

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30755  
LANSING, MICHIGAN 48909

DANA NESSEL  
ATTORNEY GENERAL

October 1, 2025

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

Dear Ms. Felice:

**Re: MPSC Case No. U-21870**

Please see attached **Revised Exhibit AG-15 on behalf of the Attorney General** in the above-referenced matter.

Customer A has indicated that it does not object to inclusion of Attachment 2 as an exhibit to testimony. The Attorney General originally planned to include Attachment 2 as part of her Exhibit AG-15 but redacted it from that exhibit pending a response from Customer A. Since there is no objection to its use and considering Judge Thoits statement on the record, that inclusion of Attachment 2 in an exhibit after the deadline for filing testimony and exhibits would not be considered late, the Attorney General is filing the attached Revised Exhibit AG-15 which includes Attachment 2. I note that while the document is labeled "Hayward Attachment 1," it is the Attachment 2 provided by the Company in response to discovery.

Regarding the Attorney General's decision for what Customer A terms "the documents that are the subject of the Motion to Quash" in its Notice of Non-Objection Regarding Attachment 2, the Attorney General's complete position was stated on the record during the September 30, 2025 hearing and has not changed.

Sincerely,

Celeste R. Gill  
Assistant Attorney General  
[Gille1@michigan.gov](mailto:Gille1@michigan.gov)

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**Question:**

159. Refer to Figure 58 on page 139 of Ms. Hayward's direct testimony on HVD Strategic Customers capex. Please:

- a. Expand this table to include the same information for each year 2021-2024 actual and forecasted for 2025, 2026, 2027. Provide it in Excel.
- b. For each customer project, provide the type of business the customer is involved in, the business location, the contract status (whether signed or not), the phase the project is currently in (scoping, conceptual design, engineering design, construction, completed), the project cost by year from inception to completion with and without any CIAC, and what facilities will be installed.
- c. For each customer project, provide a copy of the signed contract and explain what provisions have been included in the contract for reimbursement of capital expenditures and O&M expenses incurred by the Company in case the customer abandons the project before completion of construction and also subsequent to start of operations but before the Company has recovered the full investment in the project.

**Response:**

**Objection of Counsel: Consumers Energy Company objects to this discovery request because it requests information that is not relevant and that is personally identifiable Customer Account information that cannot be disclosed under Consumers Energy's Customer Data Privacy tariff. Subject to this objection, Consumers Energy responds as follows:**

- a.) For 2021-2024 actuals, see Exhibit A-130 (MPK-20), page 1, lines 3-4, Lines Strategic Customers-HVD. See Attachment 1 to this response for 2025-2027 forecasted.
- b.) See objection noted above for the type of business and business location requested. See Attachment 2 to this response for the rest of the information requested in part b.
- c.) Please see confidential attachments 3a, 3b, 4, 5, 6, 7, 8, 9, and 10 for copies of the signed contracts. It can be explained that the Company's contracts with customers depending on the type of contract have minimum billing requirements for certain energy usages and terms, and/or provisions for prorated payment of investments if the customer ceases operation prior to the end of the term of the contract. Additionally, the Company performs risk reviews on projects over \$1M and may require additional security (e.g. a letter of credit or parental guaranty) as a result of the review.

**Witness:** Megan L. Hayward**Date:** September 16, 2025

CECo Response to AG-CE-0478

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Hayward Attachment 1  
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Project Description, Line, Substation, or Location	Contract Status (Signed, or Not Signed)	Current phase of each project	Cost by year from inception to completion (in 1000s)						Amount of CIAC	What facilities will be installed
			2023 (A)	2024 (A)	2025 (F)	2026 (F)	2027 (F)	2028 (F)		
		ex. scoping, conceptual analysis, engineering design, out for bid, construction, completed							CIAC = incentive not paid upfront by the customer in lieu of min demand contract	
New 138 kV dedicated customer Substation in southern Michigan	Signed	Complete	4,623	14,169	2,975	170	-	-	CIAC is not applicable as this was an LEHR contract	138 kV dedicated customer, two transformer substation, and two 138 kV line connections
New 138 kV dedicated customer Substation in northwest Michigan	Signed	Cancelled	1,700	4,141	7,974	-	-	-	CIAC is not applicable as this was an LEHR contract	N/A, cancelled
New 46 kV dedicated customer Substation in west Michigan	Signed	Construction	26	7,510	4,725	-	-	-	CIAC=5,772,870; Customer Deposit Subject to Refund = 2,327,130	46 kV dedicated customer, two transformer substation, two 46 kV connections to new 46 kV switching station
New 138 kV dedicated customer Substation in east Michigan	Signed	Construction	94	18,381	19,424	3,275	-	-	CIAC is not applicable as this was an LEHR contract	138 kV dedicated customer, four transformer substation, and four 138 kV line connections
Two (2) new 138 kV dedicated customer Substations in west Michigan	Signed	Construction	-	11,694	13,363	24,826	-	-	CIAC is not applicable as this was an LEHR contract	138 kV dedicated customer, two transformer substation, with two 138 kV line connections, and a 138 kV three transformer substation, with three 138 kV line connections
New 138 kV dedicated customer Substation in southeast Michigan	Not Signed	Cancelled	-	1,772	8,678	-	-	-	CIAC is not applicable proposed LEHR contract	N/A, cancelled
New 138 kV dedicated customer Substation in northern Michigan	Signed	Scoping/long lead material procurement	27	1	9	2,550	-	-	CIAC is not applicable, Customer Deposit Subject to Refund = \$2,550,000	138 kV dedicated customer, single transformer substation, and single 138 kV line connection
Recently Signed High Probability Project - New 46 kV dedicated customer Substation in east Michigan	Signed	Scoping/long lead material procurement	-	-	974 + (974)=0	1061 + (1061)=0	1830 + (1830)=0	2123 + (1548) =575	CIAC=575,125; Customer Contribution = 5,412,875 (shown as (XXXX) offsetting planned cost)	46 kV dedicated customer, single transformer substation, and single 46 kV line connection
Recently Signed High Probability Project - New 46 kV connection to new Customer Owned dedicated Substation in west Michigan	Signed	Scoping/long lead material procurement	-	-	328	766			Customer Deposit Subject to Refund = 1,094,000	46 kV line connection, overhead to underground, to customer owned dedicated customer substation

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**Question:**

160. Refer to lines 1-16 on page 140 of Ms. Hayward's direct testimony on HVD Strategic Customers capex. Please:

- a. Provide the status on the receipt of the project cost reimbursement from the prospective customer.
- b. Provide the amount charged to the plant account and rate base for the cancelled project.
- c. Provide the amount billed to the customer for reimbursement.
- d. Explain why the company retained the cost of the cancelled project in the plant account and rate base, given that it is not used or useful, instead of recording that amount as an account receivable owed by the prospective customer.

**Response:**

- a) The Company has sent formal notification of contract termination and an invoice seeking payment for work performed under the contracts, materials that cannot be salvaged/re-purposed, and all reasonable cancellation expenses incurred to provide service. The Company is currently under negotiations with the prospective customer regarding the submitted invoice; to date, the Company has not received payment.
- b) To date there has been \$11,580,467.23 charged to construction work in progress (CWIP) for the project. The Company is currently in the process of cancelling the work orders and evaluating salvage/re-purpose opportunities. Once any salvage/re-purpose transfers have occurred, any remaining dollars spent on this project would be moved from CWIP to O&M expense.
- c) The amount billed to the customer per the invoice mentioned in part (a) was \$2,550,605.
- d) The Company included an amount in this filing within the sub-program, as cancellation occurred very shortly before the filing and the process to proceed with cancellation activities, including evaluating equipment for salvage/re-purpose, and removing charges from the work orders and sub-program accounting was not yet started at the time of this filing and is still in progress as of today. The amounts estimated to be charged to the project were included to maintain the sub-program total cashflow accurate with the actual cashflow occurring, but with the intention that those investments will be netted out in the future via salvage/re-purpose of equipment, eventual payment from the customer, and transfer to O&M expense.

**Witness:** Megan L. Hayward**Date:** September 16, 2025

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**Question:**

161. Refer to lines 17-23 on page 140 and lines 1-15 on page 141 of Ms. Hayward's direct testimony on HVD Strategic Customers capex. Please:

- a. For any specific customer projects included on page 11, line 7, of Exhibits A-109 and A-110 where a contract has been signed with the customer, provide the type of business the customer is involved in, the business location, the contract status, whether signed or not, the phase the project is currently in (scoping, conceptual design, engineering design, construction, completed, etc.), the project cost by year from inception to completion with and without any CIAC, and what facilities will be installed.
- b. Explain why it is prudent for the Company to incur capital expenditures on any of these projects before the customer has signed a contract with the Company.

**Response:**

**Objection of Counsel: Consumers Energy Company objects to this discovery request because it requests information that is not relevant and that is personally identifiable Customer Account Information that cannot be disclosed under Consumers Energy's Customer Data Privacy tariff. Subject to this objection, Consumers Energy's response is as follow:**

- a) See objection noted above for the type of business, and business location requested. See U21870-AG-CE-0478\_Hayward\_Attachment\_2.xlsx to the response provided for U21870-AG-CE-478, which includes two projects that have been signed since this case was filed and make up a portion of the High Probability Projects line items in both Exhibits A-109 and A-110, and are labeled as such in that attachment.
- b) The reasonableness of these projects is discussed in my direct testimony, page 140, lines 17-23, and pages 141-143. Additionally, any work completed and equipment ordered for these projects is also useful for other future projects and enables the Company to be better positioned to accommodate and gain commitment from other prospective large customer projects.

**Witness:** Megan L. Hayward**Date:** [Insert Date]