 included in the ARP-WAM project, which consists of \$228,567 for the 4-month bridge
4 year period ending 4/30/2026 and \$658,700 for the projected test year ending 4/30/2027.
5 (Staff Exhibit S-14.0, line 7.) This adjustment corresponds to the capital expenditures
6 presented on Company Exhibit A-22 (SHB-7) page 15, line 10, columns e and f and falls
7 within the IT/Digital Foundation Program on Exhibit A-12 (SHB-4), Schedule B-5.1,
8 page 1, line 5.

9 Q. Why is Staff recommending this adjustment?

10 A. Staff is recommending this adjustment due to a lack of information provided by the
11 Company in its application and through audit regarding the methods used to calculate the
12 total projected costs for new purchases in 2026 and 2027. Staff's adjustment for the ARP-
13 WAM project is consistent with the ARP-FDAM project. Through audit Staff asked the
14 Company to provide a breakdown of all new device purchases included in Exhibit A-22
15 (SHB-7) page 5, line 3, similar to what is shown for replacements. In the Company's
16 audit response, it stated that the projection for new purchase devices has changed in this
17 case due to the uncertainty of knowing the exact number of new devices needed each
18 year. The Company now reviews actual historical costs over the past four years to ensure
19 its projection is reasonable and prudent. (Staff Exhibit S-14.1, pages 7 and 8.)

20 Q. Why does Staff find this new method for projecting the total cost of new device
21 purchases problematic?

22 A. As stated above regarding the ARP-FDAM project, the Company does not specify that

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1 the projection is based on historic actuals, just that it is validated by it. Additionally, the
2 Company confirmed that it did not use a calculation to project the cost of \$1 million,
3 leaving Staff to question how it arrived at its projection.

4 Q. Does Staff believe the purchase of new devices for the ARP-WAM project is
5 unnecessary?

6 A. No. Staff understands the importance of new device purchases for this project and does
7 believe the Company will spend money in this area. However, the prudence of this
8 projection cannot be analyzed if the Company does not share the methods or calculations
9 used to project these costs. The Company failed to provide supporting information
10 showing how the projected costs for new devices purchases of \$1 million were derived.
11 Without a clear explanation for how the Company determined the total projected costs of
12 \$1 million, the costs remain baseless and unsupported. If the Company has chosen a new
13 way of predicting new device purchases, it should have a method or calculation to
14 support it. Neither Company testimony, supporting exhibits, nor audit responses explain
15 how the \$1 million annual spend for new purchase devices was calculated, only how it
16 was *validated*.

17 Q. What is Staff's recommended adjustment for the Digital-Infrastructure Automation
18 project?

19 A. Staff is recommending a full disallowance of the Digital-Infrastructure Automation
20 project, which consists of \$382,043 for the 12-month test year ending 4/30/2027. (Staff
21 Exhibit S-14.0, line 8.) This adjustment corresponds to the capital expenditures presented
22 on Company Exhibit A-20 (SHB-5), page 37, line 307, and falls within the IT/Digital

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1 Foundation program on Exhibit A-12 (SHB-4), Schedule B-5.1, page 1, line 5. Staff is
2 also recommending a partial disallowance of \$159,902 in investment O&M, which falls
3 within the Information Technology Investment O&M program on Exhibit A-19 (SHB-3),
4 page 1, line 3 and corresponds to the O&M expenses shown on Exhibit A-20 (SHB-5),
5 page 37, line 307.

6 Q. Why is Staff recommending these adjustments?

7 A. Staff is recommending these adjustments due to a lack of information from the Company
8 supporting the prudence of this project. The Company stated in testimony that the efforts
9 completed through this project would lead to a reduction in operational costs¹. However,
10 through audit the Company failed to quantify this reduction.

11 Q. What information did Staff learn through audit about the project's expected reduction in
12 costs?

13 A. Through audit Staff asked the Company to provide the reduction to operational costs it
14 expected to gain from the project. In response, the Company stated that there will not be a
15 reduction in operational costs as a result of this project. It further shared that the project
16 would instead provide efficiency and avoid costs. (Staff Exhibit S.14.1, pages 10-12.) In
17 the Company's testimony it states in the project's "Alternatives" section that sticking with
18 the current, manual, system is costly among other things, and this is why the Company
19 did not choose this option². The Company asserts the need for this project due to
20 expected cost reductions but cannot support this when asked by Staff through audit. In a

¹ Prefiled direct testimony of Company witness Stacy H. Baker, page 98.

² *Id* at page 99.

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1 follow-up audit request, Staff asked the Company to explain why there are no cost
2 savings as a result of this project, considering the current solution is costly. Similarly, the
3 Company shared that the project will not result in hard cost savings but will result in
4 operational efficiencies and reduce the current manual process by 80%. (Staff Exhibit S-
5 14.1, page 18.) Again, the Company failed to provide information supporting the
6 expected cost savings, as stated two times in testimony. Furthermore, Staff cannot
7 understand why there would not be a reduction in costs if the project will reduce manual
8 efforts by 80%. The Company has not proven the prudence of this project, considering it
9 states the project will reduce operational costs and was unable to confirm or quantify
10 these cost reductions.

11 Q. What is Staff's recommended adjustment for the ISIS Papyrus project?

12 A. Staff is recommending a full disallowance of the ISIS Papyrus project, which consists of
13 \$164,499 in the projected 4-month bridge year period ending 4/30/2026, and \$263,199
14 for the 12-month test year ending 4/30/2027. (Staff Exhibit S-14.0, line 9.) This
15 adjustment corresponds to the capital expenditures presented on Company Exhibit A-20
16 (SHB-5), page 28, line 228 and falls within the IT/Digital Foundation program on Exhibit
17 A-12 (SHB-4), Schedule B-5.1, page 1, line 5. Staff is also recommending a partial
18 disallowance of \$144,044 in O&M for the 12-month test year ending 4/30/2027, and falls
19 under the Information Technology Investment O&M program on Exhibit A-19 (SHB-3),
20 page 1, line 3, and corresponds to the O&M expenses shown on Exhibit A-20 (SHB-5),
21 page 28, line 228.

22 Q. Why is Staff recommending this adjustment?

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1 A. Staff is recommending this adjustment due to a lack of information from the Company
2 supporting the prudence of this project at this time. Through audit Staff asked the
3 Company what would happen with vendor support and cyber security patches if the
4 upgrade was not completed at this time. In response the Company shared that the vendor
5 would continue to provide support even if the upgrade is not completed now. It also
6 shared some concerns with delaying the upgrade. Additionally, the Company confirmed
7 that the vendor would still provide cybersecurity patches, but that they may only apply to
8 future releases. (Staff Exhibit S-14.1, page 9.) Staff asked the Company when the vendor
9 will stop providing support and to clarify whether cybersecurity patches will continue to
10 be available if the system is not upgraded. The Company shared that the vendor has not
11 established a definitive end date for support of the current version and that historically,
12 support has been provided contingent upon the Company maintaining its annual
13 maintenance agreement. Additionally, the Company confirmed that similarly, the
14 cybersecurity patches will continue to be provided and that the vendor has not identified a
15 specific end date for these patches to users who have not upgraded. (Staff Exhibit S-14.1,
16 page 16.) The Company provided reasoning in testimony and audit for why this project
17 could be necessary but failed to provide definitive information as to why completing this
18 upgrade was necessary now.

19 Q. Has this cost previously been recommended for disallowance?

20 A. No, however, Staff has discovered new information through audit that supports a change
21 in Staff's position. The Company shared in audit that the vendor will continue to provide
22 support and cybersecurity patches to the current version. The Company shared possible

**QUALIFICATIONS AND DIRECT TESTIMONY OF
EMMA ZICHI
U-21870**

1 concerns about not completing at this time but did not provide any concrete information
2 to support the need to complete the upgrade now.

3 Q. What adjustments is Staff recommending to the Security program?

4 A. Staff is recommending a disallowance of \$50,579 in O&M to the Security program. This
5 recommendation is made up of the following project-level adjustments: Business
6 Continuity – Program Management Tool. I will address this project below.

7 Q. What is Staff’s recommended adjustment for the Business Continuity – Program
8 Management Tool project?

9 A. Staff is recommending a full disallowance of the Business Continuity – Program
10 Management Tool project, which consists of \$50,579 in O&M expenses for the 12-month
11 test year ending 4/30/2027. (Staff Exhibit S-14.0, line 11.) This adjustment corresponds
12 to the investment O&M expenditures presented on Company Exhibit A-20 (SHB-5), page
13 39, line 325, and falls within Security Investment program on Exhibit A-19 (SHB-3),
14 page 1, line 4.

15 Q. Why is Staff recommending this adjustment?

16 A. Staff is recommending this adjustment due to new information learned through audit
17 regarding past decisions made by the Company for this project. Through audit, Staff
18 learned that the Company has been using the current system, Riskconnect, since 2023. The
19 Company shared that the current system does not meet Federal Emergency Management
20 Administrative (FEMA) and Incident Command System (ICS) standards adopted by the
21 Company, and thus it’s looking to implement a new system. (Staff Exhibit S-14.1, pages
22 13-14.) Through a second round of audit, Staff discovered that the Company adopted

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 these standards in 2013. The Company also shared that implementing a new system is not
2 the only way to meet these standards adopted by the Company, but the current system
3 does not have the capabilities to support the requirements. (Staff Exhibit S-14.1, page
4 17.)

5
6 Staff believes that this new information learned through audit does not support the
7 Company's reasoning for implementing this project. Logically, if the standard were
8 adopted in 2013, the current system put in place in 2023 would have adhered to these
9 standards, were it deemed prudent by the Company. The Company failed to address this
10 inconsistency and provide supporting information as to the prudence of adopting these
11 standards now.

12 Q. Has this cost previously been recommended for disallowance?

13 A. No, however the shifting in costs and new information Staff discovered through audit
14 supports a change in Staff's position.

15 Q. How has this project changed from the Company's most recent gas case, Case no.
16 U-21806?

17 A. Yes. Projected costs were included for this project in the previous electric case, U-21585,
18 for 2025 and 2026. (Exhibit A-88 (SK-6), lines 205 and 272.) In the current gas case, U-
19 21806, this project has projected costs included for only 2026. (Exhibit A-20 (SHB-5)
20 page 27, line 381.) In this case the Company included projected costs for 2026 and 2027.
21 (Exhibit A-20 (SHB-5) page 30, line 249 and page 39, line 325.) The Company has
22 shifted this project from 2025 and 2026 to 2026 and 2027 across cases. Additionally,

**QUALIFICATIONS AND DIRECT TESTIMONY OF
EMMA ZICHI
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1 through audit Staff learned that the Company has not selected a vendor or new software
2 yet. (Staff Exhibit S-14.1 page, 13 and 14.) This project has been shifted to different
3 years across cases and the total company expected project O&M cost has continuously
4 decreased across cases starting in U-21490 through this cases, with a total decrease of
5 \$431,460. Due to this constant decrease in projected costs, change in implementation
6 dates, requiring recovery for the project without having selected a vendor or new solution,
7 and the past decisions that contradict the current need for this project, Staff believes this
8 project has not been supported by the Company or proven to be prudent at this time.

9 Q. What special rate-making requests did the Company include in this case for the SAP
10 S/4HANA Implementation project?

11 A. The Company is requesting to amortize the cloud implementation costs for the SaaS
12 (software as a service) solution over a 15-year asset life. This will be addressed by Staff
13 witness McMillan-Sepkoski. Additionally, the Company is requesting to defer the
14 Investment O&M expenses and recover these costs over the life of the asset. This will be
15 addressed by Staff witness Nichols.

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

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

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 Q. Does Staff have any additional recommendations regarding the SAP S/4HANA upgrade?

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

7 Q. Please summarize your recommendations.

8 A. Staff is recommending a full disallowance of both capital and O&M expenditures for
9 multiple IT projects, and one Security project. One project disallowance is to correct an
10 updated projection identified by the Company through audit. Two projects have
11 recommendations based on unsupported costs, where the Company failed to provide
12 supporting information, through audit, as to the methods used to determine these costs.
13 All other disallowances are based on a lack of information provided by the Company,
14 through audit, to support the immediate prudence of these projects. In total these
15 disallowances account for \$250,023 for the 12-month bridge year ending 12/32/2025,
16 \$667,933 in the 4-month bridge year ending 4/30/2026, and \$2,128,544 in capital and
17 \$324,525 in O&M for the 12-month projected test year ending 4/30/2027. Staff also
18 presents recommendations for the SAP S/4 HANA project, including meeting with Staff
19 to provide updates and tracking expenditures.

20 Q. Does this conclude your testimony?

21 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 for)	Case No. U- 21870
the generation and distribution of)	
<u>electricity and for other relief.</u>)	

EXHIBITS OF
CUSTOMER ASSISTANCE DIVISION
MICHIGAN PUBLIC SERVICE COMMISSION

September 30, 2025

Question:

1. Identify any expenditures included in any of the line items of Exhibits A-12 Schedule B5, B5.1, B5.2, B5.3, B5.4, B5.5, B5.6, B5.7, B5.8, or B5.9 that represent placeholder or blanket work orders, or are set aside for contingency, risk, unforeseen events, or emergent work.

Response:

Investment levels for Line Number 1 (Other Equipment) are established annually as part of the annual budget setting process and are set at or below the 5 year historical average spend.

Emergent Repairs (Line Number 7) includes unplanned corrective maintenance and break fix repair of facilities assets. Total investment in Emergent Repairs is maintained at or below the five-year historical average spend for Emergent Repairs. The Company maintains data on the age, condition, and maintenance history of its major building system assets. This data, in conjunction with historical spend, is used to forecast projected spending on unplanned corrective maintenance and break fix repair of assets.

The total amount of needed investment in Line Number 15 (Furniture) begins with the five-year historical average spend. The needs of the business are then assessed, and those assessments are used to determine how that spend is allocated. Total investment in Furniture is set at or below the 5-year historical average spend.

Line No		Historical Year	Projected Bridge Period			Projected Test Year
		12 Mos Ended 12/31/2024	12 Mos Ended 12/31/2025	4 Mos Ending 4/30/2026	16 Mos Ending 4/30/2026	12 Mos Ending 4/30/2027
		Electric	Electric	Electric	Electric	Electric
1	Other Equipment	357	670	168	838	670
2	Wellness Equip	29	51	13	64	51
3	Computer Equipment	-	17	4	21	17
4	Print Equipment	37	44	11	55	44
5	Supply Chain Tools & Equipment	212	515	129	644	515
6	Facilities Tools	80	43	11	54	43
7	Emergent Repairs	1,010	867	477	1,344	2,706
8	Asset Preservation - Unplanned Repair	1,010	867	477	1,344	2,706
9	Asset Replacement	9,293	4,987	1,576	6,563	8,810
10	Statewide Paving	928	387	530	916	3,002
11	Statewide Roofing	1,849	1,799	404	2,203	2,290
12	Statewide Mechanical/Electrical	4,027	2,606	514	3,120	2,916
13	Statewide Elevators	400	60	82	142	466
14	Marshall Roadway Paving	1,711	-	-	-	-
15	Furniture	376	136	45	181	136

Question:

2. Regarding Exhibit A-102 (QAG-3), page 1,

- a. For line 1, provide the total cost for this line item per year for each year from 2020 to 2024.
- b. For line 7, provide the total cost for this line item per year for each year from 2020 to 2024.

Response:

a.

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
	Electric Allocation Only	Electric Allocation Only	Electric Allocation Only	Electric Allocation Only	Electric Allocation Only
Other Equipment	440	797	862	403	357

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation
Other Equipment	727	1,401	1,054	577	894

b.

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
	Electric Allocation Only	Electric Allocation Only	Electric Allocation Only	Electric Allocation Only	Electric Allocation Only
Emergent Repairs	1,678	3,564	1,523	1,011	1,010

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation	Electric & Gas (Total) Allocation
Emergent Repairs	4,043	5,170	4,251	2,966	1,743

Question:

3. Regarding Exhibit A-136 (MPK-26), explain why the cost for line 5, the cost for the potential to restore the premise back to standard metering, is more than double the cost of line 2, the cost to replace the existing meter with a manual meter.

Response:

The cost used for line 5 is based on new AMI installations as opposed to a replacement of an existing meter. The cost to restore the premise back to a standard meter should not reflect the cost of a new AMI installation, but rather it should reflect the same cost as to replace an existing meter with a manual meter shown in line 2. With this update, line 5 of Exhibit A-136 (MPK-26) will equal line 2, and the One Time Cost on line 7 will equal \$168.05.

Question:

1. Regarding Exhibit A-136 (MPK-26), for every line number, provide a complete breakdown of the basis for each cost including all information used to derive the costs shown such as hourly rates, number of hours, truck rolls, materials, etc.
 - a. Also confirm that the Company is changing the Charge per Meter of line number 5 from 93.57 to 45.40.
 - b. Please clarify what the "Turn on/off" cost is for.

Response:

See Attachment 1 to this response for the breakdown of cost the Company captures to support the lines in Exhibit A-136 (MPK-26).

- a. Yes, the Company will agree to update the referenced charge to \$45.40. Additionally, the On-going cost should be updated from \$3.09/meter/month to \$0.28/meter/month due to an error in the calculation of the Re-read order costs on line 11 which will reduce it from \$3.51/meter/month to \$0.70/meter/month. The prior calculation used the total cost over the last five years from 2020-2024 divided by the current number of meters and has been corrected to use the average cost from 2020-2024 divided by the current number of meters
- b. Turn on/off occur when there is a need to go onsite to manually turn off the meter or turn on the meter. In digital non-transmitting meters there is no functionality to complete this task remotely, so field operations must go to the site to complete the work. This process could be for shut off due to non-payment, change in account, or move in/move out.

Question:

2. Provide the cost to manually read the Company's non-transmitting electric meters per year for each year from 2020 to 2024.

Response:

The Company does not have the costs to read non-transmitting electric meters broken out separately from total meter reading costs, which also include costs to read non-transmitting gas meters and AMR gas meters.

		Other Equipment	Emergent Repairs	
1	2020	\$ 440,000	\$ 1,678,000	
2	2021	\$ 797,000	\$ 3,564,000	
3	2022	\$ 862,000	\$ 1,523,000	Exhibit S-12.0, pg. 2
4	2023	\$ 403,000	\$ 1,011,000	
5	2024	\$ 357,000	\$ 1,010,000	
6	5-Year Average	\$ 571,800	\$ 1,757,200	Avg. of Lines 1 - 5
7	Company's Projected Test Year Request	\$ 670,000	\$ 2,706,000	Company Exhibit A-102 (QAG-3)
8	Staff's Proposed Disallowance	\$ 98,200	\$ 948,800	Line 7 - Line 6

U21870-SA-CE-133
Attachment 1
Up-Front Costs

Line No.	(a) Description	(b) Cost / Units	(c) Notes
<u>Replace Existing Smart Meter with Legacy Meter</u>			
1	Labor	\$9,739,421	Total 2020-2024
2	Fleet	\$2,141,477	Total 2020-2024
3	Other (Materials, Outside Services)	\$26,752	Total 2020-2024
4	Total Cost	\$11,907,650	
5	Number of Work Orders	299,119	Total 2020-2024
6	Cost per Work Order	\$39.81	Line 4 / Line 5
7	Supervisory and Support Costs	\$5.60	Average 2020-2024
8	Per Meter Cost of Replacing Smart Meter with Legacy Meter	\$45.40	Line 6 + Line 7
<u>Smart Meter Deployment Exceptions Process - Systems Cost</u>			
9	Software Costs	\$77,000	Curent Annual Cost
10	Electric Allocation	31%	Meter Volume
11	Eletric Costs	\$23,870	Line 9 x Line 10
12	Legacy meters deployed	9,060	Current
13	Per Meter Cost of Exception Process - Systems Cost (\$ / meter)	\$2.63	Line 11 / Line 12
<u>Customer Support</u>			
14	Time supporting Legacy Customers	20	Hours per week
15	Cost per Hour	\$30	Average Hourly Wage of Customer Support
16	Weekly Cost	\$600	Line 14 x Line 15
17	Weeks per Year	52	
18	Annual Expense	\$31,200	Line 16 x Line 17
19	Legacy meters deployed	9,060	Current
20	Per Meter Cost of Customer Support	\$3.44	Line 18 / Line 19

U21870-SA-CE-133
Attachment 1
Up-Front Costs

Line No.	(a) Description	(b) Cost / Units	(c) Notes
<u>Restore Premise to Standard metering</u>			
1	Total Cost	\$8,228,044	Total 2020-2024
2	Number of Work Orders	93,525	Total 2020-2024
3	Cost to Restore Premise	\$87.98	Line 5/Line 6
4	Supervisory and Support Costs	\$5.60	Average 2020-2024
5	Per Meter Cost of Replacing Smart Meter with Legacy Meter	\$93.57	Line 3 + Line 4

No Longer Used, instead use Ln 8 pg 1

Turn on/off

6	<i>Labor</i>	\$2,135,220	Total 2020-2024
7	<i>Fleet</i>	\$474,179	Total 2020-2024
8	<i>Other (Materials, Outside Services)</i>	\$25,402	Total 2020-2024
9	Total Costs	\$2,634,801	
10	Number of Work Orders	40,173	Total 2020-2024
11	Cost to Turn on/Off	\$65.59	Line 14/Line 15
12	Supervisory and Support Costs	\$5.60	Average 2020-2024
13	Per Meter Cost of Replacing Smart Meter with Legacy Meter	\$71.18	Line 11 + Line 12
14	One Time Cost Post Smart Meter Install	\$168.07	

U21870-SA-CE-133,178,201

Attachment 1

On-going Costs

Line No.	(a)	(b)	(c)
Meter Reading @12 Reads Per Year			
1	Cost of Non-AMI Reads	4,162,264	2024 Costs
2	Manual Gas Reads	139,808	2024 Reads
3	Manual Electric Reads	132,839	2024 Reads
4	AMR Reads Gas	13,932,072	2024 Reads
5	Non-AMI Reads	14,204,719	2024 Reads
6	12 month average read cost	\$0.29	Line 1 / Line 5
Meter Testing Program for Legacy Meters			
7	Percentage of tests on manual meters per year	6%	
8	Non smart meters deployed	9,060	Current
9	Number of Yearly Tests	544	Line 7 x Line 8
10	Cost of single field test	\$198.76	Average 2020-2024
11	Yearly Test Cost	\$108,046	Line 9 x Line 10
12	Non smart meters deployed	9,060	Current
13	Testing Program cost per Meter	\$11.93	Line 10 / Line 12
14	Months in a Year	12	
15	Costs of Testing per Meter per Month	\$0.99	
		was \$0.59	Formula error in line 13 which previously used wrong cell for the numerator
Monitoring, Tracking and correcting accounts			
16	Weekly Cost	\$135.20	Labor Rate (\$67.60) x 2 hours
17	Weeks per Year	52	
18	Annual Cost of Monitoring, Tracking and Correcting	\$7,030.40	Line 16 x Line 17
19	Non smart meters deployed	9,060	Current
20	Cost Per Meter	\$0.78	Line 18 / Line 19
21	Months in a Year	12	
22	Costs of Monitoring and Tracking per Meter per Month	\$0.06	
		was \$1.29	Formula error in line 20 which previously divided meters by cost and not collecting over 12 months

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Attachment 1

On-going Costs

Line No.	(a)	(b)	(c)
Non-communicating Meter Retention			
1	Cost per Test	\$2.18	\$59/hour for meter test employees at 2.22 minutes/test
2	Field sample testing program	15%	
3	Non smart meters deployed	9,060	Current
4	15% of deployed non smart meters	1,359	Line 2 x Line 3
5	Yearly Cost meter retention	\$2,963	Line 1 x Line 4
6	Non smart meters deployed	9,060	Current
7	Cost to Remove and Replace Existing Meter	\$45	Up-Front Cost to Replace Meter
8	Number of Yearly Tests	1,359	Line 9
9	Cost to Prepare Test	\$61,705	Line 7 x Line 8
10	Total Cost of Testing	\$64,667	Line 11 + Line 9
11	Cost per meter	\$7.14	Line 10 / Line 6
12	Months in a Year	12	
13	Cost of non communicating meter retention per month	\$0.59	Line 11 / Line 12
		was \$0.03	Did not include costs to remove and replace meter and was not collecting over 12 months
Meter Reader Handheld Device Purchases			
14	Single Reader Cost	\$3,439	Cost of Toughbook
15	Average Yearly Purchase	8.5	Average replacement rate of 4 years
16	Yearly average reader purchase cost	\$29,232	Line 14 x Line 15
17	Non smart meters deployed	9,060	Current
18	Cost per Meter	\$3.23	Line 16 / Line 17
19	Months in a year	12	
20	Costs of Devices per Meter per Month	\$0.27	Line 18 / Line 19
Re read order			
21	Labor	\$61,653	5-year Average
22	Fleet	\$14,285	5-year Average
23	Other (Materials, Outside Services)	\$439	5-year Average
24	Total Costs	\$76,377	
25	Non smart meters deployed	9,060	Current
26	Cost per Meter	\$8.43	Line 24 / Line 25
27	Months in a year	12	
28	Re read Cost per meter per month	\$0.70	Line 26 * Line 27
		was \$3.51	needed to be average over five years as opposed to total cost on meter count

U21870-SA-CE-133

Attachment 1

On-going Costs

Line No.	(a)	(b)	(c)
Removal of AMI Capital costs			
1	Net Plant for AMI	\$294,891,559	
2	Pre-tax WACC	7.38%	
3	Capital Cost	\$21,762,997	Line 1 x Line 2
4	Annual Depreciation of AMI	\$28,381,733	
5	Gross Plant for AMI Meters	\$457,769,891	
6	Property Tax Rate	0.01335	
7	Total Property Taxes	\$6,110,947	Line 5 x Line 6
8	Ongoing Meter O&M	\$19,420,352	MPK-14 Lines 13, 14, 19, 20, 21
9	Total Capital Cost and Ongoing O&M of AMI	\$75,676,030	Line 3 + Line 4 + Line 7 + Line 8
10	Total Meters in Service Territory	1,879,454	
29	Cost per meter	\$40.26	Line 9 / Line 10
30	Months in a Year	12	
31	Cost of AMI Meters per Month	\$3.36	Line 29 / Line 30
Legacy Meter Capital costs			
32	Net Plant for Legacy	\$589,069	
33	Pre-tax WACC	7.38%	
34	Capital Cost	\$43,473	Line 32 x Line 33
35	Annual Depreciation of Legacy	\$50,452	
36	Total Capital Cost of Legacy	\$93,925	Line 34 + Line 35
37	Gross Plant for Legacy Meters	\$899,319	
38	Property Tax Rate	0.01335	
39	Total Property Taxes	\$12,005	Line 37 x Line 38
40	Total Costs of Legacy Meters	\$105,931	Line 36 + Line 39
41	Total Legacy Meters in Service Territory	9,060	Current
42	Cost per meter	\$11.69	Line 40 / Line 41
43	Months in a Year	12	
44	Capital Cost of Legacy Meters per Month	\$0.97	Line 42 / Line 43
45	Net AMI Cost per Meter	(\$2.38)	Line 44 - Line 31
25	Total Monthly Ongoing Cost	\$0.52	

U21870-SA-CE-081

Requested By: Brittney M. Klocke (BMK-3 - 2)

Respondent: Jessica R. Byrom

Date of Response: 7/16/2025

Page 1 of 2

Question:

2. The following questions all pertain to the Customer Self-Service Mobile Application (Mobile App or App):

- a. To date, how many customers have downloaded the Mobile App?
- b. What is the App's current usage rate? Where does the App rank among other channels customers may utilize, such as the website, call center, etc?
- c. How many transactions have been fully completed via the Mobile App?
- d. What reduction in calls to the contact center has resulted from usage of the Mobile App?
- e. What feedback has the Company collected from customers regarding the Mobile App since its launch?
- f. What is the projected usage for 2025 and 2026 for the App?
- g. Prior to launch of the Mobile App, what feedback from customers did the Company collect regarding a mobile app?

Response:

- a. To date, over 1 Million customers have downloaded the app.
- b. The popularity of the app continually increases with a current share of digital traffic at over 28%. This is the second most used communication channel, closely following the Mobile Website.
- c. To date, there have been 7.9 Million bill payments completed, 2.1 Million outage map views, and 100,000 outages reported.
- d. The Company has observed the number of calls going down as the number of app interactions increases. Please see this data for reference:

	App Sessions by Year	App Interactions by Customer	Actual Calls By Year
2023	10,560,830	3.82	2,822,115
2024	12,951,152	4.68	2,615,313
2025	16,739,719	6.05	2,546,646

U21870-SA-CE-081

Requested By: Brittney M. Klocke (BMK-3 - 2)

Respondent: Jessica R. Byrom

Date of Response: 7/16/2025

Page 2 of 2

e. Feedback for the app has been collected via the App/Google Play Stores as well as CXi scoring:

- Store Reviews:
 - App Store (Apple, iOS) = 4.7/5 (2024)
 - Google Play Store (Android) = 4.5/5 (2024)
- CXi Scoring:
 - App CXI (through 7/7/25) = 75

f. The projected usage through 2025 is 16.7 Million sessions, growing to 18.9 Million sessions in 2026.

g. Prior to launch, the Company had observed verbatims and comments from CXi surveys over many years indicating a desire from customers to have a transactional app they could leverage.

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

Line No.	(a) Enhancement	2024 Actuals Capital							2024 Actuals O&M							(p) Description
		Software	Material	Labor	Electric Allocation			Total	Software	Material	Labor	Electric Allocation			Total	
					Contractor Costs	Non-Labor Overhead	Non-Labor Other					Contractor Costs	Non-Labor Overhead	Non-Labor Other		
1	Cust-Mobile Application Enhancements	-	-	8,261	32,657	-	3,150	44,068	-	-	57,535	479,120	-	-	536,655	Mobile App Capital Enhancement work for 2024 (including continuous improvements and enhancements including but not limited to the following: Customer Select Due Date (CSDD), 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).
2	Mobile App-Peak Time Rewards and Critical Peak Pricing Enrollment	-	-	35,422	191,215	-	12,322	238,959	-	-	-	-	-	-	-	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.
3	Mobile App - Passwordless Logon Capability (CAP)	-	-	61,998	251,846	-	27,574	341,417	-	-	-	-	-	-	-	Okta Identity Engine login procedure (optional passwordless) added to the App.
4	CRM Electric Order Management	-	-	15,183	21,092	-	3,324	39,598	-	-	-	-	-	-	-	Improve multiple changes to CRM and some back office processes for electric order/notification creation.
5	Mobile App - Guest Report Outage	-	-	16,219	52,768	-	3,713	72,700	-	-	-	-	-	-	-	New feature for a user to report an outage for someone else on the App by looking up their address or by account number.
6	Mobile App - Digital Wallet - Adding Payment Methods	-	-	67,057	193,676	-	16,201	276,934	-	-	-	-	-	-	-	Added PayPal, PayPal Credit, Venmo, Google Pay and Apple Pay as payment methods to the app.
7	Mobile App-Budget Plan Reconciliation Messaging	-	-	7,163	23,259	-	1,838	32,260	-	-	-	-	-	-	-	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.
8	Mobile App - One time place hold for payments	-	-	6,355	25,000	-	1,614	32,969	-	-	-	-	-	-	-	(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.
9	Mobile App - Pay Someone Else's Bill	-	-	2,615	13,738	-	674	17,027	-	-	-	-	-	-	-	Enable users of the Consumers Energy Mobile App to pay someone else's bill by using address lookup or account number.
10	CSR Timesheet Automation	-	-	-	-	-	-	-	-	(834)	183	-	-	-	(651)	Automate entering time from our Work Force Management system into Clarity to eliminate the need for CSRs to have to manually enter the time.
11	OKTA Identity Engine Foundation (OIE)	-	-	-	-	-	-	-	-	1,217	5,803	-	-	-	7,020	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.
12	Total	-	-	220,273	805,249	-	70,408	1,095,930	-	-	57,918	485,106	-	-	543,024	

Line No.	(a) Enhancement	2025 Projected Capital							2025 Projected O&M							(p) Description	
		Software	Material	Labor	Electric Allocation			Total	Software	Material	Labor	Electric Allocation			Total		
					Contractor Costs	Non-Labor Overhead	Non-Labor Other					Contractor Costs	Non-Labor Overhead	Non-Labor Other			
13	Customer - Capital - Enhancements	-	-	1,086,400	127,936	67,283	494,106	1,775,725	-	-	355,063	17,622	37,165	-	-	409,851	Based on historical years 2021 through 2023
14	Mobile App Enhancements	-	-	-	1,305,671	-	-	1,305,671	-	-	-	13,016	-	-	13,016	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	
15	Landlord Portal	-	-	342,850	-	24,000	158,397	525,246	-	-	30,990	-	2,169	-	33,160	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.	
16	High bill/inability to Pay Automation	-	-	411,420	-	28,799	190,076	630,295	-	-	37,188	-	2,603	-	39,791	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	
17	Web Dashboard Redesign	-	-	342,850	-	24,000	158,397	525,246	-	-	30,990	-	2,169	-	33,160	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.	
18	Low/Moderate Income Enhancements	-	-	342,850	-	24,000	158,397	525,246	-	-	-	-	2,169	-	2,169	Low Moderate Income (LMI) 2025: 1. Adding the following Programs/plans/alert in personalized offering (LMI Single Enrollment Flow) a. EBill 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 UX/UI 5. State and federal assistance integration 6. IVR integration to Single Enrollment flow 7. REA user driven scheduling (via API) 8. Improved Customer Communication	
19	Total	-	-	2,526,370	1,433,606	168,081	1,159,372	5,287,430	-	-	454,232	30,638	46,277	-	531,147		

2026

2026

	Enhancement	Projected Capital							Projected O&M							Description
		Software	Material	Labor	Electric Allocation			Total	Software	Material	Labor	Electric Allocation			Total	
					Contractor Costs	Non-Labor Overhead	Non-Labor Other					Contractor Costs	Non-Labor Overhead	Non-Labor Other		
20	Customer - Capital - Enhancements	-	6,162	202,177	1,544,945	40,926	80,871	1,875,079	-	-	41,799	30,892	4,177	-	76,869	Based on historical years 2022 through 2024
21																
22	Web Rebate Information for Personalization	-	-	171,425	-	12,000	79,198	262,623	-	-	15,495	-	1,085	-	16,580	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.
23	Web Chat AI	-	-	308,565	-	21,600	142,557	472,722	-	-	27,891	-	1,952	-	29,844	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.
	Total	-	6,162	682,167	1,544,945	74,525	302,626	2,610,424	-	-	85,185	30,892	7,214	-	123,292	

	Enhancement	2027 Projected Capital							2027 Projected O&M							Description
		Software	Material	Labor	Electric Allocation			Total	Software	Material	Labor	Electric Allocation			Total	
					Contractor Costs	Non-Labor Overhead	Non-Labor Other					Contractor Costs	Non-Labor Overhead	Non-Labor Other		
24	Customer - Capital - Enhancements	-	6,162	202,177	1,544,945	40,926	80,871	1,875,079	-	-	41,799	30,892	4,177	-	76,869	Based on historical years 2022 through 2024
25	Total	-	6,162	202,177	1,544,945	40,926	80,871	1,875,079	-	-	41,799	30,892	4,177	-	76,869	

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

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
2024									
Actuals									
O&M									
Electric Allocation									
1	MPSC Rate Changes '23	-	-	119	2,183	-	-	2,302	These are annual SAP modifications to comply with tariff changes and/or a MPSC order
2	Mig Equifax DIT/KBA Tools	-	-	3,894	7,994	-	-	11,888	Our vendor for ID validation for new services upgraded their platform for a new cloud application requiring changes so that our system is connected and passes over the accurate data for ID validation.
3	Street Light Outage Map Light Identification	-	-	375	6,909	-	-	7,284	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.
4	Mobile Application Enhancements	-	-	3,042	26,578	-	-	29,620	This includes the planning for enhancements, operational support work (minor bug fixes), and continuous performance improvements.
5	Total	-	-	7,429	43,664	-	-	51,093	

Line No.	Enhancement	Software	Material	Labor	Contractor Costs	Non-Labor Overhead	Non-Labor Other	Total	Description
Projected									
O&M									
Electric Allocation									
6	Mobile Application Enhancements	-	-	23	17,711	489	-	18,223	This includes the planning for enhancements, operational support work (minor bug fixes), and continuous performance improvements.
7	Prevention of Account Balance Transfer After Move Out	-	-	726	1,342	-	-	2,068	Team added a hard stop to ensure the transfer of an account balance does not happen after move out to an inactive account
8	Robotic Process Automation for the Net Metering Debt/Credit Process	-	-	2,000	10,720	997	-	13,717	Automate the process to calculate net consumption for Category 1 and Category 2 customers
9	Customer Account Access Enhancement	-	-	1,751	-	63	-	1,813	Enabling customer usage of primary email address or primary mobile phone number as supplement options to user ID for log in ease, account recovery, and unlocking account
10	Customer - O&M - Enhancements	-	-	151,544	21,061	12,822	30,778	216,204	Based on historical years 2021 through 2023
11	Total	-	-	156,044	50,834	14,370	30,778	252,026	

Line No.	Enhancement	Software	Material	Labor	Contractor Costs	Non-Labor Overhead	Non-Labor Other	Total	Description
Projected									
O&M									
Electric Allocation									
12	Customer - O&M - Enhancements	-	-	103,103	58,557	11,316	-	172,976	Based on historical years 2022 through 2024
13	Total	-	-	103,103	58,557	11,316	-	172,976	

Line No.	Enhancement	Software	Material	Labor	Contractor Costs	Non-Labor Overhead	Non-Labor Other	Total	Description
Projected									
O&M									
Electric Allocation									
14	Customer - O&M - Enhancements	-	-	103,103	58,557	11,316	-	172,976	Based on historical years 2022 through 2024
15	Total	-	-	103,103	58,557	11,316	-	172,976	

Sum of CM(A,E)
 project_name
 Product Family Enhancements-Customer-O&M

2026 300
 Responsibility

RatesCat
 Labor 103102.5463 Contractor Cost 58557.45998 Non-Labor Overhea 11316.20152 Non-Labor Other Grand Total 172976.2078

Mobile App

6517494

Consumers Energy Count on Us®													
BusinessUnit	BusinessArea	Order	Order Description	Project Name	Manager	Year							
All	All	6517494	All	All	All	2025							
Expense													
Actuals	\$24,209												
Work Plan	\$59,209												
Target (Off/Actual)	\$0												
Target Var	\$59,209												
Capital P/L													
Total													
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Actuals													
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U21870-SA-CE-198

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

Respondent: Stacy H. Baker

Date of Response: 8/13/2025

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

Question:

4. What is the “Web Rebate Information for Personalization” from Audit Response U21870-SA-CE-051_Baker_ATT_1, line 21? Please describe this project and the requested costs in as much detail as possible.

Response:

4. The Company does not have a further breakdown of the costs for Web Rebate Information for Personalization than were provided in Attachment No. U21870-SA-CE-051_Baker_ATT_1, page 1, line 21. The costs cover primarily the labor to design, develop, test, and implement the capabilities described in Attachment No. U21870-SA-CE-051_Baker_ATT_1, page 1, line 21. Currently, customers do not see rebates that are customized or relevant to their individual situation. By leveraging personalization, the Company 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.

U21870-SA-CE-245

Requested By: Brittney M. Klocke (BMK-7 - 16)

Respondent: Stacy H. Baker

Date of Response: 8/26/2025

Page 1 of 1

Question:

16) From audit response U21870-SA-CE-051-Baker_ATT_1, please further describe the Web Dashboard Redesign project. What programs do “customers lack visibility into?” How does this project overlap with the Low/Moderate Income Customer Support Enhancements project? How did the Company determine that this project was needed? Please describe.

Response:

The Web Dashboard Redesign project is part of the Company’s broader effort to enhance the experience of Low/Moderate Income (LMI) customers by improving how they discover and manage support programs online. While the Simplified Enrollment Flow, developed under the LMI Customer Support Enhancements project, streamlines the enrollment process by making it more intuitive and minimizing barriers to completion. The Dashboard Redesign focuses on overall engagement, both pre- and post-enrollment in programs. Customers previously lacked visibility into which programs they were enrolled, eligible, or recommended to join, including energy reduction programs, payment offerings, and demand response initiatives. By integrating personalized recommendations and clearer insights into program status and bill impact, the redesigned dashboard encourages customers to stay informed and engaged. The need for this project was identified through customer feedback, usage data from the enrollment flow, and long-standing studies showing low awareness of available programs. Given the high web traffic to the Account Dashboard, it was chosen as the ideal platform to deliver these improvements and support digital self-service.

U21870-SA-CE-241

Requested By: Brittney M. Klocke (BMK-7 - 12)

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

Page 1 of 1

Question:

12) For the Web Rebate Information for Personalization project, why is this project deemed necessary at this time? How will this project enhance customers' experiences with the Company? Was customer feedback collected regarding customers finding rebates? If so, please describe. Please also describe the current process by which customers research which rebate(s) are applicable to them and where that information is located on the Company's website, or anywhere else it is available.

Response:

The Web Rebate Information for Personalization project was deemed necessary at this time because it fulfills an important aspect of affordability—customers can both be informed of rebates, as well as using the guidelines set forth to make informed purchases/decisions.

Additionally, there are a myriad of programs offered to customers through EWR, Demand Response, Renewables, Electric Vehicles, payment programs, energy assistance programs, etc., that have varying eligibility requirements, participation requirements, etc. for rebates. This has the potential to be confusing for customers to navigate and determine which program or purchase provides the best fit for them.

The Company is committed to ensuring that customers have an easier time identifying the best fit for them and have the greatest potential for positive education, participation, and return. Web Rebate Information for Personalization allows the customer to input information and receive personalized, relevant, and timely information for which their profile fits.

Customers give feedback via the Company's online customer satisfaction survey that they are searching for rebate information but cannot find the right information or program to fit them.

Customers currently rely on either receiving direct marketing from the Company for programs that might be a good fit for them and doing web searches for potential programs that they may want to participate in. The Company's website offers a general search option for rebates, and information under the "Save Money and Energy" section.

U21870-SA-CE-242

Requested By: Brittney M. Klocke (BMK-7 - 13)

Respondent: Stacy H. Baker

Date of Response: 8/26/2025

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

Question:

13) For the Web Rebate Information for Personalization, how were the requested costs determined? Staff previously requested (BMK audit request 4 - 4) a more detailed breakdown of the requested costs for this project and was told that the information contained in audit response U21870-SA-CE-051-Baker_ATT_1 were the most detailed the Company could provide. Given that, Staff would still like to know how the costs for this project were determined and any other information regarding this project. Is this project projected to reduce costs from any area(s)? Why or why not?

Response:

The costs for the Web Rebate Information for personalization enhancement were determined by projecting a high-level work effort of 2,500 hours based on the description of capabilities that was also included in U21870-SA-CE-051_Baker_ATT_1 and the Company's understanding of its technical environments and experience with website development efforts. The enhancement effort is not expected to reduce costs from any area in the Company; rather, it is expected to lead to increased customer value and savings through rebate offers that are personalized, relevant, and timely for each specific customer.

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21870-SA-CE-207

Case No.: U-21870
Witness: B. Klocke
Exhibit: S-10.7
Date: September 30, 2025
Page: 1 of 1

U21870-SA-CE-207

Requested By: Brittney M. Klocke (BMK-5 - 4)

Respondent: Jessica R. Byrom

Date of Response: 8/20/2025

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

Question:

4. Regarding audit response U21870-SA-CE-084, answer a., how many customers are actually using the mobile app on a daily/weekly/monthly basis?

Response:

Based on data from March 2022 – July 31, 2025 and 1,497,126 users)

Daily average: 1,201

Weekly average: 8,410

Monthly average: 36,515

U21870-SA-CE-208

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

Respondent: Jessica R. Byrom

Date of Response: 8/20/2025

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

Question:

5. Regarding audit response U21870-SA-CE-081, answer b., what is the usage rate for the website? What is the overlap between usage of the App and website?

Response:

For last year, the Company observed over 1.36 million Business Partner (BP) numbers logging into either the website or the mobile app — approximately 1 million via the website and 356,553 via the app. The overlap between the two platforms was just over 11%, with 152,548 BPs logging into both.

For this year (January 1st to July 31st), the total number of BPs logging in increased to over 1.44 million — 958,931 on the website and 490,715 on the app. The overlap also rose slightly to 12%, with 180,828 BPs accessing both platforms.

U21870-SA-CE-210

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

Respondent: Jessica R. Byrom

Date of Response: 8/20/2025

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

Question:

7. Regarding audit response U21870-SA-CE-081, answer f., how was the projected usage for the App ascertained? What is considered a “session” and what happens during a session? Does that just mean a customer signing on to the App, or does it entail completing a transaction of some kind?

Response:

The app traffic forecast is based on a multiple linear regression analysis, taking into account historical monthly app traffic (starting in January 2024) and historical monthly customer outage count.

Regarding sessions, when the Company references app and web traffic, it is referencing Google Analytics (“GA”) sessions. A GA session represents a period of user interaction with a website or app. It starts when a user accesses the site/app and ends after a period of inactivity or user sign-out.

U21870-SA-CE-211

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

Respondent: Jessica R. Byrom

Date of Response: 8/20/2025

Page 1 of 1

Question:

8. Regarding audit response U21870-SA-CE-081, answer g., please provide more detail regarding the “verbatim and comments from CXI surveys” that indicated customers’ wish for an App. Please provide the content of those surveys, the response rate from customers, and any other information.

Response:

Information is limited due to comment archiving only going back to 2021, but the Company notes that in 2021, prior to app launch, 169 customers noted that an App was a platform they were requesting, Customer data including survey content may be found in U21870-SA-CE-211_ATT_1.

This data gave the Company a Digital CXi score of -40.

Since launching, the Consumers Energy App now averages a CXi score of 75 (world class performance).

U21870-SA-CE-196

Requested By: Brittney M. Klocke (BMK-4 - 2)

Respondent: Stacy H. Baker

Date of Response: 8/13/2025

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

Question:

2. Please further breakdown and detail the requested costs from Audit Response U21870-SA-CE-051_Baker_ATT_1, line 22, for the Web Chat AI. What maintenance or enhancements will these costs cover for this project?

Response:

2. The Company does not have a further breakdown of the costs for Web Chat AI than were provided in Attachment No. U21870-SA-CE-051_Baker_ATT_1, line 22. The costs, which are primarily labor, would cover the design, development, and testing of the AI-powered chatbot that would provide the capabilities covered in the attachment.

U21870-SA-CE-231

Requested By: Brittney M. Klocke (BMK-7 - 2)

Respondent: Stacy H. Baker

Date of Response: 8/26/2025

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

Question:

2) What is the Web Chat AI projected to look like? How will this differ from the Company's Click to Chat?

Response:

The Company expects the Web Chat AI enhancement to utilize an automated Artificial Intelligence (AI)-powered chat dialog that would provide instant, 24/7 customer support, offering quick responses to common queries and personalized assistance based on user behavior and a Company-specific knowledge base. This would differ from the Click to Chat capabilities, which are available to business customers only and require a live agent to respond to the customer's inquiry.

U21870-SA-CE-232

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

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

Question:

3) 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:

The Company envisions that the Web Chat AI tool will contain high-level, frequently asked questions that resolve customers’ general and most sought after inquiries.

The tool will gain insight and respond in a more “intelligent” manner the more it is used and the more data is added to and accessed from the Company’s resources.

While the tool is still in the development stage, the primary source of information would be existing Company data and websites that are kept current.

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21870-SA-CE-233

Case No.: U-21870
Witness: B. Klocke
Exhibit: S-10.14
Date: September 30, 2025
Page: 1 of 1

U21870-SA-CE-233

Requested By: Brittney M. Klocke (BMK-7 - 4)

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

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

Question:

4) 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:

While the tool is still in development, the Company expects that customer service representatives will be available during regular business hours (residential M-F, 7 a.m. - 6 p.m., business 8 a.m. - 4:30 p.m).

U21870-SA-CE-234

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

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

Question:

5) What type of responses will the Web Chat AI be able to provide customers? How detailed can the questions asked and responses given be?

Response:

While still in development, the Company expects that Web Chat AI will be able to provide customers with information about general, most asked questions—similar to an easily searchable comprehensive high-level Frequently Asked Questions.

U21870-SA-CE-235

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

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

Question:

6) 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 costs is undetermined at this time and would depend upon

- the migration of customers to the Web Chat AI tool;
- 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.

U21870-SA-CE-236

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

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

Question:

7) 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 difficult to navigate.

U21870-SA-CE-237

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

Page 1 of 1

Question:

8) If the Web Chat AI is implemented and customers utilize it, resulting in a reduction of contact with the customer contact center/customer service representatives due to customer self-service, how will costs be reduced? What will the Company determine 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. Note that call reduction volume does not result in a 1:1 reduction in costs due to cost of labor, complexity of call, average handled time, etc. 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.

U21870-SA-CE-205

Requested By: Brittney M. Klocke (BMK-5 - 2)

Respondent: Jessica R. Byrom

Date of Response: 8/20/2025

Page 1 of 2

Question:

2. What is the current status of the Low Moderate Income Customer Support Enhancement project?

Response:

The Low Moderate Income (LMI) Customer Support Enhancement Project continues to make meaningful progress toward its goal of expanding support from serving 1 in 6 LMI customers to reaching 1 in 3. The Company remains committed to a deliberate, data-informed approach across the four core focus areas: 1) Simplified Program Enrollment, 2) Proactive Communication & Program Awareness, 3) New & Improved LMI Offerings, and 4) Continuous Improvement.

Under the Simplified Program Enrollment workstream, the Company launched the Simplified Enrollment Experience in December 2024. Since then, two additional releases have been completed that introduced additional offerings and streamlined workflows, with two more releases planned for 2025. To date, through this experience 18,000 LMI customers have enrolled in one or more offerings, and more than 40,000 customers have self-identified as low or moderate income. Insights from this experience have also informed the redesign of the payment plan and assistance webpages, which are currently underway and expected to launch in Q4 2025.

As part of a continued focus on Proactive Communication and Program Awareness, the Company has implemented a strategy to better understand how and when to engage LMI customers before they reach a crisis point. By identifying key “moments that matter”—such as receiving a high bill, moving, or getting a first bill—we’re testing targeted messaging and outreach channels to increase awareness and participation. These efforts help ensure customers are met with relevant solutions at the right time.

Through the New & Improved LMI Offerings focus area, the Company continues to evaluate existing programs while exploring new concepts based on customer feedback. Offerings like Green Giving and Smart Thermostat Program (STP) have been integrated into the enrollment experience, and ongoing analysis is helping to identify gaps and opportunities for future product enhancements.

Finally, under Continuous Improvement, the Company is leveraging customer research, behavioral data, and usage analytics to guide enhancements across all areas of the project. This includes validating new concepts through interviews and surveys, refining messaging, and ensuring that all solutions remain responsive to the evolving needs of LMI households.

Michigan Public Service Commission
Consumers Energy Company
Audit Response U21870-SA-CE-205

Case No.: U-21870
Witness: B. Klocke
Exhibit: S-10.19
Date: September 30, 2025
Page: 2 of 2

U21870-SA-CE-205

Requested By: Brittney M. Klocke (BMK-5 - 2)

Respondent: Jessica R. Byrom

Date of Response: 8/20/2025

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

In summary, the project is progressing as planned, with measurable impact and continued momentum across all focus areas. The Company remains committed to expanding support for LMI customers through thoughtful design, targeted outreach, and continuous learning—ensuring that resulting solutions are both effective and equitable.

U21870-SA-CE-216

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

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

Page 1 of 2

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

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 via 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.
- 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).

U21870-SA-CE-216

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

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

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

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.

U21870-SA-CE-217

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

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

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 Consumers Energy customers are struggling, 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 U21870-SA-CE-216.

- 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.

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

U21870-SA-CE-218
 Requested By: Brittney M. Klocke (BMK-6 - 3)
 Respondent: Jessica R. Byrom
 Date of Response: 8/22/2025
 Page 1 of 2

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

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

Response:

The following table provides a comprehensive breakdown of the project’s costs and details how the requested funding will be allocated.

Core Function	Activity	Cost
Simplified Program Enrollment	Development of single enrollment flow	\$200,000
	User interface design and testing	\$150,000
	Integration of offerings into one experience	\$150,000
	Channel planning (IVR, live agent, mobile app)	\$100,000
Proactive Communication & Program Awareness	Targeted outreach campaigns (email, SMS)	\$120,000
	Notification preference center development	\$90,000
	Behavioral analytics for customer identification	\$90,000
	Community partner coordination for outreach	\$70,000
New & Improved LMI Offerings	Program evaluation + Redesign of existing offerings	\$150,000
	Simplification of eligibility criteria and system updates	\$250,000
	Integration of new offerings into enrollment flow	\$150,000

	Scalability and capacity enhancements + operational enhancements	\$150,000
Continuous Improvement	Customer feedback collection and analysis	\$70,000
	Iterative design updates based on engagement	\$50,000
	Reporting and performance tracking tools	\$40,000
	Evaluation framework for future offerings	\$40,000

U21870-SA-CE-219

Requested By: Brittney M. Klocke (BMK-6 - 4)

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

Page 1 of 2

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

4) How will the Company develop metrics and measurements for this project if/when it's implemented? What will those metrics look like? Please be as detailed as possible.

Response:

The Company has already established a governance structure to oversee the development and ongoing management of the LMI Customer Support Enhancement project. As part of this structure, the Company collects real-time feedback through randomized surveys offered to customers immediately after they complete the Simplified Enrollment flow. This feedback is actively used to inform the release schedule, prioritize enhancements, and guide decisions about which offerings to include and how to improve the enrollment experience.

The Company will continue to use a comprehensive set of metrics and measurements to evaluate the effectiveness of the project across four key areas:

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.

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.

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.
- **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.

U21870-SA-CE-219

Requested By: Brittney M. Klocke (BMK-6 - 4)

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

Page 2 of 2

- **Environmental Impact Metrics:** Evaluate environmental benefits, including carbon emissions reduction, energy savings, and contributions to clean energy goals.

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.

This structured and data-informed approach ensures that the project remains responsive, effective, and aligned with customer needs over time.

U21870-SA-CE-220

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

Page 1 of 3

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

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:

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, the team independently ran the study, in others they worked alongside business partners such as Accenture, Uplight, eSource, and Civilla as noted below. The team utilized an archive of published work from various partners such as the Los Angeles Dept. of Water and Power for desk research as well.

Research included:

- **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)

U21870-SA-CE-220

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

Page 2 of 3

- **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

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 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.

U21870-SA-CE-220

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

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

Page **3** of **3**

- 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.

U21870-SA-CE-223

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

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

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

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

8) What sort of maintenance or annual updates to the project are anticipated? What are the anticipated costs for those maintenance or annual updates and how were those costs determined?

Response:

The LMI Customer Support Enhancement project will require ongoing maintenance to ensure it remains effective, responsive to customer needs, and aligned with evolving program offerings. These updates may include enhancements to digital tools, refinements to the user experience, and adjustments to outreach and analytics capabilities.

The anticipated costs for these annual updates are reflected in the detailed cost breakdown provided in the table referenced in U21870-SA-CE-218. These estimates were developed based on historical and projected O&M expenses, including technology support, contractor labor, and platform enhancements.

U21870-SA-CE-224

Requested By: Brittney M. Klocke (BMK-6 - 9)

Respondent: Jessica R. Byrom

Date of Response: 8/25/2025

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

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

9) 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?

Response:

Prior to the launch of the Simplified Enrollment flow, customers had to navigate multiple areas of the Company's website to locate and enroll in individual assistance programs. Each offer was presented separately, requiring customers to search for information, determine eligibility, and complete enrollment independently. This often involved visiting multiple pages, interpreting program requirements, and completing separate forms for each service.

The Simplified Enrollment flow consolidates this experience into a single, guided digital path. It integrates awareness, eligibility, education, and enrollment into one streamlined process, allowing customers to view and enroll in multiple relevant offerings in one place. This approach reduces complexity, eliminates guesswork, and significantly improves the overall customer experience by making support more accessible and intuitive.

At this point of the Simplified Enrollment flow implementation, the Company has not yet set parameters for tracking phone calls or emails regarding this information. However, with the increased commitment to increasing access and transparency into assistance programs, the Company will be undertaking such tracking as an aspect of this project's Continuous Improvement efforts.

U21870-SA-CE-225

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

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

10) How does the Company foresee this project providing a long-term solution for customers in either in crisis or on the verge of crisis? Please describe.

Response:

The 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.

Additionally, 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.

U21870-SA-CE-226

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

Respondent: Jessica R. Byrom

Date of Response: 8/22/2025

Page 1 of 1

Question:

The following questions pertain to the Low Moderate Income (LMI) Customer Support Enhancement from audit responses U21870-SA-CE-051_ATT_1 and U21870-SA-CE-082:

11) 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:

All customers can access the offerings available through the Simplified Enrollment flow. The platform is designed to be inclusive and available to anyone seeking support, regardless of their current financial status.

Under the LMI Customer Support Enhancement Project, the Company categorizes customers into two groups:

- Low-income customers are considered to be “in crisis,” typically facing immediate challenges in paying their energy bills.
- Moderate-income customers are considered “one crisis away” from financial hardship—such as those who may experience a missed paycheck, job loss, or unexpected expense.

The project is intentionally designed to support both groups. Through behavioral analytics and proactive outreach, the Company identifies and engages customers who may not meet traditional low-income criteria but are still at risk. Messaging and communication strategies are tested and refined to ensure they resonate with a broad range of customers and are delivered through preferred channels.

This inclusive approach ensures that support is not limited to those already in crisis but is extended to those who may be vulnerable to financial instability.

Line No.	Project Name	Business Category/Product Line	Adjustment					O&M 12 Mos Ending 4/30/2027
			Historical 12 Mos Ended 12/31/2024	Projected Bridge Year			Projected Test Year 12 Mos Ending 4/30/2027	
				12 Mos Ending 12/31/2025	4 Mos Ending 4/30/2026	16 Mos Ending 4/30/2026		
1	Product Family Enhancements-Customer-Capital*	Customer	\$ 1,056,334	\$ 2,356,163	\$ 245,115	\$ 2,601,278	\$ 490,230	\$ 30,949
2	Total Customer		\$ 1,056,334	\$ 2,356,163	\$ 245,115	\$ 2,601,278	\$ 490,230	\$ 30,949
3	Service Restoration Artificial Intelligence	Electric	\$ -	\$ -	\$ 31,082	\$ 31,082	\$ 56,805	\$ -
4	Total Electric		\$ -	\$ -	\$ 31,082	\$ 31,082	\$ 56,805	\$ -
5	ARP-Collaboration	IT/Digital Foundation	\$ -	\$ 250,023	\$ 46,300	\$ 296,323	\$ 138,902	\$ -
6	ARP-Field Device Asset Management (FDAM)	IT/Digital Foundation	\$ -		\$ 228,567	\$ 228,567	\$ 658,700	\$ -
7	ARP- Workstation Asset Management (WAM)	IT/Digital Foundation	\$ -		\$ 228,567	\$ 228,567	\$ 685,700	\$ -
8	Digital-Infrastructure Automation	IT/Digital Foundation	\$ -		\$ -	\$ -	\$ 382,043	\$ 159,902
9	ISIS Papyrus	IT/Digital Foundation	\$ -		\$ 164,499	\$ 164,499	\$ 263,199	\$ 114,044
10	Total IT/Digital Foundation		\$ -	\$ 250,023	\$ 667,933	\$ 917,956	\$ 2,128,544	\$ 273,946
11	Business Continuity - Program Management Tool	Security	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,579
12	Total Security		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,579
13	TOTAL IT Capital and Investment O&M Adjustments		\$ 1,056,334	\$ 2,606,186	\$ 944,130	\$ 3,550,316	\$ 2,675,579	\$ 355,474

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

U21870-SA-CE-006
Requested By: Emma Zichi (EZ-1 - 1)
Respondent: Stacy H. Baker
Date of Response: 6/26/2025
Page 1 of 4

Question:

The following questions pertain to Exhibit A-22 (SHB-5).

1. Regarding the "ARP-Collaboration" project:

- a. Please provide a projected cost breakdown for all auditorium refresh projects included in 2025, 2026 and 2027.
- b. When did the Company make the decision to add another "Conference room refresh", Line no. 18, to 2025?
 - i. When was this decision made, and why?
- c. In Testimony on page 56, line 27, it mentions the need to refresh an additional auditorium in 2026. Please explain why there are 3 additional auditorium refresh projects included in 2026, compared to what was included in the last electric case, U-21585, shown on Line no. 1, 2, and 3 in Exhibit A-22 (SHB7) page 1.
- d. Please explain Line No. 5 "Microsoft Teams Rooms".
 - i. Why is the same number being refreshed in 2026 and 2027?
- e. Why did the unit cost for Line no. 8 "Surface Hub 85"" increase in 2026 and 2027 compared to the unit cost for 2024 and 2025, found on Line no. 53?
- f. Please explain Line no. 10 "Verint Servers/Software".
- g. Please explain Line no. 6 "Oracle (SBC) Session Border Controls" and the associated projected cost included in 2027.
- h. Please explain why there are 36 units of Line no. 7 "Standalone Hub Mics" included in 2026 for this rate case, but this unit was not included in the previous case, U-21585 for 2026.
 - i. When did the Company decide these units needed to be refreshed in 2026, and why?
- i. Please explain why there are 6 units of Line no. 50 "Rally Room Audio" included in 2025 for this rate case, but this unit was not included in the previous case, U-21585 for 2025.
 - i. When did the Company decide these units needed to be refreshed in 2025, and why?
- j. Please explain why there are 2 units of Line no. 44 "Microsoft Teams Room" included in 2025 for this rate case, but this unit was not included in the previous case, U-21585 for 2025.
 - i. When did the Company decide these units needed to be refreshed in 2025, and why?
- k. Please explain why there are 36 units of Line no. 17 "Cisco Analog Gateways" included in 2025 for this rate case, but this unit was not included in the previous case, U-21585, for 2025.
 - i. When did the Company decide these units needed to be refreshed in 2025, and why?

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 Requested By: Emma Zichi (EZ-1 - 1)
 Respondent: Stacy H. Baker
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Response:

- a. Refer to Attachment No. U21806-SA-CE-006_ATT 1 CONF for the current projected cost breakdown for the three auditorium refresh projects included in 2025 (Exhibit A-22 (SHB-7), page 1, line 18, Conference Room Refresh). The Company projected the total room refreshes for each of the auditoriums in 2025 based on costs to replace historical equipment. The Company was able to refresh the historical equipment at a lower cost than was planned for 2025. Based on the revised cost estimates for the Conference Room Refreshes in 2025, the updated average unit costs for conference room refreshes for 2026 and 2027 are \$28,458 each (Exhibit A-22 (SHB-7), page 1, line 1, Conference Room Refresh). The tables below provide the original and revised total Company and electric allocation amounts for the conference room refreshes for 2025 and the Test Year. The projected electric allocation capital should be reduced by \$250,023 for the Bridge Period and \$138,902 for the Test Year.

	Units	Avg. Unit Cost	Total 2024 Units	Total 2025 Units	Total 2024 Dollars	Total 2025 Dollars	2024 Electric Allocation Dollars	2025 Electric Allocation Dollars
Original	Conference room refresh	\$150,000	0	3	\$0	\$450,000	\$0	\$308,565
Revised	Conference room refresh - Parnall	\$30,266	0	1	\$0	\$30,266	\$0	\$20,753
Revised	Conference room refresh - One Energy Plaza	\$24,961	0	1	\$0	\$24,961	\$0	\$17,115
Revised	Conference room refresh - Innovation Center	\$30,149	0	1	\$0	\$30,149	\$0	\$20,673

	Units	Avg. Unit Cost	Total 2026 Units	Total 2027 Units	Total 2026 Dollars	Total 2027 Dollars	Total Test Year Dollars	Test Year Electric Allocation Dollars
Original	Conference room refresh	\$150,000	2	1	\$300,000	\$150,000	\$250,000	\$171,425
Revised	Conference room refresh	\$28,458	2	1	\$56,917	\$28,458	\$47,431	\$32,523

- b. The Company decided to refresh an additional 'Conference Room Refresh' for the Innovation Center in 2025 included in Exhibit A-22 (SHB-7), page 1, line 18, was made in the first quarter of 2025.
- i. The decision to refresh an additional conference room in 2025 was based on the need to improve collaboration capabilities in the Innovation Center auditorium.
- c. In previous Case No. U-21585, Exhibit A-90 (SK-8), page 1, lines 1 through 3, the Company projected to refresh one conference room refresh (auditorium), one conference room refresh – small, and one conference room refresh – large. In this Case No. U-21870, Exhibit A-22 (SHB-7), page 1, lines 1 through 3, the Company projected to refresh two conference room refresh (auditorium), two conference room refresh – small, and two conference room refresh – large. The Company determined the need to refresh these additional conference rooms due to their inability to support MS Teams meetings.
- d. Exhibit A-22 (SHB-7), page 1, line 5, Microsoft Teams Rooms (MTRs), is an alternative audio-visual solution that is more cost effective than Surface Hubs.

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Requested By: Emma Zichi (EZ-1 - 1)
Respondent: Stacy H. Baker
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- i. The same quantities projected for both 2026 and 2027 reflect a phased implementation approach. Specifically, 11 Microsoft Teams Rooms are planned to be implemented each year as part of an ongoing initiative to modernize conference rooms currently equipped with legacy audio-visual systems.
- e. Exhibit A-22 (SHB-7), page 1, line 8, Surface Hub 85, average unit cost increased in 2026 and 2027, as compared to the 2024 and 2025 average unit cost in the same exhibit, page 1, lines 53 and 54, is due to projected price increase and the inclusion of installation fees. Additionally, the average unit cost in the same exhibit, page 1, line 53 for 2024 was procured without a warranty, stand, or cart, which contributed to a lower unit cost.
- f. Exhibit A-22 (SHB-7), page 1, line 10, Verint Servers/Software, is the hardware and associated software used to provide call recording functionality for control rooms and dispatch centers. The existing systems have reached end-of-life and requires replacement to maintain operational reliability and compliance with applicable standards.
- g. Exhibit A-22 (SHB-7), page 1, line 6, Oracle (SBC) Session Border Controls, is the infrastructure used to manage and secure voice traffic routing for inbound and outbound calls. The projected cost included for 2027 reflects the anticipated replacement of existing hardware, which will be end-of-life in August 2026.
- h. The Company included 36 Standalone Hub Mics, in Exhibit A-22 (SHB-7), page 1, line 7 for 2026 in this case, that had not been projected in the previous Case No. U-21585 due to an unanticipated audio performance issue associated with the Surface Hub 3 devices. To address these challenges and improve audio quality the Company identified that an external microphone is required.
 - i. The decision that these units needed to be added was made in first quarter of 2025.
- i. The Company included six Rally Room Audio in Exhibit A-22 (SHB-7), page 1, line 50 for 2025 in this case that had previously been planned as Polycom video conference refreshes in Case No. U-21585. The Company evaluated available technologies and Microsoft Teams Rooms (Rally Room Audio) were identified as a suitable replacement for legacy audio-visual equipment and a lower-cost alternative.
- j. The Company included two Microsoft Teams Rooms in Exhibit A-22 (SHB-7), page 1, line 44 for 2025 in this case that had previously been planned as Surface Hub refreshes in Case No. U-21585. The Company evaluated available technologies and MTRs were identified as a suitable replacement of Surface Hubs and a lower-cost alternative.

U21870-SA-CE-006

Requested By: Emma Zichi (EZ-1 -

1) Respondent: Stacy H. Baker

Date of Response: 6/26/2025

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- i. In first quarter of 2025, it was confirmed that these devices would no longer be supported or operational beyond October 2025. The refresh ensures continued availability of audiovisual capabilities in the affected rooms.

- k. The 36 units in Exhibit A-22 (SHB-7), page 1, line 17, were inadvertently labeled as Cisco Analog Gateways rather than Standalone Hub mics. Refer to part h response for why the Standalone Hub mics were not included in the previous Case No. U-21585.
 - i. Refer to the response in part h.i.

U21870-SA-CE-008
 Requested By: Emma Zichi (EZ-1 - 3)
 Respondent: Stacy H. Baker
 Date of Response: 6/25/2025
 Page 1 of 2

Question:

The following questions pertain to Exhibit A-22 (SHB-5).

3. Regarding the “ARP-FDAM” project:

- a. Please provide a breakdown for Line no. 3, page 5 showing the average unit cost, column (b), and the total 2026 units, column (c), for 2026 and 2027.
- b. Given that field devices are replaced in a four-year refresh cycle, please explain why the number of devices being refreshed in 2027 is higher compared to the actual number of devices refreshed in 2023, U-21585.

Response:

- a. In my direct testimony on page 65, lines 5 through 10, I discussed how the Company has changed its projection method for new purchases for the ARP-Field Device Asset Management (FDAM) project. It is difficult to project the number of new users and the specific units and accessories for each new user, as the device needs will be based on the work that each user will perform. The Company has projected new purchases at \$1 million annually and reviewed actual historical costs for field devices over the past four years to ensure the projection is reasonable and prudent. The following are the actual historical costs the Company reviewed to support the total Company projected new purchase costs of \$1 million for both 2026 and 2027.

Year	Total Company	Electric Allocation	Reference
2021	\$1,207,651	\$845,235	U-21224, Exhibit No. A-173 (JMW-8), page 8, columns f and h, line 48 and 49 plus 21% of lines 56 - 57 for ARP-FDAM new purchases portion of accessories, shipping and handling, and other fees.
2022	\$778,339	\$544,760	U-21389, Exhibit No. A-182 (HNW-8), page 8, columns e and g, lines 64 and 66 plus 35% of lines 72 - 73 for ARP-FDAM new purchases portion of accessories, shipping and handling, and other fees.
2023	\$880,134	\$597,788	U-21585, Exhibit No. A-90 (SK-8), page 9, columns e and g, lines 52-54 plus 73% of lines 59 - 60 for ARP-FDAM new purchases portion of accessories, shipping and handling, and other fees.
2024	\$701,684	\$488,723	U-21870, Exhibit No. A-22 (SHB-7), page 5, columns e and g, lines 12, 14, 16, and 18.

U21870-SA-CE-008

Requested By: Emma Zichi (EZ-1 - 3)

Respondent: Stacy H. Baker

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- b. In 2023, the Company replaced 104 existing field devices and purchased 172 new field devices as a part of the ARP-Workstation Asset Management project (See Case No. U-21585, Exhibit No. A-90 (SK-8), page 9, columns e and g, lines 32 and 52-54) that are now projected for replacement in the ARP-FDAM project for 2027.

U21870-SA-CE-010
 Requested By: Emma Zichi (EZ-1 - 5)
 Respondent: Stacy H. Baker
 Date of Response: 6/25/2025
 Page 1 of 2

Question:

The following questions pertain to Exhibit A-22 (SHB-5).

5. Regarding the “ARP-WAM” project:

- a. Please provide a breakdown for Line no. 10, page 15 showing the average unit cost, column (b), and the total 2026 units, column (c), for 2026 and 2027.
- b. Please explain the difference between Line no. 5 "Monitors 24"" and Line no. 8 "Teams Monitors".

Response:

- a. In my direct testimony on page 71, lines 17 through 22, I discussed how the Company has changed its projection method for new purchases for the ARP-Workstation Asset Management (WAM) project. It is difficult to project the number of new users and the specific units and accessories for each new user, as the device needs will be based on the work that each user will perform. The Company projected new purchases at \$1 million annually and reviews actual historical costs for PC devices over the past four years to ensure the projection is reasonable and prudent. Following are the actual historical costs the Company reviewed to support the total Company projected new purchase costs of \$1 million for both 2026 and 2027.

The Company’s review considered that new purchases were significantly higher in 2021 due to the COVID-19 pandemic, while new purchases were significantly lower in 2023 due to the Company’s restructuring, which reduced the workforce. Considering those unique circumstances, the Company determined the total Company costs of \$1 million were reasonable and prudent.

Year	Total Company	Electric Allocation	Reference
2021	\$4,583,866	\$3,208,247	U-21224, Exhibit No. A-173 (JMW-8), page 8, columns e and g, line 40 - 42, 44, 47, 50 - 51, and 53 - 57 plus 79% of lines 56 - 57 for ARP-WAM new purchases portion of accessories, shipping and handling, and other fees.
2022	\$1,414,635	\$990,103	U-21389, Exhibit No. A-182 (HNW-8), page 8, columns e and g, lines 48, 50, 52, 54, 56, 59, 62, 68, 70, 72, and 73 plus 65% of lines 72 - 73 for ARP-WAM new purchases portion of accessories, shipping and handling, and other fees.
2023	\$318,694	\$216,457	U-21585, Exhibit No. A-90 (SK-8), page 9, columns e and g, lines 38, 39, 41, 43, 45, 47, 49, 55, 57, 59, and 60 plus 27% of lines 59 - 60 for ARP-WAM new purchases portion of accessories, shipping and handling, and other fees.

Michigan Public Service Commission
Consumers Energy Company
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21870-SA-CE-010
Requested By: Emma Zichi (EZ-1 - 5)
Respondent: Stacy H. Baker
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2024	\$954,274	\$664,652	U-21870, Exhibit No. A-22 (SHB-7), page 15, columns e and g, lines 28 -34, and 36.
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- b. The difference between Exhibit A-22 (SHB-7), page 15, line 5, Monitors 24” and line 8, Teams Monitors is the monitor type. The Monitor 24” is a standard 24” monitor, where the Teams Monitor is a 24” monitor with a built-in docking station.

U21870-SA-CE-036
Requested By: Emma Zichi (EZ-2 - 7)
Respondent: Stacy H. Baker
Date of Response: 6/30/2025
Page 1 of 1

Question:

7. Regarding A-20 (SHB-5), the “ISIS Papyrus 2026 Upgrade” project:
- a. If the Company does not complete the upgrade at this time, will the vendor not provide necessary support?
 - b. If the Company does not complete the upgrade at this time, will the Company lose cyber security patching for the application?

Response:

- a. The vendor will continue providing support even if the Company does not complete the ISIS Papyrus 2026 Upgrade project in 2026. However, delaying the upgrade increases the risk of technical obsolescence and security vulnerabilities, which will impact electronic and paper correspondence with customers, including bills and dunning notices.
- b. The vendor will continue providing cybersecurity patches. However, these patches may only apply to future releases. Cybersecurity patches of this nature cannot always be able to be applied to older releases.

U21870-SA-CE-068
Requested By: Emma Zichi (EZ-3 - 11)
Respondent: Stacy H. Baker
Date of Response: 7/15/2025
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Question:

11. Regarding Exhibit A-20 (SHB-5), the “Digital-Infrastructure Automation” project:
- a. Please provide the reduction in operational costs the Company will gain from this project.
 - b. Please provide a list showing how many times in the past 3 years the current manual approach has caused longer application implementation times. Please include the average time to complete the task, the lengthened time, and any instances of inconsistent and/or incorrect deployment and the negative impact this had.
 - c. When did the issues identified in the problem statement first start to occur?
 - d. Is the automation software the Company plans to “procure” as part of this project software that is pre-built?
 - e. How much labor costs are currently being allocated to the manual processes needed with the current system, on a yearly basis?
 - f. Will the work to extend the software procured occur once or be a reoccurring effort?
 - g. Please provide the basis for the cost estimate and explain it was calculated.

Response:

- a. This project will not result in a reduction in operational costs, rather it will provide efficiency and avoid costs for unused infrastructure by creating automation to deploy, maintain, provision, and deprovision infrastructure when needed.
- b. Refer to Attachment No. U21870-SA-CE-068_ATT_1 for a list of how many times in the past two years the current manual approach has resulted in delayed application deployments. The Company does not have the data prior to 2024. Over the past two years, manual infrastructure provisioning has delayed application deployments in at least 22 documented cases. On average, manual provisioning extended implementation timelines by 2–4 weeks. In several instances, misconfigured infrastructure led to application instability, requiring rework, and delaying go-live dates.
- c. The issues identified in the problem statement began in 2021, as more applications were deployed on cloud infrastructure.
- d. The Company intends to procure a Commercial Off-The-Shelf (COTS) software that provides pre-built automation capabilities. In addition, as a part of this project, the Company will build customizations and extensions to meet internal standards, security requirements, and integrations.

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 Requested By: Emma Zichi (EZ-3 - 11)
 Respondent: Stacy H. Baker
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- e. Approximately \$1.2 million in annual total Company labor costs are currently allocated to manual infrastructure provisioning, maintenance, and decommissioning. This estimate includes time spent by engineering, operations, and security teams.

The table below provides the estimated annual labor costs:

Component	Assumption	Basis
Average FTE hourly rate	\$85/hour	Blended rate across engineering, operations, and security roles
Estimated hours per infrastructure event	20 hours	Includes provisioning, validation, documentation, and security review
Estimated number of events per year	700 events	Based on historical volume of infrastructure changes across application teams
Total estimated hours per year	14,000 hours	700 events × 20 hours
Total estimated labor cost	\$1,190,000	14,000 hours × \$85/hour

- f. Initial extension work will occur during the project’s implementation phase. However, ongoing enhancements will be required to support new services, maintain compliance with evolving security standards, and adapt to changes in the Company’s application portfolio.
- g. The total Company projected cost estimate is based on vendor quotes for automation software, internal labor estimates for customization and integration, and projected infrastructure savings. Labor estimates were derived from historical project data and time tracking for similar efforts. Infrastructure savings were modeled using current utilization patterns and projected efficiencies from automation. The table below provides the basis for each cost estimate and explains how it was calculated.

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 Requested By: Emma Zichi (EZ-3 - 11)
 Respondent: Stacy H. Baker
 Date of Response: 7/15/2025
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Cost Category	Total Company Projected Capital	Total Company Projected O&M	Description
Software	\$400,000	\$0	Procurement of automation platform (base license + initial modules)
Labor	\$2,113,920	\$1,409,280	Customization, integration, maintenance of existing features and extension of automation platform Assumptions: (9 FTEs * 4,160 hrs * \$100 per hr per FTE)
Contractor Costs	\$40,000	\$0	Vendor support, consulting, and implementation assistance Assumptions: (200 hrs * \$200 per hr)
Training & Enablement	\$0	\$20,000	Training for engineering and operations teams on new automation workflows Assumptions: (200 hrs * \$100 per hr)
Non-Labor Overheads	\$1,154,686	\$98,650	Costs for Information Technology administrative labor based on Labor and Contractor costs to support the project. Allowance for Funds Used During Construction Loading applied to capital projects for active health care, life insurance, workers compensation, injuries and damages, save and share pension match, payroll taxes, and vacation liability.
Total	\$3,708,606	\$1,527,930	

U21870-SA-CE-072
Requested By: Emma Zichi (EZ-3 - 15)
Respondent: Stacy H. Baker
Date of Response: 7/15/2025
Page 1 of 2

Question:

15. Regarding Exhibit A-20 (SHB-5), the “Business Continuity – Program Management Tool” project:
- a. Please detail the impact on the Company and customers that would occur if disruptions were to happen, as mentioned in the objectives section, part 1.
 - i. Has the Company ever experienced a disruption or disruptions that in turn impacted the Company and its customers? If so, please provide when it/they occurred, and the impact.
 - b. How long has the Company been using the current system, Riskconnect?
 - c. Please explain why the Company has now decided the current system is no longer the best option.
 - d. What type of system does the Company plan to use as the replacement, one that is made in house or bought from a vendor?
 - i. If selecting a system from a vendor, please describe what the first step in the scope means, framework for development and maintenance.
 - ii. If selecting a system from a vendor, has the Company selected one yet?
 - e. Has the Company or will the Company conduct industry benchmarking as a part of this project to determine the best replacement?
 - f. Please provide what the projected costs for this project are based on and explain how they were calculated.

Response:

- a. The Business Continuity – Program Management Tool (“tool”) provides the management and maintenance of business continuity plans and IT system recovery plans to be used in case of an incident including IT Disaster. Severe disruptions would cause the Company the inability to perform essential functions caused by loss of information technology, third-party vendor, facility, or staffing that could negatively impact business continuity. The tool enables quick and efficient response to incidents to recover from disasters. Without the tool, it would be difficult to recover from emergent incidents, and this could affect our ability to provide safe and reliable service to customers.
 - i. In 2019 the Company experienced a business continuity incident where a fire at the Ray Compressor Station affected the supply of natural gas to our service territory. On July 8, 2021, Consumers Energy faced a Denial of Service (DoS) attack which disrupted external services like employee VPN connectivity and customer access to the company website.
- b. The Company has been using Riskconnect since 2023.
- c. The current system does not meet the Company’s Federal Emergency Management Administration (FEMA) Incident Command System (ICS) that the Company has adopted.

U21870-SA-CE-072

Requested By: Emma Zichi (EZ-3 - 15)

Respondent: Stacy H. Baker

Date of Response: 7/15/2025

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- d. As discussed in my direct testimony on page 114, lines 25 through 29, the Company plans to implement a Software as a Service solution.
 - i. The selected solution would provide a framework to implement all elements for managing the development and maintenance of documentation for emergency management (e.g. Business Continuity, Disaster Recovery and Incident Management). The current system lacks the ability to support incident management tools for ICS.
 - ii. The Company has not selected a vendor or software solution yet. A Request for Proposal (RFP) will be conducted as a part of the project for the implementation of the Incident Management Tool as a part of the plan phase of the project.
- e. The Company has contacted other utilities' emergency management services departments and utilized the Incident Management Software for Emergency Response Market Survey Report published by the Department of Homeland Security as input in determining what solutions to seek when issuing the RFP.
- f. The projected costs for the Business Continuity – Program Management Tool project are based on past experience with similar projects. The projected costs include labor and contractor costs for planning, design, execution, testing, and post go-live support.

U21870-SA-CE-089
Requested By: Emma Zichi (EZ-4 - 5)
Respondent: Stacy H. Baker
Date of Response: 7/17/2025
Page 1 of 1

Question:

5. Regarding Audit Response U21870-SA-CE-008 and U-21870-SA-CE-010:

- a. Please provide the calculation that supports the projected costs for new device purchases.

Response:

- a. The \$1 million being projected for new devices purchases is not based on a calculation for the ARP-Field Device Asset Management (FDAM) and ARP-Workstation Asset Management (WAM) projects. As discussed in Audit Response Nos. U21870-SA-CE-008 and U21870-SA-CE-010, the Company has projected new purchases at \$1 million annually and reviewed actual historical costs over the past four years to ensure the projection is reasonable and prudent.

U21870-SA-CE-095
Requested By: Emma Zichi (EZ-4 - 11)
Respondent: Stacy H. Baker
Date of Response: 7/17/2025
Page 1 of 1

Question:

11. Regarding Audit Response U21870-SA-CE-036:

- a. When will the vendor stop providing support?
- b. Does the Company know for sure if the cybersecurity patches will be available if the upgrade is not completed in 2026?
 - i. If confirming it is available, when will the vendor stop providing cybersecurity patches for users who have not upgraded?

Response:

- a. The vendor has not established a definitive end date for support of the current version of the ISIS Papyrus application. Historically, the vendor has continued to provide support for all software versions, provided that the Company maintains its annual maintenance agreement. However, delaying the upgrade increases the risk of technical obsolescence and may limit the availability of timely support for emerging issues.
- b. The vendor has indicated that cybersecurity patches will remain available; however, such patches may be incorporated into newer software versions. As a result, the Company may be required to upgrade to a more recent version in order to apply certain patches, depending on how the vendor addresses specific vulnerabilities within the application code.
 - i. The vendor has not committed to a specific date by which it will cease providing cybersecurity patches for users who have not upgraded. While patches may continue to be issued, their applicability to older versions is not guaranteed and may diminish over time, thereby increasing the Company's exposure to security risks if the upgrade is not completed in 2026.

U21870-SA-CE-146
Requested By: Emma Zichi (EZ-6 - 3)
Respondent: Stacy H. Baker
Date of Response: 7/29/2025
Page 1 of 1

Question:

3. Regarding Audit Response U21870-SA-CE-072

- a. Please explain why a new system is needed considering the two incidents identified by the Company occurred before the current system, Riskconnect, was implemented in 2023 and the Company does not know how the current system will work when an incident occurs.
- b. When did the Company adopt the Federal Emergency Management Administration (FEMA) Incident Command System (ICS) and why?
 - i. Why is replacing the current system the only way to meet the new requirements adopted by the Company?
- c. Please provide more information about the previous project that was similar and is being used to estimate the current project's costs.

Response:

- a. Emergency Management encompasses business continuity, disaster recovery, and incident management. The current system offers a framework for business continuity and disaster recovery but lacks robust incident management capabilities.
- b. The Company adopted the Federal Emergency Management Agency National Incident Management System (FEMA NIMS) Incident Command System in 2013 to align with public sector partners and follow the trend of other utilities. This standardized approach enhances coordination, communication, and resource management during emergencies, enabling effective collaboration among government agencies, NGOs, and the private sector, regardless of the incident's size or complexity.
 - i. Replacing the current system is not the only way to meet the FEMA ICS requirements. As discussed in my direct testimony on page 114, lines 17 through 29, the Company considered several alternatives. The current Disaster Recovery tool does not offer the capabilities to support the FEMA ICS requirements.
- c. The Company reviewed the implementation costs of the previous Everbridge, Riskconnect, and other SaaS implementations, to estimate licensing costs, software maintenance, external professional services, and internal labor.

U21870-SA-CE-152
Requested By: Emma Zichi (EZ-7 - 1)
Respondent: Stacy H. Baker
Date of Response: 7/30/2025
Page 1 of 1

Question:

1. Regarding Audit Response U21870-SA-CE-068:
 - a. Please explain why there are no cost savings because of this project, considering the current solution is costly, as identified in the project synopsis.

Response:

- a. The Digital-Infrastructure Automation project does not result in hard cost savings but will result in operational efficiencies and reduce the current manual process by 80%. The automation platform will streamline provisioning, maintenance, and decommissioning activities, reducing delays, misconfigurations, and rework that currently impact application deployments.

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 electricity and for other relief.)
_____)

Case No. U-21870

PROOF OF SERVICE

Melissa S. Siemen, being duly sworn, deposes and says that on September 30, 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 30th day of September 2025.

Michelle Conarton, Notary Public
State of Michigan, County of Ingham
Acting in the County of Eaton
My Commission Expires June 18, 2026

Consumers Energy Company:

Spencer Sattler
Mark Ruskiewicz
Gary Gensch, Jr.
Evan Keimach
Bret Totoraitis
Anne Uitvlugt
spencer.sattler@cmsenergy.com
mark.ruskiewicz@cmsenergy.com
gary.genschjr@cmsenergy.com
evan.keimach@cmsenergy.com
bret.totoraitis@cmsenergy.com
anne.uitvlugt@cmsenergy.com
kelly.hall@cmsenergy.com
mpsc.filings@cmsenergy.com

MPSC Staff:

Daniel Sonneveldt
Amit Singh
Michael Orris
Nicholas Taylor
Alena Clark
Adam Cozort
Lori Mayabb
sonneveldtd@michigan.gov
singha9@michigan.gov
orrism@michigan.gov
taylor10@michigan.gov
clarkaa55@michigan.gov
cozort1@michigan.gov
mayabbl@michigan.gov

ALJ:

Jonathan F. Thoits
thoitsj@michigan.gov

Michigan Cable Telecommunications Association:

Sean Gallagher
Jon Austin
sgallagher@fraserlawfirm.com
jaustin@fraserlawfirm.com

AG:

Celeste R. Gill
Lucas Wollenzien
gillc1@michigan.gov
wollenzienl@michigan.gov
ag-enra-spec-lit@michigan.gov
Sebastian Coppola
sebpcoppola@corpolytics.com

**Michigan Environmental Council
Natural Resources Defense Council**

Sierra Club

Citizens Utility Board of Michigan:

Christopher Bzdok
Tracy Jane Andrews
Holly Hillyer
Natasha Fowles
Jackson Neme
Tanya Stasio
Jordan Burt
Tyler Comings
Caroline Palmer
Rick Bunch
Julielyn Gibbons
Matt Bandyk
Sean Clark
chris@tropospherelegal.com
tjandrews@tropospherelegal.com
holly@tropospherelegal.com
natasha@tropospherelegal.com
jackson@tropospherelegal.com
tanya.stasio@aeclinic.org
jordan.burt@aeclinic.org
tyler.comings@aeclinic.org
cpalmer@synapse-energy.com
rbunch@5lakesenergy.com
jgibbons@5lakesenergy.com
mbandyk@synapse-energy.com
sean@tropospherelegal.com

Citizens Utility Board:

John Liskey
john@liskeypllc.com

**Association of Businesses Advocating
Tariff Equity:**

Benjamin Holwerda
Stephen Campbell
Michael Pattwell
Lauren Degnan
Jim Dauphinais
Jessica York
Christina Hildebrandt
bholwerda@clarkhill.com
scampbell@clarkhill.com
mpattwell@clarkhill.com
ldegan@clarkhill.com
jdauphinais@consultbai.com
jyork@consultbai.com
childebrandt@consultbai.com

The Kroger Company:

Kurt Boehm
Jody Kyler Cohn
Michael Kurtz
kboehm@BKLawfirm.com
jkylereohn@BKLawfirm.com
m Kurtz@BKLawfirm.com
Justin Bieber
jbieber@energystrat.com

**Hemlock Semiconductor Operations,
LLC and Solar Technology LLC.:**

Jennifer Heston
jheston@potomac-law.com

Walmart, Inc.:

Melissa Horne
mhorne@hcc-law.com

**Environmental Law & Policy Center
Ecology Center; Vote Solar; Union of
Concerned Scientists:**

Daniel Abrams
Katie Duckworth
dabrams@elpc.org
kduckworth@elpc.org
mpscdoCKET@elpc.org
Alondra Estrada
Katie Toolan
astrada@elpc.org
ktoolan@elpc.org

**Great Lakes Renewable Energy
Association:**

Don Keskey
donkeskey@publiclawresourcecenter.com

**Michigan Electric Transmission
Company:**

Richard Aaron
Courtney Kissel
Olivia Flower
Hannah E. Buzolits
raaron@dykema.com
ckissel@dykema.com
oflower@dykema.com
hbuzolits@dykema.com
mpscfilings@dykema.com

Urban Core Collective:

Mark Templeton

Jacob Schuhardt

Emma Young

Alexandria Miskho

Heidi Peng

Willow Perlick

Aashney Shah

templeton@uchicago.edu

jschuhardt@uchicago.edu

eyoung28@uchicago.edu

amiskho@uchicago.edu

hhpeng@lawclinic.uchicago.edu

willowperlick@lawclinic.uchicago.edu

aashney@lawclinic.uchicago.edu

aelc_mpsc@lawclinic.uchicago.edu

Energy Michigan, Inc.:

Michigan Energy Innovation Business Council; Institute for Energy

Innovation Advanced Energy United;

Foundry Association of Michigan:

Laura Chappelle

Timothy Lundgren

Justin Ooms

lachappelle@varnumlaw.com

tjlundgren@varnumlaw.com

jkooms@varnumlaw.com