

PLG

Potomac Law

Potomac Law Group, PLLC

1717 Pennsylvania Avenue N.W., Suite 1025 | Washington, D.C. 20006
T 202.558.5557 | F 202.318.7707 | www.potomaclaw.com

October 21, 2025

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, MI 48909

Re: MPSC Case No. U-21870

Dear Ms. Felice:

Enclosed herewith for filing in the above-referenced matter, please find the Rebuttal Testimony of Michael P. Gorman on Behalf of Solar Technology LLC, and the proof of service.

Very truly yours,



Jennifer Utter Heston

Enclosures

Cc: All Parties of Record

**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

Rebuttal Testimony of

Michael P. Gorman

On behalf of

Solar Technology LLC

October 21, 2025



Projects 11905

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) Case No. U-21870
the generation and distribution of)
electricity and for other relief.)
_____))

Rebuttal Testimony of Michael P. Gorman

1 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A Michael P. Gorman. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, Missouri 63017.

4 Q ARE YOU THE SAME MICHAEL P. GORMAN WHO PREVIOUSLY PRESENTED
5 TESTIMONY IN THIS PROCEEDING?

6 A Yes. I previously filed testimony in this proceeding on behalf of Solar Technology LLC
7 ("Solar Technology").

8 Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS CASE?

9 A The purpose of my Rebuttal Testimony is to respond to certain positions advocated by
10 Caroline Palmer on behalf of Michigan Environmental Council, Natural Resources
11 Defense Council, Sierra Club, and Citizens Utility Board of Michigan (jointly as
12 "MNSC"). Specifically, I respond to certain arguments Ms. Palmer advocated regarding
13 the Large Economic Development Rate ("LED R") including the appropriateness of the
14 Facilities Allowance ("FA"), and her concern that use of the FA could increase costs to

1 other customers. Ultimately, Ms. Palmer proposes the Commission reject the LEDR
2 FA, based on her concern for cost shifting to other customers.¹

3 **Q DID MS. PALMER EXPLAIN WHY SHE THINKS THE RATE LEDR FA COULD SHIFT**
4 **COSTS TO OTHER CONSUMER CUSTOMERS?**

5 A Yes. At page 27 and 28 of her testimony, she states that the LEDR FA could increase
6 costs for other customers if the revenues paid by the LEDR customer do not fully offset
7 the incremental cost of serving the LEDR customer. She defines incremental cost as
8 dedicated infrastructure costs (e.g., metering, service drop, transformers, etc.), and
9 marginal costs associated with placing higher demand on Consumers' shared
10 distribution system.²

11 **Q IS MS. PALMER'S CONCERN THAT OTHER CUSTOMERS COULD BE HARMED**
12 **BY THE INCLUSION OF AN FA IN RATE LED REASONABLE?**

13 A No. The proposed FA within LEDR is designed specifically to protect Consumers'
14 ability to recover its incremental distribution connection cost from the new LEDR
15 customer. The FA is designed to provide Consumers the flexibility to adjust charges to
16 an LEDR customer, if necessary, to align with its incremental distribution cost to
17 connect the LEDR customer to its system.

18 **Q PLEASE DESCRIBE CONSUMERS' PROPOSED FA IN THE LEDR.**

19 A Consumers' witness Brittani Gray describes the proposed FA for LEDR, as follows:

20 17. Tariff Sheet Nos. D-78.30 and D-78.40 – **Large Economic**
21 **Development Rate LED** – Added Adjustment for Power Factor,
22 included a facilities allowance for funding incremental distribution

¹ Direct Testimony of MNSC witness Caroline Palmer, pages 26-28.

² *Id.* page 27.

1 facilities needed to serve a customer's load and reformatted Tariff
2 Sheet.³

3 The Delivery Charge section of LEDR refers to the FA as follows:

4 "The Distribution Charges for the Large Economic Development Rate
5 are equivalent to the Distribution Charges for Large General Service
6 Primary Demand Rate GPD. The monthly charge per kW of Maximum
7 Demand per calendar month may be adjusted to contribute to the
8 recovery of the annual revenue requirement associated with
9 investments made by the Company for incremental distribution facilities
10 required to serve the customer and a *facilities allowance* specified in the
11 contract for electric service."⁴

12 As stated in the tariff, Consumers is able to adjust the distribution charge listed
13 in LEDR if the Rate GPD distribution charge is not sufficient for Consumers to recover
14 its incremental distribution or connection costs incurred to serve the LEDR customer.
15 Consumers' proposal would allow Consumers to offset the adjusted distribution charge
16 by an FA.

17 **Q DOES CONSUMERS' TARIFF TYPICALLY PROVIDE FLEXIBILITY TO ADJUST**
18 **DISTRIBUTION CHARGES TO ALIGN WITH CONSUMERS' COST OF**
19 **CONNECTING LARGE CUSTOMERS?**

20 A Yes. Consumers' existing tariffs include an FA for all primary customers larger than
21 1 MW. Consumers' tariff describes the cost recovery flexibility for Extraordinary
22 Facility Requirements for customers of at least 1,000 kW (1MW) as follows:

23 The Company Reserves the right to charge a monthly extraordinary
24 facilities charge or to make special contractual arrangements when, in
25 the opinion of the Company, extraordinary facilities are required by the
26 customer. Extraordinary facilities include, but are not limited to, the
27 following:

28 A. Facilities required to accommodate a customer whose capacity
29 requirements exceed 1,000 kW.

³ Case No. U-21870, Exhibit No. A-96 (BAG-1), page 1. Emphasis Added.

⁴ Exhibit No. A-16 (BAG-2), Schedule F-5, page 65. Emphasis Added.

1 B. Facilities required to accommodate a customer whose establishment
2 is remote from the Company's existing suitable facilities.

3 C. Facilities required to accommodate a customer's service
4 requirements necessitating unusual investment by the Company and/or
5 not normally provided by the Company.

6 D. Facilities required to accommodate a customer's service
7 requirements which may be of a short-term, temporary or transient
8 nature.

9 E. Facilities required to avoid interrupting or impacting the service to
10 other customers.

11 The Company shall build, own and maintain all such facilities, to and
12 including any substation required at the customer's premises. The
13 customer will have the following options:

14 A. Pay a monthly extraordinary facilities charge equal to one and
15 one-half percent (1-1/2%) of the Company's total investment in such
16 facilities, or

17 B. Pay the balance of the Company's investment in the facilities needed
18 to serve the customer after applying the Contribution of Aid of
19 Construction Allowance ("Allowance"). The Allowance will be based on
20 the projected annual incremental load, as determined by the Company,
21 times the dollar per kWh or kW based on the customer's rate schedule
22 and contract duration as shown in the Contribution In Aid of Construction
23 Allowance Schedule. The customer shall be required to make payment
24 prior to construction as specified in a written facility agreement for the
25 difference between the Allowance and the total estimated cost of
26 construction. The customer may be subject to a minimum monthly
27 charge based on the customer's estimated load, contract duration, and
28 the amount of Company investment, which shall be specified in a written
29 facility agreement.⁵

30 **Q PLEASE EXPLAIN HOW THE FA ALLOWS CONSUMERS THE FLEXIBILITY TO**
31 **IMPOSE CHARGES NEEDED TO RECOVER ITS INCREMENTAL DISTRIBUTION**
32 **CONNECTION COSTS FOR AN LEDR CUSTOMER.**

33 A The FA amount is set equal to the LEDR net present value of distribution and system
34 contribution revenue margin collected from the LEDR customer over a five-year

⁵ See, Section C1.4 of Consumers' Rate Book, Sheet No. C-3.00. Emphasis Added.

1 period.⁶ At this FA, if Consumers' incremental distribution cost of connecting the LEDR
2 customer is equal to or less than the FA, then Consumers will fully recover its
3 incremental distribution cost incurred to connect the LEDR customer via the LEDR
4 distribution and system contribution charges over a five-year period. Note that the
5 expected useful life and depreciation rate of the incremental distribution infrastructure
6 will very likely be much longer than five years, and the LEDR rate term is longer than
7 five years. Hence, Consumers is expected to fully recover its incremental distribution
8 cost incurred in connecting the LEDR customer via the LEDR distribution and system
9 contribution charge revenue collections.

10 If, on the other hand, Consumers' cost of interconnecting the new customer is
11 more than the FA allowance, then Consumers has a right to either increase its
12 distribution charges to the LEDR customer or require the customer to make a
13 Contribution In Aid of Construction ("CIAC") payment to Consumers for the difference
14 between the FA allowance and Consumers' actual incremental distribution cost of
15 connecting the LEDR customer.

16 The development of the FA is designed to ensure that Consumers recovers its
17 incremental distribution costs from the LEDR customer.

18 **Q DID MS. PALMER GIVE SPECIFIC REASONS IN SUPPORT OF A**
19 **RECOMMENDATION FOR THE COMMISSION TO REJECT THE FA FOR LEDR?**

20 **A** Yes. Ms. Palmer states at page 28 of her Direct Testimony that the Commission should
21 only conclude that the FA would not shift LEDR costs to other customers if Consumers
22 can demonstrate that the LEDR customer will pay all of its marginal distribution cost
23 based on the five-year FA distribution revenue test. She asserts that Consumers has

⁶ Direct Testimony of Consumer witness Laura Connolly, page 5.

1 not demonstrated that the revenue collection will be adequate to fund all dedicated
2 facilities' costs rather than paying for other distribution costs used to provide service to
3 that customer, because Consumers has not determined its marginal cost of distribution
4 capacity.⁷

5 **Q PLEASE COMMENT ON MS. PALMER'S RECOMMENDATION CONCERNING**
6 **DEDICATED DISTRIBUTION COSTS?**

7 A Incremental and dedicated distribution costs should be limited to only those costs that
8 are needed to serve only the LEDR customer. It is likely that a large LEDR customer
9 will have dedicated distribution facilities that will be directly connected to a bulk
10 transmission system, and will not be connected to Consumers common distribution
11 network.

12 In the event that a large LEDR customer is connected to Consumers' common
13 high-voltage distribution system, which Consumers also uses to serve other customers,
14 then incremental distribution cost should be limited only to the distribution capacity
15 expansion of the distribution network that is needed to serve only the LEDR customer
16 specifically. The distribution capacity expansion that allows Consumers to serve the
17 LEDR customer and other customers is not a dedicated incremental cost and should
18 not be considered in the incremental distribution FA.

19 To the extent that Consumers is able to serve the LEDR customer from existing
20 common distribution facilities without any upgrades, then Consumers will not incur
21 incremental distribution cost to serve the LEDR customer. Rather, the new LEDR
22 customer will simply expand the billing units over which Consumers will recover the
23 existing distribution system cost which will benefit other customers taking service from

⁷ Direct Testimony of MNSC witness Caroline Palmer, page 28.

1 that common distribution system. In this instance, there will be no incremental costs,
2 and no negative impact on existing customers if Consumers uses that common
3 distribution system to serve the new LEDR customer.

4 **Q SHOULD THE COMMISSION CONSIDER ANY CHANGES TO SERVICE**
5 **CONTRACTS THAT HAVE ALREADY BEEN EXECUTED FOR LEDR**
6 **CUSTOMERS?**

7 A. No. Existing Commission-approved contracts and FA for LEDR customers should be
8 honored and not changed.

9 **Q HAS MS. PALMER PROVIDED ANY EVIDENCE THAT THE FA WILL PREVENT**
10 **CONSUMERS FROM RECOVERING THE LEDR CUSTOMER'S INCREMENTAL**
11 **DISTRIBUTION COSTS?**

12 A No.

13

14 **Q DOES WITNESS PALMER RAISE ANY OTHER ISSUES REGARDING THE FA FOR**
15 **LEDR?**

16 A Yes. Witness Palmer opposes the application of the FA to existing LEDR customers.⁸
17 She states that existing customers have already been attracted to the state and that
18 Consumers has not demonstrated that the FA is needed to retain these customers.
19 She states without support that applying the FA to existing customers "could reduce
20 LEDR customers' revenues below marginal costs."⁹

⁸ Direct Testimony of MNSC witness Caroline Palmer, page 29.

⁹ Direct Testimony of MNSC witness Caroline Palmer, page 30.

1 **Q WHAT IS YOUR RESPONSE TO WITNESS PALMER'S REMARK THAT THE FA**
2 **COULD REDUCE LEDR CUSTOMERS REVENUES BEFORE MARGINAL COSTS?**

3 A As noted above, the FA is designed to ensure that the LEDR customer pays the cost
4 of the incremental distribution facilities necessary to serve the customer either through
5 the incremental distribution charge or the margin revenues available from the LEDR
6 distribution and system contribution charges reflected in the FA. There is no basis to
7 claim that application of the proposed FA to an existing LEDR customer could result in
8 revenues below marginal costs.

9 **Q WHAT IS YOUR RESPONSE TO WITNESS PALMER'S REMARK THAT THE FA**
10 **SHOULD NOT BE APPLIED TO EXISTING LEDR CUSTOMERS?**

11 A Witness Palmer's proposed prohibition on the availability of the FA for existing
12 customers should be rejected. LEDR customers must enter into a LEDR contract for a
13 period of 15-20 years. It is possible that during the term of the LEDR contract the LEDR
14 customer could have opportunities for load growth that would necessitate further
15 distribution investment. The existing LEDR customer should be able to utilize the FA
16 to help facilitate the incremental investment.

17 **Q SHOULD THE FA BE LIMITED ONLY TO LOAD GROWTH SCENARIOS FOR**
18 **EXISTING LEDR CUSTOMERS?**

19 A No. Every other primary customer has an opportunity to utilize an FA. Because the
20 LEDR incremental distribution charge even with the FA applied ensures Consumers'
21 incremental distribution costs are fully recovered, it is not reasonable to prohibit existing
22 LEDR customers from accessing the FA.

1 Q WITNESS PALMER ALSO PROPOSES TO ADJUST THE LEDR SYSTEM
2 CONTRIBUTION CHARGE AND TO REDUCE THE TERM OF THE LEDR
3 CONTRACT. DO YOU HAVE ANY RESPONSE?

4 A Yes. Consumers' existing system contribution charge and term of the LEDR contract
5 are reasonable. Witness Palmer has not demonstrated a reasoned basis for changing
6 these previously Commission-approved provisions. If, however, the Commission
7 approves these changes, then the Commission should make clear that any such
8 changes are not intended to impair any existing LEDR contract. Existing contracts
9 should be honored.

10 Q WHAT DO YOU RECOMMEND?

11 A I recommend that Ms. Palmer's recommendations regarding the LEDR FA be denied.

12 Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

13 A Yes.

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

PROOF OF SERVICE

Jennifer Heston hereby certifies that, on the 21st day of October 2025, she served the Rebuttal Testimony of Michael P. Gorman on Behalf of Solar Technology LLC and this Proof of Service upon the persons identified on the attached service list by electronic mail.

/s/ Jennifer Heston _____
Jennifer Heston

Administrative Law Judge

Honorable Jonathan F. Thoits

thoitsj@michigan.gov

Consumers Energy Company

Spencer A. Sattler

Mark R. Ruskiewicz

Gary A. Gensch Jr.

Evan B. Keimach

Bret A. Totoraitis

Anne M. 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

mpsc.filings@cmsenergy.com

Hemlock Semiconductor Operations, LLC

Solar Technology LLC

Jennifer U. Heston

jheston@potomaclaw.com

Great Lakes Renewable Energy Association

Don L. Keskey

donkeskey@publiclawresourcecenter.com

Walmart, Inc.

Melissa M. Horne

mhorne@hcc-law.com

Attorney General

Celeste R. King*

Lucas Wollenzien*

GillC1@michigan.gov

wollenzienl@michigan.gov

AG-ENRA-Spec-Lit@michigan.gov

Counsel for Attorney General

Sebastian Coppola*

sebcoppola@corpolytics.com

Counsel for MPSC Staff

Amit T. Singh

Adam M. Cozort

Alena M. Clark

Daniel E. Sonneveldt

Nicholas Q. Taylor

Michael J. Orris

Singha9@michigan.gov

orrism@michigan.gov

sonneveldtd@michigan.gov

taylorl10@michigan.gov

clarka55@michigan.gov

cozortal@michigan.gov

MPSC Staff

Mike Byrne*

Bill Stosik*

David Chislea*

Bob Nichols*

Nick Revere*

Lori Mayabb*

byrnem@michigan.gov

stosikb@michigan.gov

chislead@michigan.gov

nicholsb@michigan.gov

reveren@michigan.gov

mayabbl@michigan.gov

Counsel for the Michigan Cable

Telecommunications Association (“MCTA”)

Sean P. Gallagher

Jon Austin

sgallagher@fraserlawfirm.com

jaustin@fraserlawfirm.com

Counsel for the Citizens Utility Board of

Michigan (“CUB”)

John Liskey

john@liskeypllc.com

Consultant for Kroger

Justin Bieber

jbieber@energystrat.com

Counsel for The Kroger Co. (“Kroger”)

Kurt J. Boehm
Jody Kyler Cohn
Michael L. Kurtz
kboehm@bkllawfirm.com
jkylercohn@bkllawfirm.com
mkurtz@bkllawfirm.com

Michigan Environmental Council
Natural Resources Defense Council
Sierra Club

Citizens Utility Board of Michigan

Tracy Jane Andrews*
Christopher M. Bzdok*
Holly L. Hillyer*
Natasha Fowles*
Jackson Neme*
Tyler Comings*
Tanya Stasio*
Jordan Burt*
Caroline Palmer*
Matt Bandyk
tjandrews@tropospherelegal.com
chris@tropospherelegal.com
holly@tropospherelegal.com
natasha@tropospherelegal.com
jackson@tropospherelegal.com
tyler.comings@aeclinic.org
tanya.stasio@aeclinic.org
Jordan.burt@aeclinic.org
cpalmer@synapse-energy.com
mbandyk@synapse-energy.com

Counsel for Urban Core Collective (“UCC”)

Mark Templeton*
Jacob R. Schuhardt*
templeton@uchicago.edu
jschuhardt@uchicago.edu
aelc_mpsc@lawclinic.uchicago.edu

Association of Businesses Advocating Tariff Equity (ABATE)

Benjamin J. Holwerda
Stephen A. Campbell
Michael J. Pattwell
scampbell@clarkhill.com
bholwerda@clarkhill.com
mpattwell@clarkhill.com

Consultants for ABATE

James Dauphinais
Jessica York
Christina Hildebrandt
jdauphinais@consultbai.com
jyork@consultbai.com
childrebrandt@consultbai.com

Counsel for The Ecology Center
The Environmental Law & Policy Center
(“ELPC”)

Union of Concerned Scientists (“USC”)

Vote Solar

Daniel Abrams*
Katie Duckworth*
Alondra Estrada*
Katie Toolan*
dabrams@elpc.org
kduckworth@elpc.org
aestrada@elpc.org
ktoolan@elpc.org
mpscdockets@elpc.org

<p><u>Foundry Association of Michigan Energy Michigan Michigan Energy Innovation Business Council Institute for Energy Innovation Advanced Energy United</u> Laura A. Chappelle Timothy J. Lundgren Justin K. Ooms lachappelle@varnumlaw.com tjlundgren@varnumlaw.com jkooms@varnumlaw.com</p>	<p><u>Michigan Electric Transmission Company, LLC</u> Richard J. Aaron* Courtney F. Kissel* Olivia R.C.A. Flower* Hannah Buzolits* Anthony J. Hunt* Josh L. Kluzak Raaron@dykema.com ckissel@dykema.com oflower@dykema.com hbuzolits@dykema.com ahunt@dykema.com jkluzak@dykema.com</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------