



THE UNIVERSITY OF CHICAGO
THE LAW SCHOOL
Abrams Environmental
Law Clinic

November 13, 2025

Via E-Filing

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

RE: MPSC Case No. U-21870

Dear Ms. Felice:

Please find enclosed the Hearing Room Exhibits of Urban Core Collective, UCC-201 through UCC-205, along with proof of service for electronic filing in the above-referenced matter.

Please do not hesitate to contact my office with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark N. Templeton".

Mark N. Templeton, *pro hac vice*
6020 S. University Avenue
Chicago, IL 60637
Phone: (773) 702-9611
Email: templeton@uchicago.edu

xc: Parties to Case No. U-21870



October 13, 2025

Via Electronic Mail

Mark N. Templeton, Esq.
University of Chicago Law School
Abrams Environmental Law Clinic
6020 S. University Avenue
Chicago, IL 60637

RE: 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.

Dear Mr. Templeton:

Attached to this letter are copies of the following documents:

- A copy of your October 6, 2025 interrogatories with our internal numbering system annotated in the margins; and
- Consumers Energy Company's response to 21870-UCC-CE-0740 through 0754.

A Proof of Service has been electronically filed in this docket. Please contact me if you have any questions regarding this matter.

Sincerely,

Gary A.
Gensch, Jr.

Digitally signed by
Gary A. Gensch, Jr.
Date: 2025.10.13
16:23:35 -04'00'

Gary A. Gensch Jr.
Phone: 517-788-0698
Email: gary.genschjr@cmsenergy.com

CC Parties Per Attachment 1 to the Proof of Service

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 generation and
distribution of electricity and for other relief.

U-21870

ALJ Jonathan F. Thoits

**URBAN CORE COLLECTIVE'S FOURTH DISCOVERY REQUEST
TO CONSUMERS ENERGY COMPANY**

Definitions

As used in these discovery requests, the words and phrases below have the following specific meanings, unless indicated otherwise in the specific question:

- A. "Consumers," "Company," "CE," "you," and "your" refer to Consumers Energy Company, its affiliated companies, predecessors-in-interest, officers, directors, partners, employees, and representatives.
- B. "MPSC" and "the Commission" refer to the Michigan Public Service Commission.
- C. "UCC" refers to the Urban Core Collective.
- D. "Consumers' Application" and "Application to the MPSC", unless otherwise specified, refer to the application that Consumers submitted to the Michigan Public Service Commission (MPSC) on June 2, 2025 (Case No. U-21870) for authority to increase rates for the generation and distribution of electricity and for other relief, as well as the testimony and exhibits that Consumers filed with the MPSC on the same date in support thereof.
- E. "Representatives" includes directors, officers, employees, agents, consultants, witnesses, attorneys or other persons acting on behalf of the party to which these interrogatories and document requests are served.
- F. "Person" or "persons" includes natural persons as well as firms, partnerships, associations, institutions, joint ventures, corporations, governmental entities, administrative agencies, professional associations, and every other organization of whatever sort.
- G. "Describe" means to provide a complete description and explanation of the facts, circumstances, analysis, opinion and other information relating to (as that phrase is defined below) the subject matter of a specific discovery request.

- H. “Document” means any written or graphic material, however produced and reproduced of any written, recorded, electronic, printed, typed or handwritten matter of any kind or nature, including but not limited to the following: all letters, memoranda, reports (preliminary and final), work papers, spreadsheets, studies, sample and/or testing protocols, diaries, logs, maps, pamphlets, notes, charts, graphs, calendars, schedules, tabulations, analyses, records, statistical information, accumulations, books, magazines, summaries, minutes, records of meetings and conversations of any kind, photographs, slides, film impressions, microfilm, microfiche, magnetic tapes, sound or mechanical reproductions, electronic files, computer disks or tapes, projections, instruments, drawings, including drafts, copies, copies with margin notes or reproductions, reports, summaries of investigations or negotiations, opinions or reports of consultations, press releases, e-mail, and other data compilations from which information can be obtained, translated (if necessary) by the respondent through detection devices into reasonably useable form.
- I. Communication
- a. The term “communication” means any transmission of information by oral, graphic, written, pictorial, digital, or otherwise perceptible means, including, but not limited to, telephone conversations, e-mail, text messages, letters, telegrams, and personal conversations.
 - b. A request seeking the identity of the source of a communication, addressing, relating or referring to, or discussing a specified matter encompasses documents having factual, contextual, or logical nexus to the matter, as well as communications in which explicit or implicit reference is made to the matter in the course of the communication.
- J. “Relating to,” “relevant,” and “pertaining to” means and shall include containing, constituting, considering, comprising, concerning, discussing, regarding, describing, reflecting, studying, commenting or reporting on, mentioning, analyzing, or referring, alluding, or pertaining to, in whole or in part.
- K. “Low-income customer” means a Consumers customer whose household income does not exceed 200% of the poverty level, as published in federal poverty guidelines from the United States Department of Health and Human Services.
- L. “Of color,” as in the phrase “people of color,” “Black, Indigenous, and Persons of Color,” and “BIPOC,” as applied to persons, groups of persons, or Consumers’ customers, means having a race, or being comprised predominantly of persons having a race, that is not white, as defined under the 2010 United States census.
- M. “Black, Indigenous, and Persons of Color” and “BIPOC” as applied to persons, groups of persons, or Consumers’ customers, means having a race, or being comprised predominantly of persons having a race, that is not white, as defined under the 2010 United States census.

- N. “Testimony” of a witness, unless otherwise specified, means that witness’s testimony in the present case, MPSC Case No. U-21870.

Instructions

- For the response to each question below, please:
- Identify the person responding and provide their title;
- Provide any and all Documents, including but not limited to Communications, that support the response;
- List any and all assumptions made by the person responding to the question;
- Identify specific time periods covered by the response if relevant to the question and answer, and if the reference to a particular year refers to a twelve-month period that does not start on January 1 and end on December 31 of that year, please provide the specific start and end dates;
- Provide the basis for any privilege claimed, including all details necessary to support that claim of privilege;
- Interpret “including” to mean “including without limitation” and interpret “and” and “or” inclusively rather than exclusively; and
- Provide any updates to the Company’s responses if there is a material change in the information included in the response.

DISCOVERY REQUESTS AND INTERROGATORIES

21870-UCC-CE-0740

1. Please reference Witness Byrom’s testimony at page 30, where she references the Company’s CARE program. In Consumers Energy Company’s Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company listed data on its CARE program in Appendix K on page 196. Please provide the data set used to calculate these numbers, with any confidential customer information removed or redacted.

21870-UCC-CE-0741

2. Please reference Witness Byrom’s testimony at page 30, where she references the Company’s CARE program. In Consumers Energy Company’s Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company listed data on its CARE program in Appendix K on page 196. There, Consumers stated that the average bill for electric-only customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE program, before any credit was applied, was \$199. Appendix K further broke this down, stating that the average credit received by these customers was \$93, and the average amount due from these customers after the credit was applied was \$78. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$171 ($\$93 + \$78 = \$171$). This average bill (\$171) is substantially lower than the reported average bill (\$199). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

21870-UCC-CE-0742

3. Please reference Witness Byrom's testimony at page 30 where she references the Company's CARE program. In Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company listed data on its CARE program in Appendix K on page 196. There, Consumers stated that the average bill for electric and gas combined customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE program, before any credit was applied, was \$262. Appendix K further broke this down, stating that the average credit received by these customers was \$125, and the average amount due from these customers after the credit was applied was \$75. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$200 ($\$125 + \$75 = \$200$). This average bill (\$200) is substantially lower than the reported average bill (\$262). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

21870-UCC-CE-0743

4. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company provides a breakdown of data on its PIPP pilot program. Please provide the data set used to calculate these numbers, with any confidential customer information removed or redacted.

21870-UCC-CE-0744

5. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its PIPP pilot program. There, Consumers stated that the average bill for electric-only customers at 20-75% of the Federal Poverty Line who were enrolled in the PIPP pilot program, before any credit was applied, was \$210. Appendix K further broke this down, stating that the average credit received by these customers was \$160, and the average amount due from these customers after the credit was applied was \$32. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$192 ($\$160 + \$32 = \$192$). This average bill (\$192) is substantially lower than the reported average bill (\$210). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

21870-UCC-CE-0745

6. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its PIPP pilot program. There, Consumers stated that the average bill for electric and gas combined customers at 20-75% of the Federal Poverty Line who were enrolled in the PIPP pilot program, before any credit was applied, was \$277. Appendix K further broke this down, stating that the average credit received by these customers was \$171, and the average amount due from these customers after the credit was applied was \$60. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$231 ($\$171 + \$60 = \$231$). This average bill (\$231) is substantially lower than the reported average bill (\$277). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

21870-UCC-CE-0746

7. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company provides a breakdown of data on its CARE MB program. Please provide the data set used to calculate these numbers, with any confidential customer information removed or redacted.

21870-UCC-CE-0747

8. On page 197 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its CARE MB program. There, Consumers stated that the average bill for electric and gas combined customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE MB program, before any credit was applied, was \$234. Appendix K further broke this down, stating that the average credit received by these customers was \$130, and the average amount due from these customers after the credit was applied was \$131. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$261 ($\$130 + \$131 = \$261$). This average bill (\$261) is substantially higher than the reported average bill (\$234). Please explain this discrepancy and provide all data and calculations used to reach these numbers.

21870-UCC-CE-0748

9. On page 197 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its CARE MB program. There, Consumers stated that the average bill for electric-only customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE MB program, before any credit was applied, was \$186. Appendix K further broke this down, stating that the average credit received by these customers was \$78, and the average amount due from these customers after the credit was applied was \$125. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$203 ($\$78 + \$125 = 203$). This average bill (\$203) is substantially higher than the reported average bill (\$186). Please explain this discrepancy and provide all data and calculations used to reach these numbers.

21870-UCC-CE-0749

10. On page 64 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report filed in Case No. U-21021, the Company provides a graph showing the average cost per customer for its CARE program, CARE MB program, and PIPP pilot program, labelled Figure 28. Please provide all data and calculations used to make this figure.

21870-UCC-CE-0750

11. On page 64 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report filed in Case No. U-21021, the Company provides a graph showing the average cost per customer for its CARE program, CARE MB program, and PIPP pilot program, labelled Figure 28. Figure 28 shows that the average cost per customer for the Company's CARE MB program in 2024 was \$1,200. It also shows that the average cost per customer enrolled in the Company's CARE MB program for all three years of 2023, 2024, and 2025 was \$958, which is less than the cost for a customer to be enrolled for

only one year in 2024. Please explain this discrepancy, and provide the data and calculations used to produce this figure.

21870-UCC-CE-0751

12. On page 64 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report filed in Case No. U-21021, the Company provides a graph showing the average cost per customer for its CARE program, CARE MB program, and PIPP pilot program, labelled Figure 28. Do the numbers in this figure include the administrative costs to run each of these programs? If not, are they exclusively calculated using arrears and gap payment amounts, or are there other factors included?

21870-UCC-CE-0752

13. How many customers does Consumers have in its service territory whose incomes are between 20% and 75% of the Federal Poverty Line? If the Company does not have a specific number, what is the Company's best estimate and the basis for that estimate?

21870-UCC-CE-0753

14. How many customers does Consumers have in its service territory whose income are between 76% and 110% of the Federal Poverty Line? If the Company does not have a specific number, what is the Company's best estimate and the basis for that estimate?

21870-UCC-CE-0754

15. How many customers does Consumers have in its service territory whose income are between 111% and 150% of the Federal Poverty Line? If the Company does not have a specific number, what is the Company's best estimate and the basis for that estimate?

Abrams Environmental Law Clinic
Counsel for Urban Core Collective

Date: October 6, 2025

By: /s/ Mark N. Templeton
Mark N. Templeton (*pro hac vice*)
University of Chicago Law School
Abrams Environmental Law Clinic
6020 S. University Avenue
Chicago, IL 60637
Phone: (773) 702-9611
templeton@uchicago.edu

Question:

1. Please reference Witness Byrom's testimony at page 30, where she references the Company's CARE program. In Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company listed data on its CARE program in Appendix K on page 196. Please provide the data set used to calculate these numbers, with any confidential customer information removed or redacted.

Response:

Objection of Counsel: Consumers Energy Company objects to this discovery request on the grounds that the request is not relevant to this proceeding as Consumers Energy is not seeking continuation of the Percentage of Income Payment Plan Pilot in the proceeding. Consumers Energy Company further objects to this discovery request on the grounds that the data from the Percentage of Income Payment Plan Pilot Program Report is not readily available. Consumers Energy also objects to this request on the grounds that: (i) the request is unreasonable, (ii) the request is unduly burdensome, and (iii) the request calls for the creation of documents that are not in existence, and there is no obligation in discovery to perform tasks or generate information on behalf of a requesting party in the manner proposed. Subject to this objection, and without waiving it, Consumers Energy answers as follows:

Consumers Energy is not seeking continuation of the Percent of Income Payment Pilot in this proceeding, nor does my testimony discuss this pilot or the related report.

Page 195 of the referenced Consumers Energy Percentage of Income Payment Plan Pilot Program Report ("PIPP report") contains the composite data referenced during the program comparison discussions with MPSC Staff. Each question in that section is derived from a specific dataset, with corresponding explanations provided in the data explanations section of the report.

Due to the scope and complexity of the data, it is not feasible to extract and provide these datasets, as the request for the underlying datasets goes beyond the scope of the metrics and analysis developed between staff and participating utilities. Fulfilling this request would require substantial additional work, including resource-intensive data extraction, redaction, and contextual processing.

Moreover, providing the data at a more granular level introduces data privacy risks that must be carefully managed. The summary analysis and methodology included in the report were designed to offer transparency while respecting those constraints.

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

2. Please reference Witness Byrom's testimony at page 30, where she references the Company's CARE program. In Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company listed data on its CARE program in Appendix K on page 196. There, Consumers stated that the average bill for electric-only customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE program, before any credit was applied, was \$199. Appendix K further broke this down, stating that the average credit received by these customers was \$93, and the average amount due from these customers after the credit was applied was \$78. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$171 ($\$93 + \$78 = \$171$). This average bill (\$171) is substantially lower than the reported average bill (\$199). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

Response:

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Consumers Energy is not seeking continuation of the Percent of Income Payment Pilot in this proceeding, nor does my testimony discuss this pilot or the related report.

The sum of the average customer payment and the average program payment does not always match the overall average bill, and this is expected. The average bill was calculated with RIA/LIAC credits removed, but other credits or charges may vary across individual customers within each group, leading to differences between the total bill and the combined payment amounts. Each of these figures, customer payment, program payment, and bill amount, was calculated independently as a composite value for the entire group. A full reconciliation would require detailed, customer-level analysis, which would be onerous and not readily available.

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

3. Please reference Witness Byrom's testimony at page 30 where she references the Company's CARE program. In Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company listed data on its CARE program in Appendix K on page 196. There, Consumers stated that the average bill for electric and gas combined customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE program, before any credit was applied, was \$262. Appendix K further broke this down, stating that the average credit received by these customers was \$125, and the average amount due from these customers after the credit was applied was \$75. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$200 ($\$125 + \$75 = \$200$). This average bill (\$200) is substantially lower than the reported average bill (\$262). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

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Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

4. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company provides a breakdown of data on its PIPP pilot program. Please provide the data set used to calculate these numbers, with any confidential customer information removed or redacted.

Response:

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Due to the scope and complexity of the data, it is not feasible to extract and provide these datasets as the request for the underlying datasets goes beyond the scope of the metrics and analysis developed between staff and participating utilities. Fulfilling this request would require substantial additional work, including resource-intensive data extraction, redaction, and contextual processing. Moreover, providing the data at a more granular level introduces data privacy risks that must be carefully managed. The summary analysis and methodology included in the report were designed to offer transparency while respecting those constraints.

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

5. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its PIPP pilot program. There, Consumers stated that the average bill for electric-only customers at 20-75% of the Federal Poverty Line who were enrolled in the PIPP pilot program, before any credit was applied, was \$210. Appendix K further broke this down, stating that the average credit received by these customers was \$160, and the average amount due from these customers after the credit was applied was \$32. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$192 ($\$160 + \$32 = \$192$). This average bill (\$192) is substantially lower than the reported average bill (\$210). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

Response:

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Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

6. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its PIPP pilot program. There, Consumers stated that the average bill for electric and gas combined customers at 20-75% of the Federal Poverty Line who were enrolled in the PIPP pilot program, before any credit was applied, was \$277. Appendix K further broke this down, stating that the average credit received by these customers was \$171, and the average amount due from these customers after the credit was applied was \$60. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$231 ($\$171 + \$60 = \$231$). This average bill (\$231) is substantially lower than the reported average bill (\$277). Please explain this discrepancy, and provide all data and calculations used to reach these numbers.

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Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

7. On page 195 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, the Company provides a breakdown of data on its CARE MB program. Please provide the data set used to calculate these numbers, with any confidential customer information removed or redacted.

Response:

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Moreover, providing the data at a more granular level introduces data privacy risks that must be carefully managed. The summary analysis and methodology included in the report were designed to offer transparency while respecting those constraints.

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

8. On page 197 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its CARE MB program. There, Consumers stated that the average bill for electric and gas combined customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE MB program, before any credit was applied, was \$234. Appendix K further broke this down, stating that the average credit received by these customers was \$130, and the average amount due from these customers after the credit was applied was \$131. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$261 ($\$130 + \$131 = \$261$). This average bill (\$261) is substantially higher than the reported average bill (\$234). Please explain this discrepancy and provide all data and calculations used to reach these numbers.

Response:

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Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

9. On page 197 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report in Case No. U-21021, in Appendix K, the Company provides a breakdown of data on its CARE MB program. There, Consumers stated that the average bill for electric-only customers at 20-75% of the Federal Poverty Line who were enrolled in the CARE MB program, before any credit was applied, was \$186. Appendix K further broke this down, stating that the average credit received by these customers was \$78, and the average amount due from these customers after the credit was applied was \$125. However, combining the average amount due from customers and the average credit amount yields a resulting total average bill of \$203 ($\$78 + \$125 = 203$). This average bill (\$203) is substantially higher than the reported average bill (\$186). Please explain this discrepancy and provide all data and calculations used to reach these numbers.

Response:

Objection of Counsel: Consumers Energy Company objects to this discovery request on the grounds that the request is not relevant to this proceeding as Consumers Energy is not seeking continuation of the Percentage of Income Payment Plan Pilot in the proceeding. Consumers Energy Company further objects to this discovery request on the grounds that the data from the Percentage of Income Payment Plan Pilot Program Report is not readily available. Consumers Energy also objects to this request on the grounds that: (i) the request is unreasonable, (ii) the request is unduly burdensome, and (iii) the request calls for the creation of documents that are not in existence, and there is no obligation in discovery to perform tasks or generate information on behalf of a requesting party in the manner proposed. Subject to this objection, and without waiving it, Consumers Energy answers as follows:

Consumers Energy is not seeking continuation of the Percent of Income Payment Pilot in this proceeding, nor does my testimony discuss this pilot or the related report.

The sum of the average customer payment and the average program payment does not always match the overall average bill, and this is expected. The average bill was calculated with RIA/LIAC credits removed, but other credits or charges may vary across individual customers within each group, leading to differences between the total bill and the combined payment amounts. Each of these figures, customer payment, program payment, and bill amount, was calculated independently as a composite value for the entire group. A full reconciliation would require detailed, customer-level analysis, which would be onerous and is not available.

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

10. On page 64 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report filed in Case No. U-21021, the Company provides a graph showing the average cost per customer for its CARE program, CARE MB program, and PIPP pilot program, labelled Figure 28. Please provide all data and calculations used to make this figure.

Response:

Objection of Counsel: Consumers Energy Company objects to this discovery request on the grounds that the request is not relevant to this proceeding as Consumers Energy is not seeking continuation of the Percentage of Income Payment Plan Pilot in the proceeding. Subject to this objection, and without waiving it, Consumers Energy answers as follows:

Consumers Energy is not seeking continuation of the Percent of Income Payment Pilot in this proceeding, nor does my testimony discuss this pilot or the related report.

Figure 28 of the report provides data that spans multiple years and programs. For each year and program, the calculation is:

Total payments (arrears, gap, reconciliation) ÷ Distinct customers receiving payments during the timeframe.

For FY24, as noted throughout the PIPP report:

CARE FR: $\$7,633,490 \div 9,206 = \$829$

CARE MB: $\$1,222,070 \div 1,018 = \$1,200$

PIPP: $\$1,079,818 \div 604 = \$1,788$

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

11. On page 64 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report filed in Case No. U-21021, the Company provides a graph showing the average cost per customer for its CARE program, CARE MB program, and PIPP pilot program, labelled Figure 28. Figure 28 shows that the average cost per customer for the Company's CARE MB program in 2024 was \$1,200. It also shows that the average cost per customer enrolled in the Company's CARE MB program for all three years of 2023, 2024, and 2025 was \$958, which is less than the cost for a customer to be enrolled for only one year in 2024. Please explain this discrepancy, and provide the data and calculations used to produce this figure.

Response:

Consumers Energy is not seeking continuation of the Percent of Income Payment Pilot in this proceeding, nor does my testimony discuss this pilot or the related report.

The FY24 total for CARE MB was provided in U21870-CE-749, and the calculation method remains the same. However, the timeframe differs. When calculating cost per customer across multiple fiscal years, the average includes all distinct customers over that span, at times, increasing the divisor compared to single-year calculations.

Witness: Jessica R. Byrom

Date: October 13, 2025

Question:

12. On page 64 of Consumers Energy Company's Percentage of Income Payment Plan Pilot Program Report filed in Case No. U-21021, the Company provides a graph showing the average cost per customer for its CARE program, CARE MB program, and PIPP pilot program, labelled Figure 28. Do the numbers in this figure include the administrative costs to run each of these programs? If not, are they exclusively calculated using arrears and gap payment amounts, or are there other factors included?

Response:

Consumers Energy is not seeking continuation of the Percent of Income Payment Pilot in this proceeding, nor does my testimony discuss this pilot or the related report.

The totals in figure 28 of the PIPP report are representative of the arrears, gap, and reconciliation (where applicable) payments for each of the programs in the given timeframe. They do not include administrative or other costs.

Witness: Jessica R. Byrom

Date: October 13, 2025

U21870-UCC-CE-0752

Page 1 of 1

Question:

13. How many customers does Consumers have in its service territory whose incomes are between 20% and 75% of the Federal Poverty Line? If the Company does not have a specific number, what is the Company's best estimate and the basis for that estimate?

Response:

The Company does not collect verified customer income data; therefore, census data was used as a proxy to approximate the requested criteria as closely as possible.

FPL Range	Customer Estimate
50% to 74%	91,415

Witness: Jessica R. Byrom**Date:** October 13, 2025

U21870-UCC-CE-0753

Page 1 of 1

Question:

14. How many customers does Consumers have in its service territory whose income are between 76% and 110% of the Federal Poverty Line? If the Company does not have a specific number, what is the Company's best estimate and the basis for that estimate?

Response:

The Company does not collect verified customer income data; therefore, census data was used as a proxy to approximate the requested criteria as closely as possible.

FPL Range	Customer Estimate
75% to 99%	100,307

Witness: Jessica R. Byrom**Date:** October 13, 2025

U21870-UCC-CE-0754

Page 1 of 1

Question:

15. How many customers does Consumers have in its service territory whose income are between 111% and 150% of the Federal Poverty Line? If the Company does not have a specific number, what is the Company's best estimate and the basis for that estimate?

Response:

The Company does not collect verified customer income data; therefore, census data was used as a proxy to approximate the requested criteria as closely as possible.

FPL Range	Customer Estimate
100% to 149%	205,337

Witness: Jessica R. Byrom**Date:** October 13, 2025



Energy Affordability Report

Prepared by MPSC Staff

September 10, 2025

Presented to:

Dan Scripps, Chair

Katherine Peretick, Commissioner

Shaquila Myers, Commissioner

Contents

Executive Summary.....	1
SECTION I - FOUNDATIONS	3
Chapter 1 – Background.....	4
Commission Directives	4
Process of Accomplishing Directives	7
Legislative Parameters.....	9
1. The Commission must approve both just and reasonable rates within a zone that balances customer and utility interests.	9
2. The Commission is limited by the Constitution and statutes in how it may enforce the administration of rates.....	10
3. Michigan law requires that rates are calculated using specific cost of service formulas.....	11
4. The Commission’s role in the energy assistance system.	12
Chapter 2 - A Summary of Current Energy Assistance	14
Moving Towards Home Energy Security in Michigan.....	28
Chapter 3 –The LIA Credit.....	32
Directive: Initiate a stakeholder discussion of DTE’s report on the enrollment of customers in the LIA credit program and submit a report and recommendations to the Commission	32
Directive: Discuss the LIA/RIA Enrollment Assignment, Enrollment Cap, and Best Use/Program Pairings	33
Chapter 4 – Low-Income Cost of Service Study.....	46
Directive: Evaluate the feasibility of a low-income customer subclass in the Consumers Energy Cost-of-Service Study.....	46
Staff Recommendation: Low-Income Subclass	50
SECTION II - PERCENTAGE OF INCOME PAYMENT PLAN PILOT REPORTS	53
Chapter 5 - PIPP Report Summary and Clarification	54
PIPP Report Summary.....	54
Clarification on the PIPP Reports.....	55
Reports.....	55
Data Files	56
Chapter 6 - Program Success.....	60
DTE Defining Success—LSP	63

DTE Energy Defining Success - PSP.....	66
Consumers Energy Defining Success.....	68
DTE Program On-Time Payment Behavior.....	70
Consumers Energy On-Time Payment Behavior.....	71
Service Shutoff Rates: Consumers Energy and DTE Energy.....	73
Consumption Impacts.....	75
Chapter 7 - Replies to Comments in the MPSC Case Nos. U-20929 and U-21021.....	80
Comment from Citizens Utility Board of Michigan, Ecology Center, Michigan Environmental Council, Natural Resources Defense Council, and Vote Solar.....	80
Comment from Attorney General and Citizens Utility Board.....	83
Other Comments.....	88
Reply Comments.....	89
Chapter 8 - Staff's PIPP Report Analysis.....	90
DTE Energy PSP Report Analysis.....	90
Consumers Energy PIPP Report Analysis.....	99
Comparing DTE Energy and Consumers Energy Pilot Programs.....	107
Staff Analysis Summary.....	109
Other Matters of Note in the Reports.....	110
SECTION III - DETERMINING THE BEST FULFILLMENT OF MCL 460.11(2).....	113
Chapter 9 - Impact of MEAP Legislative Change on MCL 460.11(2).....	114
Staff Recommendation: MCL 460.11(2) Eligibility Alignment.....	117
Chapter 10 - Energy Affordability Standard.....	119
Statutory Interaction with Energy Affordability.....	120
Rates.....	120
Fees.....	121
Energy Assistance Interacting with Energy Affordability.....	122
Staff Recommendation: Energy Affordability Standard.....	122
Chapter 11 - Recommendation Regarding Program Design and Administration.....	123
Program Design.....	125
Program Administration.....	125
Improving Access: Marketing and Outreach.....	127
Application and Enrollment Process.....	128
Staff Recommendation: Applying the Credit Benefit to Customer Accounts.....	129

Staff Recommendations: Program Administration	130
Chapter 12 - Program Design for Eligibility.....	132
Statutory Eligibility Requirements and Additional Design Elements.....	132
SER/Crisis Eligibility Requirements.....	133
Staff Recommendation: Eligibility	134
Chapter 13 – Arrearage Handling	135
Consumption/Bill Caps and Arrearage Caps	135
Staff Response: Consumption and Arrearage Caps	137
Chapter 14 - Program Design—Bill Subsidy.....	138
Determining the Credited Amount/Bill Subsidy—PIPP	138
Staff Recommendation: Adjust the Credit Amount Based on Commodity.....	140
Determining the Credited Amount/Bill Subsidy—APPs	140
Analysis of Current APPs.....	146
Step 1: Determine How Commodity Impacts Bill Subsidy.....	149
Step 2: Determine How Billed Amount Impacts Bill Subsidy.....	151
Step 3: Determine How Heating and Cooling Seasons Impact Bill Subsidy	155
Step 4: Reconciliation months.....	155
PIPP vs. APP-Style Bill Subsidy Customer Feedback.....	156
Chapter 15 - Summary of Bill Subsidy Findings and Recommendations.....	160
Staff Recommendation: Bill Subsidy Design	162
Staff Recommendation: A Redesigned Energy Assistance System.....	162
Staff Recommendation: Benefit Matrix Design	171
Arrearage handling, requirements, and forgiveness.....	173
Staff Recommendation: Arrears Forgiveness Cadence.....	174
What is included in arrears forgiveness?	174
Staff Recommendation: What to Include in Arrears Forgiveness.....	175
Chapter 16 - Funding Considerations.....	177
Bill Subsidy Costs.....	177
Staff Recommendation: Bill Subsidy	184
Administrative Costs.....	184
Staff Recommendation: Administrative Costs.....	186
Cost Recovery and Allocation Methods.....	186
Staff Recommendation: Revenue Shortfall.....	193

How Program Costs Are Accounted For	193
Staff Recommendation: Accounting for Program Expenses.....	194
Layering of Funds.....	195
Staff Recommendation: Fund Layering	201
Determining Enrollment or Funding Caps and Phasing Customers into New Programs.....	202
The Trade-Off	203
Staff Recommendation: Phasing Customers Into New Programs	204
SECTION IV - THE CUSTOMER JOURNEY	205
Chapter 17 - Energy Assistance Program Outreach and Education.....	206
General Customer Outreach Findings.....	206
Staff Recommendation: Energy Assistance Transparency.....	209
PIPP Outreach	209
APP/MEAP Outreach	210
Staff Recommendation: Identified Opportunities for Energy Assistance Program Outreach and Education	211
EWR Outreach	212
Staff Recommendation: EWR Metrics	215
Chapter 18 - Energy Assistance Program Triage.....	216
Staff Recommendations: Energy Assistance Program Triage.....	219
Chapter 19 - Program Application and Income Verification Process	221
Application Process.....	221
Staff Recommendation: Accessible Application Process	223
How income is verified and applications are processed	224
Staff Recommendation: Income Verification and Re-validation.....	226
Prioritization of Applicants for Enrollment	227
Consideration of Vulnerable Populations	230
Staff Recommendation: Prioritization of Applicants.....	231
Chapter 20 - Term of Plan and Income Validation Frequency.....	233
Term of Plan Overview	233
Staff Recommendation: Term of Plan	234
Income Validation Frequency in the PIPP Reports.....	234
Suggested Findings in Income Validation	237
Staff Recommendation: Income Verification Frequency.....	238

Program Graduation/Disenrollment.....	239
Missed Payment Procedure.....	240
Staff Recommendation: Late Payment Protocols.....	243
Being Removed from an Energy Assistance Program	243
Staff Recommendation: Payment Plan Removal	244
Customers Identified as no Longer Income-Eligible/Graduation Protocol	244
Staff Recommendation: Program graduation or income ineligible	245
Chapter 21 – Tarriiff Proposals and Implementation Timeline	248
Staff Recommendation: Tariff Proposals/Compliance.....	248
Staff Recommendation: Implementation Timeline	248
Chapter 22 - Energy Assistance Program Goals and Affordability Metrics.....	249
Stated Goals of the RIA Credit.....	249
Stated Goals of the LIA Credit	249
Stated Goals of the Affordable Payment Plans	250
Stated Goals of the PIPP Pilots.....	250
Energy Affordability Metrics.....	252
Staff Recommendation: Goals.....	252
Staff Recommendation: Data Integrity	254
Staff Recommendation: Outreach Data	254
SECTION V - FURTHER EXPLORATION	257
Chapter 23 - Unexplored Reform Options.....	258
Issues Pertaining to Energy Affordability for all.....	258
Issues Pertaining to Income Eligibility.....	259
Energy Assistance Program Funding Mechanism Proposals.....	259
Energy Assistance Program Design	260
Chapter 24- Issues for Further Exploration.....	262
Determination Holds and Service Shutoff Holds.....	262
Summary of Additional Areas for Exploration	263
Conclusion.....	264
Acknowledgments.....	267
APPENDICES	269
Appendix A - Glossary of Terms.....	270
Appendix B – List of Tables and Figures.....	279

Appendix C - Customer Journey	284
Appendix D – Fiscal Year 2026 Table of Income Eligibility	285
Appendix E - Residential Income Assistance Credit (RIA) and Low Income Assistance Credit (LIA/LIAC) Commission Order History	286
Appendix F – 2023 AAA Subcommittee RIA and LIA Credit Reform Proposals.....	312
Appendix G – Consumers Energy Data Staff Analysis.....	321
Appendix H – DTE Energy Data Staff Analysis.....	328
Appendix I – RIA/LIA Revenue Allocation	339
Appendix J – Example Credit Matrix Data Analysis.....	349
Appendix K – Utility Questions and Responses.....	353

Executive Summary

In response to the Coronavirus pandemic, the Commission ordered the creation of an Energy Affordability and Accessibility Collaborative ([EAAC](#)) in 2021. The Affordability Alignment and Assistance Subcommittee ([AAA](#)) of the collaborative has led a group of interested parties in exploring responses to several Commission directives with a goal of providing recommendations to the Commission. This report is the culmination of that work.

The directives assigned to the AAA ensued from the Commission's own motion, a Coronavirus Response docket, [Case No. U-20757](#), as well as various rate cases, discussed further below. The specific directives outlined in this report include the following:

- Initiate a stakeholder discussion of DTE's report on the enrollment of customers in the Low-Income Assistance Credit (LIA) program and submit a report and recommendations to the Commission.
- Discuss the LIA credit and Residential Income Assistance Credit (RIA) enrollment assignment, enrollment cap, best use, and program pairings.
- Evaluate the feasibility of a low-income customer subclass in the Consumers Energy Cost-of-Service Study.
- Evaluate Reports on two Percentage of Income Payment Plan (PIPP) Pilots.
- Develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.
- Determine the Best Fulfillment of MCL 460.11(2), Michigan's law authorizing a low-income rate. This law is presently expressed as the LIA and RIA credits.

Through subcommittee discussions, feedback, and Staff analysis, Staff found that there are opportunities to both streamline Michigan's energy assistance system and to make it more preventative by assisting customers with energy bills before they receive a past-due bill notice and/or are at risk of their service being shut off. It was made clear during the subcommittee's work that Michigan's energy assistance system is driven by crisis¹, and how programs operate in coordination with one another could be much more intentional and streamlined. Through analysis and comparison of the PIPP Reports to Michigan Energy Assistance Program (MEAP) Affordable Payment Plans (APPs), opportunities were uncovered to more effectively address the energy burdens of participating households and to further a goal of home energy security for Michigan's energy customers.

Ensuing from five years of discussion and evaluation regarding the above directives, Staff provides recommendations regarding the coordination, design, implementation, administration, and evaluation of energy assistance programs. In

¹ A crisis often results from a past-due energy bill leading to a past-due notice or shutoff notice. A crisis undermines energy security and can prompt a household to apply for assistance.

the process, Staff clearly outlines where the Commission has authority and what parts of the energy assistance system are outside of the Commission's authority. The Commission may attempt to address energy affordability in the ratemaking process but has no influence over household income in the affordability equation. Similarly, the Commission is cognizant of its role in the energy assistance system and has influence within limited authority in terms of how the system functions as a whole.

MEAP APPs are presently offered only through four investor-owned utilities (IOUs). A model like the APPs, a monthly subsidy tailored to household income and usage categories, is the most targeted and effective means of supporting home energy security for income-qualified customers. Therefore, Staff recommends that the Commission consider requiring IOUs that currently do not have affordable payment plans through MEAP to explore participating in the APPs.

As a long-term home energy security and energy affordability solution, Staff's position is that a monthly subsidy tailored to household income and usage categories is the most targeted and effective means of supporting home energy security for income qualified customers. As a long-term home energy security and energy affordability solution, Staff recommends the Commission approve one of the following for all IOUs that currently offer APPs as soon as possible:

- Option A) Divert MCL 460.11(2) related dollars to the relaunched affordable payment plans for utilities that already have APPs (but not co-mingling the funding sources with MEAP); or
- Option B) Utilize part of the MCL 460.11(2) funds for an APP that mimics the MEAP APP while also offering a credit to customers who seek assistance through a MEAP agency and prefer a more streamlined income verification process.

Option A would encourage customers to become energy secure. Option B would ensure there is ongoing support for customers who are not enrolled in a payment plan. Staff also recommends the Commission require utilities without APPs to explore instituting APPs consistent with recommendations for APP-participating utilities. In this report Staff recommends shorter term or interim solutions with supporting detail and analysis, navigating conflicting priorities regarding program design, implementation, evaluation, and funding mechanisms. The coronavirus pandemic created the impetus for an analysis of Michigan's energy system, but as this report will highlight, the movement toward increasing home energy security for Michigan's energy customers is long overdue.

Staff proposes balanced recommendations considering the interests of all persons and parties. It is the hope of Staff that the Commission will approve more intentional program design that not only prioritizes home energy security and incorporates affordability metrics but streamlines and simplifies Michigan's energy assistance landscape.

SECTION I - FOUNDATIONS

Chapter 1 – Background

Commission Directives

Since the creation of the Energy Affordability and Accessibility Collaborative (EAAC) in Michigan Public Service Commission (MPSC or the Commission) Case No. U-20757² in response to the Covid-19 pandemic, the EAAC has functioned as an oversight committee to its various subcommittees, assigning and delegating work at the direction of the Commission and EAAC leadership. The EAAC's Affordability, Alignment, and Assistance Subcommittee (AAA) has been assigned two rounds of directives since its inception. The first AAA charge³ was:

1. Streamlining and making more accessible existing energy assistance programs.
 - a. Improving upon existing energy assistance plans.
2. Researching next generation affordable payment plans.
3. Analyzing collections processes and disconnections.
4. Integrating with Energy Waste Reduction (EWR), weatherization, and rate design.

The AAA addressed item one, streamlining and making more accessible existing energy assistance programs in the EAAC's December 17, 2021 and March 16, 2023 reports,⁴ and made recommendations to the Commission in the March 2023 MPSC Staff report filed in the docket in MPSC Case No. U-20757. The second item, researching next generation affordable payment plans, was already being addressed in part by the existing DTE Energy (also referred to as DTE) and Consumers Energy (also referred to as Consumers or CE) PIPP pilots and a new modified budget version of the Michigan Energy Assistance Program (MEAP) Affordable Payment Plans (APPs). In the March 2023 report, MPSC Staff (also referred to as Staff) requested clarification from the MPSC (henceforth referred to as "the Commission") on what it wanted analyzed in the collections and disconnections process, so that the AAA could better address what the Commission sought guidance on. The AAA also addressed the EWR and weatherization components of item four, integrating with

² In the matter, on the Commission's own motion, to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state of emergency, and to provide guidance and direction to energy and telecommunications providers and other stakeholders, [MPSC Case No. U-20757, 2/18/2021 Commission Order](#), p. 20.

³ Based on Staff recommendations made in its [12/15/2020 report in U-20757](#) titled "Collaboration and Communication Process Staff Report - Customer Assistance Division."

⁴ In the matter, on the Commission's own motion, to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state of emergency, and to provide guidance and direction to energy and telecommunications providers and other stakeholders, [MPSC Case Filing No. U-20757-0373, 12/17/2021 MPSC Staff Report](#) and [MPSC Case Filing No. U-20757-0524, 3/16/2023 MPSC Staff Report](#).

EWR, weatherization, and rate design, and made recommendations in the March 2023 Staff report; but Staff requested clarification from the Commission on how to address integration in the rate design.

In its December 21, 2023, order, the Commission approved the AAA to address issues already assigned to the EAAC through past Commission orders (rate cases, integrated resource plan cases etc.⁵) which equates to the following charge:

1. Initiate a stakeholder discussion of DTE's report on the enrollment of customers in the Low-Income Assistance (LIA) credit program and submit a report and recommendations to the Commission.⁶
2. Discuss the LIA/Residential Income Assistance Credit (RIA) enrollment assignment, enrollment cap, and best use/program pairings.
3. Evaluate the feasibility of a low-income customer subclass in the Consumers Energy Cost-of-Service Study ("COSS").
4. Evaluate and make recommendations regarding Percentage of Income Payment Plans (PIPPs).
5. Develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.
 - Look at all aspects of energy affordability including rate design utilizing the definition of energy affordability adopted by the Commission.
 - Map where assistance and affordability tools intersect with aspects of affordability.
6. Determine the best fulfillment of the legislation MCL 460.11 (2).

These first two directives emanated from the DTE Electric rate case, MPSC Case No. U-20836, in which issues raised by Staff, intervening parties, and DTE regarding the structure of and assignment of customers to the LIA credit were directed to be resolved in the EAAC.⁷ The EAAC additionally received a directive to explore a cost-based low-income customer subclass in the Consumers Energy electric cost of service study in the MPSC Case No. U-20963 Consumers Electric rate case due to an intervening party's claims that low-income customers use energy in a different way than other residential customers, and would therefore require costs to be allocated differently to them.⁸

⁵ In the matter, on the Commission's own motion, to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state of emergency, and to provide guidance and direction to energy and telecommunications providers and other stakeholders, MPSC Case No. U-20757, 12/21/2023 Commission Order, pp. 9-10.

⁶ The MPSC no longer uses the term "stakeholder; however, this directive reflects language used by the Commission in orders and reports at the time.

⁷ In the matter of the application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-20836, 11/18/2022 Commission Order, p. 407.

⁸ 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, MPSC Case No. U-20963 12/22/2021 Final Order pp. 402-403.

The fourth directive, evaluating and making recommendations regarding the PIPPs, came directly from the December 21, 2023, Commission order in MPSC Case No. U-20757 as a means of connecting Staff's LIA credit analysis with the ongoing work on the PIPP pilots into a more comprehensive analysis of current energy assistance offerings.

The idea for the fifth directive of developing an energy affordability standard first appeared in MPSC dockets at the height of the pandemic in 2020-2021 in intervenor testimony in green pricing, integrated resource planning, and rate cases.⁹ The EAAC then sponsored a panel presentation on the topic at its June 2021 meeting.¹⁰ The work to develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment was assigned to the EAAC Definitions Subcommittee for consideration. This standard is then mentioned on page 9 of the February 10, 2022, Commission order in MPSC Case No. U-20757 in a recap of the EAAC Definitions Subcommittee progress "to build recommended data requirements for utilities to demonstrate energy affordability in appropriate dockets." The work to develop an energy affordability standard was later re-assigned to the Affordability, Alignment and Assistance subcommittee (AAA).

In March 2024, the Commission found that the EAAC "shall develop a straw proposal on affordability metrics for the Commission to consider, share that straw proposal with interested persons for review and feedback, and then incorporate those results in the Energy Affordability and Accessibility Collaborative's end of year report due in Case No. U-20757."¹¹ The Commission also referenced the following decision in the DTE Electric rate case, MPSC Case No. U-20836, Commission order in stating, "the Definitions-Ad Hoc Subcommittee would provide 'a recommended energy affordability definition if consensus is reached or with options for an energy affordability definition if consensus is not reached' as well as '[w]ork with the Data and Regulatory Subcommittee and in consultation with the Commission's Diversity, Equity and Inclusion [DEI] Team to build recommended data requirements for utilities to demonstrate energy affordability in appropriate dockets.'"¹² Affordability

⁹ Filing in the matter of the application of CONSUMERS ENERGY COMPANY for approval of Voluntary Green Pricing programs pursuant to Section 61 of 2016 PA 342, MPSC Case No. U-20649-0048;

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, MPSC [Case No. 20697-0295 & 0465](#);

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, MPSC [Case No. 21090-0285](#).

¹⁰ [Energy Affordability and Accessibility Collaborative](#)

¹¹ In the matter of the application for Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief, MPSC [Case No. U-21389, 3/1/24 Order](#).

¹² In the matter of the application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-20836, 11/18/2022 Commission Order, pp. 462-463.

metrics including an affordability standard are necessities for consideration of programs that address energy affordability.

The final directive is to determine the best fulfillment of MCL 460.11(2).¹³ As will be described in detail later in this report, MCL 460.11(2) is a Michigan law that grants the Commission authority to implement low-income rates for qualifying customers. This report will update the Commission on the outcomes of the above directives.

Process of Accomplishing Directives

To accomplish the aforementioned directives with which the Commission and EAAC leadership tasked the AAA subcommittee, Staff and AAA leaders employed a variety of tools to collect feedback and determine which recommendations to bring before the Commission. This section provides a high-level overview of that process.

As previously outlined in Chapter 1 of this chapter, the AAA subcommittee worked in 2021 and 2022 to set goals and priorities around energy affordability, accessibility, and program alignment through the use of surveys and smaller focus groups. The subcommittee then focused on a customer's journey through the energy assistance landscape and gained consensus by frequently distributing surveys. When consensus could not be achieved, dissent was noted in the Staff report.

In 2023, the subcommittee focused its attention on discussing the LIA credit enrollment assignment and cap. The subcommittee offered educational presentations to the group, which explained what the LIA credit was and how it was utilized, including information about its development in rate cases. DTE was asked to describe how the LIA credit was used and provide data on the number of customers who are enrolled in the LIA, specifically to offset the costs of MEAP APPs compared to customers seeing the impact of the credit on their bill more directly. Open discussions were the main way of collecting feedback on the current use of the credit as opposed to how it could be used differently. DTE claimed that the LIA credit was best utilized to support its APP, since that program was effective at supporting and assisting customers. Subcommittee members identified that data was needed to see how the LIA credit was performing and that surveys were needed to provide additional time for participants to contemplate how Michigan's energy assistance offerings could be designed and coordinated.

An in-depth survey helped to identify participants' goals for providing energy assistance, what issues exist in the current administration of the LIA credit, and what questions participants had for DTE. The AAA then requested data from investor-owned utilities to analyze the effectiveness of energy assistance programs and determine how they could be reformed.

In the final meetings of 2023, Staff formulated some potential LIA credit reform options based on participant feedback. Once these options were refined, data

¹³ [MCL - Section 460.11 - Michigan Legislature](#)

requests were provided to the utilities to assess the cost of reforming energy assistance as well as the efficacy of the current assistance. This data would be used to support the reform options.

As a way to fulfill the Commission's directives and present a final reform option, the AAA hosted a presentation from Consumers Energy on its cost-based low-income customer subclass in the electric cost-of-service study, which provided education and direction on why cost allocation may not be a viable option to provide substantial assistance to low-income customers.

At this point, there was increasing interest in the PIPP pilots and the subcommittee suspended meeting for a year until the results of those pilots could be presented so that PIPPs could be explored as an option to reform energy assistance. In the interim, Staff worked with DTE Energy and Consumers Energy on refining a reporting outline and template to encourage consistency of content, data fields, and formatting between their respective PIPP reports.

In January 2025, the AAA began meeting again, with an overview of how the Consumers Energy and DTE Energy reporting processes will operate. Subcommittee leaders provided a refresher presentation on the content of the 2023 AAA subcommittee meetings.

By February 2025, DTE was prepared to present its PIPP pilot findings. AAA subcommittee participants were most concerned about PIPP customers having to revalidate their income eligibility at month 12 of the pilot program and consequently, many participants fell off the program. This became the focus of the next presentation in which DTE was able to explore the issue more in depth and participants could offer their suggestions on how to improve customer success on the pilot.

Consumers Energy offered a presentation similar to DTE on its PIPP pilot, which once again was used as an opportunity to discuss customer success on the pilot. At this point, a few opportunities for providing feedback outside of the group format were offered to the subcommittee: participants could ask questions about the PIPP reports, which Staff would forward to the companies; the public could submit comments to the case dockets in which the reports were filed; and through a survey, participants could rank the areas of the reports and energy assistance reform that were most important to them to shape the AAA presentation topics.

Following these feedback methods, Staff held several content-related meetings in order of the participants' interest. Feedback was collected on the topics through open discussions and the meeting chat. Topics included eligibility determination and income revalidation, benefits tradeoffs, prioritization of applicants, arrears handling, disenrollment procedures, and funding/program pairings. The outcome of these discussions shaped the recommendations in this report and added depth to this discourse.

Legislative Parameters

To frame the discussion of energy assistance, it is first important to understand which aspects of the energy assistance landscape the Michigan Public Service Commission has authority over and which pieces of legislation and corresponding legal cases provide guidance for the Commission's authority. The following section of this report provides this framework.

1. The Commission must approve both just and reasonable rates within a zone that balances customer and utility interests.

The Michigan Legislature, through Act 3 of 1939,¹⁴ created and continues to control the Commission via statutes. Unlike a court of general jurisdiction, the Commission has no common-law power of equity.¹⁵ It cannot make judgments based on its general understanding of fairness¹⁶ and it must operate within what is specifically prescribed by the law. Applicable statutes both enable and limit the Commission. The statutes are found within the Michigan Compiled Laws (MCL). Utilities initiate general rate cases, according to statute, which are used by the Commission to set the rates that ratepayers will have to pay for service.¹⁷ Those general rates, whether for electric or natural gas, are subject to appeal by any party to appellate courts, the outcomes of which further shape the Commission's authority. Thus, statutes limit the ability of the Commission to choose rates that it might otherwise choose if there were a different standard.

MPSC Staff, the Michigan Attorney General, and many other intervenors¹⁸ such as the Michigan Environmental Council, Sierra Club, and Detroit Area Organizations, provide testimony and exhibits in general rate cases, which guide the Administrative Law Judge and Commission to determine what is just and reasonable. Intervenors help to inform the Commission on issues it may not otherwise be aware of such as with respect to the environment and ratepayer interests. Rate cases are also governed by the Due Process clause of the Fourteenth Amendment, which states, "nor shall any State deprive any person of life, liberty, or property, without due process of law." This provision protects the utility from the Commission, a part of the government, by not allowing so little compensation that it is akin to taking the property of the utility.

¹⁴ Act 3 of 1939, entitled the Michigan Public Service Commission, has been amended numerous times, including through 2023. It was designed to allow the Michigan Public Service Commission certain power to regulate utilities.

¹⁵ *Sparta Foundry Co. v. Public Utilities Comm.*, 275 Mich. 562, 564 (1936.)

¹⁶ Common law courts have considerably more latitude given by equitable powers.

¹⁷ MCL 460.6h defines general rate cases for the creation of "just and reasonable" rates.

¹⁸ Mich Admin Code, R 792.10410.

In ratemaking, the Commission must balance the rights of the ratepayer to reasonable rates and the rights of the Company to reasonable compensation for the services it provides.¹⁹ By statute, rates cannot be set so low as to be confiscatory of property or to take away the property of the Company, based on the relevant facts, because of the Fourteenth Amendment.²⁰ Reasonable cost and value are relevant facts; whereas, the Commission and Michigan appellate courts do not consider individual ratepayers ability to pay, based on their specific economics, in constructing rates, unless specifically delineated in statute.

While the “just and reasonable” standard is not defined in the statute, the standard takes into account the interests of both consumers and the utility provider as interpreted by Michigan appellate courts. The phrase is not just a ban on prohibitive pricing. The focus is to set a fair price that is neither excessive to consumers nor threatening to the financial integrity of the utility provider. Thus, the aim is to set rates calculated to permit the utility provider to earn fair earnings, while protecting consumers and the public from economic harm. In sum, “just and reasonable” establishes a “zone” rather than a fixed point.²¹

Rates are neither less than “compensatory” nor are they allowed to be excessive. The “zone of reasonableness” lies in balancing the financial interests of the regulated utility and the relevant public interests, both existing and foreseeable.²² The burden of proof is on the Company to prove a need for increased rates, and it is presumed that the Commission’s decisions are reasonable.²³ Thus, based on the evidence presented by all parties in a rate case, the Commission is obliged to allow just and reasonable rates, even if those rates may be difficult for some customers to afford, due to various factors. There are special statutes that may allow the Commission to make offerings to customers. Outside of that, the Commission may only set rates that are reasonable for the services being offered and may not hold the rate at a fixed amount or pass them on to other ratepayers.

2. The Commission is limited by the Constitution and statutes in how it may enforce the administration of rates.

The Commission also does not have the unfettered authority to control a company’s management decisions. In a general rate case, the Commission may be critical of programs and indicate why there is insufficient evidence for the Commission to support compensation for a given program, such as if the program has been proven to be unnecessary or duplicative. On the other hand, absent specific legal authority, the Commission cannot dictate how a utility runs its company, even when it comes to important matters, such as customer service. There is nothing in statute that

¹⁹ MCL 460.6h defines general rate cases for the creation of “just and reasonable” rates.

²⁰ *Los Angeles Gas & Electric Corp. v Railroad Comm. of California*, 289 U.S. 287, 306 (1933.)

²¹ *Attorney General v Michigan Public Service Comm.* No.2, 237 Mich. App. 82, 91 (1999.)

²² *Id.*

²³ MCL 462.26.

authorizes the Commission to make business decisions for a Company. The Michigan Supreme Court has stated that a commission must never forget that it does not own the company.²⁴

While the Commission can control the rates of the Company, it cannot order its day-to-day business operations and would have no power to enforce the way it advertises or exactly the way it offers customer service. Those appear to be matters of “business judgment,” with some discretion allowed by the Company, as articulated by the Michigan Supreme Court.

Union Carbide is one of the leading Michigan Supreme Court cases that has held the Commission cannot engage in management decision and thereby exceed its statutory authority.²⁵ In the *Union Carbide* case, the Michigan Supreme Court stated that the MPSC could not order a utility to quit buying oil-fired energy or to quit operating its non-economic oil-fired plants. The Commission could and did properly deny recovery from ratepayers under its ratemaking authority at MCL 460.6, but it could not lawfully order the Company to stop the purchases. The Michigan Supreme Court found that the Commission did not file a written complaint or investigation, nor was there a rule or regulation on point. Thus, there was no basis for it to assert its authority to question the Company’s actions. In contrast to the Railroad Act, which allowed the Railroad Commission to question the management practices of a railroad company, nothing in the Public Service Commission Act grants the MPSC the authority to engage in management practices. The Commission can “encourage a specific management decision” through its ratemaking authority, which is distinct from ordering the utility to make the decision.²⁶ The same limitation on business decisions is applicable to the Commission when it comes to evaluating the utilities management decisions regarding programs for ratepayers if there is no legal basis for doing so.

3. Michigan law requires that rates are calculated using specific cost of service formulas.

Common issues that arise in rate cases brought before the Commission are the notions that certain costs should not be allocated to residential ratepayers, or that residential rates should be lowered to a more affordable level. However, Michigan has a somewhat unique statute that restricts this from happening. Michigan statute dictates that electric rates must be designed on the basis of the cost to serve each customer class with “production-related costs based on using the 75-0-25 method of cost allocation and transmission costs based on using the 100% demand method of

²⁴ *Union Carbide v Michigan Public Service Comm.*, 431 Mich. 135, 150 (1988.)

²⁵ *Id.*

²⁶ *Consumers Power Company v Commission*, 460 Mich. 148, 161(1999). In *Consumers Power Company*, the Commission ordered the Company to cooperate without utilities in a “retail wheeling” program that the Commission created. The Court held that exceeded its statutory authority.

cost allocation.”²⁷ The statute states, in part, that “the commission shall ensure that each class, or sub-class, is assessed for its fair and equitable use of the electric grid.”²⁸ Cost allocations pertaining to this statute can be highly contested in rate cases to determine which customer classes cause which costs, but the resulting Commission decision must be aligned with statute and cost-causation principles. Due to the unique nature of this statute, it is important for readers and rates analysts to not directly compare the cost of rates between states, since few if no other state designs rates based on cost of service in the fashion that Michigan does.

The statute provides a carveout in MCL 460.11(2) for rates that may be established for an "eligible low-income customer" and "eligible senior citizen customer" as defined by statute.²⁹ The statute's definition seems open to interpretation and gives the Commission broad guidance on the recovery of costs associated with the low-income and senior citizen rates in stating “Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes.”³⁰ This Staff report will explore recommendations for fulfilling those aspects of the statute. There may be other avenues than rate cases for addressing concerns about such things as housing, equity, and cost-of-living.

Rates cannot be calculated based on value judgments, such as the use of non-energy benefits that have no basis in statute, since the Commission is a creature of statute. The causes of non-energy benefits (avoided costs or positive benefits) involve broader societal issues, which may not fit within the Commission's purview.

4. The Commission's role in the energy assistance system.

Outside of the ratemaking process, affordability concerns are addressed via bill payment assistance programs. In this report, Staff will discuss programs including the expression of MCL 460.11(2).³¹ Staff will make recommendations regarding the best fulfillment of this statute.

Other programs include the [Michigan Energy Assistance Program](#) (MEAP) with which the MPSC has limited authority through an interagency agreement with the [Michigan Department of Health & Human Services](#) (MDHHS). Authority for MEAP is legislatively assigned to MDHHS through [the Michigan Energy Assistance Act](#). The purpose of the MEAP is to establish and administer programs statewide that provide energy assistance and self-sufficiency services to eligible low-income households. Assistance is provided in the form of as-needed bill-payment assistance and Affordable Payment Plans (APPs). Self-sufficiency services include assisting

²⁷ MCL 460.11(1) and (2)

²⁸ MCL 460.11(1)

²⁹ MCL 460.10t

³⁰ MCL 460.11(2)

³¹ [MCL - Section 460.11 - Michigan Legislature](#)

participants with the following: paying their energy bills on time; budgeting for and contributing to their ability to provide for energy expenses, which may include enrollment into an affordable payment plan (APP); and utilizing energy services to optimize on energy efficiency.

The MEAP is funded by the [Low-Income Energy Assistance Fund](#) (LIEAF), a surcharge on retail electric meters of participating utilities. The Commission, under the Department of Licensing and Regulatory Affairs (LARA), is responsible for setting the monthly surcharge, collecting, and reconciling these funds which are then submitted to the Department of Treasury and distributed through the MEAP.

Finally, the energy assistance system is undergirded by programs under the federal [Low Income Home Energy Assistance Program](#) (LIHEAP) which is block-granted to states, territories, and tribes through the "Low-Income Home Energy Assistance Act of 1981."³² In Michigan, LIHEAP funding is administered by MDHHS³³ which provides State Emergency Relief including relief for energy crisis, the Home Heating Credit provided through an inter-agency agreement with the Michigan Department of Treasury, home weatherization services provided through Community Action Agencies, and a small component of the funds known as [Assurance 16](#) (A16). Up to 5% of the federal block grant may be used for A16 self-sufficiency services. These funds are blended with the MEAP to help fund the self-sufficiency services statutorily required by the MEAP.³⁴

Each program has its own eligibility requirements and legislative parameters. Pertinent provisions and restrictions will be discussed throughout this report.

³² [LIHEAP Statute | The LIHEAP Clearinghouse](#)

³³ [Low Income Home Energy Assistance Program \(LIHEAP\) State Plans](#)

³⁴ [MCL - Act 615 of 2012 - Michigan Legislature](#)

Chapter 2 - A Summary of Current Energy Assistance

To understand the issues and programs that are discussed in this report, it is important to understand Michigan's current energy assistance landscape. Program descriptions, participating utilities, and funding sources are offered in various formats below.

Energy assistance in Michigan is funded through investor-owned utility (IOU) programs, Michigan's Low-Income Energy Assistance Fund (LIEAF), and the federal Low-Income Home Energy Assistance Program (LIHEAP).

Investor-owned utility energy assistance programs include:

- The Residential Income Assistance Credit (RIA)
 - Approved for all investor-owned utilities except for UMERG Gas.³⁵
- The Low-Income Assistance Credit (LIA)
 - Approved for Consumers Energy, DTE Energy, SEMCO Energy, and Michigan Gas Utilities (MGU).
- Percentage of Income Payment Plan (PIPPs) Pilots
 - Approved for Consumers Energy and DTE Energy.

The following programs are funded by the Low-Income Energy Assistance Fund (LIEAF) surcharge on retail billing meters of the electric utilities that opt-into the Michigan Energy Assistance Program (MEAP).³⁶ These programs cover electric and home heating fuel sources:

- Affordable Payment Plans (APPs)
 - Offered to customers of Consumers Energy, DTE Energy, SEMCO Energy, and Upper Peninsula Power Company (UPPCO).
- MEAP as-needed bill-payment assistance
 - All investor-owned electric utilities will be opting into MEAP in fiscal year 2026,³⁷ starting October 1, 2025, and all their eligible customers will have access to MEAP as-needed bill payment assistance.
 - Electric utilities with fewer than 45,000 residential customers may opt-out of participation in the MEAP but are then required to offer a similar program to serve the electric and heating fuel bill-payment needs of their eligible customers.

The Michigan Energy Assistance Act allows the Michigan Department of Health and Human Services, in consultation with MPSC, to contract with different public or

³⁵ See definition for investor-owned utility in Appendix A. UMERG Gas has not submitted a rate increase request since MCL 460.11(2) became law, so they do not currently offer the RIA credit.

³⁶ [Michigan Energy Assistance Program](#)

³⁷ Per [Public Act 169](#) of 2024

private entities or local units of government to provide energy assistance. MEAP agencies currently contracted to administer MEAP grants include:

- Barry County United Way
- Bureau of Community Action and Economic Opportunity
- Society of St. Vincent de Paul of the Archdiocese of Detroit
- Superior Watershed Partnership
- The Heat and Warmth Fund
- The Salvation Army
- TrueNorth Community Services
- United Way for Southeastern Michigan
- United Way of South-Central Michigan

Low-Income Home Energy Assistance Program (LIHEAP) federally funded³⁸ energy bill-payment assistance programs for all qualified Michigan residents are available through the following programs:

- State Emergency Relief (SER) crisis assistance
- Home Heating Credit (HHC) heating benefit

Programs can be divided into energy assistance payment plans (Figure 1) and energy assistance payments and credits (Figure 2), as outlined herein. Asterisks indicate statutory requirements.

Figure 1: Energy Assistance Payment Plans

Energy Assistance Payment Plans			
	LSP/CARE/APP	LSPM (LSP Modified)/CARE MB/APP MB	PSP/PIPP Pilot
Program Description	Traditional MEAP affordable payment plan replaced by the modified budget version.	Modified budget affordable payment plan launched in October 2024.	Payment Stability Plan (PSP, DTE's PIPP) PIPP (CE)
Funding Source	*MEAP/LIEAF (gift funds or donations for those outside eligibility.)	*MEAP/LIEAF (gift funds or donations for those outside eligibility)	Ratepayer funded (DTE) Company funded and voluntary refund dollars (CE)
FPL Eligibility / Criteria	*≥20% and ≤150% FPL	*≤150% FPL Will be increased to ≤60% SMI starting October 1, 2025 ³⁹	≤200% FPL DTE *≤150% FPL CE

³⁸ SER and HHC are funded by the [Low Income Home Energy Assistance Program \(LIHEAP\) | The Administration for Children and Families](#).

³⁹ [Public Act 170 of 2024](#) amends [MCL - Act 615 of 2012](#) to increase the income eligibility threshold from 150% FPL to 60% SMI, among other changes.

Figure 1: Energy Assistance Payment Plans (Continued)			
	LSP/CARE/APP	LSPM (LSP Modified)/CARE MB/APP MB	PSP/PIPP Pilot
Arrears Requirement	Yes	Yes through fiscal year 2025 No after fiscal year 2025	No
Arrears Cap	\$3,000 DTE \$4,000 CE	None	\$1,500 DTE \$6,000 CE
Consumption (bill) Cap⁴⁰	DTE: Dual - \$3,750 Electric Only - \$1,600 Gas Only - \$2,150 CE: No cap	None	For single or dual: \$3,750 DTE Credit cap of \$6,000 for CE
Approved SER	*Required by MEAP	*Required through September 30, 2025. *Not required thereafter.	Not Required
Arrears Forgiveness	Arrears are frozen at the time of enrollment and 1/24th is forgiven each month as long as the customer is actively enrolled in the program; regardless of on-time payment status.	Upfront arrears forgiveness up to \$600; 2nd arrears payment of up to \$600 at 12-months while enrolled in the program; A final arrears payment of up to \$1800 at 24-month plan completion. Total arrears forgiveness of \$3,000. Customer responsible for remaining arrears first billing cycle following graduation.	Arrears are frozen at the time of enrollment and 1/24th is forgiven each month with full and on-time payment. DTE provided the last arrears forgiveness payment early, before the customer paid their final bill.
Minimum Monthly Payment	Based on utility benefit matrix for minimum FPL tier and lowest usage tier.	\$10	\$10 CE and DTE

⁴⁰ For DTE Energy (and maybe other utilities), the bill cap only includes base rates; not surcharges, energy cost recovery, or riders.

Figure 1: Energy Assistance Payment Plans (Continued)			
	LSP/CARE/APP	LSPM (LSP Modified)/CARE MB/APP MB	PSP/PIPP Pilot
Gap Payment/ Credit Amount	A credit is provided to offset the difference between actual usage and the customer's plan amount.	A customer has a flat monthly budget amount and MEAP provides a flat monthly credit (both based on FPL, usage, commodity). Differences in budget projections reviewed at 6, 12, and 18 months, >\$5 leads to a customer payment change.	A credit is provided to offset the difference between actual usage and the customer's plan amount, which is 3% of a customer's income for single-commodity CE customers and 6% for dual commodity. The plan amount is 6% of a customer's income for DTE single commodity customers and 10% of income for dual-commodity customers.
Assistance Caps	Annual cap on MEAP assistance has been \$2,500 per household per year with exceptions allowed to be requested up to \$3,500.	Annual cap on MEAP assistance has been \$2,500 per household per year with exceptions allowed to be requested up to \$3,500.	No cap
Plan Amount Reconciliation	No	Yes, uses a rolling budget accumulator: if a customer uses more energy than usual, the customer will experience a true-up and the bill amount a customer is responsible for is adjusted. MEAP will pay for that difference after year 1 but the customer is responsible for it after year 2.	N/A
Term of Plan	24 months	24 months	24 months (pilot)
Income Revalidation	Not during the 24 months, but if a customer re-enters the APP, then income must be revalidated.	Not during the 24 months, but if a customer re-enters the APP, then income must be revalidated.	At 12 months for DTE. No income. Revalidation for CE during 24-month pilot.

Figure 2: Energy Assistance Credits and Payments

	RIA Credit	LIA Credit	State Emergency Relief	Home Heating Credit	MEAP as- needed assistance
Program Description	Residential Income Assistance monthly utility bill Credit.	Low Income Assistance monthly utility bill Credit.	One-time payment crisis assistance program.	One-time payment heating assistance program.	As-needed payment crisis assistance program.
Funding Source	Recovered through rates.	Recovered through rates.	Federal block grant to MDHHS from LIHEAP dollars.	Interagency agreement between MDHHS and Michigan Department of Treasury from LIHEAP dollars.	Low-Income Energy Assistance Fund electric surcharge, which funds MEAP.
FPL Eligibility / Criteria	*≤ 150% FPL or receipt of SER, Medicaid, or SNAP ⁴¹	*≤ 150% FPL or receipt of SER, Medicaid, or SNAP ⁴²	*≤ 150% FPL	*≤ 110% FPL	*≤ 150% FPL until Oct. 1, 2025; then ≤ 60% SMI. ⁴³
Arrears Requirement	No	No	Yes	No	Yes
Arrears Cap	None	None	None	None	None
Consumption (bill) Cap	None	None	None	None	None
Approved SER	Not Required, but gains auto-enrollment.	Not required	N/A	Not Required	Required until Oct. 1, 2025; then not required.
Arrears Forgiveness	None	None	Point in time arrears reduction.	None	Point in time arrears reduction.
Credit Amount	Equal to the service access charge/monthly customer charge (\$5-\$15 depending on utility).	\$30 per month-\$50 per month depending on utility.	Varies based on need up to cap.	Varies based on available funding and customer applications. Average for tax year 2023 was \$181.	Varies based on need up to cap.

⁴¹ MCL 460.10t(6)(b)⁴² MCL 460.10t(6)(b)⁴³ [Public Act 170 of 2024](#) amends [MCL - Act 615 of 2012](#) to increase the income eligibility threshold from 150% FPL to 60% SMI, among other changes.

Figure 2: Energy Assistance Credits and Payments (Continued)

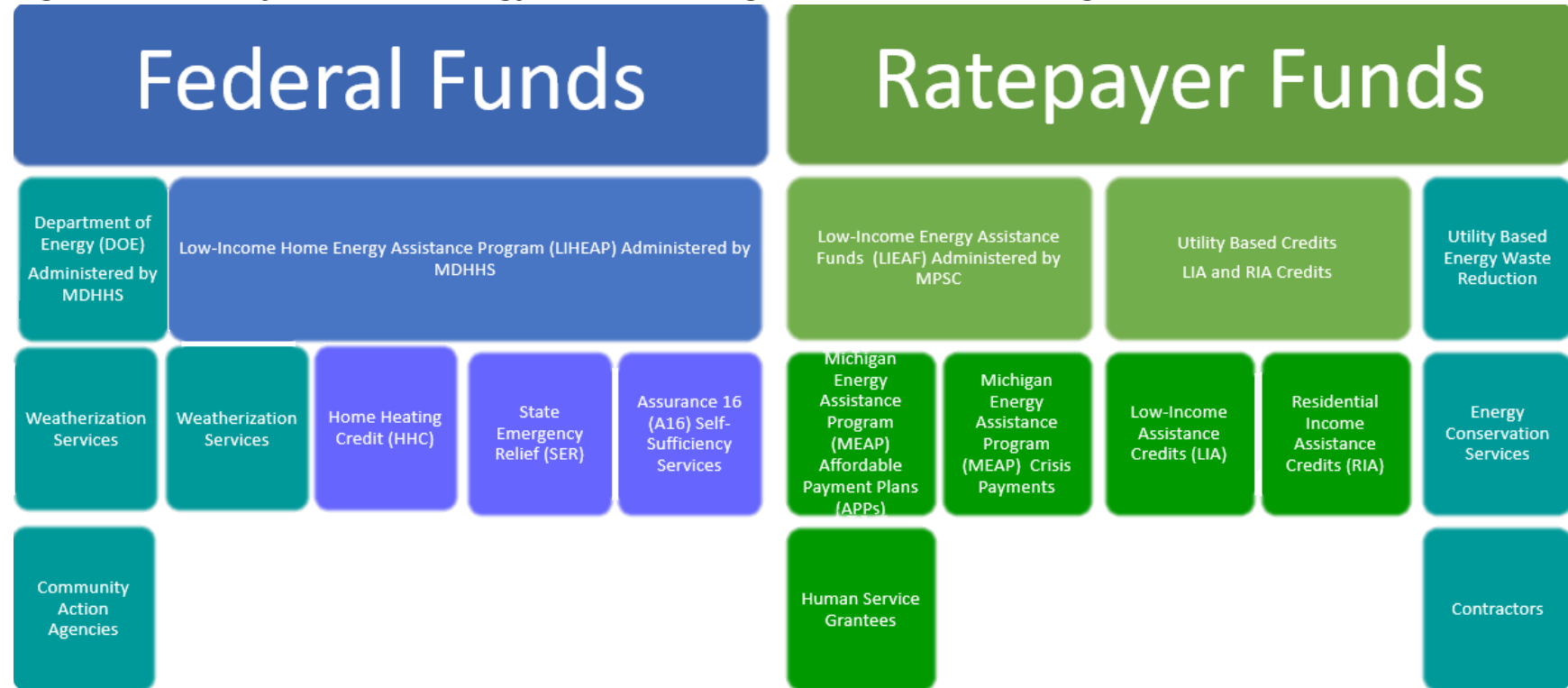
Figure 2: Energy Assistance Credits and Payments (Continued)	RIA Credit	LIA Credit	State Emergency Relief	Home Heating Credit	MEAP as- needed assistance
Plan Amount Reconciliati on	N/A	N/A	N/A	N/A	N/A
Minimum Monthly Payment	N/A	N/A	N/A	N/A	N/A
Term of Plan	12 Months	12 Months	Frequently one payment annually based on funding availability.	One payment annually	One payment per application – as needed.
Income Revalidation	Every 12 months	Every 12 months	Annually/at each application	Annually	Annually

Readers will note that the outlined programs' eligibility requirements are based on their income by means of a percentage of FPL. However, FPL is not a straightforward income level, rather, it is also reliant on a customer's household size. These guidelines are set annually by the United States Department of Health and Human Services (HHS). Figure 3 shows the guidelines for 2025. The chart reflects a household's annual gross income with the household size on the left and the percentage of the Federal Poverty Level (FPL) across the top.⁴⁴

⁴⁴ <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb7;0d254f7b/detailed-guidelines-2025.pdf>

Figure 3: 2025 Federal Poverty Level Guidelines**Dollars Per Year**

Household/ Family Size	50%	75%	100%	125%	130%	133%	135%	138%	150%
1	7,825.00	11,737.50	15,650.00	19,562.50	20,345.00	20,814.50	21,127.50	21,597.00	23,475.00
2	10,575.00	15,862.50	21,150.00	26,437.50	27,495.00	28,129.50	28,552.50	29,187.00	31,725.00
3	13,325.00	19,987.50	26,650.00	33,312.50	34,645.00	35,444.50	35,977.50	36,777.00	39,975.00
4	16,075.00	24,112.50	32,150.00	40,187.50	41,795.00	42,759.50	43,402.50	44,367.00	48,225.00
5	18,825.00	28,237.50	37,650.00	47,062.50	48,945.00	50,074.50	50,827.50	51,957.00	56,475.00
6	21,575.00	32,362.50	43,150.00	53,937.50	56,095.00	57,389.50	58,252.50	59,547.00	64,725.00
7	24,325.00	36,487.50	48,650.00	60,812.50	63,245.00	64,704.50	65,677.50	67,137.00	72,975.00
8	27,075.00	40,612.50	54,150.00	67,687.50	70,395.00	72,019.50	73,102.50	74,727.00	81,225.00
9	29,825.00	44,737.50	59,650.00	74,562.50	77,545.00	79,334.50	80,527.50	82,317.00	89,475.00
10	32,575.00	48,862.50	65,150.00	81,437.50	84,695.00	86,649.50	87,952.50	89,907.00	97,725.00
11	35,325.00	52,987.50	70,650.00	88,312.50	91,845.00	93,964.50	95,377.50	97,497.00	105,975.00
12	38,075.00	57,112.50	76,150.00	95,187.50	98,995.00	101,279.50	102,802.50	105,087.00	114,225.00
13	40,825.00	61,237.50	81,650.00	102,062.50	106,145.00	108,594.50	110,227.50	112,677.00	122,475.00
14	43,575.00	65,362.50	87,150.00	108,937.50	113,295.00	115,909.50	117,652.50	120,267.00	130,725.00

Figure 4: Summary of Current Energy Assistance Programs with their Funding Sources

Michigan's energy assistance programs are funded through two types of funds, federal funds and ratepayer funds (see Figure 4).

Through Federal Funds, a grant is provided annually from the Department of Energy and administered by MDHHS for Low-Income Weatherization Services, as well as weatherization services through the Low-Income Home Energy Assistance Program (LIHEAP). The LIHEAP block grant to Michigan funds four programs, as depicted in Figure 4: 1) LIHEAP Weatherization dollars are used by community action agencies to fund weatherization programs. 2) Michigan's LIHEAP Home Heating program is the Home Heating Credit (HHC). This credit is administered by the Michigan Department of Treasury through an interagency agreement with MDHHS. To qualify for the Home Heating Credit, customers must be at or below 110% of the FPL and may apply for the credit through a tax form. In fiscal year 2024, \$56 million in LIHEAP was allocated to HHC which is available at the beginning of the tax season in January through the end of the fiscal year, September 30th. 3) The State Emergency Relief (SER) crisis component program provides assistance to low-income households who are experiencing extreme hardships or crisis situations that threaten household health and safety; any energy-related crisis addressed by SER is funded primarily through LIHEAP. To qualify for energy assistance through SER, a customer's household must be at or below 150% of the FPL and the customer must be in crisis. Crisis is defined as having received a past due notice; or in the case of a deliverable fuel customer, have a fuel tank below 25% full; or there is a stated need for deliverable fuel such as wood, coal or other combustible fuel sources. SER is processed through the MDHHS and \$64 million in LIHEAP was allocated to energy related SER payments in fiscal year 2024. 4) "Assurance 16" Self-Sufficiency Services funds are administered through an interagency agreement between MDHHS and the MPSC, and approximately \$5 million is granted to the MEAP grantees to fund their energy assistance related self-sufficiency work.

Under "Ratepayer Funds" in Figure 4 are the utility-based Energy Waste Reduction (EWR) programs. For the last several years, utilities have been required to invest in Energy Efficiency or EWR programs to help reduce energy waste and, through those programs, have reduced consumption sufficient to offset the need for two 1,000 MW natural gas facilities. A portion of these programs are used to fund EWR programs for low-income customers. The Michigan energy laws enacted in 2023 require that by the end of 2028, 25% of an electric provider's EWR program and 35% of a natural gas utility's EWR program be directed to the low-income EWR programs.⁴⁵ To qualify for utility low-income EWR programs, customers must be at or below 250% FPL. In fiscal year 2023, utilities spent over \$142 million on Low-Income EWR.

Also included on Figure 4 under "Ratepayer Funds" are utility-based credits. These credits are specific to rate-regulated, investor-owned utilities. All of Michigan's investor-owned, rate-regulated electric and natural gas utilities offer an energy assistance credit, with the exception of UMERG Gas, since the utility has not been in

⁴⁵ [Public Act 229 of 2023](#), Sec. 80 (3) and (4).

for a rate case since the passage of MCL 460.11(2). All of these utilities offer the Residential Income Assistance Credit (RIA), which provides a bill credit equal to the monthly service access charge that equals between \$5.25 and \$15 dollars per month, depending on the utility. The Low-Income Assistance Credit (LIA) is offered by six utilities (DTE Electric, DTE Gas, Consumers Energy Electric, Consumers Energy Gas, SEMCO, and MGU) and offers a credit of between \$30 and \$50 per month. To qualify for these utility credits, customers must be at or below 150% FPL, have received SER, or participate in Medicaid or the Supplemental Nutrition Assistance Program (SNAP). Approximately \$77 million dollars are recovered annually from ratepayers through rates to offer energy assistance credits.

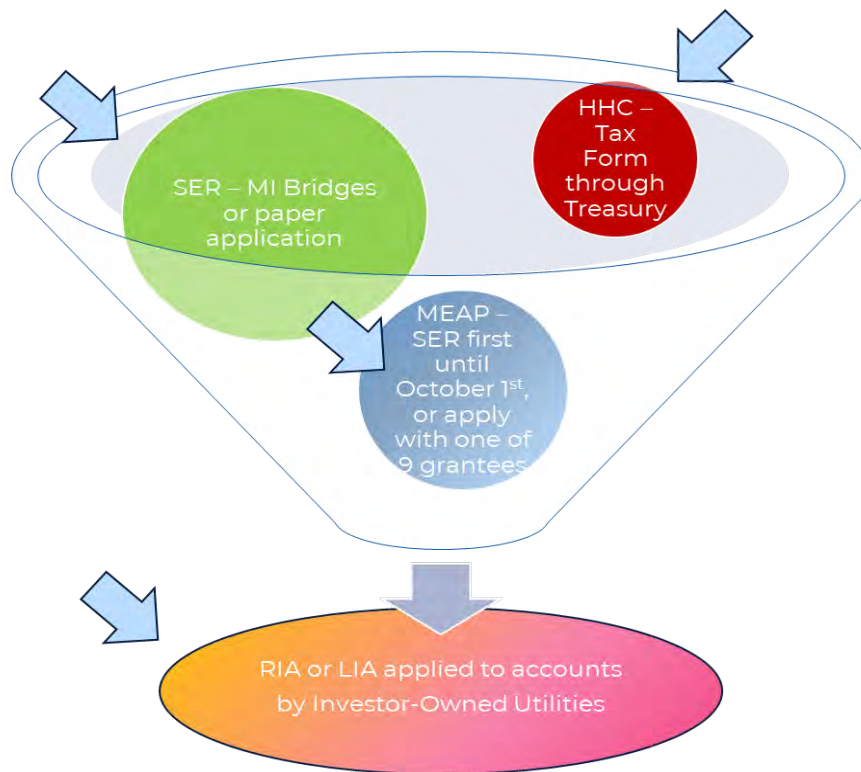
Finally, under “Ratepayer Funds” on Figure 4, LIEAF funds the MEAP which is administered by the MPSC via an interagency agreement with MDHHS. Funds for the MEAP are currently distributed via a grant to nine human service agencies. Through fiscal year 2025, LIEAF has been capped at \$50 million annually. Funding was expanded through legislative changes effective April 1, 2025.⁴⁶

The funding sources discussed above address energy needs in a variety of ways. Programs, such as the DOE Weatherization Assistance Program (WAP), the LIHEAP Weatherization component, and utility-offered EWR programs approach energy needs from the perspective of the energy efficiency of the home. Other sources, such as the Home Heating Credit, offset heating or electricity costs once per year, while MEAP Affordable Payment Plans (APPs) and LIA and RIA credits provide a monthly payment subsidy to offset energy costs. Still other programs, such as SER and MEAP as-needed assistance, address energy needs when a household is in crisis and lacks the resources to provide for their energy needs at a point in time. A crisis most often arises as the result of a past-due balance from unpaid customer bills which leads to a past-due notice or a shutoff notice. A crisis undermines energy security but can also prompt a household to apply for assistance.

Figure 5 provides a visual of how programs might be applied on a customer’s account. Typically, a customer would first receive LIHEAP funding in the form of the HHC or SER, each having its own application process. If the customer received SER, they could apply for MEAP. Participation in any of these three programs would then identify them as eligible for their IOU’s LIA or RIA credit, and the utility may apply one or the other of these monthly credits on the customer’s account. Customers cannot receive both credits simultaneously, as outlined in each Company’s tariff book. Depending on the utility, the credit may subsidize the customer’s payment obligation or could offset the MEAP APP subsidy, since the Commission has granted companies discretion to apply the credits to the qualifying customers of their choice.⁴⁷ A customer may also self-attest to eligibility for the credits.

⁴⁶ [MCL 460.9t](#)

⁴⁷ Appendix E, “Residential Income Assistance Credit (RIA) and Low Income Assistance Credit (LIA/LIAC) Commission Order History.”

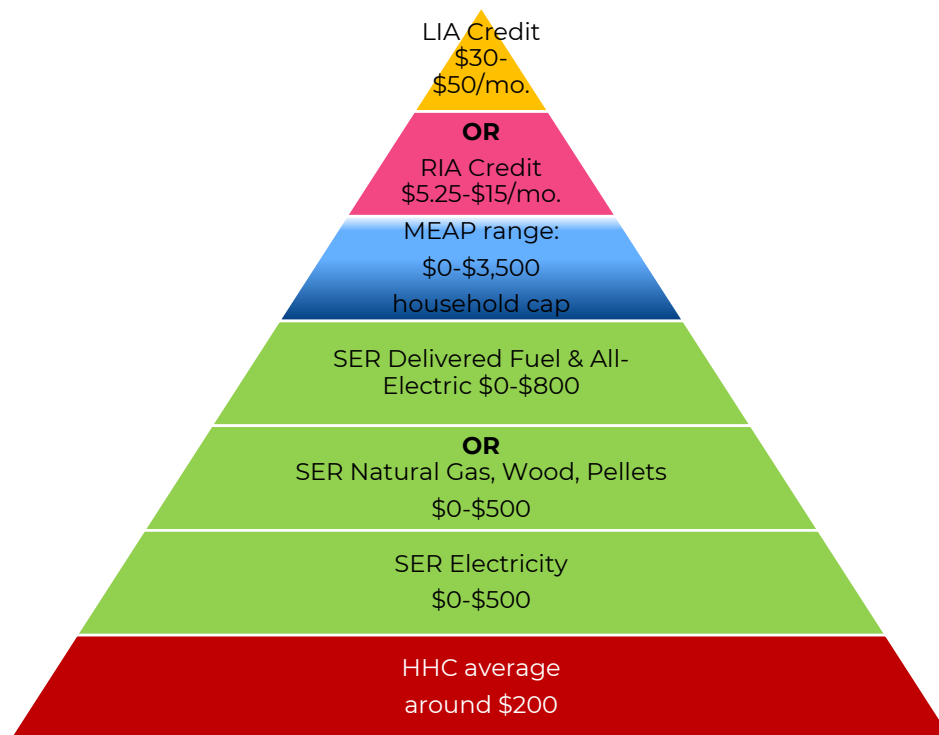
Figure 5: How Assistance is Applied to Customer Accounts

In Figure 5, the black outlined arrows represent an opportunity to apply for assistance from the programs represented. The arrow at the bottom of the funnel represents an automatic enrollment by the utility without the customer having to directly apply for assistance.

By submitting one to three applications for HHC, SER, and/or MEAP and considering fiscal year 2025 policies on maximum assistance amounts, a customer could receive anywhere from less than one hundred dollars up to about \$5,600 in a given fiscal year.⁴⁸ See Figure 6. The average home energy costs for low-income combined natural gas and electric customers in Michigan are around \$2,400,⁴⁹ but many lower-income customers have higher usage due to inefficient housing stock and struggle with arrearages. Of the currently-available programs, only one IOU's MEAP APP considers the household's energy burden when determining assistance amounts, and the benefits allotted through these various programs are not strategically coordinated among programs to reduce household energy burdens and promote home energy security.

⁴⁸ HHC \$200 + \$500 electricity + \$800 deliverable fuel + \$3500 MEAP + (\$50X12 Mo.) LIA Credit = \$5,600.

⁴⁹ Utilizing DTE Energy APP breakpoints for high and low expenses related to energy usage of \$175/mo. X 12 (\$2100) and Consumers Energy breakpoints of \$220/mo. X 12 (\$2640), average low-income customers spend roughly \$2400 (\$2370 averaging DTE Energy and Consumers Energy breakpoints) per year for combined natural gas and electricity bills.

Figure 6: Assistance Dollars Available to a Household if Eligible

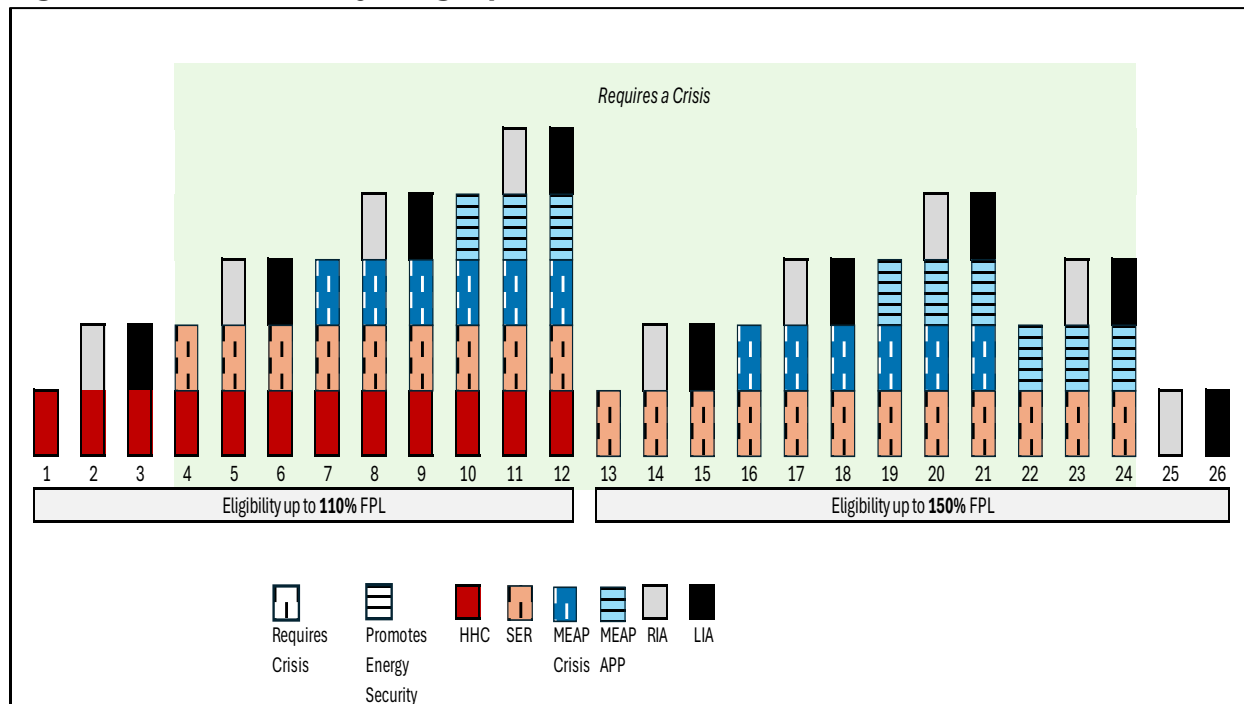
Prior to the passage of the MEAP legislative reform in 2024, Michigan's energy assistance landscape was complex and difficult to navigate. Funding has been combined and layered in a myriad of ways. Staff identified 26 possible combinations and layering as depicted in Figure 7 below.

As evidenced by its allocation and layering of funding, in Figures 6 and 7, Michigan has historically operated as a crisis-driven state when it comes to energy needs. Prior to Public Act 615 of 2012,⁵⁰ the Michigan Energy Assistance Act, a crisis was defined in Michigan's LIHEAP State Plans as having a shutoff notice. The Michigan Energy Assistance Act defined crisis instead as a past-due notice, providing a low-income energy customer with more time to apply for assistance and resolve payment issues. This was an important step forward but did not resolve the crisis orientation of Michigan's system. Of the 54 States and territories receiving LIHEAP funding in 2025, the average percentage of the LIHEAP allocation used for *crisis* was 17%. Only nine States allocated greater than 25% of their block grant to crisis, and 45 (83% of states and territories) allocated 25% or less of their block grant to crisis. Only three states or territories, Puerto Rico, South Carolina, and Kentucky, all which have recently

⁵⁰ [MCL - Act 615 of 2012 - Michigan Legislature](#)

declared disasters, allocated more to crisis than Michigan which allocated 45% to crisis assistance in fiscal year 2025.⁵¹

Figure 7: Assistance Layering Options Prior to MEAP Reform



Readers will also note in Figure 7 that options 1-24 are subject to federal LIHEAP requirements. Layering options 1-12 are available to those whose incomes are at 110% FPL and below, and options 13-24 are available to those who have incomes of 150% FPL and below. Layering options 4-24 require a customer to be in crisis to receive SER. Options 25 and 26 are available if a customer self-attests to eligibility for monthly energy bill credits, allowing for assistance without participating in federal programs. However, there are concerns that customers are not as aware of the self-attestation option as they could be.⁵² While federal funding sources serve as foundational resources for assistance, the misalignment in income eligibility thresholds create greater complexities in the layering of funds.

Since 1996, any Michigan household making above 110% FPL and struggling with home energy insecurity have not been availed of the LIHEAP heating benefit and have been required to go into a crisis to receive LIHEAP bill payment assistance.

For example, the LIHEAP program includes thresholds for income eligibility, allowing states to choose up to the highest eligibility set at either 150% FPL or 60% State

⁵¹ [LIHEAP Funds by Program Component: States and Territories | The LIHEAP Clearinghouse, Michigan LIHEAP State Plans](#)

⁵² This issue will be discussed in Chapter 17 of the report.

Median Income (SMI), and choose the lowest allowable income eligibility to be 110% FPL. Michigan's heating eligibility threshold is set in statute in Michigan's Income Tax Act of 1967,⁵³ as amended by Public Act 484 of 1996,⁵⁴ in which section (1)(b) reads:

The amounts in the table in subdivision (a) shall be adjusted each year as necessary by the department so that a claimant with total household resources of less than 110% of the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget is not denied a credit.

Since 1996, any Michigan household making above 110% FPL and struggling with home energy insecurity has not been availed of the LIHEAP heating benefit and has been required to go into a crisis to receive LIHEAP bill payment assistance.

For context, in 2025, 34 states and the District of Columbia set their LIHEAP Heating eligibility thresholds at 60% SMI or the proxy of 200% FPL,⁵⁵ one at 50% SMI, one at 175% FPL, 11 at 150% FPL, and two southern states⁵⁶ at 130% FPL. Michigan stood alone with the lowest allowable threshold of 110% FPL. Surrounding states set thresholds at 150% FPL (Pennsylvania), 175% FPL (Ohio), 50% SMI (Minnesota), and 60% SMI (Wisconsin, Indiana, Illinois).⁵⁷

Contributing factors to the crisis orientation of Michigan's energy assistance system, include the following:

1. A low heating assistance income-eligibility threshold.
2. Misalignment of income-eligibility thresholds.
3. A history of MEAP depending on an SER energy crisis eligibility determination for MEAP eligibility.
4. Enrollment into LIA and RIA credits primarily via identification of eligible income-qualified customers through the utility's receipt of an HHC or SER energy assistance payment.⁵⁸
5. Limited program options for promoting home energy security.

Staff's position is that programs designed to support home energy security best serve customers if the programs have an eligibility threshold at least as high as the system's crisis component so as not to drive over-income customers into crisis to receive needed assistance.

⁵³ [MCL - Section 206.527a - Michigan Legislature](#)

⁵⁴ [House Bill 4914 of 1995 \(Public Act 484 of 1996\) - Michigan Legislature](#)

⁵⁵ Adjusted for household size to remain under 60% SMI.

⁵⁶ North Carolina and Oklahoma

⁵⁷ Illinois sets its threshold at 200% FPL with adjustments by household size to remain under 60% SMI.

⁵⁸ Self-attestation to eligibility is also an option but is infrequently used.

Moving Towards Home Energy Security in Michigan

Given the current energy assistance landscape, it is clear that LIHEAP federal resources provide foundational funding to Michigan's energy assistance system. To date, MEAP has been utilized primarily to assist customers that have remaining needs following the receipt of federal energy assistance resources. MEAP APPs are currently only available to customers of four participating utilities.⁵⁹ Customers that desire to maximize benefits to ensure their household's energy security have a complex landscape to navigate.

The Michigan Energy Assistance Act (MEAA), with reforms passed in the legislature in December 2024, is taking further steps toward reducing home energy insecurity and promoting home energy security through several measures. Legislative reforms allow for the expansion of MEAP funding by removing the cap on the LIEAF of \$50 million. The reforms also modified the cap on the monthly electric surcharge which was capped at \$1.00 per meter per month to allow an increase to \$1.25 and then no more than 25 cents per year up to \$2.00 with adjustments for inflation after that. The fund was further expanded by limiting the utilities that can opt out of the fund to those utilities with fewer than 45,000 residential customers.⁶⁰

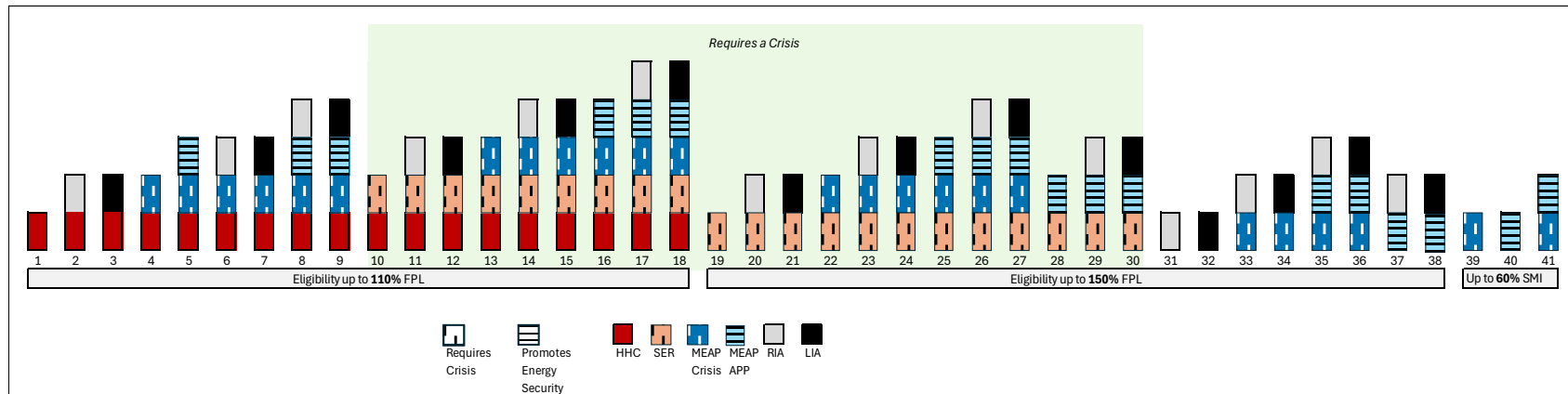
In addition to expanding the LIEAF to serve income-eligible customers, the MEAP notably expands eligibility from 150% FPL to 60% SMI, more than a 30% increase in the income threshold, effective in the 2026 fiscal year. It updates the definition of "energy assistance" to be a program to "reduce energy insecurity" by assisting with home energy bills, rather than only providing assistance with past-due home energy costs. It provides authority for MDHHS to establish guidelines for verifying eligibility and requires consideration of opportunities to incorporate categorical eligibility,⁶¹ which is qualification by virtue of participation in a program with similar eligibility criteria. The addition of categorical eligibility increases opportunities for customers to receive home energy security assistance without requiring crisis status for an SER eligibility determination.

The expansion of MEAP income eligibility and the removal of the requirement to first receive SER creates additional possible layering scenarios in an already complex system. At the onset of fiscal year 2026, Staff has identified 41 different fund layering scenarios (Figure 8) with four different on-ramps including the Home Heating Credit, State Emergency Relief, MEAP, and enrollment in either the RIA or LIA credits. Additional options are the result of MEAP no longer requiring an SER determination for eligibility and options resulting from MEAP now having a higher income eligibility threshold than the SER program.

⁵⁹ DTE Energy, Consumers Energy, SEMCO, and UPPCO.

⁶⁰ [2024-PA-0169.pdf](#) Sec. 9t. (8) and (9).

⁶¹ [2024-PA-0170.pdf](#) Sec. 2(e), (f), and Sec. 2(a) and 4a. (1)

Figure 8: Assistance Layering Options After MEAP Reform

Options 4-9 and 33-38 are new options due to MEAP no longer requiring an SER determination.

Options 1-18 are available to those whose income are at 110% FPL and below.

Options 1 - 38 are available to those who are at incomes of 150% FPL and below.

Options 39-41 are new options due to the increased eligibility threshold for MEAP.

Options 1-30 are subject to federal requirements.

Options 31 and 32, self-attestation for credits, are not widely known.

With so many possibilities for the layering of available energy assistance funding programs, it is clear that current assistance strategies are neither coordinated nor strategic.

Various interested parties have offered suggestions for streamlining the energy assistance system. Some options include alignment of program eligibility and a universal application. Intentional rather than randomized program pairings could streamline the customer experience by reducing potentially redundant program offerings, such as avoiding offering both PIPPs and APPs simultaneously, or by combining LIA and RIA credits. These may be opportunities for consideration in streamlining the customer journey. Finally, layering programs with similar purposes, such as crisis programs with crisis programs, and programs that promote home energy security with similar programs that have a goal of offsetting energy costs for energy-burdened customers, could further the objective of streamlining the system.

With so many possibilities for the layering of available energy assistance funding programs, it is clear that current assistance strategies are neither coordinated nor strategic.

A significant challenge with addressing home energy security for Michigan's energy customers is that the APPs available through MEAP, the component which most directly promotes home energy security, are only available through four MPSC-regulated utilities as of writing this report, and are not available to customers of the hundreds of other energy vendors in Michigan (investor-owned, municipal, or cooperative utilities, or deliverable fuel vendors). Additional MEAP services, like as-needed assistance and self-sufficiency services, are available to customers beyond these four regulated utilities, but such services may not directly promote home energy security. Figure 9 illustrates

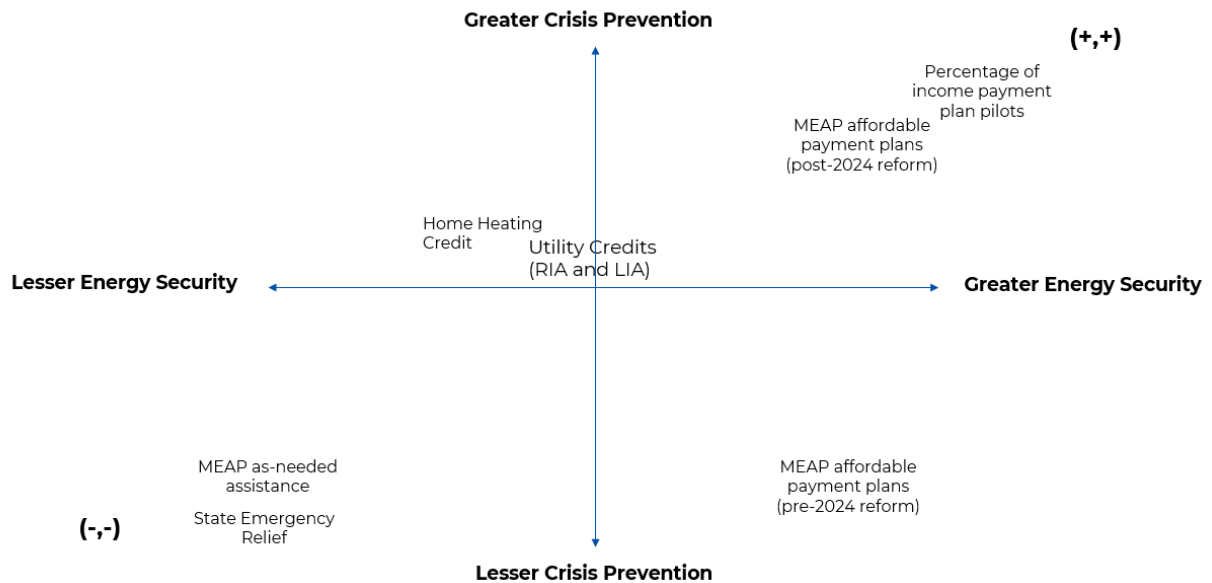
Staff's perception of the extent to which Michigan's energy assistance programs support home energy security and/or prevent crisis. The degree of crisis prevention is predicated on whether arrears are required to enroll and whether assistance is ongoing versus a lump-sum payment. In this report, Staff will evaluate existing program options and make recommendations for increasing home energy security for Michigan's low-income customers.

Depending on a state's climate conditions, the heating and/or cooling assistance components of LIHEAP address home energy security needs. When reviewing heating allocations for the states surrounding Michigan, nearby states allocated between 37.5% (Ohio) and 61% (Wisconsin) for heating in their LIHEAP State Plans.⁶² Others (Pennsylvania, Illinois, Minnesota, and Indiana) allocated 50% to 58% of their block grants to heating. Michigan allocated 30% toward the LIHEAP heating /home energy security component, HHC, in fiscal year 2025. In fact, in fiscal year 2025, 40 of 54 states (74%) allocated a greater percentage of their LIHEAP block grant to heating than Michigan as a northern, cold-weather state. For fiscal year 2026, Michigan

⁶² [LIHEAP State and Territory Plans, Manuals and Delegation Letters | The LIHEAP Clearinghouse](#)

proposes decreasing the LIHEAP block grant heating portion to 25% of the total allocation and increasing crisis funding to 50% of the block grant based on spending patterns.⁶³

Figure 9: Program Orientation Toward Greater or Lesser Home Energy Security and Crisis Prevention



⁶³ Michigan [Low Income Home Energy Assistance Program \(LIHEAP\) State Plans](#)

Chapter 3 –The LIA Credit

Directive: Initiate a stakeholder discussion of DTE’s report on the enrollment of customers in the LIA credit program and submit a report and recommendations to the Commission

In the DTE Electric general rate case, MPSC Case No. U-20836 final order, DTE Electric was directed to file a report on the enrollment assignment and enrollment cap of the Low-Income Assistance Credit (LIA), following which, a stakeholder group was to discuss the enrollment assignment, enrollment cap, and the best use of the program and its pairings.⁶⁴ EAAC and AAA leadership decided the best group to handle this task was the AAA subcommittee, since the workgroup was already established and was accustomed to handling similar topics. The AAA was therefore able to begin work on this assignment before the Commission officially approved a new charge for the AAA in December 2023. The AAA began its work to address this directive in its April 18, 2023 meeting by reviewing DTE Energy’s [report](#), filed on March 13, 2023 to docket in Case No. U-20757.

At this meeting, the subcommittee reviewed the history of DTE’s LIA Credit by reviewing Commission cases and orders (see Appendix E for complete history). The meeting also included a presentation by DTE of its report. Staff requested clarification on how the LIA credit was used at the time. The response was that DTE was approved to administer the LIA credit to whom it decided (within the eligibility criteria) and that DTE was mainly pairing the LIA with its customers on the MEAP APP, called the Low Income Self-Sufficiency Plan (LSP) for DTE customers.⁶⁵ Remaining slots were awarded to APP graduates,⁶⁶ senior citizens receiving the RIA Credit, and sometimes customers calling in to DTE, chosen at the Company’s discretion. For the LSP customers paired with the LIA, the APP customers’ billed amounts (also called plan amounts) did not change whether they received the LIA. The LIA was applied to the MEAP agency’s portion of the subsidized bill to lower MEAP costs, which DTE claimed allowed more customers to access MEAP payments/APPs.

Additionally, at the April 18, 2023 AAA subcommittee meeting, the AAA outlined its plan to achieve its Commission directives at the time, which focused more on analyzing the LIA credit before the Commission’s December 21, 2023 order was

⁶⁴ In the matter of the application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-20836, 11/18/2022 Commission Order, p. 407.

⁶⁵ This accounted for about 28% of LIA recipients (5/23/23 AAA meeting PowerPoint, slide 22).

⁶⁶ 6/27/2023 AAA Meeting PowerPoint slide 22.

approved. After the order was approved on December 21, 2023, the AAA's objectives were reoriented to center around the fulfillment of MCL 460.11(2). The following steps outline the AAA's plan:

1. Analyze the use and effectiveness of the LIA credit.
2. Decide on the best use of the credit. Options included:
 - a. Maintaining the current approach.
 - b. Considering ways of using the credit to further equity or focus on impacted communities.
 - c. Proposing reformatting RIA and LIA.
 - d. Considering MEAP's broader goal of matching service with customer cohorts.
3. Determine a clear and consistent approach across utilities considering:
 - a. Utilities with vastly different revenues.
 - b. Whether an enrollment cap is appropriate.
4. Determine what success looks like/if success is appropriate.
5. Determine end-date or approval necessities of this pilot.
6. Conduct a survey to determine support for various options based on types of AAA members.
7. File a report to the Commission.

After completing the review of DTE's LIA report, the AAA moved on to its next Commission directive.

Directive: Discuss the LIA/RIA Enrollment Assignment, Enrollment Cap, and Best Use/Program Pairings

At the May 23, 2023 AAA meeting, the subcommittee focused on defining DTE's LIA credit and APPs and explaining why the two are paired together. The following information was provided:

LIA Credits

What: \$40 monthly credit.⁶⁷

Why: DTE proposed the LIA in 2015 to mitigate payment crises and manage DTE uncollectible expense and improve the collection process.

Who: About 70% of LIA recipients are customers who are not enrolled in DTE's APP, known as LSP, and 30% are LSP customers.

⁶⁷ This is now \$50/month for DTE Electric and \$40/month for DTE Gas. These credits were changed in the 1/23/2025 (p. 405) and 11/7/2024 (p. 208) final Commission orders in MPSC Case Nos. U-21534 and U-21291, respectively.

How: Company chooses the recipients, LSP customers' credit reduces the MEAP agency payment subsidy to allow more customers to receive the affordable payment plan.

Impact: Mostly tied to the outcomes of the LSP. Lowers the per customer cost to MEAP of affordable payment plans.

Affordable Payment Plans

What: APPs, known as LSP for DTE, are 24-month payment plans funded by MEAP which forgive the customer's arrears balance and provide a monthly payment subsidy.

Why: APPs reduce home energy insecurity and promote successful on-time payments.

Who: MEAP-eligible customers, based on income ranges at or below 150% FPL.⁶⁸

How: Customers apply to a MEAP grantee for enrollment after receiving SER assistance.

DTE representatives recognized that the LIA credit cannot solve all energy burden issues, since the cost of that would greatly inflate the energy bills of other residential ratepayers (non-LIA recipients). They believed that the LIA is best not to be administered randomly to have the most impact on customers, and by pairing with LSP, they serve a segment of the low-income population that is well-supported, engaged in managing their energy consumption, and is good at reaching out for assistance.⁶⁹ When the discussion turned to how customers benefit from the LIA, DTE representatives stated that the LIA was beneficial to the customer base in its reduction to the Company's uncollectible expense, and the help it provides to low-income customers. But for more data-driven questions, DTE said it still needed to do analysis into the LIA customers on the LSP vs. not on the LSP in terms of EWR uptake, graduation rate, self-sufficiency, and the percentage of customers that return to LSP post-graduation, as well as needing to look into service disconnections and payment behaviors to compare subsets of LIA customers.⁷⁰ They did claim, however, that 81% of LSP customers are not disconnected from service.⁷¹

At the meeting on June 27, 2023, the AAA subcommittee reviewed the results of a survey it sent out to its participants to solicit feedback on their main goals in attending the subcommittee meetings. It also received information from DTE to address questions raised at the previous meeting, and more feedback was collected

⁶⁸ Effective with the 2026 fiscal year beginning October 1, 2025, the MEAP eligibility threshold will be raised to 60% State Median Income per [PA 170 of 2024](#).

⁶⁹ 5/23/2023 AAA Meeting PowerPoint, slide 20.

⁷⁰ This is something that was mostly absent from future data responses from DTE as well as absent from its percentage of income payment plan pilot report.

⁷¹ 5/23/2023 AAA Meeting PowerPoint, slide 23.

from AAA participants to identify information they would need to decide on the best use of the LIA credit.

Survey results from AAA participants revealed a few main goals for accomplishing the LIA directives.⁷² They are as follows:

- “Advocating for customers”
- “Promoting energy affordability”
- “Improving the energy assistance landscape”

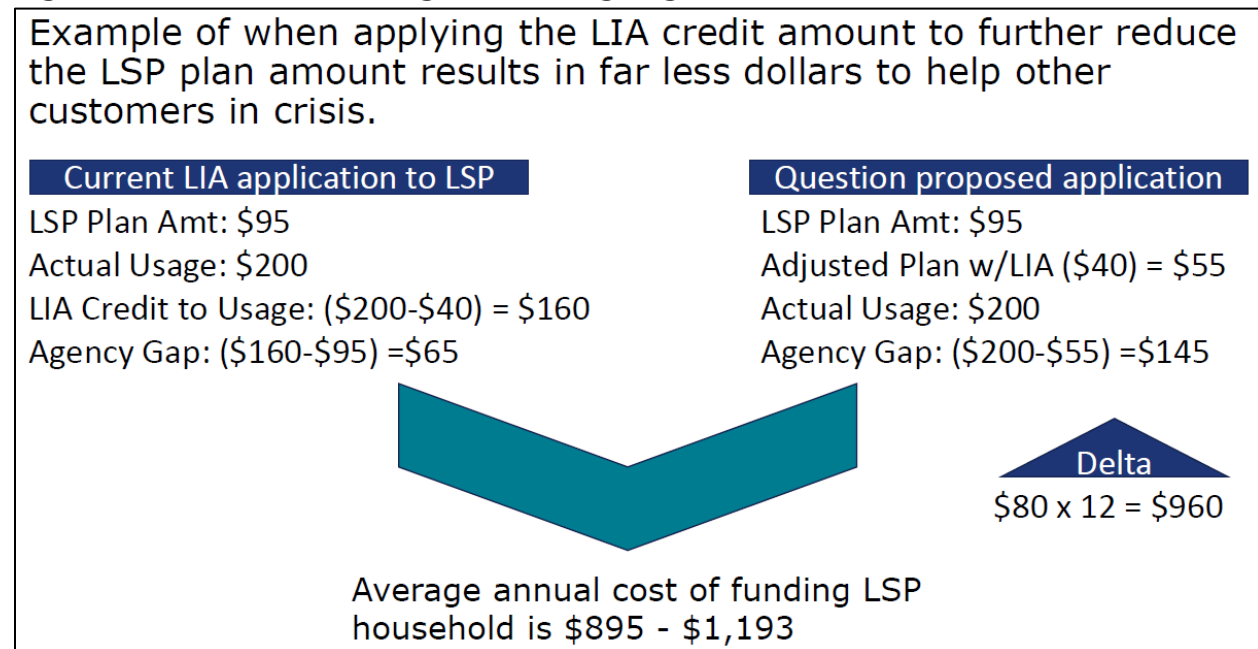
Survey results also revealed concerns about connecting with and understanding impacted customers:

- “How are people affording their bills?”
- “Have we asked customers what their processes are?”
- “How can we incorporate more customer input and feedback in these discussions?”
- “How can we hear from LIA customers?”

Finally, the survey results offered input on how energy assistance could be reformed in the form of the following feedback:

- “Seems there are more groups and organizations in the cities. What is the rural residents’ equivalent?”
- “Administering it (LIA) to LSP customers, but using it to reduce their MEAP payments, rather than the customers’ payment amounts seems as though it doesn’t have a palpable impact on customers’ bills.”
- “Do not know if all low-income households are identified and accessing the credit.”
- “It appears to be completely funded by customers, which potentially limits its expansion (either for an increase in dollars given or number of recipients). I would be interested in having more serious discussion about how DTE views this program and if it is interested in expanding it and then figuring out how to do that.”
- “Consider equity in benefit vs. equity in burden.”

⁷² The following survey responses are direct quotes from respondents.

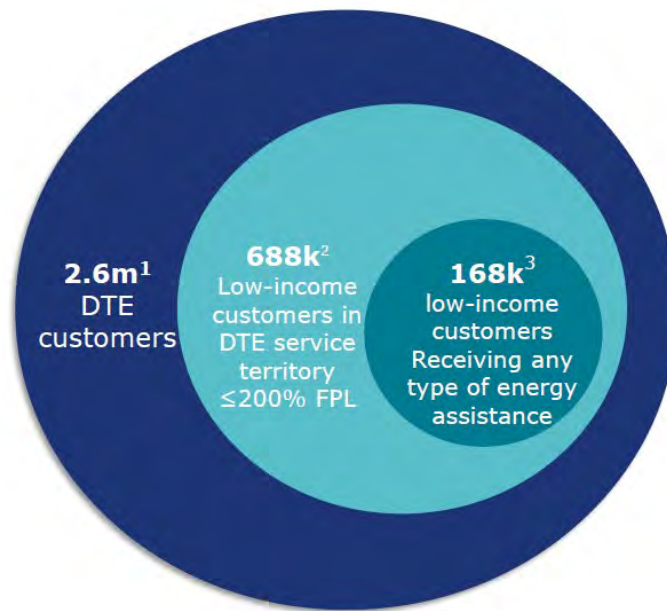
Figure 10: DTE LIA/LSP Program Pairing Argument⁷³

The AAA meeting on June 27, 2023 was largely dedicated to DTE addressing questions about how the LIA was used and to raise more questions/concerns about addressing the Commission's directives. DTE shared a presentation, which, among other topics, included its Net Promoter Score (NPS) surveys it sends out to solicit feedback from its customers⁷⁴ and examples to bolster DTE's argument to keep the LIA paired with their affordable payment plan, LSP. DTE provided Figure 10 to illustrate its argument.

DTE also shared a visual (as of 2023 data) that showed the different customer counts in their service territory. This visual is depicted below in Figure 11. Note that the 2.6 million customers are all customers (residential, commercial, industrial, other), whereas the low-income customers are only residential customers.

⁷³ Staff questions DTE's proposed allocation: Customer pays \$55, LIA \$40, Agency Gap \$145, Total = \$240, not \$200. The error makes the difference between the agency gap in the two scenarios appear much greater. It should be $\$200 - \$95 = \$105$.

⁷⁴ NPS results are included in the 1/29/2025 DTE PSP report filed, in the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929 docket.

Figure 11: DTE Energy Service Territory Low-Income Customer Count Illustration⁷⁵

The AAA subcommittee has historically reviewed the many reasons for customers eligible for energy assistance (150% for SER, LIA, RIA, MEAP/APPs and 110% FPL for HHC) not receiving or applying for assistance. This report section does not focus on those reasons, but key factors are:

- Some customers feel too much shame to apply for assistance.
- State Emergency Relief has additional asset restrictions and counts unpaid child support as income.
 - Up until the 2024 MEAP legislative reform effective with the 2026 fiscal year, an SER eligibility determination was required to receive MEAP.
 - SER income eligibility is set at 150% of the Federal Poverty Level.
- There are many pathways to apply for different types of energy assistance, sometimes too many.
- Customers may not be aware of what is available.
- Information is largely disseminated electronically today, which alienates those who do not have internet access or are not technologically savvy.

The meeting on June 27, 2023 concluded with AAA participants requesting the following information from DTE pertaining to the LIA credit recipients:

- Data on crisis cycling⁷⁶
- How are low-income households identified?

⁷⁵ 6/27/2023 AAA meeting PowerPoint, slide 18.

⁷⁶ Crisis cycling is when a customer receives energy assistance and once again finds themselves past-due on bills, in a crisis situation. This can be measured by tracking the number of times and frequency with which a customer seeks energy assistance.

- o Do they have to be in crisis and get SER?
 - o How can we identify others?
- Is the program a “Band-Aid” or does it provide proven improvement by declining usage?
- How do blight and “impaired neighborhoods” impact utilities?
- How are households identified for the credit? How can low-income households who are not in crisis/seeking assistance qualify for the credit? Where do they go and what is the process?

The AAA meeting on July 11, 2023 focused on contemplating the purpose of the LIA credit and determining its success. Consistent with the requests for information at the June 27, 2023 meeting, the subcommittee explored energy assistance “success” as defined by avoidance of crisis cycling, which is when a customer receives energy assistance and once again finds themselves in a crisis situation (receiving a past due bill notice). This is a metric to gauge a customer’s home energy insecurity as well as their energy affordability. In this meeting, the subcommittee also explored what the purpose of the LIA credit is if its stated goal was to provide more assistance. For example, is/should the purpose be to use the credit to expand the APP, or should it be to provide greater assistance to individual customers by further reducing the customer’s APP plan amount? The group also explored whether customers should have equal access to the LIA (random assignment) or perhaps target more vulnerable customers and customers who had not been able to access greater assistance (e.g. customers under 20% of the FPL who did not qualify for the traditional LSP,⁷⁷ customers over the APP consumption cap,⁷⁸ customers without enough payment history to qualify for the APP). This conversation was aimed at uncovering what purpose the LIA credit should serve. While a consensus was not met, the brainstorming session helped to shape potential LIA reform options.

Based on feedback in the July 11, 2023 meeting, AAA leaders were able to send out a data request to investor-owned utilities to determine the current use of the LIA credit and the current success of the LIA and RIA credits. In the August 1, 2023 AAA meeting, the group explored reform options (Figure 12).

⁷⁷ Since this meeting, the MEAP workgroup agreed to phase out the traditional LSP in favor of the modified budget affordable payment plans, which now serve customers under 20% of the FPL, rendering this recommendation moot.

⁷⁸ The Consumption cap and under 20% FPL restrictions are now lifted under LSPM and other utilities’ modified APPs.

Figure 12: Initial LIA Reform Options⁷⁹

Initial LIA Reform Options		
Option 1 • Prioritize LIA enrollment for specific customer groups: • Those ineligible for MEAP services, SER or PIPPs. • Eligible low-income customers who further Justice 40 initiatives. • Based on income levels.	Option 2 • Provide a single credit that potentially amounts to somewhere between the RIA and LIA credit amounts and is tied to inflation or rate increases. • Regulatory assets/liabilities could help allay concern for unprecedented increases in the credit. • Discuss if enrollment would be capped.	Option 3 • If the PIPP pilot results indicate sufficiently beneficial outcomes: • Eliminate the RIA and LIA. • A PIPP or percentage payment plan could be approved on a more permanent basis. • If costs do not significantly exceed RIA/LIA costs. • If we can serve the same number of customers.

With how entwined the LIA and RIA are with other assistance programs (LIA recipients are often chosen from RIA rolls and/or share eligibility pools), the AAA subcommittee also explored the RIA enrollment process and issues identified with the process (Figures 13 and 14).

Key Takeaways:

- Anyone who is identified as eligible for the RIA receives it.
- RIA eligibility determination is simple if a customer already applied for and received SER or HHC.
 - Data release/privacy prevents auto-enrollment for Medicaid and SNAP recipients.
 - Some SER applicants are RIA-eligible but not SER-eligible.
- Utility personnel costs are greater when RIA/LIA customer eligibility is confirmed through self-attestation.
 - Self-attestation increases accessibility and decreases customer application burden.
 - Many customers do not want utilities to hold personal data.
- How are customers being notified when their RIA is about to expire? Do they know how to respond to the expiration?

⁷⁹ The above reform options are outlined in detail in Appendix F.

Figure 13: RIA Enrollment Process

MDHHS: Customer at or below 150% FPL applies for and receives a SER after receiving a past due energy bill notice.

Treasury: Customer at or below 110% FPL fills out the supplemental tax form to receive the HHC.

Customer info and bill payment assistance amount is sent to the customer's utility to apply a payment/credit to their bill.

All SER/HHC customers with participating utilities automatically receive additional RIA bill reduction equal to the amount of the monthly service charge (~\$5-\$16) for the next 12 months.

- After 12 months, the customer will need to either receive a new SER/HHC or self-attest to being income-eligible to continue receiving the credit.

For select utilities, a limited number of company-selected customers are chosen to receive the LIA instead of the RIA to provide greater payment assistance (\$30-\$40/month).

Figure 14: RIA Self-Attestation Process

Customer reaches out to their participating utility and requests the RIA.

Participating utilities are required to offer a self-attestation form and may request eligibility proof.

- 150% or below the FPL, Medicaid, SNAP, SER, HHC, MEAP.

Approved customers with participating utilities receive RIA bill reduction equal to the amount of the monthly service charge (~\$5-\$16) for the next 12 months.

- After 12 months, the customer will need to either receive a SER/HHC or self-attest to being income-eligible to continue receiving the credit.

For select utilities, a limited number of company-selected customers are chosen to receive the LIA instead of the RIA to provide greater payment assistance (\$30-\$40/month).

After hearing feedback on the proposed LIA reform options, AAA leadership incorporated the feedback into a document to summarize the information, along with the pros and cons of the different reform options (Appendix F). The largest identified issue when choosing a reform option is “what policy goal should be achieved?” The question below was asked in the AAA subcommittee meeting on December 5, 2023:

When choosing a reform recommendation, is it best to:

- Narrow eligibility and availability to provide greater assistance to few?
- Expand availability, but provide a smaller amount of assistance to all?
- Expand availability *and* provide greater assistance to all eligible?
 - o Potentially disproportionately impact the energy burden of ALICE customers and other ratepayers.

The answer to this question was not clear to the subcommittee participants at the time, but these questions have influenced DTE’s recommendation in its PSP report and Staff’s recommendation in this report. What is clear by reviewing DTE’s process of administering the RIA and LIA credits is that these credits are not necessarily applied in a way that furthers a specific goal. The RIA is applied to all who qualify, and everyone receives the same credit, which does not always increase proportionally to rate increases. This practice does not necessarily promote home energy security. Meanwhile, the LIA is partially used to subsidize the MEAP APPs to further those goals and increase APP funding, or it is used to provide greater assistance than the RIA to an unknown cohort of customers that utilities have the discretion to choose. It is unclear what goals utilities promote by choosing these customers, and as of right now, it is undefined.

To support the decision-making process, the subcommittee received data from most of the investor-owned utilities for fiscal year 2023. The results are below. Some estimates had to be used due either to the lack of data reporting from some utilities or to some utilities’ RIA credit programs being relatively new.

In fiscal year 2023:⁸⁰

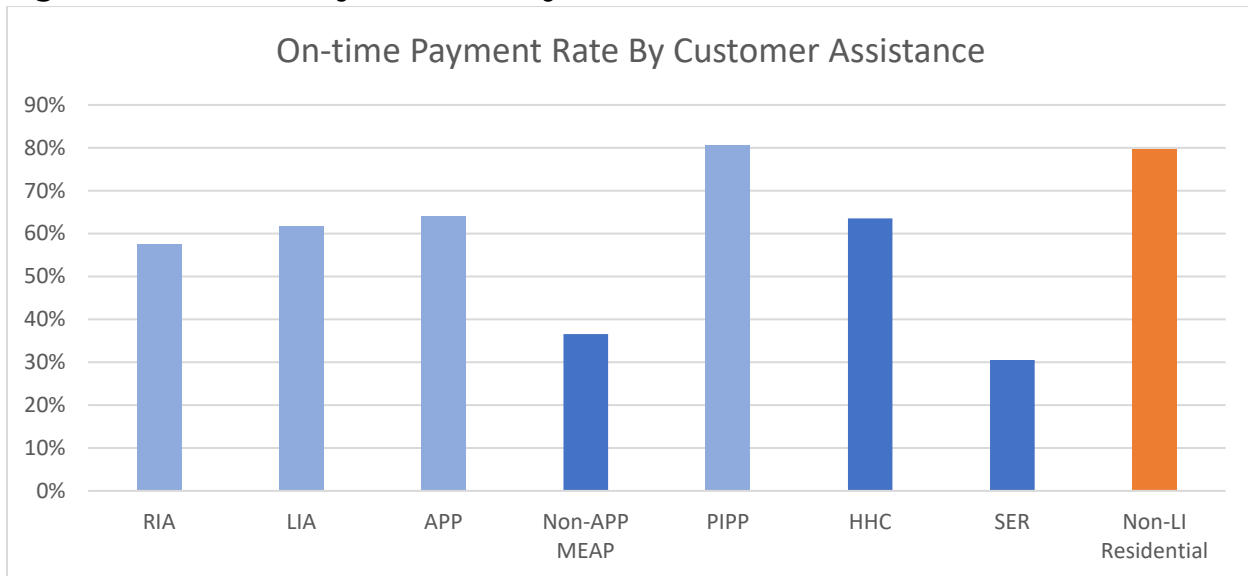
- Number of income-qualified⁸¹ customer accounts across all IOUs ≈572,000
- RIA/LIA dollars disbursed≈\$77,000,000
- Average income-qualified monthly bill:
 - o Electric: \$139.59
 - o Natural Gas: \$64.37
 - o Combination Service: \$185.25
- Current cost of administering RIA/LIA estimated for a mid-sized utility:
 - o \$30,000 one-time cost
 - o \$70,000 annual administration

⁸⁰ Source: 12/5/2023 AAA Subcommittee Meeting PowerPoint—gathered from a data submission from investor-owned utilities (IOUs).

⁸¹ At or below 150% of the Federal Poverty Level.

Further data collection is visually depicted in Figures 15-18, which include all investor-owned utilities that responded to the data request that had the requested information available. Some utilities did not respond, some were not able to collect the information due to constraints in their technology/billing systems, and some utilities only had partial year data since their RIA credit was new. The data was collected and analyzed for October 1, 2019 through September 30, 2023, in line with the fiscal years.

Figure 15: On-Time Payment Rate by Customer Assistance



**For both Figures 15 and 16, light blue indicates ongoing assistance, and dark blue indicates the assistance is provided once.*

Figure 16: Shutoff Notice Rate by Customer Assistance

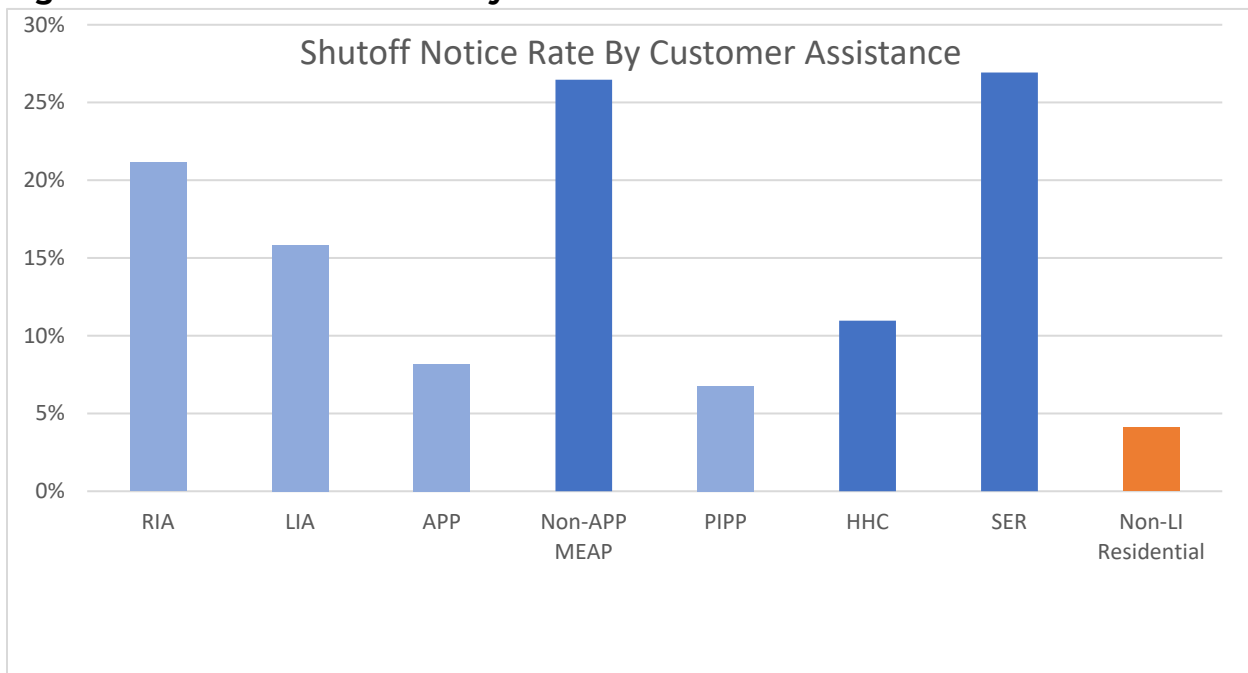
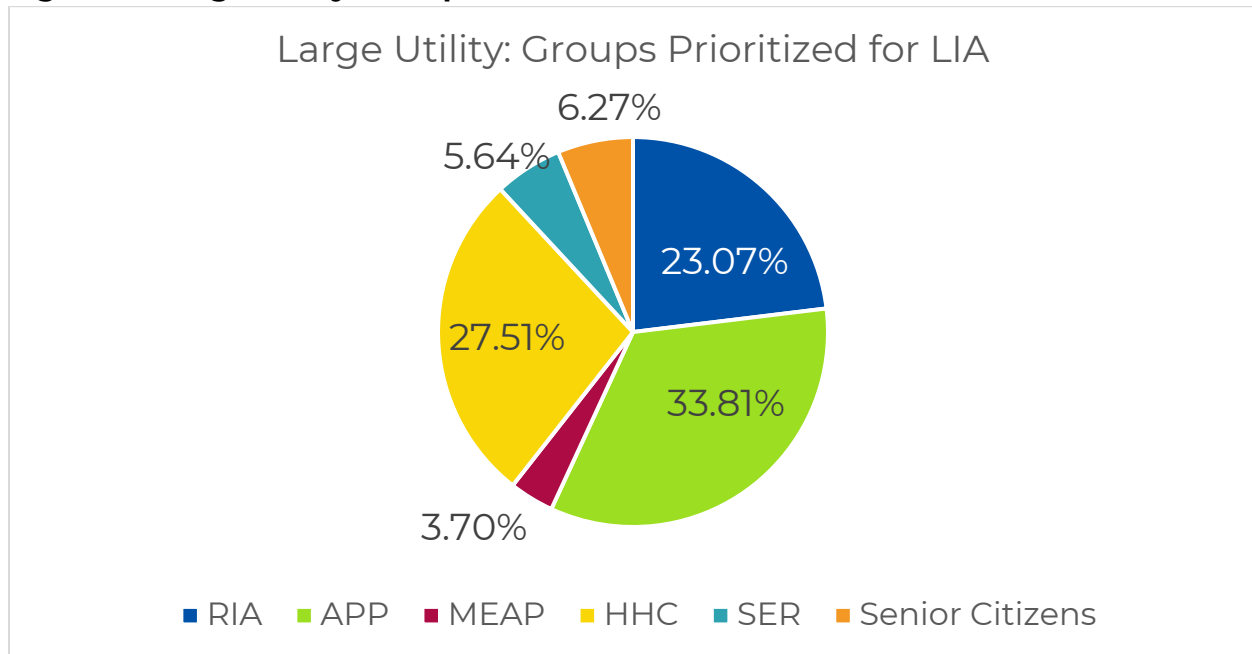
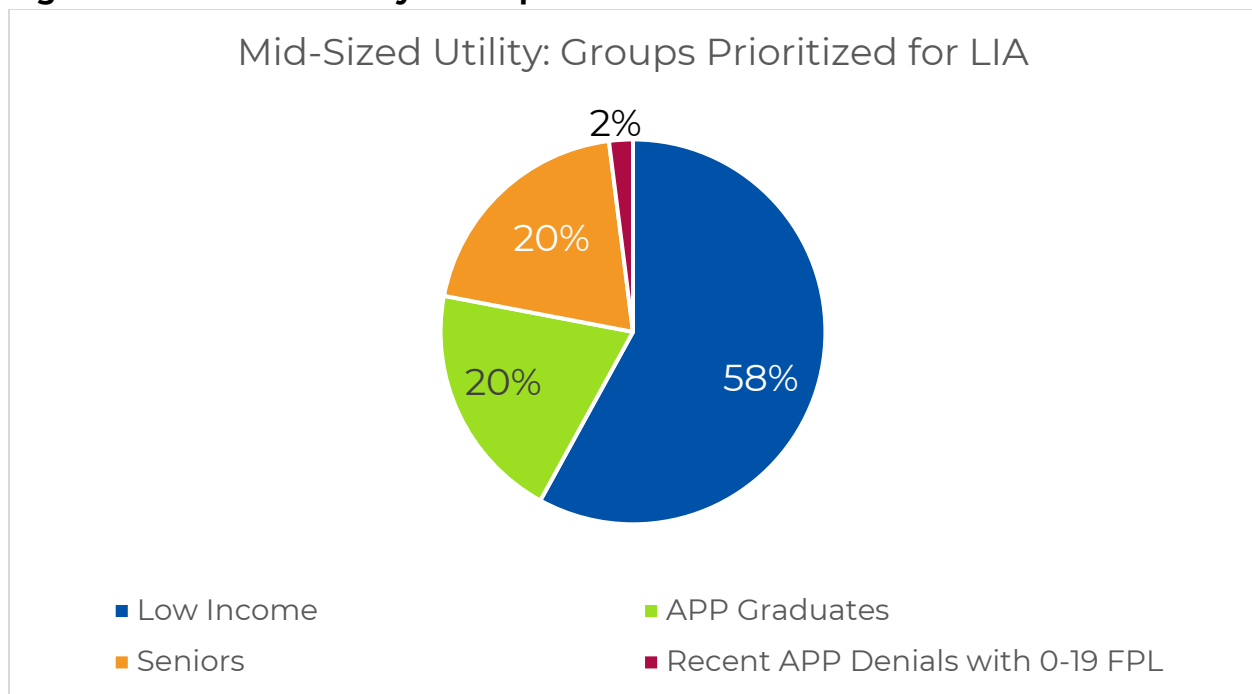


Figure 17: Large Utility- Groups Prioritized for LIA**Figure 18: Mid-Sized Utility – Groups Prioritized for LIA**

*Staff collected data from all investor-owned utilities in this data pull and utilities complied to varying levels. As requested, Staff anonymized the responses and referred to a large utility as one with 1-3 million customers and a mid-sized utility as one with 150,000-300,000 customers.⁸²

⁸² 12/5/2023 AAA meeting PowerPoint, slide 14.

The costs associated with the energy assistance reform options are as of November 2023 and are total estimates for all investor-owned utilities. Costs would be recovered from approximately 3.5 million natural gas customers and 4.3 million electric customers. Better cost estimates for the percentage of income payment plan are available in Chapter 16 of this report, and more accurately in the Consumers Energy PIPP Report for a utility that relies on an external human service agency to perform program enrollment. However, neither DTE Energy nor Consumers Energy provided the cost of MEAP grantees to administer assistance as part of their reporting; historically administrative costs for MEAP grantees have been statutorily capped at 10% of the total cost of bill payment assistance, not accounting for associated federally-funded self-sufficiency services. For fiscal year 2026, MEAP grantees are allowed to spend up to 12% of their total grant award toward administration and up to 20% for energy assistance program costs, with a minimum of 80% of total funding directed toward bill payment assistance. The one-time costs estimated by utilities in the data request, including information technology updates, seemed to be a conservative estimate compared to what was reported in the PIPP reports.

Based on the provided data (administrative costs being estimated), Staff provided a comparison chart of the different reform options in Figure 19.

Figure 19: Energy Assistance Reform Options Cost Estimates

	Option 1 (Prioritize underserved for LIA)	Option 2 (Single Credit of \$25 [for example])	Option 3 (PIPP) *Example based off of one piloted utility with income/usage limits
Direct Bill Subsidy Per customer/month:	\$30 for LIA \$5-\$15 for RIA	\$25	\$56
Annually for all eligible customers:	≈\$77,000,000	\$171,490,200	\$383,566,414
Est. Admin Costs One time:	\$50,000-75,000	\$50,000	\$420,000
Annual:	\$50,000-65,000	\$200,000	\$260,000-500,000
Non-Financial Benefit	Benefit customers who haven't had access to greater assistance.	Greater benefit on average. Keeps up with rate increases.	Achieving energy security
Drawbacks	Difficult to determine eligibility.	Inequitable rate increase for smaller utility customers	Inequitable rate increase for smaller utility customers

As for the enrollment cap, the subcommittee did not propose or determine a specific cap because it is heavily dependent on the PIPP pilot results, as well as determining a “goal” of how much the program should cost and what the cost burden will be on non-eligible customers—especially the ALICE⁸³ population and the income-eligible

⁸³ ALICE is an acronym for “Asset-Limited Income-Constrained, Employed”, as defined by the United Way. More information can be found on their website [here](#).

households who do not apply for or receive assistance. Therefore, with that context in mind, the AAA accomplished its goal of outlining LIA reform options that considered different enrollment assignments and program pairings (see Appendix F for the additional detail on the LIA reform options as of 2023).

On December 21, 2023, the Commission adopted an order in MPSC Case No. U-20757, which provided updated guidance on the AAA subcommittee's charge. The order stated "The Commission looks forward to the AAA subcommittee evaluation of RIA and LIA as a fulfillment of MCL 460.11(2) and directs the utilities to work with the Staff to provide necessary data to that end. In addition, the Commission directs the Staff to combine this analysis with a comparative analysis of PIPP pilots and the MEAP offerings to ensure a comprehensive understanding of current offerings."⁸⁴

Due to the updated guidance and its reliance on the PIPP pilot results, the AAA subcommittee adjourned until DTE Energy and Consumers Energy reported results of their PIPP pilots. In 2024, MPSC Staff worked with DTE and Consumers Energy to create a standard report outline and data reporting template to fulfill the Commission's order on December 21, 2023 in MPSC Case No. U-20757.

⁸⁴ In the matter, on the Commission's own motion, to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state of emergency, and to provide guidance and direction to energy and telecommunications providers and other stakeholders, MPSC Case No. U-20757, 12/21/23 Order, pp. 14-15.

Chapter 4 – Low-Income Cost of Service Study

Directive: Evaluate the feasibility of a low-income customer subclass in the Consumers Energy Cost-of-Service Study

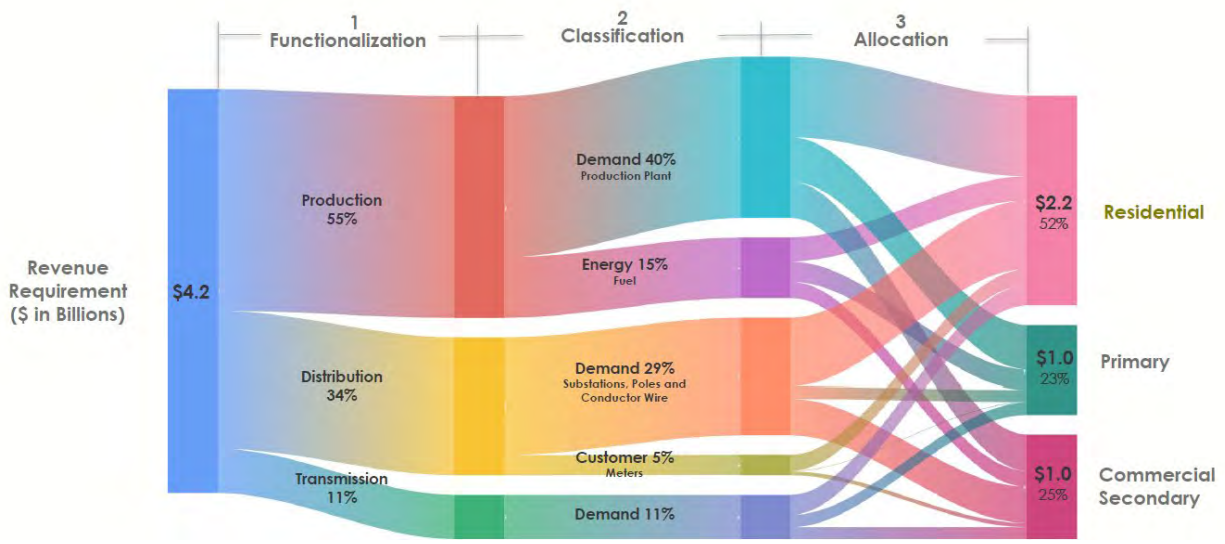
On October 3, 2023, the AAA subcommittee fulfilled its Commission directive to evaluate the feasibility of a low-income customer subclass in the Consumers Energy Cost-of-Service Study (“COSS”), which was assigned to the EAAC in the MPSC Case No. U-20963 as a result of intervenor testimony suggesting that low-income customers use energy in a way that is distinct from the rest of the residential class.⁸⁵ Consumers Energy presented to the subcommittee an overview of the ratemaking process, its low-income COSS, and its final recommendation regarding the usefulness of the low-income COSS for ratemaking.

Regulated utility ratemaking can be broken down into three basic steps:

1. Determining the amount of money the utility will need for a given year, which is called a *revenue requirement*.
2. Allocating that revenue requirement to customer classes.
3. Designing rates to recover the allocated revenue responsibility.

There are many processes and models used in each of the three steps, and a COSS is one such model used for the allocation process. A COSS must therefore define two things: the different types of cost and the different types of customer class. Customers are grouped into classes based on how they use the electric system, such as at what voltage level they take service, how much electricity they consume, or when they use electricity. A customer class may also be determined by what the customer uses electricity for, such as for streetlighting or metal melting. Consumers Energy’s exercise for the AAA subcommittee was to further separate the residential customer class by adding a low-income customer class, which it defined as customers receiving the RIA or LIA credit. The exercise was intended to reveal whether the cost to serve identified low-income customers was different from non-low-income customers, and thus whether a cost-based low-income rate design was appropriate. The graphic in Figure 20 was utilized by Consumers Energy on slide 13 of the October 3, 2023 AAA subcommittee presentation to illustrate the COSS process.

⁸⁵ 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, MPSC Case No. U-20963 12/22/2021 Final Order pp. 402-403.

Figure 20: Consumers Energy COSS Visualization

Typically, a new customer class is defined because the customers use energy or the electric system differently than other customers. However, for the case of low-income and non-low-income customers, the difference is instead the customer's income, or ability to pay.

There were two key findings regarding how the new low-income customer class used energy. Low-income customers used more overall energy per month (measured in kWh), but less energy during peak hours. Peak hours are summer weekdays from afternoon through the early evening, when energy is more expensive to produce and consume because of higher demand. As shown in Figure 21 below, these differences have the effect of flattening the load curve⁸⁶ for low-income customers, comparatively.

The COSS divides costs among the different customer classes, which, in Consumers Energy's exercise, now includes the new low-income class, depending on dozens of factors including the use of on-peak energy and total energy consumption. Therefore, one can see why the difference in usage would affect the rates those customers pay. For example, production costs, such as those for power plants, are split between demand and total energy consumed at a 75-25% ratio. Demand here is a measure of peak monthly usage, which occurs during the on-peak hours described above. This means that the new low-income class has a *decreased* responsibility for 75% of the cost of a power plant because their on-peak usage is relatively lower, but *increased* responsibility for the remaining 25% compared to the remaining residential customers, since they consume more energy than their residential counterparts. Consumers found that while the low-income customer class was

⁸⁶ A load curve depicts the hourly energy use over the course of the day.

responsible for 7% less production costs related to demand, they were responsible for 12% more energy costs than non-low-income residential customers.

Figure 21: Consumers Energy Load Study Results⁸⁷

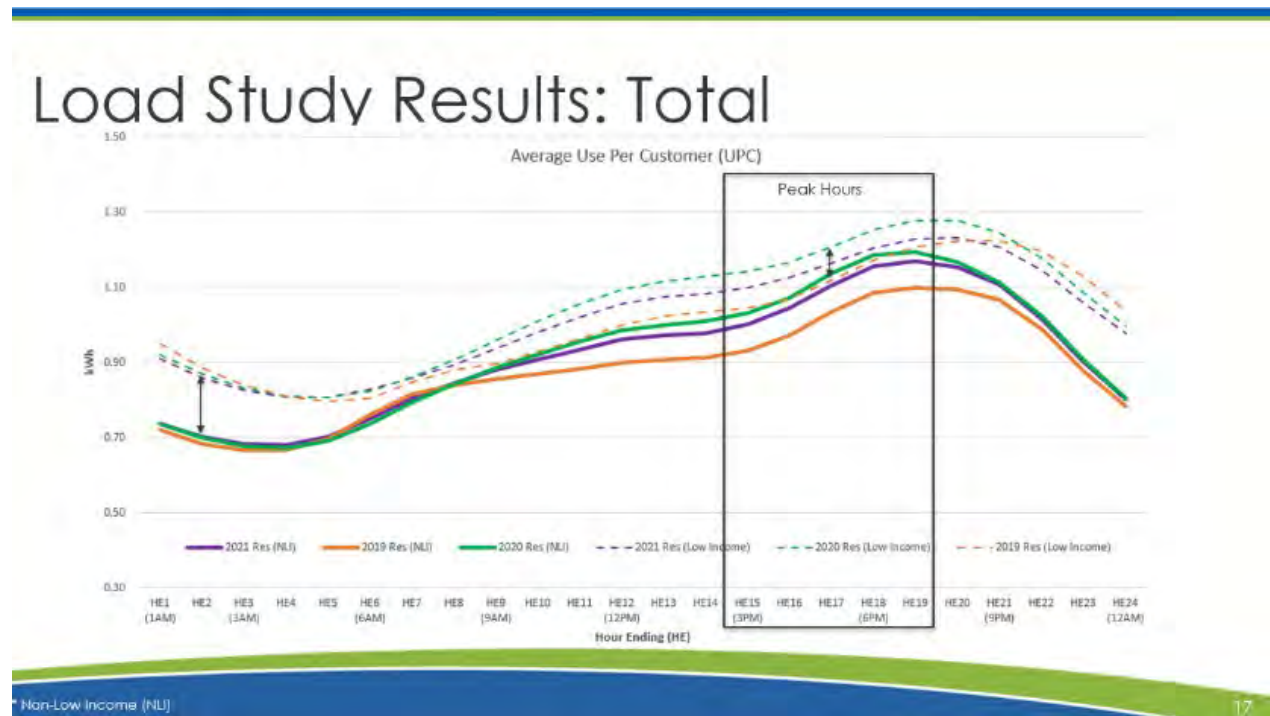
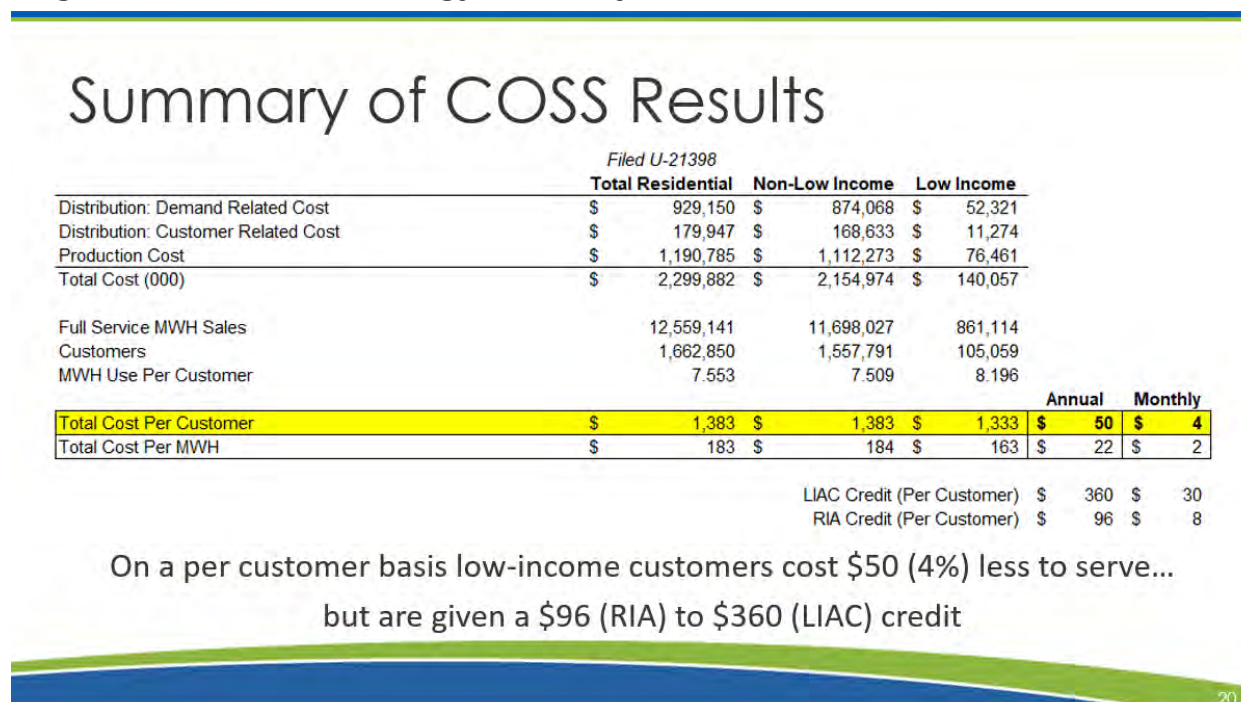


Figure 22 shows the outcome of Consumers Energy's COSS model with the added low-income customer class. The study found that low-income customers cost \$50 less to serve annually, or \$22 less per MWh (a measure of energy use; 1,000 kWh).⁸⁸ However, remember that Consumers Energy's electric RIA credit is \$8 per month, or \$96 per year, which means that low-income customers are already paying less than their cost of service if they were in a separate class.

⁸⁷ AAA 10/3/25 Meeting Presentation, slide 17.

⁸⁸ Remember, low-income customers used more total energy, so dividing the allocated cost difference over a larger denominator.

Figure 22: Consumers Energy Summary of Low-Income COSS Results⁸⁹

Ultimately, Consumers Energy concluded that the COSS would not provide a larger benefit to low-income customers than the RIA credit and therefore is not the best way to fulfill the MCL 460.11(2) legislation if the goal is to make rates more affordable. Four factors informed this conclusion. These four factors are as follows:

1. While it was shown that low-income customers cost less to serve annually, low-income rates or credits are not required by statute to be based on the cost to serve.
2. Basing low-income rates or credits on the COSS would not likely meet a goal of providing material rate relief for those customers.
3. Splitting customers into smaller classes means that minor changes in how customers use energy have larger effects on cost causation and thus make rates more volatile over time.
4. Consumers Energy noted that its COSS and rate analysis was based on data from its most recently-approved rate case, which could change materially with any future decisions by the Commission.

On the surface this may seem like a good reason to create a separate class for low-income customers; however, while one could certainly design rates so that low-income customers paid \$4 less per month on average, it would not mean that prices would differ all that materially. More customers and/or more energy use means a large denominator over which to spread costs within a class. This is why, for example,

⁸⁹ AAA 10/3/25 Meeting Presentation, slide 20.

large industrial customer classes tend to pay lower kWh charges: because they use so much electricity. If the COSS allocates \$20 million to both Class 1 and Class 2, but Class 2 uses twice the amount of electricity as Class 1, then Class 2 will be charged half of the Class 1 rate while still generating the same revenue.

This is one out of hundreds of costs allocated in a COSS by dozens of different factors, so the effects of a different load profile for low-income customers cannot be converted one-to-one with differences in cost causation and therefore rates. Further complicating the matter is the actual charges paid by customers. Once the COSS assigns revenue targets to each customer class, rate designers have to determine what prices the customer has to pay to generate enough revenue to match the amount of revenue the COSS determined the customer class caused. Prices are usually simply calculated as the appropriate revenue requirement divided by energy use (i.e., total monthly kWh, or kWh use during off- or on-peak times). If two classes are assigned the same revenue requirement, they could end up paying different prices for their energy if one class was expected to use more than the other.

The question then remains: how does one determine the difference between low-income and non-low-income customers from the perspective of their use of the electric system?

Staff Recommendation: Low-Income Subclass

Consumers Energy's study showed that current low-income customers use more average annual energy but less on-peak energy⁹⁰ than non-low-income customers. The current RIA and LIA credits are fixed, and the RIA credit is tied to the customer system access charge. This essentially makes the customer's bill completely variable, absent flat monthly surcharges. As fixed charges (or credits) increase on a bill, the customer has a less powerful price signal to engage in energy efficiency and load shifting. Although for low-income customers load shifting is less likely because of the lower on-peak use. With higher off-peak use those customers are already taking advantage of lower-priced off-peak use anyway.

Another aspect of the Consumers Energy flat \$8 credit for RIA customers is that as their bill increases, the effects of the \$8 discount decreases. Because low-income customers use more total energy, the credit is even less effective for low-income customers than it would be for non-low-income customers.

For these reasons, Staff does not recommend the Commission approve nor continue to explore a low-income subclass in the cost-of-service study as a means of fulfilling the MCL 460.11(2) statute. Not only would identified Consumers Energy low-income customers experience lesser bill savings on their own cost-based rate schedule than

⁹⁰ For its default residential rate, Consumers Energy has something called time-of-use rates, in which customers pay a different per kWh rate for their electricity during peak periods (2-7pm Monday-Friday, June-September, excluding holidays). Rates are higher during peak periods, since it costs more to generate electricity for those high-demand times of day.

on the RIA credit, but Staff does not anticipate the results would widely vary from Consumers Energy to other investor-owned utilities' low-income customers. In summary, while not the ideal affordability-based assistance program, a flat credit such as an RIA credit nets greater savings on a qualified customer's bill, while allowing them the flexibility to choose the rate schedule that works best for their needs.

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SECTION II - PERCENTAGE OF INCOME PAYMENT PLAN PILOT REPORTS

Chapter 5 - PIPP Report Summary and Clarification

Emanating from interest in energy affordability issues in rate cases, the Percentage of Income Payment Plan (PIPP) pilots were proposed in rate cases, MPSC Case Nos. U-20650 and U-20697 for Consumers Energy and U-20561 for DTE Energy. After receiving input from interested parties to design the programs, the companies filed ex parte applications to the docket in MPSC Case No. U-21021 for Consumers Energy and U-20929 for DTE Energy. DTE Energy named its pilot the Payment Stability Plan (PSP) and Consumers Energy named its pilot the Percentage of Income Payment Plan. The 24-month pilots ran during 2022-2025. In 2024, Staff worked with Consumers Energy and DTE Energy to create a standard PIPP pilot result reporting format as well as a standard set of data requests to provide to the Commission. These templates were used to ensure that the two companies addressed all topics that would be necessary for not only Staff to perform its analysis of the pilots, but also to fulfill the Commission's directives set forth in the order on December 21, 2023, in MPSC Case No. U-20757, outlined earlier in this report.

On January 29, 2025, DTE Energy filed its [PIPP report](#) to the docket in MPSC Case No. [U-20929](#). On May 1, 2025, Consumers Energy filed its [PIPP report](#) to the docket in MPSC Case No. [U-21021](#).

PIPP Report Summary

On January 7, 2025, and the first Tuesday of each month thereafter through August 2025,⁹¹ the AAA subcommittee met to discuss energy assistance reform and the PIPP reports. This report section covers the content of those meetings as well as analysis of the PIPP/PSP reports.

While Staff encourages readers to review the DTE Energy Payment Stability Plan Pilot Program report and Consumers Energy Percentage of Income Payment Plan Pilot Program report (henceforth referred to as DTE Energy PSP Report and Consumers Energy PIPP Report), Staff will provide a brief summary of the utilities' findings and recommendations to the Commission.

Staff stresses the importance of acknowledging the differences between the design of and eligible customers for the PSP, which can be viewed in Chapter 2 of this report. This will be explored more in the following report sections and plays a key role in analyzing the pilots. With that in mind, when comparing current energy assistance and affordability offerings, DTE Energy found that its PIPP pilot garnered more successful outcomes than its existing MEAP-funded affordable payment plan. With that, DTE proposed that the PIPP be fully implemented. Under this plan, the

⁹¹ With the exception of March and May. The meeting time in March conflicted with LIHEAP action day in Washington DC, and in May with the NEUAC conference, which many utilities and MEAP grantees attend.

current utility-based Residential Income Assistance credit (RIA) would be eliminated, and equivalent dollars would be redirected to the PIPP. Furthermore, the MEAP-funded affordable payment plans would be replaced by the PIPP, and the Low-Income Assistance Credit (LIA) would be provided to customers who do not qualify for the PSP program (if they exceed the consumption or arrears caps) or to those who are unwilling to apply for the PSP program but are eligible for assistance.⁹² DTE's recommendation would decrease current total income assistance enrollments but would not increase rates.

In contrast, Consumers Energy found that its current MEAP-funded affordable payment plans performed in a similar fashion to the PIPP pilot, but with far higher costs than the MEAP APP.⁹³ For those reasons, Consumers Energy recommended maintaining the current suite of energy assistance programs without advancing the PIPP pilot into a permanent program.⁹⁴ This means the RIA and LIA credits and MEAP affordable payment plan and as-needed assistance would continue to run as they currently do without modification.

Staff appreciates the foundational information that Consumers Energy and DTE Energy provided to better understand the current energy assistance offerings and how they perform. With this information, Staff will present its own analysis and view of the pilots and reports.

Clarification on the PIPP Reports

While Consumers Energy and DTE Energy largely complied with Staff's reporting requests, there were still many questions that the reports raised and seeming incongruencies that Staff and other AAA participants questioned after reviewing the reports. Many of these clarifications will appear throughout this report but are summarized here and broken down by what appears in the content of the report versus what appeared in the data request that accompanied the report.

Reports

Staff had many questions about the content of the reports, including clarification on wording and internal policies and procedures at the utilities and their partner MEAP grantees. Many require context to understand, and for those reasons, Staff will not summarize its questions in this section. The direct clarification requests and responses can be found in Appendix K and responses pertinent to Staff's analysis can be found in the body of the report, wherever Staff mentions requesting clarification from the companies or references Appendix K.

⁹² DTE Energy PSP Report, p. 90

⁹³ Consumers Energy PIPP Report, p. 79

⁹⁴ Consumers Energy PIPP Report, p. 81

Data Files

The data files are important to understand Staff's analysis of the performance of the pilots. Requesting a standard set of customer data was intended to be used to allow Staff to perform its own pilot analysis compared to other subsets of residential customers. For these reasons, Staff requested both utilities to report the data segmented by PIPP, APP, modified APP, and the general residential non-low-income customer class. Additionally, DTE was instructed to report data on their control group (customers eligible for the PIPP but not enrolled). Since Consumers Energy did not have a control group, it included data on its identified low-income customers that were not enrolled in the PIPP or APPs. These data files can be found on the six pages following page 143 of the DTE Energy PSP report, and on pages 195-199 of the Consumers Energy PIPP Report in its Appendix K.

The remainder of this section will lay foundational information to understand Staff's perceived incongruencies in the data files.

The first issue that Staff identified in the data reporting was that DTE Energy and Consumers Energy both reported customers receiving Home Heating Credits at incomes above the capped 110% of the federal poverty level (FPL), which DTE and Consumers both indicated was due to income fluctuations. In the PIPP customer data, both utilities seemingly had customers in FPL ranges that had energy burdens above the set 3%, 6%, or 10% based on program design. This was explained by the FPL not aligning with income perfectly, since FPL takes income *and* household size into account, whereas the PIPP only took income into account when designing credits.

There were also reporting oddities that would likely need to be corrected going forward. For Consumers Energy, the number of customers on RIA and LIA seemingly overlapped, when in reality, customers received the credits at different points in time instead of simultaneously. There were also areas in the PIPP reporting in which income tiers with a higher average consumption saw a lower bill on average than customers with a lower average consumption. Consumers Energy's explanation for this is that averages can sometimes lead to odd results. Consumers Energy also had some seemingly odd EWR results, in which customers receiving EWR services far exceed the average monthly number of average low-income households. This issue may be explained by Consumers Energy counting EWR by services provided instead of households served. The EWR services data point could have been better utilized if Staff had asked for the percentage of customers in a given timeframe who have used EWR services. Data integrity issues can be improved upon in the future and will be addressed throughout this report.

DTE Energy stated that in its data set, the number of households who completed 12 months and 24 months of the pilot are not subsets of each other, rather subsets of the total and those who completed 24 months are not included in the 12-month total. This interpretation of the data request was not the intent of the data request and may impact the quality of the data from DTE. There often appeared to be many

discrepancies between data request interpretation between DTE and Staff, which need to be resolved before implementing data tracking on any future assistance programs.

Another aspect of DTE's data reporting that was not necessarily the intent of the question was the average energy burden during active enrollment once assistance was applied to the customer bill. DTE interpreted the data request to mean the customer's energy burden before PSP assistance was applied to the customer bill and claimed that all PSP payment amounts are based on 10% or 6% energy burden. That is not necessarily true, since the amount due from the customer to remain on the plan may be 10% or 6%, but if the customer still has other charges on their bill, like late payment charges that are unforgiven and due after the completion of the pilot, it begs the question if the customer's energy burden is really 10% or 6%. Furthermore, what would this mean for energy burdens if a PIPP or payment plan were not limited by the 24-month term? These questions will be explored further in this report.

The following questions were asked by AAA participants regarding the DTE PSP Report, with the answers being provided by DTE. The questions and answers are direct quotes.

1. "Average Energy Burden during active enrollment (bill with assistance applied)" ranged from 5% to 29%. Why was it not 10% for all customer segments?
 - a. ANSWER: Overall, energy burdens do fall within the 6%-10% range. However, when you slice the data into smaller demographics you can more visibly see that customers that have no income (and are still required to pay a \$10 minimum payment) result in an energy burden greater than 10%.
2. "Average monthly amount actually paid by customer during active enrollment" for some customer segments was higher than "Average monthly payment due from customer during active enrollment". Was the difference that some customers paid down their arrearages in addition to paying their current amount due? If so, do you have insight as to why they would have paid toward arrearages when they didn't have to, because of the arrearage forgiveness feature of the pilot?
 - a. ANSWER: The average monthly payment due is based on customer consumption whereas the amount paid can include taxes, fees, etc.
3. Similarly, the "Average monthly payment actually paid by customer pre-program" generally exceeded the "Average monthly payment due pre-program". Would the difference have been credited toward arrearages?
 - a. ANSWER: The average monthly payment due is based on customer consumption whereas the amount paid can include taxes, fees, etc.
4. Why was "Average arrears at program completion (households who completed a full 24 months)" generally such a high percentage of "Average

arrears at enrollment"? Did a lot of these customers not qualify for monthly arrears forgiveness? Thank you!

- a. ANSWER: A direct comparison can't be made between the average arrears at the start of enrollment and at program completion. The program completion data only includes participants who completed the full 24-month program, which is a subset of the original enrollment group.
5. What do each of the data sets in the PIPP report (starting on page 145/155 of the PDF) correspond to?
 - a. ANSWER:
 - i. Page 145 (the first page of data in the file attachments) is PIPP customer data.
 - ii. PDF page 146 is LSP data (DTE's affordable payment plan through MEAP)
 - iii. PDF page 147 is for DTE's control group (I think this group demographic is explained in the body of the report)
 - iv. PDF page 148 is DTE's modified budget LSP data
 - v. PDF page 149 is data for DTE's average non-low-income residential customers
 6. Digging a bit more into the first answer because I still cannot make the math work. For example, in the 20%-75% income group there were 166 electric-only participants with an average monthly income of \$1,017. Their average energy burden during active enrollment (with assistance applied) shows 14%, or about \$142, whereas a 10% burden would have had them at about \$102. Is the \$40 difference attributable to taxes and fees, as you write?
 Just down from there, the table shows that this group's Average Monthly Bill (before assistance applied) during active enrollment was \$141. But that figure is a better match for the Average Energy Burden **with** assistance applied shown just above there, which per my math above was \$142. Maybe you could explain the mathematical relationship between Average monthly income, average energy burden and any of the figures in the Payment and Default Data section?
 Regarding the fourth question, about arrearage reduction, I'd suggest trying to isolate before-and-after arrearage figures for customers who completed the full 24 months – if you can. My sense is that we want to know impact on arrearages for people who went through the program as intended. That is, for 24 months.
 - a. ANSWER: For the example provided, the average plan amount during the time of enrollment was \$61, which is about 6% of the total average monthly income of \$1,017. The \$141 is what the average total bill is before receiving any energy assistance funding that may have been applied while the customers were enrolled in PSP. This could be SER, HHC, etc. The next view shows the average monthly credited amount while enrolled in PSP, this would be arrears forgiveness, and gap. Finally,

the average monthly bill payment due during active enrollment is the actual plan amount.

- b. As for the relationship between average monthly income and average energy burden:

Single commodity energy burden is calculated using half of the income.⁹⁵ In the example you provided:

Average monthly income: $\$1,017.14/2 = \$508.50$

Payment of $\$141/\$509 = 28\%$ energy burden

Figure 23: DTE Response on Income and Energy Burden Relationship

		20-75%	
Payment and Default Data		Electric Only	Energy Burden
1	Average monthly total bill (before assistance applied) during active enrollment	\$141	28%
2	Average monthly credited amount (bill subsidy) during active enrollment	\$ 64	14%
3	Average monthly bill payment due from customer during active enrollment (plan amount)	\$ 61	6%

1. Pure income/pure bill = 28%
2. This reduces to 14% with assistance
3. And on the plan, reduces to 6% based on using the total income amount of \$1,017. The billing system does not divide the income in half when creating the plan amount.

⁹⁵ Note from Staff: The single commodity energy burden should be calculated using customer payment / total income. This is why some programs target a 3% energy burden for a single commodity. Starting energy burden (1) would be 13.9%, Subsidy (2) would be 6.3% and subsidized customer payment (3) would still be 6% (potentially not including taxes and fees). Cutting the income in half for the calculation inflates the appearance of a reduced energy burden.

Chapter 6 - Program Success

Based on what was outlined in the PIPP reports, and pertinent to making recommendations on future energy assistance reform, tracking the performance of energy assistance programs is important to gauge if anomalous activity is occurring and alert program administrators if adjustments might need to be made.

In Staff's opinion, energy assistance program success can be measured a few ways; but first, the goal of the program must be outlined to know if the program is successfully meeting its goal. See Figure 24 for historical program goals that have been expressed for the current energy assistance programs.

While there may be more goals that have been expressed in cases following those cited, the quotes in Figure 24 reflect the views on program success at the time the programs were approved. In the case of the RIA and LIA credits, many rate cases have passed by since the credits' initial approval; however, the structure of the credits has largely remained unchanged.

An issue with creating program goals is that without creating corresponding success metrics, they are ineffective in tracking the success of a program. With the stated goals of the programs in mind, the following are metrics that could likely be paired with those goals outlined in Figure 24:

1. Rate affordability is commonly defined as an energy burden equal to or lower than 6% of a household's gross income, and a household's energy burden would be the metric to track.
 - a. Staff calculations determined that the percentage breakdown is likely 4% for electric, 2% for home heating fuel, and 6% for those who use electricity for both heating and cooling needs, which will be detailed later in this report.
2. Proactive assistance can be measured by a reduction in the percentage of customers experiencing past-due bill notices, since a crisis is defined in the MEAA as having a past-due notice.
3. Meaningful assistance and manageable payments, while vague, likely would seek to decrease both past-due bills and service disconnections due to nonpayment.
4. Managing arrears and uncollectible expenses are straightforward goals to track, but tracking for households identified as eligible for energy assistance compared to the greater residential rate schedules would add depth and insight.

These goals are used for the purpose of providing examples. Staff will discuss affordability metrics more in-depth in Chapter 22 of this report.

Figure 24: A Summary of Energy Assistance Program Goals

Energy Assistance Program	Stated Goal (DTE)	Stated Goal (CE)
RIA Credit	“The Commission finds that the key to a low-income rate is the affordability of that rate to low-income customers. Section 11(3) obligates Detroit Edison to include a properly designed low-income rate with its future rate case filings. In so doing, Detroit Edison shall focus on proposals that will result in a rate that is affordable by the utility’s low-income customers. The Commission also observes that other interested parties are encouraged to submit their own proposals for the Commission’s consideration.”⁹⁶	“The Company recognizes the impact of current economic conditions and understands that the need for assistance is on the rise. Massive layoffs have led to an increase in the unemployment rate of 0.4 basis points from December 2005 to December 2006.”⁹⁷
LIA Credit	“The D1.6 tariff that DTE Electric proposes to pilot will provide proactive assistance to eligible low-income customers that will make their utility bill more affordable. As experienced through past and current low-income programs, proactive solutions provide vulnerable customers assistance that mitigates the occurrence of a crisis situation. As a result, efficiencies in the collection cycle are gained, thereby enabling DTE Electric to manage its arrears and uncollectible expense.”⁹⁸	“The company claimed that the Staff’s proposal is contrary to the goals of the enhanced RIA provision, which is to provide more meaningful assistance to the company’s most vulnerable customers.”⁹⁹

⁹⁶ In the matter of the application of The Detroit Edison Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-15244, 12/23/2008 Commission [Order](#), p. 93.

⁹⁷ 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, MPSC Case No. U-15245, Direct Testimony of Consumers Energy witness Hubert Miller III, p. 25.

⁹⁸ In the matter of the application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-17767, Direct Testimony of DTE Energy witness Tomina, pp.15-16.

⁹⁹ In the matter of the application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-18124, 7/31/17 Commission Order, p. 58.

Figure 24: A Summary of Energy Assistance Program Goals (Continued)

Energy Assistance Program	Stated Goal (DTE)	Stated Goal (CE)
Affordable Payment Plan (LSP for DTE and CARE for CE)	The purpose of the MEAP is to establish and administer programs statewide that provide energy assistance and self-sufficiency services to eligible low-income households. Self-sufficiency services include assisting participants with the following: paying their energy bills on time; budgeting for and contributing to their ability to provide for energy expenses, which may include enrollment into an affordable payment plan (APP); and utilizing energy services to optimize on energy efficiency. ¹⁰⁰ Under MCL 400.1232(f) ¹⁰¹ , energy assistance under MEAP means reducing energy insecurity.	
PIPP Pilot	“The goals of the PSP pilot are to eliminate a customer’s arrearage after 24-months of timely payments, and to provide a manageable, fixed monthly payment amount that assists Low-Income customers in avoiding future arrearages.” ¹⁰²	“The PIPP Pilot is intended to determine the effectiveness of percentage of income-based payment plans in comparison to existing income tier structure employed by the APPs.” ¹⁰³

¹⁰⁰ Michigan Public Service Commission [website](#), accessed on 4/17/2025—not reflective of the 2024 changes to the MEAP legislation.

¹⁰¹ [MCL 400.1232\(f\)](#)

¹⁰² In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929, 11/18/2020 Application—Ex Parte, p. 2.

¹⁰³ In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021, 12/3/2021 Application Amended, p. 3.

DTE Defining Success—LSP

Turning to success as addressed in DTE Energy's PSP report, on page 30, DTE posits that the "LSP's success has been measured by the household's ability to complete a twelve-month fiscal year without being removed for nonpayment." For 2022, this equated to an 81% success rate. Perhaps the difference is due to phrasing of data requests, however, in the data provided by DTE, DTE reported 963 Traditional LSP enrollees in the 2021-2023 timeframe with 448 households defaulting for nonpayment and 515 defaulting for other reasons. This paints a very different picture of the success of the LSP: a 53% success rate.¹⁰⁴ As Staff will discuss in Chapter 5 of this report, issues identified with DTE's data reporting could have caused several of these discrepancies.

Furthermore, DTE states in its PSP report that "On average, 84% of graduates do not re-enroll after completing the twenty-four-month term. After discontinuing LSP support, customers often need help maintaining consistent monthly payments, leading to potential crises."¹⁰⁵ Staff notes that a relatively low request to re-enroll in the LSP does not necessarily indicate success of the LSP. For its own analysis, Staff looks to the data provided in Appendix H. When Staff asked DTE for clarification on this issue, its reply stated: "The data set provided for the PIPP report was aligned with the enrollment during the PSP pilot. The 81% success rate includes the entirety of LSP for that FY."¹⁰⁶ For reference, FY means fiscal year, which runs October 1 through September 30 of a given year which is aligned with the MEAP program years.

In relation to Figure 25,¹⁰⁷ Staff notes that while some LSP customers may be maintaining consistent payment behavior post-graduation, some also may have re-enrolled in the LSP. This makes "success" an obscure measure to analyze without necessary contexts.

DTE further explores the success of its LSP on page 31 of its PSP report by exploring the difference between the graduation rate and the success rate. By DTE's metrics, the graduation rate gauges those who completed the 24-month LSP, whereas the success rate is the ability to complete 12 months without being removed for nonpayment. For fiscal year 2022-2023, the graduation rate was 62%.

¹⁰⁴ =1-(448/963)

¹⁰⁵ DTE Energy PSP Report, p. 30

¹⁰⁶ Appendix K

¹⁰⁷ Source: Appendix H, Staff LSP data analysis

Figure 25: DTE's LSP Customers' Percentage of On-Time Payments¹⁰⁸

Payment and Default Data	0-19% FPL		
	Combo	Electric Only	Gas Only
Percentage of on-time payments for months 1-12 after enrollment	85%	100%	58%
Percentage of on-time payments for months 13-24 after enrollment	82%	100%	80%

	20-75% FPL		
	Combo	Electric Only	Gas Only
Percentage of on-time payments for months 1-12 after enrollment	92%	89%	66%
Percentage of on-time payments for months 13-24 after enrollment	80%	71%	39%

	76-110% FPL		
	Combo	Electric Only	Gas Only
Percentage of on-time payments for months 1-12 after enrollment	92%	95%	97%
Percentage of on-time payments for months 13-24 after enrollment	82%	85%	76%

	111-150% FPL		
	Combo	Electric Only	Gas Only
Percentage of on-time payments for months 1-12 after enrollment	91%	93%	75%
Percentage of on-time payments for months 13-24 after enrollment	80%	80%	59%

	151-200% FPL		
	Combo	Electric Only	Gas Only
Percentage of on-time payments for months 1-12 after enrollment	90%	91%	100%
Percentage of on-time payments for months 13-24 after enrollment	79%	71%	100%

While DTE defines success as 12 months of not being removed for nonpayment, Staff sees problems with that definition as it relates to home energy security. First, Staff will define terms to frame this discussion.

As defined by the Commission, energy affordability is “The extent to which a household has the resources to meet their home energy needs for heating, cooling and other uses in a healthy, sustainable and energy efficient manner without compromising a household’s ability to meet other basic needs.”¹⁰⁹

Energy affordability is “The extent to which a household has the resources to meet their home energy needs for heating, cooling and other uses in a healthy, sustainable and energy efficient manner without compromising a household’s ability to meet other basic needs.”

¹⁰⁸ Reformatted for readability.

¹⁰⁹ MPSC Case No. U-20757, 12/21/2023 Order, p. 36.

Pending approval from the Commission is the proposed definition of home energy security, home energy security is: “the reliable access to and availability of energy for meeting diverse and varied household needs. Home energy security is driven by several factors including but not limited to energy infrastructure, energy efficiency of housing stock, predictability and fairness of charges, and energy affordability. It can be improved through measures to address system reliability, home weatherization, energy education, consumer protection plans, and affordability strategies.”¹¹⁰

While 12 months on an affordable payment plan may hint at aspects of energy affordability and home energy security, DTE’s definition of LSP success should not be conflated with the definition for home energy security nor energy affordability. There is a misalignment between DTE’s definition of success, 12 months of not being removed from a plan for nonpayment, and Staff’s goals of promoting home energy security and energy affordability. This is especially important due to the statutory revisions to MEAP. MEAP statute now defines an energy assistance program authorized under MEAP as “a program to reduce energy insecurity.”¹¹¹ DTE’s definition of success (while intended for the LSP) can only realistically be applied to a payment plan and is not as useful when expanded to energy assistance/affordability more broadly. This causes problems when Staff, policymakers, human service agencies, and interested parties try to create a unified definition of and gauge program success. This is because the LSP and PIPP have very strict disenrollment

Home energy security is “the reliable access to and availability of energy for meeting diverse and varied household needs. Home energy security is driven by several factors including but not limited to energy infrastructure, energy efficiency of housing stock, predictability and fairness of charges, and energy affordability. It can be improved through measures to address system reliability, home weatherization, energy education, consumer protection plans, and affordability strategies.”

protocols, on which their definition of success relies. If, for example, one defines the success of the LIA or RIA as “12 months in which the customer is not disconnected for nonpayment,” the customer’s service disconnection is entirely reliant on DTE disconnecting a customer’s service when it claims it will. Following through on a disconnection notice is not always the reality with utilities—investor-owned or not. Staff has experienced this occurring, based on information from the MPSC call center.¹¹² This makes the data skewed and is an example of why disconnection rates alone are not a reliable marker of success. Perhaps a more reliable metric is on-time

¹¹⁰ MPSC Case No. U-20757, 12/26/2024 U-20757 Staff Report.

¹¹¹ MCL 400.1232(f)

¹¹² Examples might be weather, company moratoriums, emergencies, etc.

payment rate, which better shows if customers are struggling to pay their utility bills, since it is not reliant on company policies and procedures. However, that metric is also not a perfectly reliable measure of affordability or home energy security since customers may forgo other necessities to pay their utility bills on time and others can simply forget to pay their bill. We must recognize that there are not perfect ways to gauge energy affordability, home energy security, or program success, but some indicators are better than others.

DTE Energy Defining Success - PSP

While the initial Commission order approving DTE's PSP pilot did not state specific metrics that would deem the program successful, in DTE's ex parte application to approve the pilot, DTE stated that the following metrics would be used to evaluate the success of the pilot: "a) on-time payment behavior, b) energy reduction, c) arrears reduction, and d) service shut-off rate."¹¹³ On pages 8-9 of its report, DTE states the

We must recognize that there are not perfect ways to gauge energy affordability, but some ways are better than others.

goals of its array of energy assistance programs:

- To promote sustained energy access,
- To reduce arrears,
- To encourage responsible payment habits,
- To provide short-term assistance,
- To empower self-sufficiency, and
- To enhance community collaboration.

DTE's corresponding outcome metrics are depicted in Figure 26:¹¹⁴

¹¹³ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929, 11/18/2020 Application—Ex Parte, p. 3.

¹¹⁴ DTE Energy PSP Report, pp. 87-88

Figure 26: DTE Program Outcome Metrics

	LSP	LSPM	PSP	LIA	RIA	Control Group	Non-Low-Income
Disconnect Rate (within 12 months of program default)	22%	7%*	10%*	10% (No Program)	20% (No Program)	14% (No Program)	0.5% (No Program)
Disconnect Rate (within 12 months after successful graduation)	7%	N/A*	0.5%*				
On Time Payment Rate: Pre Plan	74%	61%	89%	Not Available	Not Available	87%	91%
On Time Payment Rate: 1-12 Months	91%	89%	91%	Not Available	Not Available	74%	90%
On Time Payment Rate: 13-24 Months	80%	N/A	74%	Not Available	Not Available	68%	90%
NPS Score	37	43	43	Not Available	Not Available	Not Available	Not Available
Program Annual Cost	\$1,172	TBD*	\$1,229	Electric -\$600 Gas -\$480 Combo-\$1080	Electric-\$102 Gas -\$174 Combo -\$276	Not a Plan	Not a Plan
Program Enrollment Count	963* Sample utilized for time period comparison; total enrollments in 2024 were 21,761	1,126	2,141	65,000	116,431	Not a Plan	Not a Plan
Default Rate (Due to Non-Payment)	47%	32%*	11%	Not a Plan	Not a Plan	Not a Plan	Not a Plan
Consumption (kWh/CCF): Pre Plan	711/96	799/97	657/97	Not a Plan	Not a Plan	667/94	684/84
Consumption (kWh/CCF): 1-12 Months	758/103	966/82	677/99	Not a Plan	Not a Plan	661/82	626/81
Consumption (kWh/CCF) 13-24 Months	735/99	N/A	597/86	Not a Plan	Not a Plan	649/78	589/75

* LSPM was launched in October 2024 and PSP was closed in June 2024.

Consumers Energy Defining Success

In its original ex parte application to the Commission requesting approval of its PIPP pilot, Consumers Energy defined the success of the PIPP by the key performance indicators that it would track: “service disconnection rate, on time payment rate, and customer consumption.”¹¹⁵

In its PIPP report, Consumers Energy seemingly defined the success of both the PIPP and CARE, its MEAP affordable payment plan, as “subtracting the non-payment default percentage from the total number of customers who disenrolled.”¹¹⁶ The Company also referenced in the report that it assesses success based on the following metrics:

- Total Customers Enrolled in PIPP vs. CARE Flat
- Overall Default Rate
- Default Rate by Commodity (Gas, Electric, Combo)
- On-Time Payments
- Average Monthly Cost Per Agency Payment
- Average Consumption Change
- Average Arrears at Enrollment
- Enrollment Status (still enrolled, agency de-enrolled, moved out, payment default)¹¹⁷

Figure 27 is a summary of Consumers Energy’s program outcome metrics.¹¹⁸

¹¹⁵ In re Consumers Energy Company Ex-Parte Amended Application for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021, p. 4, F#0002.

¹¹⁶ Consumers Energy PIPP Report, p. 51

¹¹⁷ Consumers Energy PIPP Report, p. 30

¹¹⁸ Consumers Energy PIPP Report, p. 66

Figure 27: Consumers Energy Outcome Metrics

Key Program Outcome Metrics							
	CARE	CARE MB Pilot	PIPP	LIA	RIA	Non-Low-Income	Low Income
Program Enrollment Count	14116	1059	722	18000	144304	160304	2.7M
Enrollment FPL 20-75%	6262	589	331	Not Available	Not Available	Not Applicable	Not Available
Enrollment FPL 76-100%	4803	325	217	Not Available	Not Available	Not Applicable	Not Available
Enrollment FPL 111-150%	3051	145	174	Not Available	Not Available	Not Applicable	Not Available
Program Annual Cost	\$829	\$1,200	\$1,788	Electric - \$360 Gas - \$363 Combo - \$723	Electric - \$96 Gas - \$180 Combo - \$276	Not a Program	Not a Program
On Time Payment Rate: Pre Plan	62%	58%	62%	Not Tracked for this Analysis	Not Tracked for this Analysis	83%	54%
On Time Payment Rate: 1-12 Months	63%	62%	66%			83%	50%
On Time Payment Rate: 13-24 Months	65%	Not Available	68%			83%	57%
Disconnect Rate (within 12 months of program default)	15%	10%	17%	14%	13%	13%	Not Tracked for this Analysis
Disconnect Rate (within 12 months of program after successful graduation)	8%	Not Available	Not Available				
Default Rate (Due to Non-Payment)	19.00%	24.70%	22.00%	Not Available	Not Available	Not Available	Not Applicable
Program Success Percent	81%	75%	78%	Not Available	Not Available	Not Applicable	Not Applicable
CKI Score while on program	73	88	97	Not Available	Not Available	Not Available	Not Available
Consumption (kWh/CCF): Pre Plan	883/8.6	898/8.9	878/8.1	Not Available	Not Available	682/7.1	705/6.9
Consumption (kWh/CCF): 1-12 Months	876/8.5	881/8.8	901/9	Not Available	Not Available	833/6.5	857/6.6
Consumption (kWh/CCF) 13-24 Months	816/7.9	Not Available	873/7.7	Not Available	Not Available	832/5.9	848/6.2

Staff concluded that Consumers Energy did not necessarily demonstrate how it analyzed these metrics together to deem if a program is a success, but Consumers Energy provided a success rate comparison, outlined in Figure 28.

Figure 28: Consumers Energy Program Success Rate¹¹⁹

Program	Success Rate
CARE	81%
PIPP	78%
CARE MB	75%

¹¹⁹ Consumers Energy PIPP Report, p. 51

DTE Program On-Time Payment Behavior

One of the main program success metrics that interested Staff in the APP versus PIPP analysis was the customers' on-time payment behavior.

On page 59 of DTE's report, DTE states that "In the 12 months before enrollment, customers who enrolled in PSP averaged an 89% on-time payment rate. Customers who were actively enrolled in LSP were not removed to enroll in PSP. Customers targeted were predominantly enrolled in SPP or former LSP customers (see section 6 for additional details on PSP program recruitment)."¹²⁰ Staff notes that the reason for such a high on-time payment rate pre-enrollment could be due to the number of customers on the LSP program before enrollment, since the percentage of on-time payments for the LSP are 88% for the first 12 months on the program and 78% for the second 12 months.¹²¹

On page 60 of DTE Energy's PSP report, DTE further explored the on-time payment rate in stating: "Assumptions could be made that most customers in the first year of the pilot required temporary assistance for bill affordability, while those remaining through to the second year demonstrated greater need to balance the financial stresses of the household." This is in response to the on-time payment rate being 91% for PSP customers in the first 12 months of the program and 74% in the second 12 months of the program.

A similar pattern was also observed in the LSP and even the control group, as shown on page 61 of DTE's report in DTE's "Figure 27." Since plan amounts do not change from year one to year two for LSP, and PIPP is set at a stable percentage of income (despite possibly changing the payment amount in year one versus year two due to income revalidation), seasonal weather changes may be able to be ruled out as a contributing factor. Additionally, the LSP took place in a different timeframe than the PIPP and the control group yet saw the same pattern of late payment behavior as the PIPP.¹²² DTE may be accurate in stating that the type of customer could be a contributing factor to the payment behavior changing. DTE Energy nor Consumers Energy tracked different types of customer cohorts or demographics in this analysis, nor were they requested to.

On page 69 of its PSP report, DTE delves further into the granularity of on-time payment rates and posits that the reason customers with incomes in the lower FPL ranges (0-19% and 20-75%) have a better on-time payment rate (even before enrollment in the PIPP) compared to those in higher income brackets is potentially due to their eligibility for more assistance. Staff notes, however, that many of the

¹²⁰ SPP is the Company's shutoff protection plan.

¹²¹ Source: Appendix H, LSP Data

¹²² See DTE Energy PSP Report, p. 56 for payment plan timeframes.

customers with incomes ranging between 20-75% of the FPL may have been on affordable payment plans (the LSP) prior to enrollment.¹²³

Figure 29: DTE Energy PSP Report On-Time Payment Behaviors¹²⁴

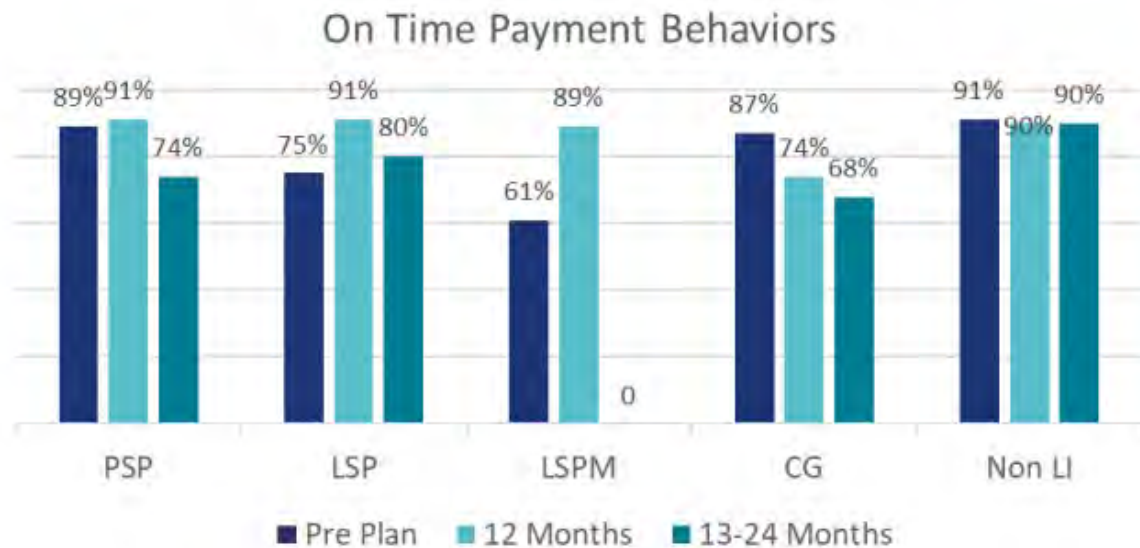


*Figure 29 data and other data provided by DTE denotes the DTE Energy PSP pilot control group as "CG." For more information on DTE Energy's control group, see the DTE PSP Report.

Consumers Energy On-Time Payment Behavior

Consumers Energy also explored on-time payment rate comparisons in its PIPP report (see Figure 30). Consumers Energy provided the following analysis for the data in Figure 30:

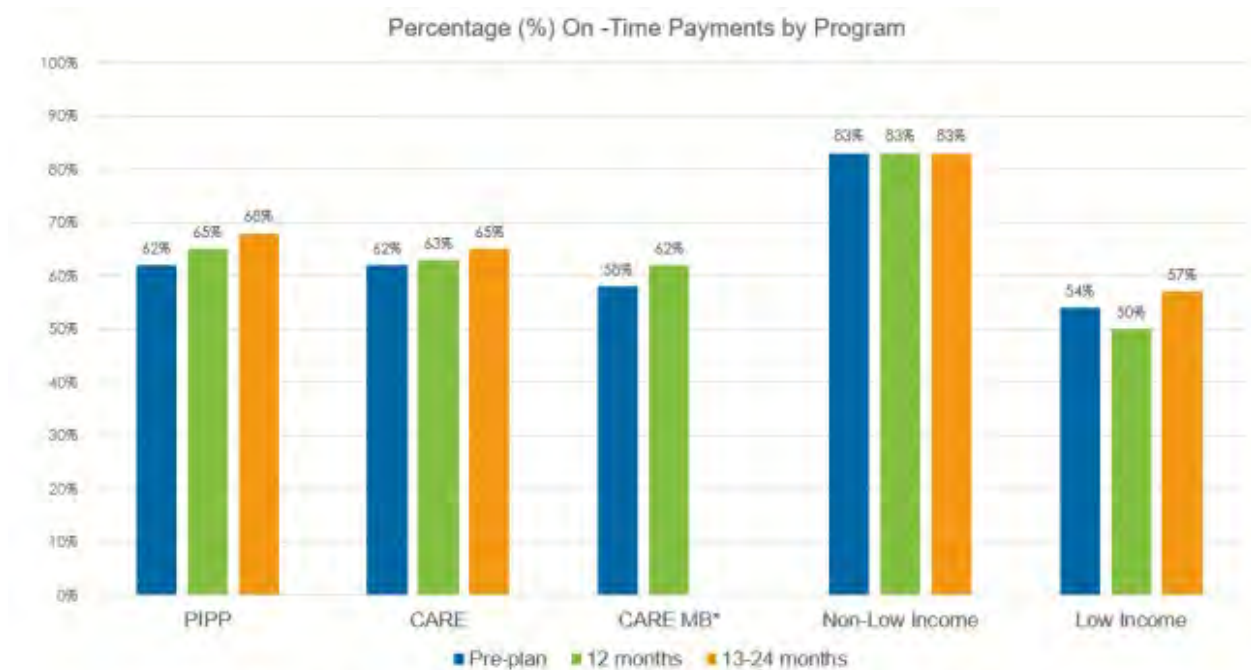
- On-time payment behavior improved throughout the duration of the APPs and PIPP compared to pre-plan payment behavior
 - o However, payment behavior improved regardless of being on a payment plan
 - o Differences in customer profiles could explain differences in outcomes between the payment plans (Consumers Energy doesn't have consumption caps on its plans)
 - o Household composition could explain differences

¹²³ There is also a chance, according to the Michigan Department of Health and Human Services representatives, that customers at lower income tiers qualify for more assistance services. For example, there is/was a TANF/FIP program that lets customers vendor some of their cash assistance grant to their energy providers. However, it is likely not very common anymore.

¹²⁴ DTE Energy PSP Report, p. 61

- PIPP customers were mainly 55–65-year-olds, whereas CARE had more customers in the 35–44-year-olds
 - CARE MB had different eligibility criteria
 - Small sample sizes lead to more volatile outcomes¹²⁵

Figure 30: Consumers Energy PIPP Report On-Time Payment Behaviors¹²⁶



*CARE MB Enrollment began 10/01/2023. No data available for 13–24-month Segment.

*Note in the data responses that low-income and non-low-income households were reported. Low-income households are defined as those identified as low-income ($\leq 150\%$ FPL) in the companies' billing systems by receiving energy assistance but not enrolled in an APP or PIPP. Non-low-income households are those without any low-income flag on their account, meaning they have not received energy assistance recently.

While the reasons behind the payment behavior trends may be unclear, it is still obvious that when comparing years one and two of each analyzed payment plan against the control group (or rest of the identified low-income customers), the PIPP and APPs all keep customers paying their bills on time more often than similar customers who are not on payment plans. Something important to note is the substantial on-time payment rate difference between Consumers Energy and DTE Energy. Program design differences can contribute to the differences in the referenced programs—even between programs offered by the same utility. Looking back on the program design differences in Chapter 2 of this report, Consumers Energy's PIPP program design more closely reflects the APPs than DTE Energy's program design. The lack of consumption caps and higher arrearage caps makes the customer pools for Consumers Energy much more diverse, whereas DTE Energy's

¹²⁵ Consumers Energy PIPP Report, p. 51

¹²⁶ Consumers Energy PIPP Report, p. 52

customer pool is in many ways narrower and likely able to pay their energy bills more regularly. All this combined makes the Consumers Energy PIPP a better, but not perfect, comparison to the APP and more likely for customers to experience similar on-time payment rates on average.

Service Shutoff Rates: Consumers Energy and DTE Energy

The next success metric to be analyzed is the service shutoff or disconnection rate, the rate at which customers are disconnected from service for nonpayment of a bill.

On pages 61 and 62 of DTE Energy's PSP report, DTE Energy states that one of the strongest measures of program success is the disconnection rate. Consumers Energy reinforced this measure in its PIPP report in stating "Success is defined by subtracting the non-payment default percentage from the total number of customers who disenrolled. This calculation represents the ratio of customers who remain enrolled despite nonpayment to the total number of customers participating in the program."¹²⁷ However, Staff disagrees with equating default rates with success. It is wholly up to the Company whether or not they disconnect a customer, and Staff cannot be certain to what degree companies have strict internal policies. Furthermore, customers may be very payment-troubled but be put on shutoff protection plans, or have shutoff holds placed on their accounts while applying for assistance, which would distort the objectivity of using disconnection rates as a measure of home energy insecurity. For these reasons, Staff's position is that going forward, on-time payment rates¹²⁸ are a more accurate measure of success, and therefore home energy security, as it more closely aligns with the definition of home energy security.

Staff looks to the PIPP/PSP reports to determine the disconnection rate as one component of program health.

In its PSP report, DTE analyzed program disconnection rate by comparing the disconnection rate of customers post-graduation or default (for LSP and PSP) to the disconnection rate while receiving assistance (for LIA and RIA credits).¹²⁹ Consumers Energy performed a similar analysis on page 55 of its PIPP report. This is not the best comparison. One of the goals of the PSP/PIPP (and now the LSP/CARE with the change in MEAP legislation) is to provide home energy security. This goal can be at odds with the current practice of providing term-limited assistance and tracking how customers' payment habits differ once they are removed from the assistance, as Consumers Energy and DTE Energy analyzed. This practice does not necessarily assess the ability of the program to provide home energy security. Meanwhile,

¹²⁷ Consumers Energy PIPP Report, p. 51

¹²⁸ An "on-time payment" is usually made within 3-5 days after the bill due date. This differs based on utility.

¹²⁹ DTE Energy PSP Report, p. 62, "Figure 28"

Consumers Energy did not find there to be much difference in its disconnection rates and provided little analysis of actual differences or similarities.¹³⁰

Figure 31: Disconnection Rate Comparison¹³¹

Program (Measurement)	Disconnection Rate CE	Disconnection Rate DTE
APP (within 12 months of program default)	15%	22%
APP (within 12 months after successful graduation)	8%	7%
APP Modified Budget (within 12 months of program default)**	10%	Not Provided
APP Modified Budget (within 12 months after successful graduation)***	N/A	Not Provided
PIPP (within 12 months of program default)*	17%	10%
PIPP (within 12 months after successful graduation)*	N/A	0.5%
LIA (while receiving LIA and other forms of energy assistance excluding APP)	14%	10%
RIA (while receiving RIA and other forms of energy assistance excluding APP)	13%	20%
Control Group (DTE), Low-Income (CE, while receiving other forms of energy assistance excluding APP****)	13%	14%

*DTE PSP concluded in June 2024. PIPP concluded in February 2025.

**CARE MB began October 2024, thus full dataset is unavailable for full 12 months after all defaults.

*** CARE MB Pilot began October 2023, thus insufficient time has passed for reporting results to be shown.

****Low-income Dataset comprised of the LIA and RIA datasets.

Staff maintains its concerns with comparing disconnections post-program default and post-graduation to disconnections while receiving the RIA and LIA credits; however, this comparison still provides insight. The type of customers that are more likely to default may be in different financial situations than those who successfully graduate. Plus, those who qualify for the LSP or PSP likely have different payment behaviors than RIA customers who do not qualify, namely that they are higher usage customers and higher arrearage customers. However, with those caveats in mind, the data still indicates that the payment programs can lead to an improved outcome

¹³⁰ Consumers Energy PIPP Report, p. 54

¹³¹ Data found on page 55 of Consumers Energy PIPP Report and on page 62 of DTE Energy PSP Report.

over the RIA and LIA credits—readers can see the difference in on-time payment behavior when comparing the LSP, PIPP, and control group outcomes.

Consumption Impacts

Exploring the companies' success metrics further, Staff examines the programs' impact on customer consumption (in kWh for electricity and ccf or Mcf for natural gas). While energy reduction was one of DTE's stated success metrics and consumption impact was one of Consumers Energy's success metrics, it is difficult to isolate these variables and determine the energy assistance programs' impact on customer energy consumption. Instead, analysis must rely on comparing consumption over the same periods of time to a control group or the average non-low-income customers' consumption, and even then, it is not the most statistically-backed method to perform an analysis of this sort.

Figure 32 depicts the information DTE provided on customer consumption changes.

Figure 32: DTE Energy PSP Report All Groups Consumption Comparison Table¹³²

Consumption Period	PIPP		LSP		Control Group		Avg Non-LI	
kWh / ccf	kWh	ccf	kWh	ccf	kWh	ccf	kWh	ccf
Before Plan	657	97	711	96	667	94	684	84
12 months In	677	99	758	103	661	82	626	81
13-24 months In	597	86	735	99	649	78	589	75

The consumption data that Staff analyzed is summarized below in Figure 33.

Figure 33: Staff Consumption Analysis from Appendix H

Consumption Period	PIPP		LSP		Control Group		Avg Non-Low-Income	
kWh/ccf	kWh	ccf	kWh	ccf	kWh	ccf	kWh	ccf
Before Plan	707	97	671	96	660	94	682	83
Average of Months 1-12	728	91	715	103	632	86	661	79
Average of Months 13-24	647	86	696	98	589	83	628	72

*Data reflects weighted averages. Due to not having data broken down based on month, the data is approximate and reflects the enrollment numbers at months 1, 12, and 24.

Meanwhile, the Consumers Energy PIPP experienced a very similar trend (Figure 34) despite the timeframe the Consumers Energy PIPP pilot took place in differing from that of DTE Energy's PSP pilot—meaning seasonal temperature variations can potentially be ruled out as a cause of the consumption changes.¹³³ Consumers Energy came to a similar conclusion in its analysis in stating: "The slight variation in data could be attributed to household composition or household efficiencies for the specific participants measured. An examination of weather patterns over the

¹³² DTE Energy PSP Report, pp. 62-63

¹³³ Consumers Energy PIPP Report, p. 56

observed periods did not reveal any significant trends that could noticeably affect energy consumption when considering the entire time span.”¹³⁴

Consumers Energy also noted that CARE and PIPP customers exhibited higher usage than low-income and non-low-income customers. However, what is important to clarify is that those customers had higher pre-plan consumption compared to other low-income and non-low-income customers, meaning it is likely that customer demographics and housing stock are contributing to that difference, and it might not be attributable to being on the payment plans. Additionally, when comparing Consumers Energy data against DTE Energy data, it is important to note that Consumers Energy not only had a narrower income eligibility range (between 20% and 150% of the FPL compared to 0-200% for DTE), but Consumers Energy had \$6,000 consumption caps and an arrears caps compared to DTE's \$1,500 arrears cap and annual billed consumption of less than \$3,750. Altogether, this explains why Consumers Energy PIPP customers exhibit higher consumption (in kWh and Mcf/ccf).

Figure 34: Consumers Energy PIPP Report Household Consumption by Customer Segment

Consumption Period		PIPP		CARE		CARE MB		Low Income		Non-Low Income	
kWh	Mcf	kWh	Mcf	kWh	Mcf	kWh	Mcf	kWh	Mcf	kWh	Mcf
Pre-Plan		878	8.1	883	8.6	898	8.9	705	6.9	682	7.1
1-12 Months on Plan		901	9	876	8.5	861	8.8	657	6.6	633	6.5
13-24 Months on Plan		872	7.7	816	7.9	-	-	648	6.2	632	5.9

All items measured across respective timeframes

CARE MB has only completed 12 months therefore 13-24-month data is unavailable

Figure 35: Staff Consumption Analysis from Appendix G

Consumption Period	PIPP		CARE		CARE MB		Low-Income		Non-Low Income	
kWh/Mcf	kWh	Mcf	kWh	Mcf	kWh	Mcf	kWh	Mcf	kWh	Mcf
Before Plan	927	8.2	973	8.7	999	7.7	740	7.0	665	7.9
Average of Months 1-12	1038	9.2	984	8.4	925	8.4	689	6.7	627	7.3
Average of Months 13-24	958	8.4	918	8.0	N/A	N/A	678	6.4	618	6.6

*Consumers Energy Reported information in Mcf, which is measured in thousand cubic feet of natural gas, a volumetric measurement. DTE reported information in ccf, which is measured in hundred cubic feet. Moving Consumers Energy's consumption data decimal to the right or DTE's to the left will make the data directly comparable.

Meanwhile, DTE Energy had a different interpretation of the data trend:

Lower consumption prior to plan enrollment could be an indicator of “energy starvation,” where households limit their energy usage due to financial constraints. By providing improved bill affordability, households can relieve

¹³⁴ Consumers Energy PIPP Report, p. 55

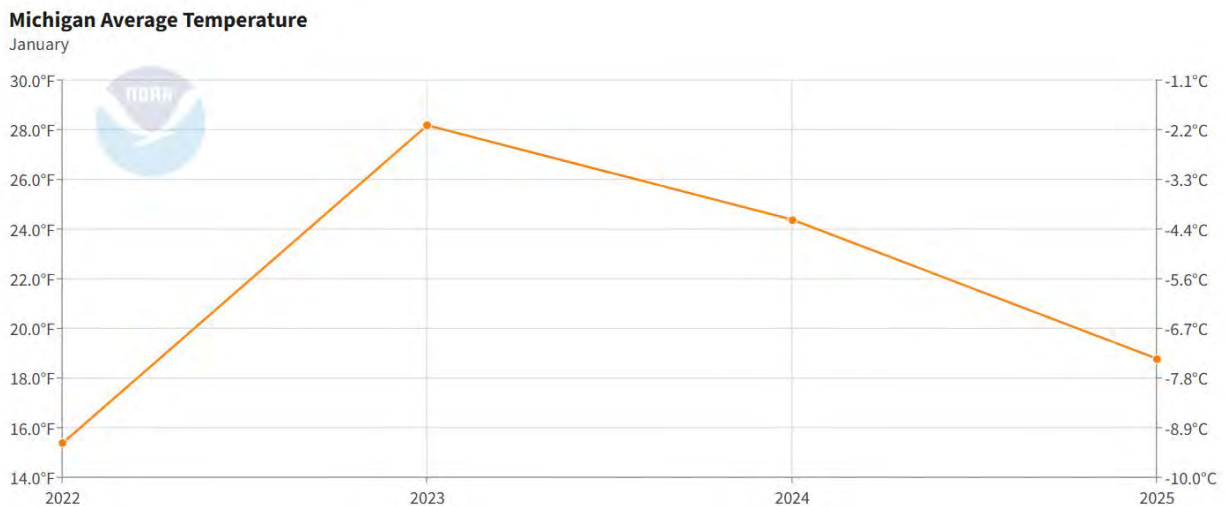
this constraint, allowing families to consume energy at a level that meets their actual needs rather than what they can barely afford. This could explain why both PIPP and LSP experienced increased consumption. In contrast, the Control Group may have continued energy starvation to suppress their energy bills. Regarding the decrease in consumption in the second year of the pilot, seasonal conditions could be the explanation.¹³⁵

This is unlikely, given the similarities in the outcomes of the programs despite different plan timeframes, eligibility criteria, customer pools etc.

However, when one looks instead at the data reported in Appendix H, as shown above in Figure 33, the outcome and interpretation changes. According to the data, customer consumption across groups analyzed decreases in the first year of the pilot and again in the second year. Except in the PIPP electric consumption and LSP electric consumption. For PIPP, it increases in year one but decreases below pre-program consumption in year two.

For LSP, consumption rose in both years, although LSP data covered different years, which the data may be explained by seasonal temperature changes. Utilizing data provided by the National Centers for Environmental Information, shown in Figure 36 below, it is plain to see why customers may have exhibited higher consumption in their first year on the PSP pilot, but lower consumption in subsequent years.

Figure 36: Michigan Average Temperature Data 2022-2025¹³⁶



¹³⁵ DTE Energy PSP Report, p. 63

¹³⁶ <https://www.ncei.noaa.gov/access/monitoring/climate-at-a-glance/statewide/time-series/20/tavg/1/1/2022-2025>

Data series is from January 2022 to January 2025 and depicts average temperatures in Michigan.

One final component of consumption analyses is energy waste reduction efforts. DTE Energy and Consumers Energy both provided breakdowns of the results of their EWR outreach, which Staff summarized in Figure 37.

Figure 37: DTE and Consumers Energy Summary of PSP/PIPP EWR Services

Program Name	Percent of PIPP Enrollees¹³⁷	Percent of PSP Enrollees¹³⁸
Home Energy Report	16%	Not Reported
Home Energy Assessment	12%	Not Reported
Appliance Recycling	2%	Not Reported
Residential Marketplace Rebates and Discounts	1%	Not Reported
HVAC (CE), Furnace/ AC (DTE), Water Heating	<1%	16%
Insulation and Windows (CE)	<1%	13%
Energy Star Appliances	<1%	Not Reported
Lighting	Not Reported	35%
Power Strip	Not Reported	17%
Refrigerator	Not Reported	4%
Air Purifier	Not Reported	3%
Thermostat	Not Reported	3%
Dehumidifier	Not Reported	2%
Duct Sealing	Not Reported	2%
Infiltration	Not Reported	2%
Other	Not Reported	4%

Staff found the EWR analysis in the PIPP pilot reports lacking. Although the Commission order approving Consumers Energy's PIPP pilot (MPSC Case No. U-21021) stressed the importance of EWR more strongly than the Commission order approving DTE Energy's PSP pilot (MPSC Case No. U-20929), fewer Consumers Energy PIPP customers enrolled in EWR services than DTE Energy PSP customers as a percentage of participants. While it is difficult to isolate a single variable and determine its impact on a customer's consumption, both Consumers Energy and DTE Energy seemingly stressed the importance of doing just that in their ex parte applications for approval for their respective PIPP pilots. See page 4 of DTE's PSP ex parte application in which energy usage reduction is a program success metric, and page 4 of Consumers Energy's amended ex parte application in which customer

¹³⁷ Consumers Energy PIPP Report, p. 56

¹³⁸ DTE Energy PSP Report, p. 21

consumption is a metric it planned on tracking.¹³⁹ It is disappointing to see DTE's EWR findings be reduced to the following statement in its report:

Section 4 references EWR services performed for PSP participants. As previously indicated, energy consumption changes in the PIPP program were not tracked and, therefore, cannot be compared to the Control Group. The Company recognizes the opportunity consumption tracking would afford to provide greater insights into the efficacy of EWR.¹⁴⁰

Meanwhile, Consumers Energy provided the following insight:

The analysis indicated that over 24 months, nearly 50% of gas and electric customers showed a reduction in consumption when compared to the previous period without enrollment in an energy savings program. However, due to the sample size, it is challenging to draw definitive conclusions without a more comprehensive study.¹⁴¹

If the Commission is interested in tracking the impact of EWR measures on payment plan customers going forward, there is room for improvement in the consistency and quality of the reporting for both Consumers Energy and DTE Energy, which could include clarifying the specific measures being tracked and whether the count is of households or measures. The Commission could additionally consider requiring tracking of more specific details on who/what organization is completing the measures and/or how delegations of assignments were determined. This reporting issue will have to be resolved in discussions prior to future data reporting.

¹³⁹ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC case no. U-20929; and In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021.

¹⁴⁰ DTE Energy PSP Report, p. 70

¹⁴¹ Consumers Energy PIPP Report, p. 57

Chapter 7 - Replies to Comments in the MPSC Case Nos. U-20929 and U-21021

After Consumers Energy and DTE Energy filed their PIPP and PSP pilot reports, the Commission approved an order on May 15, 2025, in Case Nos. U-20929 (DTE) and U-21021 (Consumers) which opened a comment and reply comment period on the reports. Consumers Energy and DTE Energy PIPP both received two comments filed to the dockets as case filings by legal counsel on behalf of organizations that typically intervene in contested Commission cases. The first comment was filed by Citizens Utility Board of Michigan (CUB), Ecology Center, Michigan Environmental Council (MEC), Natural Resources Defense Council (NRDC), and Vote Solar. The second comment was filed by CUB and the Attorney General. Both comments addressed the two PIPP reports jointly; therefore, Staff will reply to them jointly. Another comment was filed in U-20929 by Amani Sawari, and a single reply comment was filed in U-21021 by the Energy Equity Project but addressed both pilots jointly.¹⁴²

Comment from Citizens Utility Board of Michigan, Ecology Center, Michigan Environmental Council, Natural Resources Defense Council, and Vote Solar

The DTE Energy PSP docket and the Consumers Energy PIPP docket both received a comment filed jointly by the Citizens Utility Board of Michigan (CUB), Ecology Center, Michigan Environmental Council (MEC), Natural Resources Defense Council (NRDC), and Vote Solar. As a point of clarification, Staff disagrees with some of the statements presented in this comment, including that the Home Heating credit is a crisis program for energy assistance, that LIEAF is administered by the MPSC, and that the RIA is “funded” at a certain level.¹⁴³

The commenters pointed out several issues with the reports, which Staff likewise identified—many of which are mentioned in this report.¹⁴⁴ Staff agrees with the statement on page 10 that EWR is important to offer to customers; however, it is

¹⁴² In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no. U-20929, public comment; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. U-21021, public comment.

¹⁴³ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 pp. 2-3; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. [U-21021-0009](#), pp. 2-3.

¹⁴⁴ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 pp. 7-10; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. U-21021-0009, pp. 7-10.

important for the Commission to refrain from making EWR services a condition of participating in energy assistance programs. Many customers live in rented properties, which they have little to no authority to modify in the way EWR services could require. Requiring EWR services would simply deny many customers energy assistance. Utility providers currently seek out high consumption customers and if they are renters, the company tries to work with the landlords to perform upgrades - sometimes even offering to cover all costs; however, there are times when this offer is turned down.¹⁴⁵ Alternatively, the Commission could consider directing utilities to seek out high arrearage and repeat shutoff customers in addition to high consumption customers for EWR services.

Further on page 10, the commenters criticized measuring success primarily based on customer payment behavior and disconnection rates after assistance ends and should instead measure payment behaviors when the customer is receiving affordable bills.¹⁴⁶ These metrics were measured by DTE Energy and Consumers Energy and discussed in this report. Staff supports measuring both customer payment behavior and disconnection rate metrics instead of requiring an either/or situation. The answer for trackable metrics could be an “all of the above” scenario.

On page 11, the commenters proceed to posit what the PIPPs “should” do, including the length of the program and capped enrollment. These recommendations appear to lack support for why those actions should be adopted by the Commission. Analysis must occur to determine the impact of capping or uncapping enrollment and the term of an energy assistance program.¹⁴⁷ These finer details are specifically why Staff’s report is crucial. Chapter 16 of this report reinforces the reasons behind funding/enrollment caps. See also Chapter 20 of this report for analysis on assistance plan terms.

The comment on page 12 referred to a “better designed program” without describing what “not getting enough relief,” and “Reducing program costs at the expense of real affordability is not success” mean. The Commenters did not include

¹⁴⁵ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 pp. 7-10; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. U-21021-0009, pp. 7-10.

¹⁴⁶ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 p. 10; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. [U-21021-0009](#), p.10.

¹⁴⁷ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009, p. 11; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. [U-21021-0009](#), p.11.

the cost of a PIPP for income-eligible customers would place on all other ratepayers. Once again, this reinforces the necessity of Staff's analysis.¹⁴⁸

The comment also includes the following remarks: "DTE also lost far too many PSP participants", "No income validation should have been required..." and "the better solution."¹⁴⁹ The comment did not meet Staff's expectations for proper support for proposals and recommendations. Staff agreed with the statement that the online-only application is a significant issue for DTE's PSP.¹⁵⁰

As for the recommendations made in this comment, Staff proposes rejecting the recommendations under item 1, the full implementation of PIPPs, which states:

Require Consumers and DTE to present in their next rate cases or in special contested case dockets – not ex parte proceedings – proposals for the full implementation of PIPP programs with the following attributes by the end of 2026: • Payments capped at no more than 6% of total energy burden; • No arrearage or consumption caps; • No limit on duration; and • Automatic referral for EWR services.¹⁵¹

Staff's recommendations are supported by more analysis and address the recommendations made in item 1 of the comment.

Item 1 in the commenters' recommendations also included how the approval of a reformed energy assistance landscape could be implemented. Staff will provide its recommendation on this topic at the end of this report, and Staff cautions the Commission against all approval of energy assistance reforms being directed to rate cases. Many utilities have not filed rate cases in several years and to Staff's knowledge, have no current plans to do so. Waiting to approve changes until rate cases are filed not only delays the implementation of energy assistance reform (which these commenters are against), but also can lead to duplicative work for Staff, the utilities and intervenors, and prevents a cohesive energy assistance landscape across all investor-owned utilities.

¹⁴⁸ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 p. 12; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021-0009, pp. 12-13.

¹⁴⁹ *Id.*

¹⁵⁰ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 pp. 11-12; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021-0009, pp. 11-12.

¹⁵¹ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009 p. 15; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021-0009, p. 15.

Item 2 in the commenters' recommendations includes a request for utility transition plans if funds are reallocated and/or programs are terminated. This recommendation is dependent on what the Commission accepts for energy assistance reform and can be accomplished in a memorandum or ex parte filing at the appropriate time, as determined by the Commission.¹⁵² Staff cautions against the recommendation to "ensure that no participants in existing programs lose needed assistance" as it is heavily dependent on the adoption and the cost of future reform. The Commission should weigh promoting energy affordability and security against the affordability impact of associated costs on residential customers who do not receive assistance.¹⁵³

Item 3 in the commenters' recommendations relates to utilities presenting projected costs reflective of utility savings and benefits generated from assistance programs. Staff does not oppose this recommendation; however, it could be difficult to isolate those variables for analysis and Staff defers to the Companies and the Commission to determine the appropriate action.

Items 4 and 5 in the commenters' recommendations concern hiring third parties for program evaluation and the design of a state-wide assistance program according to the commenters' definition of best practices. Staff opposes this recommendation which would incur unnecessary cost. The PIPP pilots, reports, APP programs, and Staff's analysis renders this item moot. The current energy assistance offerings and pilots provide extensive experience and know how to implement a reformed energy assistance program.

Item 6 in the commenters' recommendations is to provide an opportunity for public comment on this Staff report. Staff supports this idea.

Any non-response to remarks and recommendations outlined in the comment does not indicate Staff's agreement with the statement.

Comment from Attorney General and Citizens Utility Board

The DTE Energy PSP Report docket and the Consumers Energy PIPP Report docket both received a comment filed jointly by the Michigan Attorney General (AG) and Citizens Utility Board (CUB). The commenters provided four goals in their stated outcomes, which are "to make energy more affordable, to make bills more predictable, to reduce arrearage balances, and to serve more customers than

¹⁵² In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no U-20929-0009, p.16; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. U-21021-0009, p. 16.

¹⁵³ *Id.*

traditional assistance programs.”¹⁵⁴ Staff disagrees with their statement that the Consumers Energy and DTE Energy PIPP reports include metrics that are additionally useful to program design but should not be central to the evaluation of the PIPPs.¹⁵⁵ Staff finds that one of the reasons DTE Energy’s PSP pilot may not have been as successful in retaining customers on the program could be because they administered the program internally instead of having experienced MEAP grantees administering the program. Sometimes it is the program design and administration elements that are central to the success of the program. One program design element that distinguishes the two PIPP pilots was eligibility criteria, which likely led to a significantly different outcome for DTE than it did Consumers Energy and could have determined whether or not the pilot was successful at reducing barriers to assistance. Without evaluating those program design elements, it is impossible to determine the success of a program. Staff does not disagree with the AG and CUB that many exogenous variables could have impacted the outcome of the PIPPs, and those variables should not necessarily determine if the PIPP was “successful” or not.¹⁵⁶ Staff hopes that the AG and CUB find Staff’s analysis to take those uncontrolled-for variables into account.

On page 5 of the comment, the AG and CUB illustrate the results of a negative savings analysis through which they conclude that DTE’s PIPP pilot led participants to pay more while enrolled in the pilot than they would have if they had participated in DTE Energy’s other assistance programs. The AG and CUB also conclude that DTE Energy’s 10% energy burden pilot standard is not as effective in achieving affordability as Consumers Energy’s 6% metric.

Staff responds to these statements in two parts.¹⁵⁷ First, while there is not enough information in the comment for Staff to evaluate their analysis, Staff can comment on the general conclusions resulting from it. In Figure 38 and Figure 39, Staff provides an analysis comparing “savings”, or the affordability gap, bridged by APP programs and the PIPP Pilots. Staff confirms that Consumers Energy’s PIPP pilot demonstrated greater affordability outcomes than Consumers Energy’s existing APPs, while DTE’s PSP pilot demonstrated greater affordability outcomes when compared to the LSPM but not the LSP. Staff also notes that the majority of existing APP benefit matrices were not designed with energy burden in mind (i.e. tiers

¹⁵⁴ In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case no. U-21021-0008 p. 3;

In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case no. U-20929-0008, p. 3.

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

¹⁵⁷ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0008, p. 5;

In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021-0008, p. 5.

experienced different outcomes); thus, new programs designed around energy burden may result in a fluctuation of benefits as program outcomes are equalized.

Figure 38: DTE Programs Savings Comparison

DTE															
Comm.	FPL	PIPP Monthly Income	Unsub. Annual Bill	PIPP Unsub. Monthly Usage Expense	Monthly Sub. Bill on PIPP	PIPP Sub.	Energy Burden	Monthly Sub. Bill on LSPM	LSPM Sub.	LSPM Energy Burden	Monthly Sub. Bill on LSP	LSP Sub.	LSP Energy Burden	Diff. between PIPP and LSPM	Diff. between PIPP and LSP
Combo	19%	\$ 740	\$2,412	\$ 201	\$74	127	10%	\$131	70	18%	\$90	\$ 111	12%	57	16
	75%	\$920	\$2,280	\$ 190	\$92	98	10%	\$120	70	13%	\$90	\$ 100	10%	28	(2)
	110%	\$ 1,270	\$2,268	\$ 189	\$127	62	10%	\$129	60	10%	\$95	\$ 94	7%	2	(32)
	150%	\$1,800	\$2,304	\$ 192	\$180	12	10%	\$142	50	8%	\$130	\$ 62	7%	(38)	(50)
	200%	\$2,290	\$2,340	\$ 195	\$229	(34)	10%								
Electric	19%	\$ 1,000	\$1,572	\$ 131	\$60	71	6%	\$101	30	10%	\$50	\$ 81	5%	41	(10)
	75%	\$1,017	\$1,692	\$ 141	\$61	80	6%	\$111	30	11%	\$50	\$ 91	5%	50	(11)
	110%	\$ 1,333	\$1,524	\$ 127	\$80	47	6%	\$118	9	9%	\$55	\$ 72	4%	38	(25)
	150%	\$1,833	\$1,692	\$ 141	\$110	31	6%	\$133	8	7%	\$55	\$ 86	3%	23	(55)
	200%	\$2,567	\$1,740	\$ 145	\$154	(9)	6%								
Gas	19%	\$ 1,067	\$1,104	\$ 92	\$64	28	6%	\$67	25	6%	\$50	\$ 42	5%	3	(14)
	75%	\$850	\$ 996	\$ 83	\$51	32	6%	\$58	25	7%	\$50	\$ 33	6%	7	(1)
	110%	\$ 1,250	\$ 876	\$ 73	\$75	(2)	6%	\$57	16	5%	\$55	\$ 18	4%	(18)	(20)
	150%	\$1,700	\$ 972	\$ 81	\$102	(21)	6%	\$76	5	4%	\$75	\$ 6	4%	(26)	(27)
	200%	\$2,700	\$1,152	\$ 96	\$162	(66)	6%								
Data from PIPP Pilot					Data from PIPP Pilot			Hypothetical LSPM			Hypothetical LSP				

Figure 38: Differences in impact of DTE's energy assistance program, based on PIPP pilot income and bill data. Negative PIPP Subsidies (in red) indicate the original bill was already under the target energy burden. Differences between programs in red indicate that the PIPP would have provided less savings than the incumbent program.

Figure 39: Consumers Energy Programs Savings Comparison

Consumers Energy															
Comm.	FPL	PIPP Monthly Income	Unsub. Annual Bill	PIPP Unsub. Monthly Usage Expense	Monthly Sub. Bill on PIPP	PIPP Sub.	Energy Burden	Monthly Sub. Bill on CARE MB	CARE MB Sub.	CARE MB Energy Burden	Monthly Sub. Bill on CARE	CARE Sub.	CARE Energy Burden	Diff. between PIPP and CARE MB	Diff. between PIPP and CARE
Combo	75%	\$ 707	\$3,324	\$ 277	\$60	217	8%	\$159	118	22%	\$130	\$ 147	18%	99	70
	110%	\$1,490	\$3,216	\$ 268	\$87	181	6%	\$186	82	12%	\$145	\$ 123	10%	99	58
	150%	\$ 1,997	\$3,612	\$ 301	\$115	186	6%	\$254	47	13%	\$160	\$ 141	8%	139	45
Electric	75%	\$ 707	\$2,520	\$ 210	\$32	178	5%	\$122	88	17%	\$90	\$ 120	13%	90	58
	110%	\$1,490	\$2,232	\$ 186	\$47	139	3%	\$122	64	8%	\$100	\$ 86	7%	75	53
	150%	\$ 1,997	\$2,076	\$ 173	\$61	112	3%	\$132	41	7%	\$110	\$ 63	6%	71	49
Gas	75%	\$ 707	\$1,536	\$ 128	\$25	103	4%	\$85	43	12%	\$40	\$ 88	6%	60	15
	110%	\$1,490	\$1,644	\$ 137	\$41	96	3%	\$106	31	7%	\$45	\$ 92	3%	65	4
	150%	\$ 1,997	\$1,356	\$ 113	\$53	60	3%	\$93	20	5%	\$50	\$ 63	3%	40	(3)
Data from PIPP Pilot					Data from PIPP Pilot			Hypothetical CARE MB			Hypothetical CARE				

Figure 39: Differences in impact of Consumers Energy's energy assistance program, based on PIPP pilot income and bill data. Negative PIPP Subsidies (in red) indicate the original bill was already under the target energy burden. Differences between programs in red indicate that the PIPP would have provided less savings than the incumbent program.

Second, Staff agrees that a 10% energy burden is too high of an affordability standard, given that industry standards suggest that a 10% energy burden is

indicative of a severe energy burden, and energy poverty more broadly.¹⁵⁸ A severely energy-burdened household may still struggle to meet their energy needs, making dangerous tradeoffs in an effort to keep their energy services at a more affordable level.¹⁵⁹ Nevertheless, the high energy burden standard is but one potential contributing factor as to why so many DTE customers failed to complete the two-year pilot – income revalidation being another. Notably, income revalidation was not required by Consumers Energy. As noted by the AG and CUB, Staff cautions against direct comparisons between programs with such diverse designs as correlations may be difficult to cleanly parse out.

To provide context to the AG and CUB's question as to why customers would be graduating from the PIPP after two years on the pilot, Staff clarifies that it is because the PIPP was a pilot. If one looks into the RIA/LIA Commission order history (Appendix E), it is evident that the LIA started as a pilot but was never formally adopted as a full program. Instead, it was approved and modified in different utilities' rate cases, and its outcomes were never fully analyzed. Staff wanted to ensure that the situation did not repeat itself with the PIPP pilots, so the PIPP was required to formally end to ensure that it was analyzed before the Commission could consider its role in the energy assistance landscape.

On page 7 of the comment, the AG and CUB look at customer on-time payment rates pre-PIPP versus during the PIPP pilot. Staff wants to ensure there was context provided for those numbers as they relate to DTE's pilot. DTE PSP customers' higher on-time payment rate pre-PIPP may be due to previous APP customers being placed on the PSP, meaning those customers may have had more success on the APP than PSP pilot.¹⁶⁰ This theory would have to be confirmed by DTE.

Page 7 includes analysis of DTE PSP customers experiencing a larger reduction in arrears than Consumers Energy PIPP customers and the AG and CUB assume it is due to DTE customers not being able to pay their bills on time as often as Consumers Energy customers, which is a result of higher energy burdens for DTE customers.¹⁶¹

The AG and CUB additionally criticized that the monthly arrears forgiveness model is unforgiving for customers that may experience difficulties paying bills on time and

¹⁵⁸ Brown, M. A., Soni, A., Lapsa, M. V., Southworth, K., & Cox, M. (2020). High energy burden and low-income energy affordability: conclusions from a literature review. *Progress in Energy*, 2(4), 042003.

¹⁵⁹ Homsy, G. C., & Kang, K. E. (2025). Energy burden: Exploring the intersection of race, income, and community characteristics across the United States. *Energy Research & Social Science*, 127, 104207.

¹⁶⁰ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0008 p.7; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. [U-21021-0008](#), p. 7.

¹⁶¹ *Id.*

in full.¹⁶² This concern is rectified more in the modified budget APPs, since forgiveness occurs in lump sums at months 1, 12, and 24. Along with this being less administratively burdensome, it also helps with this identified issue.

The comment goes on to state: “Applying the same logic, late payment fees should not be assessed to PIP participants provided they catch up within one billing cycle.”¹⁶³ DTE states on page 61 of its PSP report that late fees are not assessed for the PSP, LSP, nor LSPM while customers are on the programs. Consumers Energy states on page 19 of its report that late payment charges are not assessed on PIPP customers. The same is true of the CARE flat rate and CARE MB.¹⁶⁴ Staff proposes that late fees are not assessed during program participation and will have further recommendations in Chapter 10 of this report.

On page 9 of the comment, the AG and CUB state: “PIPs do not, and probably cannot, address the main causes of defaults and disconnections, and therefore these metrics should not be used to evaluate PIPs.”¹⁶⁵ Staff acknowledges that the core issues that low-income customers face cannot be addressed by the PIPP; however, viewing default rates and disconnection rates are important to determine customers’ performance on the PIPP or any form of energy assistance. For example, default rates can communicate to Staff that the customer’s payment obligation is too high and be considered for adjustment. The following statement: “The Commission should simply accept that predictable monthly PIP payments create a valuable benefit for low-income customers that is difficult to measure” is even more concerning, since the entire point of the PIPP was to determine how it measures up to other forms of assistance. The same statements could have been made about the APPs, RIA, or LIA credits and deterred the Commission from piloting PIPPs.¹⁶⁶ It is best to monitor energy assistance programs, and if key metrics seem to be performing poorly, the assistance program could be adjusted. The AG and CUB are using key metrics to make recommendations on the PIPP reports and subsequently discrediting the use of these metrics. Such rhetoric undermines the progress that they are advocating for and should therefore be disregarded by the Commission.

¹⁶² In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0008, pp. 7-8; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. [U-21021-0008](#), pp. 7-8.

¹⁶³ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0008 p. 8; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. [U-21021-0008](#), p. 8.

¹⁶⁴ Consumers Energy PIPP Report, pp. 31, 33

¹⁶⁵ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0008, p. 9; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. [U-21021-0008](#), p. 9.

¹⁶⁶ *Id.*

The AG and CUB state similar notions in regard to energy usage and once again, while it does not need to be the key determinant on which to judge the success of the PIPP, Staff disagrees with not evaluating these metrics, as they can be helpful to understand customer behavior and whether the program is serving the customer well. For this reason, Staff recommendations for tracking similar metrics are included in Chapter 22 of this report.

On page 13 of its comment, the AG and CUB recommend that the Commission require all regulated utilities to offer PIPPs with:

- 6% energy burden target for combined-service households and 3% for single-commodity customers.
- 1/24th arrearage balance reduction every month for participants who are no more than 30 days late in making payment.
- Income re-verification only after full arrearage forgiveness has been achieved and every 24 months thereafter.¹⁶⁷

While Staff has slight modifications to each of these points in its recommendations, the biggest issue is that while the AG and CUB are concerned with energy affordability, they did not perform or call for performance of a cost study of this proposal, which would likely make rates more unaffordable for a large portion of customers. This must be considered before the Commission approves up to tens of millions of dollars of increases to rates for each regulated utility.

Other Comments

The DTE Energy PSP docket also received a comment from Amani Sawari stating that federal regulators deemed 6% a high energy burden and that DTE's percentages were too high. Sawari points out that DTE's PSP pilot included punitive program measures, such as removing a customer from the payment plan after three missed payments and not forgiving past-due balances in arrears forgiveness.¹⁶⁸ Staff assumes this latter part refers to late fees and other fees not being included in arrears forgiveness for the APP nor the PSP. Sawari stated that income does not change for customers annually, so annual recertification should only be required to be recertified every four years.¹⁶⁹ Staff cannot verify nor concur with the statement that income does not change annually for customers.

While the comment does not reference which federal regulator deems 6% too high of an energy burden, Staff found that a Department of Energy website, as of July 10, 2025, concurred with this commenter with its data source from a September 2020

¹⁶⁷ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0008, p. 13; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021-0008, p. 13.

¹⁶⁸ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0001-CC.

¹⁶⁹ *Id.*

publication from the ACEEE (the American Council for an Energy Efficient Economy).¹⁷⁰ The ACEEE publication notes that:

Researchers estimate that housing costs should be no more than 30% of household income, and household energy costs should be no more than 20% of housing costs. This means that affordable household energy costs should be no more than 6% of total household income. For decades, researchers have used the thresholds of 6% as a high burden and 10% as a severe burden (APPRISE 2005). Note that high and severe energy burdens are not mutually exclusive. Severe energy burdens (> 10%) also fall into the high burden category (> 6%).

With the housing availability and affordability challenges facing Michigan residents,¹⁷¹ Staff concurs and recommends that an energy burden threshold be no greater than 6% of total household income.

Reply Comments

The Consumers Energy PIPP and DTE Energy PSP pilot reports also received a reply comment on behalf of the Energy Equity Project filed in the docket in Case No. U-21021. Below, Staff replies to select portions of the reply comment and notes that any non-response to remarks and recommendations do not indicate Staff's agreement.

The reply comment agreed with the affordability-based assessments made in Michigan Environmental Council, Natural Resources Defense Council, Citizens Utility Board of Michigan, Ecology Center, and Vote Solar's comment on the reports. The reply comment goes on to state that effective PIPPs and basing rates on income are more effective than credits or tiered payments.¹⁷² Staff clarifies that while PIPPs may be an energy assistance tool for eligible customers, they are not rates, rather a form of payment plan and should not be considered rate schedules. More specifically, PIPPs are a payment plan for eligible customers on any residential rate schedule, as the Commission has approved for the RIA and LIA credits for regulated utilities. Furthermore, according to legislative requirements, electric rates must be based on cost-of-service principles as outlined in Chapter 1 of this report. More information on these positions will be made clear in Section III of this report. The Energy Equity Project reinforced its support for Michigan Environmental Council, Natural Resources Defense Council, Citizens Utility Board of Michigan, Ecology Center, and Vote Solar's comment, to which Staff has already responded and does not change its position.

¹⁷⁰ <https://www.energy.gov/scep/low-income-energy-affordability-data-lead-tool> under "Learn More About LEAD Tool Data" > "Energy Burden".

¹⁷¹ [Michigan's Statewide Housing Plan](#)

¹⁷² In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot, MPSC Case No. U-21021-0009.

Chapter 8 - Staff's PIPP Report Analysis

In this section, Staff presents comparative analyses of the PIPP/PSP pilots' data and places the analyses in conversation with information from the Consumers Energy and DTE Energy pilot reports, discovery questions, and other pertinent information.

DTE Energy PSP Report Analysis

On page 84 of DTE's PSP pilot report, the Company outlines its metrics for success and program comparison, namely on-time payment rate, disconnection rate, NPS score,¹⁷³ and cost. Based on these metrics, DTE concludes that the PSP performs equivalent to, if not better than existing APPs and recommends launching a full PSP program. However, a closer look at the underlying data presents several points of concern. Staff summarizes the major points below and expands on each in the following paragraphs:

1. First, DTE's pilot data suggests the PSP is the least generative program in terms of improving on-time payment behavior.
2. Second, while DTE's PSP pilot produced more equitable energy burden outcomes than LSP and LSPM, it did not achieve greater affordability outcomes.
3. Third, the PSP pilot was the least effective in arrearage reduction.

During year one, PSP customers generally experienced a small improvement in on-time payments (Figure 40). However, during year two, customers enrolled in PSP experienced a significant decline in on-time payment behavior (on average, ranging from a 12%-20% decline across tiers). DTE explains this variance between year one and year two by suggesting that "customers in the first year of the pilot required temporary assistance for bill affordability, while those remaining through to the second year demonstrated greater need to balance the financial stresses of the household."¹⁷⁴ However, this explanation is insufficient for four critical reasons.

1. The Company itself employed special Energy Advocacy Group (EAG) employees to conduct customer outreach and determine eligibility based on identifiers like arrears, consumption, and low-income profiles.¹⁷⁵ In theory, as representatives who were trained on the PSP and skilled with prior experience engaged with vulnerable customers, EAG employees could have been able to determine which applicants likely only needed temporary assistance and thus directed these candidates to appropriate assistance. Additionally, those PSP

¹⁷³ NPS is Net Promoter Score, a customer experience metric that was calculated using survey results from an energy assistance satisfaction survey. See the DTE Energy PSP Report for more details.

¹⁷⁴ DTE Energy PSP Report, p. 60

¹⁷⁵ DTE Energy PSP Report, p. 25

participants that DTE deemed needing “temporary assistance” could have benefitted from clearer expectations and benefits of the program.

Figure 40: On-Time Payment rate for DTE’s Energy Assistance Programs, excluding RIA and LIA credits

DTE OTP Over Time							
PSP		FPL	0-19%	20-75%	76-110%	111-150%	151-200%
PSP Combo	Pre-enrollment		92%	89%	92%	87%	80%
	1-12 months post-enrollment		95%	92%	93%	91%	88%
	13-24 months post-enrollment		73%	75%	79%	74%	64%
PSP Electric	Pre-enrollment		94%	86%	88%	86%	88%
	1-12 months post-enrollment		90%	91%	93%	90%	88%
	13-24 months post-enrollment		82%	69%	77%	70%	62%
PSP Gas	Pre-enrollment		100%	100%	77%	85%	88%
	1-12 months post-enrollment		100%	87%	92%	92%	85%
	13-24 months post-enrollment		98%	75%	83%	73%	70%
Average % Difference btwn Pre and 12 mo.			1%	3%	3%	4%	4%
Average % Difference btwn Pre and 24 mo.			-13%	-15%	-12%	-14%	-20%
LSP		FPL	0-19%	20-75%	76-110%	111-150%	151-200%
LSP Combo	Pre-enrollment		65%	75%	80%	76%	75%
	1-12 months post-enrollment		85%	92%	92%	91%	90%
	13-24 months post-enrollment		82%	80%	82%	80%	79%
LSP Electric	Pre-enrollment		83%	75%	75%	75%	72%
	1-12 months post-enrollment		100%	89%	95%	93%	91%
	13-24 months post-enrollment		100%	71%	85%	80%	71%
LSP Gas	Pre-enrollment		85%	60%	80%	66%	68%
	1-12 months post-enrollment		58%	66%	97%	75%	100%
	13-24 months post-enrollment		80%	39%	76%	59%	100%
Average % Difference btwn Pre and 12 mo.			20%	16%	14%	16%	16%
Average % Difference btwn Pre and 24 mo.			17%	3%	3%	4%	4%
LSPM		FPL	0-19%	20-75%	76-110%	111-150%	151-200%
LSPM Combo	Pre-enrollment		61%	65%	64%	65%	100%
	1-12 months post-enrollment		84%	87%	89%	87%	100%
	13-24 months post-enrollment						
LSPM Electric	Pre-enrollment		49%	60%	61%	68%	
	1-12 months post-enrollment		87%	91%	89%	91%	
	13-24 months post-enrollment						
LSPM Gas	Pre-enrollment		17%	53%	54%	48%	
	1-12 months post-enrollment		100%	94%	96%	77%	
	13-24 months post-enrollment						
Average % Difference btwn Pre and 12 mo.			32%	26%	32%	23%	0%

Figure 40: Table of On-Time Payment (OTP) Behaviors (Pre-enrollment, 12 months, and 24 months) for each DTE energy assistance program. Red indicates a decrease in on-time payment behavior from

pre-enrollment. Also, note that MEAP eligibility at the time of the data collection was $\leq 150\%$ FPL, but DTE utilized gift funds¹⁷⁶ to enroll LSP and LSPM customers above 150% FPL into the payment plans.

2. DTE PSP Pilot response data indicates that customers involved in the pilot simultaneously had access to an array of other services like State Emergency Relief, which are specifically designed to address temporary crises.
3. A majority of pilot participants (79%) were de-enrolled for various reasons. For example, 34% of pilot participants were de-enrolled due to a failure to revalidate income. With the exception of the “no longer qualified” group (2%), no other de-enrollments directly support DTE’s claim that participants left the pilot due to resolved affordability challenges.
4. Customers enrolled in the PSP pilot had high on-time payment behavior prior to their participation and through year one, while those remaining through year two saw declines to lower than their starting payment behavior. While some LSP customers may have experienced on-time payment behavior declines in year two, LSP customers largely saw an improvement from the starting on-time payment behavior (Figure 40). The difference in on-time payment behavior across programs is more likely indicative of differences in affordability stemming from variances in program design or differences in customer vulnerabilities between year one and year two participants.

On page 85 of its report, DTE concludes that the PSP pilot provided “a more equitable solution than LSP, as the customer’s payment amounts to precisely an affordable 6% energy burden (for a single commodity), while LSP’s payment amounts may be more or less than 6% due to the tier structure of its payment amounts.” Based on Staff’s analysis presented throughout this section, Staff agrees with the sentiment that a PIPP-like structure, which takes energy burden and individual income/bill into account, produces more equitable outcomes in the sense that participants achieve the same energy burden endpoint.

However, the endpoint achieved may not be more affordable. For example, combination electric and gas customers (also referred to as “combo customers”) above 19% FPL on LSP achieved a lower energy burden level than customers on the PSP pilot, but the impact on energy burden after assistance varied across FPL tiers (ranging from 8%-3%). If one compares energy burden outcomes across programs (Figures 41-44), it is apparent that the LSP and LSPM helped achieve significantly lower energy burdens than the PSP – in some cases providing a larger subsidy than what is needed to achieve an energy bill below 6% energy burden due to the design choices of current benefit matrices (for example - LSPM Gas customers).¹⁷⁷ In terms

¹⁷⁶ Gift funds are frequently donations from the utility companies. Many are negotiated as part of settlement agreements in contested cases before the Commission and generally have less requirements attached to them than MEAP dollars besides the requirements to be given to a MEAP grantee to spend on energy assistance for the specific company’s customers.

¹⁷⁷ Throughout this process, Staff found that the design of benefit matrices for existing programs contained many arbitrary and inconsistent choices across utilities. These choices inevitably impact participant outcomes. For greater insight on how benefit matrices are designed, see Chapter 14.

of equity, for example, the PSP produced equal outcomes across FPL income tiers by making bills equal to a consistent energy burden, whereas the LSPM and LSP generally left the lowest FPL tier (0-19%) with severe energy burdens (10% or higher) while higher FPL tiers achieved energy burdens as low as 1% in some cases. This suggests that the way benefit matrices are designed can carry deep implications for those most financially vulnerable and may deliver an unfair advantage to those at higher income tiers on energy assistance as compared to broader residential ratepayers (whose median energy burden is approximately 3.6%).¹⁷⁸

Figure 41: DTE's PSP Customer Energy Burden & Disconnection Rates

DTE Program Energy Burden & Disconnection Rates							
PSP		FPL	0-19%	20-75%	76-110%	111-150%	151-200%
PSP Combo	Income		\$740	\$920	\$1,270	\$1,800	\$2,290
	Bill		\$201	\$190	\$189	\$192	\$195
	Payment after assistance		\$74	\$92	\$127	\$180	\$229
	Energy Burden (Pre-Assistance)		27%	21%	15%	11%	9%
	Energy Burden (Post Assistance)		10%	10%	10%	10%	10%
	Shutoff Notice within 12 months of default		32%	39%	36%	47%	50%
	Disconnection within 12 months of default		10%	10%	8%	11%	13%
PSP Electric	Income		\$1,000	\$1,017	\$1,333	\$1,833	\$2,567
	Bill		\$131	\$141	\$127	\$141	\$145
	Payment after assistance		\$60	\$61	\$80	\$110	\$154
	Energy Burden (Pre-Assistance)		13%	14%	10%	8%	6%
	Energy Burden (Post Assistance)		6%	6%	6%	6%	6%
	Shutoff Notice within 12 months of default		36%	40%	32%	45%	50%
	Disconnection within 12 months of default		8%	9%	10%	12%	14%
PSP Gas	Income		\$1,067	\$850	\$1,250	\$1,700	\$2,700
	Bill		\$92	\$83	\$73	\$81	\$96
	Payment after assistance		\$64	\$51	\$75	\$102	\$162
	Energy Burden (Pre-Assistance)		9%	10%	6%	5%	4%
	Energy Burden (Post Assistance)		6%	6%	6%	6%	6%
	Shutoff Notice within 12 months of default		75%	27%	25%	39%	53%
	Disconnection within 12 months of default		0%	0%	2%	0%	5%

¹⁷⁸ ACEEE (2020). [National and Regional Energy Burdens](#).

Figure 42: DTE's LSP Customer Energy Burden & Disconnection Rates

DTE Program Energy Burden & Disconnection Rates							
LSP		FPL	0-19%	20-75%	76-110%	111-150%	151-200%
LSP Combo	Income (Using 2021 FPL)		\$348	\$1,373	\$2,013	\$2,745	\$3,660
	Bill		\$166	\$189	\$191	\$186	\$176
	Payment after assistance		\$97	\$105	\$111	\$114	\$110
	Energy Burden (Pre-Assistance)		48%	14%	9%	7%	5%
	Energy Burden (Post Assistance)		28%	8%	6%	4%	3%
	Shutoff Notice within 12 months of default		80%	59%	58%	68%	64%
	Disconnection within 12 months of default		20%	25%	22%	24%	23%
LSP Electric	Income (Using 2021 FPL)		\$348	\$1,373	\$2,013	\$2,745	\$3,660
	Bill		\$47	\$90	\$99	\$95	\$89
	Payment after assistance		\$35	\$45	\$48	\$50	\$50
	Energy Burden (Pre-Assistance)		14%	7%	5%	3%	2%
	Energy Burden (Post Assistance)		10%	3%	2%	2%	1%
	Shutoff Notice within 12 months of default		0%	40%	46%	55%	51%
	Disconnection within 12 months of default		0%	8%	15%	18%	20%
LSP Gas	Income (Using 2021 FPL)		\$348	\$1,373	\$2,013	\$2,745	\$3,660
	Bill		\$53	\$74	\$50	\$70	\$78
	Payment after assistance		\$50	\$53	\$55	\$63	\$65
	Energy Burden (Pre-Assistance)		15%	5%	2%	3%	2%
	Energy Burden (Post Assistance)		14%	4%	3%	2%	2%
	Shutoff Notice within 12 months of default		100%	63%	50%	70%	0%
	Disconnection within 12 months of default		0%	25%	0%	10%	0%

Figure 43: DTE's LSPM Customer Energy Burden & Disconnection Rates

DTE Program Energy Burden & Disconnection Rates						
LSPM		FPL	0-19%	20-75%	76-110%	111-150% 151-200%
LSPM Combo	Income (Using 2023 FPL)		\$394	\$1,554	\$2,279	\$3,108 \$4,143
	Bill		\$218	\$227	\$225	\$231 \$234
	Payment after assistance		\$108	\$114	\$113	\$132 \$180
	Energy Burden (Pre-Assistance)		55%	15%	10%	7% 6%
	Energy Burden (Post Assistance)		27%	7%	5%	4% 4%
	Shutoff Notice within 12 months of default					
	Disconnection within 12 months of default					
LSPM Electric	Income (Using 2023 FPL)		\$394	\$1,554	\$2,279	\$3,108
	Bill		\$137	\$163	\$163	\$146
	Payment after assistance		\$64	\$80	\$99	\$86
	Energy Burden (Pre-Assistance)		35%	10%	7%	5%
	Energy Burden (Post Assistance)		16%	5%	4%	3%
	Shutoff Notice within 12 months of default					
	Disconnection within 12 months of default					
LSPM Gas	Income (Using 2023 FPL)		\$394	\$1,554	\$2,279	\$3,108
	Bill		\$43	\$81	\$107	\$56
	Payment after assistance		\$10	\$20	\$28	\$19
	Energy Burden (Pre-Assistance)		11%	5%	5%	2%
	Energy Burden (Post Assistance)		3%	1%	1%	1%
	Shutoff Notice within 12 months of default					
	Disconnection within 12 months of default					

Figure 44: DTE's Control and Non-Low-Income Groups Disconnection Rates

DTE Program Energy Burden & Disconnection Rates					
Control Group FPL		0-19 %	20-75 %	76-110 %	111-150 % 151-200 %
Shutoff Notice within 12 months of default		56%	65%	45%	63% 72%
Disconnection within 12 months of default		22%	15%	9%	15% 15%
Non-Low Income Comm.		Combo	Electric	Gas	
Shutoff Notice within 12 months of default		26%	16%	13%	
Disconnection within 12 months of default		0.51%	0.19%	0.06%	

Energy affordability may also be analyzed through customer arrears, as arrears represent missed payments which can be an indicator of affordability concerns and present challenges for long-term energy security. Indeed, average arrears at

enrollment for DTE's energy assistance programs ranged from \$48-\$1,605. The control group, comprised of DTE PSP-eligible customers not enrolled in the pilot, did not achieve nearly as high a reduction in arrearages as participants enrolled in the APPs or PSP pilot, and in many cases saw their arrearages increase. As visible in Figures 45-49, participants in the PSP experienced the lowest reduction in arrears between program start and the end of year one, and between program start and the end of year two, when compared to the LSP and LSPM. In some instances, average participant arrearages in the PSP pilot increased throughout the course of the program. Given that the LIA and RIA credits do not contain arrearage forgiveness components, they are not programmatically equivalent to the LSP, LSPM, or PSP, and thus not part of the analysis. While DTE did not speak to arrearage reduction as a metric to evaluate program success, Staff views arrearage reduction as a critical factor contributing to participants long-term home energy security and thus foundational to program success. When energy expenses are unaffordable, unresolved arrears can lead to a vicious cycle of dangerous home energy insecurity and disconnection (i.e. crisis cycling). On the other hand, when people have the means, they actively work to reduce arrearages independently as evident in the non-low-income group in Figure 49. This may help explain why the non-low-income group experienced substantial shut-off notices but very limited disconnection (under 1% for each commodity).

Figure 45: DTE PSP Average Customer Arrears at enrollment, 12 months, and 24 months

		DTE Program Arrears				
PSP	FPL	0-19%	20-75%	76-110%	111-150%	151-200%
PSP Combo	Average arrears at enrollment	\$432	\$605	\$517	\$557	\$679
	Average arrears at 12 months	\$375	\$597	\$496	\$609	\$678
	Average arrears at 24 months	\$0	\$287	\$260	\$414	\$359
PSP Electric	Average arrears at enrollment	\$391	\$445	\$432	\$431	\$569
	Average arrears at 12 months	\$244	\$432	\$439	\$399	\$675
	Average arrears at 24 months	\$571	\$360	\$271	\$665	\$549
PSP Gas	Average arrears at enrollment	\$219	\$344	\$247	\$257	\$524
	Average arrears at 12 months	\$231	\$283	\$177	\$353	\$730
	Average arrears at 24 months	\$69	\$0	\$16	\$0	\$0
Average percent reduction in arrears (start to 12 mo.)		19%	3%	4%	-6%	-9%
Average percent reduction in arrears (start to 24 mo.)		-12%	42%	46%	0%	29%

Figure 46: DTE LSP Average Customer Arrears at enrollment, 12 months, and 24 months

		DTE Program Arrears				
LSP	FPL	0-19%	20-75%	76-110%	111-150%	151-200%
LSP Combo	Average arrears at enrollment	\$1,318	\$1,318	\$1,218	\$851	\$1,457
	Average arrears at 12 months	\$348	\$438	\$476	\$507	\$577
	Average arrears at 24 months	\$0	\$216	\$153	\$230	\$352
LSP Electric	Average arrears at enrollment	\$83	\$690	\$784	\$402	\$603
	Average arrears at 12 months	\$0	\$252	\$547	\$213	\$327
	Average arrears at 24 months	\$0	\$0	\$29	\$45	\$281
LSP Gas	Average arrears at enrollment	\$48	\$626	\$418	\$374	\$164
	Average arrears at 12 months	\$0	\$0	\$0	\$0	\$0
	Average arrears at 24 months	\$0	\$0	\$0	\$0	\$0
Average percent reduction in arrears (start to 12 mo.)		74%	66%	56%	42%	59%
Average percent reduction in arrears (start to 24 mo.)		100%	87%	89%	77%	72%

Figure 47: DTE LSPM Average Customer Arrears at enrollment, 12 months, and 24 months

		DTE Program Arrears				
LSPM	FPL	0-19%	20-75%	76-110%	111-150%	151-200%
LSPM Combo	Average arrears at enrollment	\$1,605	\$859	\$1,035	\$1,115	\$472
	Average arrears at 12 months	\$860	\$247	\$1,717	\$637	\$0
	Average arrears at 24 months					
LSPM Electric	Average arrears at enrollment	\$658	\$633	\$766	\$635	
	Average arrears at 12 months	\$299	\$0	\$792	\$0	
	Average arrears at 24 months					
LSPM Gas	Average arrears at enrollment	\$1,268	\$569	\$71	\$76	
	Average arrears at 12 months	\$0	\$0	\$0	\$0	
	Average arrears at 24 months					
Average percent reduction in arrears (start to 12 mo.)		51%	79%	13%	71%	100%

Figure 48: DTE Control Group Arrears at enrollment, 12 months, and 24 months

DTE Program Arrears						
Control Group		FPL				
		0-19%	20-75%	76-110%	111-150%	151-200%
Combo	Average arrears at enrollment	\$255	\$419	\$499	\$521	\$648
	Average arrears at 12 months	\$538	\$574	\$698	\$621	\$865
	Average arrears at 24 months	\$548	\$669	\$420	\$882	\$531
Electric	Average arrears at enrollment	\$0	\$313	\$343	\$482	\$384
	Average arrears at 12 months	\$285	\$307	\$267	\$660	\$275
	Average arrears at 24 months	\$16	\$172	\$163	\$912	\$83
Gas	Average arrears at enrollment		\$118	\$324	\$279	\$152
	Average arrears at 12 months		\$375	\$394	\$603	\$297
	Average arrears at 24 months		\$212	\$314	\$317	\$148
Average percent reduction in arrears (start to 12 mo.)		-111%	-56%	-21%	-31%	-24%
Average percent reduction in arrears (start to 24 mo.)		-115%	-32%	25%	-70%	35%

* Numbers in red indicate an increase in arrearages.

Figure 49: DTE's average non-low-income customer arrearages at enrollment, 12 months, and 24 months

DTE Program Arrears					
Non-Low Income		Average Arrears At	Enrollment	12 mo.	24 mo.
Combo			\$343	\$188	\$129
Electric			\$364	\$109	\$139
Gas			\$393	\$193	\$160
Average percent reduction in arrears (start to 12 mo.)			60%		
Average percent reduction in arrears (start to 24 mo.)			61%		

Lastly, Staff would like to note that across all DTE's analyzed programs, the 0-19% FPL income tier saw the lowest number of enrolled customers (Figure 50). Given the 0-19% FPL income tier represents the most income-constrained group of all tiers, Staff finds this observation troubling, but likely due to program design features that restrict enrollment by arrears balances and average bills. Despite this, the 0-19% FPL income tier saw a higher percentage of 24-month completion for the PSP and LSP.

Figure 50: DTE's energy assistance programs: number of customers enrolled and percentage of program completion

DTE Enrollment & Milestones During Pilot Period						
	FPL	0-19%	20-75%	76-110%	111-150%	151-200%
PSP	Enrollment	60	537	603	602	339
	Completed 12 months	50.0%	47.7%	44.3%	47.0%	45.7%
	Completed 24 months	26.7%	23.3%	24.0%	14.0%	8.3%
LSP	Enrollment	7	146	169	463	178
	Completed 12 months	14.3%	22.6%	23.1%	21.4%	17.4%
	Completed 24 months	42.9%	31.5%	37.3%	36.7%	26.4%
LSPM	Enrollment	82	605	280	159	1
	Completed 12 months	9.8%	3.5%	10.0%	3.8%	100.0%
	Completed 24 months					

Grayed out cells indicate that no data was available for that field. This commonly occurs when no customers in a certain FPL range were enrolled in the program or because the modified budget APPs (LSP or CARE) were being piloted at the time of the data collection and had only completed 12 months.

Consumers Energy PIPP Report Analysis

Moving on to Staff's analysis of Consumers Energy's PIPP report, on page 4 of its PIPP pilot report, Consumers Energy recommends maintaining the current array of energy assistance offerings without modifications, given that its PIPP pilot performed comparably to its existing energy assistance programs while incurring a greater cost. Staff notes that despite Consumers Energy being aware of the deficiencies in the current RIA and LIA credits (via participation in the AAA and contested rate proceedings),

The Company also recommends retaining the exiting [read 'existing'] RIA credit to satisfy the requirements of MCL 460.11(2) and encourages key stakeholders to consider how the credit strategy could evolve in the future to serve and engage a broader subset of customers to address the identified unmet need as reflected previously in Figure 40.¹⁷⁹

Given the AAA subcommittee and contested rate case proceedings had already identified faults or weaknesses in the current energy assistance landscape, Staff found Consumers Energy's proposal to retain the status quo lackluster. Although Staff generally agrees with Consumers Energy that the programs performed comparably, Staff contends that there are aspects worth greater reflection, which merit a deviation from the status quo. In the following sections, Staff demonstrates the effectiveness of Consumers Energy's PIPP in improving on-time payment

¹⁷⁹ Consumers Energy PIPP Report, p. 79. Figure 40 references a figure in Consumers Energy's PIPP report, not Staff's Energy Affordability Report.

behavior, acknowledges disparate energy burden outcomes across tiers in the CARE and CARE MB programs, and highlights CARE MB's arrearage forgiveness model.

In contrast to DTE's PSP pilot, participants in Consumers Energy's pilot program began with lower on-time payment behavior and experienced stagnant or improved on-time payment (OTP) behavior. The Consumers Energy PIPP pilot saw similar results across programs with the exception of customers with incomes in the 20-75% FPL tier, which experienced about a 5% higher on-time payment improvement through year one than CARE and CARE MB, and approximately a 6% higher improvement through year two than CARE (Figure 51). This could indicate that participants in the 20-75% FPL tier had an easier time making payments on the PIPP plan than through other programs.

Indeed, looking at the PIPP pilot data (substituting FPL data where appropriate), Staff notes that the PIPP pilot produced outcomes within 1 to 2 percent energy burden of its existing APPs (Figures 52-54). In other words, customers enrolled in the Consumers Energy PIPP Pilot experienced similar energy burden outcomes to those on CARE and CARE MB. However, as noted with DTE, current APPs produce a greater variance in outcomes across FPL income tiers. The lowest tier (20-75% FPL) experienced the highest energy burdens pre- and post-assistance. This variance in energy burden outcomes is exacerbated when one considers income variance within tiers. In other words, while Staff's analysis here focused on the income at the top of the tier, the results for current APPs would look substantially different if considering the income at the bottom of the tiers. Given this observation, Staff recommends that benefit matrices for existing programs be re-examined with the goal to better foreground equitable outcomes in matrix design.

Figure 51: Consumers Energy's energy assistance programs, excluding RIA and LIA credits: On-time payment rate for enrolled customers

CE OTP Over Time					
PIPP		FPL	20-75%	76-110%	111-150%
Combo	Pre-enrollment		59%	62%	68%
	1-12 months post-enrollment		66%	67%	69%
	13-24 months post-enrollment		68%	67%	69%
Electric	Pre-enrollment		57%	65%	70%
	1-12 months post-enrollment		64%	62%	70%
	13-24 months post-enrollment		70%	70%	72%
Gas	Pre-enrollment		58%	51%	71%
	1-12 months post-enrollment		63%	54%	79%
	13-24 months post-enrollment		72%	61%	75%
Average % Difference btwn Pre and 12 mo.			7%	2%	1%
Average % Difference btwn Pre and 24 mo.			11%	5%	2%
CARE		FPL	20-75%	76-110%	111-150%
Combo	Pre-enrollment		55%	75%	60%
	1-12 months post-enrollment		57%	75%	65%
	13-24 months post-enrollment		58%	76%	66%
Electric	Pre-enrollment		50%	63%	69%
	1-12 months post-enrollment		53%	62%	70%
	13-24 months post-enrollment		60%	64%	70%
Gas	Pre-enrollment		72%	61%	60%
	1-12 months post-enrollment		70%	62%	59%
	13-24 months post-enrollment		71%	62%	61%
Average % Difference btwn Pre and 12 mo.			2%	0%	3%
Average % Difference btwn Pre and 24 mo.			5%	1%	4%
CARE MB		FPL	20-75%	76-110%	111-150%
Combo	Pre-enrollment		57%	62%	59%
	1-12 months post-enrollment		60%	65%	60%
	13-24 months post-enrollment				
Electric	Pre-enrollment		59%	55%	54%
	1-12 months post-enrollment		60%	56%	57%
	13-24 months post-enrollment				
Gas	Pre-enrollment		60%	63%	62%
	1-12 months post-enrollment		63%	64%	66%
	13-24 months post-enrollment				
Average % Difference btwn Pre and 12 mo.			2%	2%	2%

Staff also finds Consumers Energy's disconnection results noteworthy. More specifically, when compared to DTE, Consumers Energy's PIPP and CARE participants largely experienced much lower disconnection rates. Moreover, Consumers Energy's disconnection rates for the PIPP pilot and current programs are more closely aligned with disconnection rates of the broader non-low-income population, inching closer to parity.

Figure 52: Consumers Energy's PIPP Customer Energy Burden & Disconnection Rates

CE Program Energy Burden & Disconnection Rates					
PIPP		FPL	20-75%	76-110%	111-150%
Combo	Income		\$707	\$1,490	\$1,997
	Bill		\$277	\$268	\$301
	Payment after assistance		\$60	\$87	\$115
	Energy Burden (Pre-Assistance)		39%	18%	15%
	Energy Burden (Post Assistance)		8%	6%	6%
	Shutoff Notice within 12 months of default		4%	4%	3%
	Disconnection within 12 months of default		3%	3%	3%
Electric	Income		\$707	\$1,490	\$1,997
	Bill		\$210	\$186	\$173
	Payment after assistance		\$32	\$47	\$61
	Energy Burden (Pre-Assistance)		30%	12%	9%
	Energy Burden (Post Assistance)		5%	3%	3%
	Shutoff Notice within 12 months of default		5%	5%	5%
	Disconnection within 12 months of default		4%	5%	4%
Gas	Income		\$707	\$1,490	\$1,997
	Bill		\$128	\$137	\$113
	Payment after assistance		\$25	\$41	\$53
	Energy Burden (Pre-Assistance)		18%	9%	6%
	Energy Burden (Post Assistance)		4%	3%	3%
	Shutoff Notice within 12 months of default		18%	14%	18%
	Disconnection within 12 months of default		9%	0%	9%

Figure 53: Consumers Energy's CARE Customer Energy Burden & Disconnection Rates

CE Program Energy Burden & Disconnection Rates					
CARE		2022 FPL	20-75%	76-110%	111-150%
Combo	Income (Using 2022 FPL)		\$1,439	\$2,111	\$2,879
	Bill		\$262	\$254	\$257
	Payment after assistance		\$130	\$145	\$160
	Energy Burden (Pre-Assistance)		18%	12%	9%
	Energy Burden (Post Assistance)		9%	7%	6%
	Shutoff Notice within 12 months of default		3%	2%	3%
	Disconnection within 12 months of default		3%	2%	3%
Electric	Income (Using 2022 FPL)		\$1,439	\$2,111	\$2,879
	Bill		\$199	\$179	\$193
	Payment after assistance		\$90	\$100	\$110
	Energy Burden (Pre-Assistance)		14%	8%	7%
	Energy Burden (Post Assistance)		6%	5%	4%
	Shutoff Notice within 12 months of default		5%	3%	3%
	Disconnection within 12 months of default		4%	2%	3%
LSP Gas	Income (Using 2022 FPL)		\$1,439	\$2,111	\$2,879
	Bill		\$95	\$94	\$91
	Payment after assistance		\$40	\$45	\$50
	Energy Burden (Pre-Assistance)		7%	4%	3%
	Energy Burden (Post Assistance)		3%	2%	2%
	Shutoff Notice within 12 months of default		4%	2%	2%
	Disconnection within 12 months of default		3%	2%	2%

Figure 54: Consumers Energy's CARE MB and Non-Low Income Customer Energy Burden & Disconnection Rates¹⁸⁰

CE Program Energy Burden & Disconnection Rates					
CARE MB		2023 FPL	20-75%	76-110%	111-150%
Combo	Income (Using 2023 FPL)		\$1,554	\$2,279	\$3,108
	Bill		\$234	\$237	\$228
	Payment after assistance		\$131	\$154	\$157
	Energy Burden (Pre-Assistance)		15%	10%	7%
	Energy Burden (Post Assistance)		8%	7%	5%
	Shutoff Notice within 12 months of default				
	Disconnection within 12 months of default				
Electric	Income (Using 2023 FPL)		\$1,554	\$2,279	\$3,108
	Bill		\$186	\$196	\$289
	Payment after assistance		\$125	\$142	\$159
	Energy Burden (Pre-Assistance)		12%	9%	9%
	Energy Burden (Post Assistance)		8%	6%	5%
	Shutoff Notice within 12 months of default				
	Disconnection within 12 months of default				
Gas	Income (Using 2023 FPL)		\$1,554	\$2,279	\$3,108
	Bill		\$92	\$102	\$109
	Payment after assistance		\$40	\$55	\$62
	Energy Burden (Pre-Assistance)		6%	4%	4%
	Energy Burden (Post Assistance)		3%	2%	2%
	Shutoff Notice within 12 months of default				
	Disconnection within 12 months of default				
Non-Low Income		Comm.	Combo	Electric	Gas
Shutoff Notice within 12 months of default			24%	15%	12%
Disconnection within 12 months of default			3%	2%	1%

In relation to arrearage forgiveness, Staff notes that arrears averages at enrollment presented by Consumers Energy fall at or below \$605. When comparing Consumers Energy's energy assistance programs, the CARE MB program performed best, eliminating the vast majority of participant arrearages within the first year. Although the PIPP pilot also achieved this outcome, it did so over a two-year period. This may be less desirable as it can leave customers vulnerable to shutoffs if they exit the program for any reason prior to receiving full arrearage forgiveness (e.g. agency

¹⁸⁰ Information from Consumers Energy CARE program benefit matrix was utilized in place of the Company's PIPP response data for CARE payment after assistance due to errors in reporting. See Appendix K for reference.

request). In contrast to CARE MB and the PIPP Pilot, the CARE program did not achieve as substantial a reduction in arrearages (Figure 56). As evident from data on Consumers Energy's average low-income customers (Figure 58), low-income customers not participating in an APP or PIPP program may struggle to fully pay down arrearages over time.

Figure 55: Consumer Energy's PIPP Customer Average Arrears at enrollment, 12 months, and 24 months

CE Program Arrears					
PIPP		FPL	20-75%	76-110%	111-150%
Combo	Average arrears at enrollment		\$451	\$314	\$200
	Average arrears at 12 months		\$163	\$167	\$86
	Average arrears at 24 months		\$45	\$66	\$16
Electric	Average arrears at enrollment		\$305	\$226	\$194
	Average arrears at 12 months		\$108	\$112	\$91
	Average arrears at 24 months		\$10	\$5	\$3
Gas	Average arrears at enrollment		\$200	\$140	\$75
	Average arrears at 12 months		\$86	\$46	\$23
	Average arrears at 24 months		\$22	\$1	\$0
Average percent reduction in arrears (start to 12 mo.)			71%	49%	56%
Average percent reduction in arrears (start to 24 mo.)			93%	87%	96%

Figure 56: Consumer Energy's CARE Customer Average Arrears at enrollment, 12 months, and 24 months

CE Program Arrears					
CARE		FPL	20-75%	76-110%	111-150%
Combo	Average arrears at enrollment		\$274	\$270	\$146
	Average arrears at 12 months		\$137	\$149	\$80
	Average arrears at 24 months		\$102	\$83	\$28
Electric	Average arrears at enrollment		\$253	\$203	\$175
	Average arrears at 12 months		\$134	\$106	\$100
	Average arrears at 24 months		\$15	\$67	\$27
Gas	Average arrears at enrollment		\$172	\$85	\$50
	Average arrears at 12 months		\$89	\$50	\$28
	Average arrears at 24 months		\$34	\$17	\$2
Average percent reduction in arrears (start to 12 mo.)			49%	45%	44%
Average percent reduction in arrears (start to 24 mo.)			76%	70%	84%

Figure 57: Consumer Energy's CARE MB Customer Average Arrears at enrollment, 12 months, and 24 months

CE Program Arrears					
CARE MB		FPL	20-75%	76-110%	111-150%
LSPM Combo	Average arrears at enrollment		\$427	\$476	\$330
	Average arrears at 12 months		\$0	\$0	\$8
	Average arrears at 24 months				
LSPM Electric	Average arrears at enrollment		\$325	\$374	\$436
	Average arrears at 12 months		\$14	\$29	\$39
	Average arrears at 24 months				
LSPM Gas	Average arrears at enrollment		\$327	\$177	\$327
	Average arrears at 12 months		\$0	\$0	\$25
	Average arrears at 24 months				
Average percent reduction in arrears (start to 12 mo.)			99%	97%	95%

Figure 58: Consumer Energy's Customer Average Arrears for Average Low-Income and Non-Low-Income Groups at enrollment, 12 months, and 24 months

CE Program Arrears					
AVG Low Income		Average Arrears At	Start	12 mo.	24 mo.
Combo			\$353	\$283	\$249
Electric			\$195	\$167	\$160
Gas			\$127	\$117	\$101
Average percent reduction in arrears (start to 12 mo.)					14%
Average percent reduction in arrears (start to 24 mo.)					23%
Non-Low Income		Average Arrears At	Start	12 mo.	24 mo.
Combo			\$429	\$379	338
Electric			\$298	\$269	269
Gas			\$134	\$153	133
Average percent reduction in arrears (start to 12 mo.)					1%
Average percent reduction in arrears (start to 24 mo.)					9%

Staff also notes, in contrast to DTE's programs, Consumers Energy programs take a stepped approach to enrollment with the lowest tier experiencing the largest enrollment, and subsequent tiers decreasing in enrollment as income tiers increase (Figure 59). This is more aligned with what one would expect given anticipated need. However, contrary to Consumers Energy's conclusion that the programs perform comparatively equally, Staff highlights higher program completion rates through year one and year two of the PIPP pilot when compared to CARE and CARE MB (Figure 59). Although Staff acknowledges the impact that sample size can have on such observations.

Figure 59: Consumers Energy's energy assistance programs: Number of customers enrolled and percentage of program completion

CE Enrollment & Milestones During Pilot Period					
		FPL	20-75%	76-110%	111-150%
PIPP	Enrollment		331	217	174
	Completed 12 months		78.2%	84.3%	75.3%
	Completed 24 months		65.9%	68.7%	62.1%
CARE	Enrollment		6262	4803	3051
	Completed 12 months		69.7%	74.8%	76.4%
	Completed 24 months		40.0%	48.6%	51.2%
CARE MB	Enrollment		589	325	145
	Completed 12 months		63.3%	63.7%	56.6%
	Completed 24 months				

Comparing DTE Energy and Consumers Energy Pilot Programs

As Staff will reinforce throughout this report, it is important to remember that the analyzed programs are inherently different. For example, these differences may have impacted programmatic outcomes and hence each Company's recommendations. Additionally, these differences make it difficult, if not impossible, to definitively isolate a variable when comparing one program to another and determine if it is responsible for a changed outcome. This is apparent in the Consumers Energy and DTE Energy PIPP and PSP pilot reports. Staff provides some reasoning below:

- Consumers Energy did not require income revalidation after a customer was accepted into the 2-year pilot, recognizing the barrier it can pose to lower income families and wanting to mirror the design of the APPs, while DTE did require income revalidation at the one-year mark.
 - While Consumers Energy's PIPP pilot had a 22% default rate for missed payments and DTE's PSP pilot had only an 11% default rate for missed payments, it is possible DTE would have seen higher default rates for

nonpayment if it had not lost 34% of its participants due to failure to revalidate income.

- Consumers Energy was required to have an energy burden structure that did not exceed 6% of income and proposed a 3% (single commodity) and 6% (dual commodity) energy burden structure, while DTE proposed a 6% (single commodity) and 10% (dual commodity) energy burden structure.
- DTE capped arrearages at \$1500 and annual billed amounts equal to \$3750, while Consumers Energy offered a \$6,000 arrearages cap and a \$6,000 credit cap. DTE also extended eligibility to 200% FPL, while Consumers Energy retained a 150% FPL eligibility cap.
 - PSP had a stricter arrears cap than the LSP, meaning the success of the PSP over the LSP is in part due to a narrower pool of customers that may not accumulate arrears as fast as other low-income customers. Readers ought not take this to mean that the PSP is significantly better or more successful than the LSP.
 - Meanwhile, Consumers Energy's PIPP had a higher arrears cap than both DTE's PSP and both Consumers Energy's and DTE's traditional/flat-rate MEAP APPs. This could have made the success metrics look like Consumers Energy's PIPP was less successful than those programs.
- For Consumers Energy's PIPP pilot, agencies that administer the MEAP APPs also administered the PIPP pilot. Agencies referred customers to the PIPP if they were ineligible for traditional APPs, or if they were denied State Emergency Relief by MDHHS, and if APP-eligible customers would potentially receive a higher bill subsidy on the PIPP pilot than on the CARE program. In contrast, DTE Energy performed targeted outreach for its PSP pilot, including outreach to individuals in the 151-200% FPL income range (ineligible for SER/LSP), and implemented broader efforts to identify individuals with low-income profiles in internal systems.
 - The PSP may have recruited customers who are not from the traditional LSP customer base, which could impact the data outcomes.
 - In Consumers Energy's pilot, True North and United Way of South Central Michigan enrolled customers who reached out to them, which is not dissimilar to the enrollment methods used for CARE.
- Consumers Energy utilized MEAP grantees to conduct program enrollment, while DTE leveraged internal employees to facilitate enrollment.
 - Differences in eligibility, enrollment protocols and outreach may explain why participants enrolled in the DTE and Consumers Energy PIPP pilots had such different on-time payment behaviors at the start of the programs.

While these differences produced significantly different results and recommendations from the utilities, they also make conclusions difficult to attribute to any single factor.

Nevertheless, the results from the PIPP pilots lead Staff to conclude that program design is deeply impactful, and if not fully considered, can result in disproportionate outcomes and/or unintended consequences.

Staff Analysis Summary

In this section, Staff summarizes key takeaways from the analyses detailed in the previous section.

Metrics for evaluation: Staff was interested in many questions related to the PIPP pilot reports, primarily: How did PIPP pilot participants fare when compared to participants in traditional or modified APPs? Which program or combination of programs best serve the needs of Michiganders? To approach these questions, Staff utilized data provided by the utilities and several metrics to facilitate comparisons between programs, including on-time payment behavior, energy burden, percentage of arrears reduced, and disconnection rate. Staff also considered equity in its comparisons, such as differences, by program, and in outcomes across income tiers. The data presented by utilities, although not without faults, provided a valuable opportunity to observe and scrutinize program designs and outcomes.

Equitable outcomes & affordability: Staff agrees with DTE's assessment that PIPPs produce more equitable outcomes because they create a target energy burden goal for participants, regardless of income tier. However, Staff disagrees with DTE in suggesting that this is sufficient enough a reason to support the development of a full PIPP program with the same design as its pilot. Although DTE's program facilitates equitable outcomes, data analyses indicate the PSP pilot did not make energy more affordable for participants than DTE's current APPs. While Consumers Energy's PIPP pilot produced results comparable to its other programs, both DTE and Consumers Energy's traditional and modified APPs produce inequitable outcomes within and across FPL income tiers. These inequities result from the decisions made in the design of the program benefit matrices.¹⁸¹ Greater scrutiny and guidance on the development of energy assistance program benefit matrices is needed.

Arrearages: Full and on-time payment requirements can pose significant barriers to arrearage forgiveness. Arrearages forgiven in interval chunks, such as with DTE's LSPM and Consumer Energy's CARE MB, not only help reduce arrearages but reduce them by \$600 immediately upon enrollment such that the stress of arrearages is alleviated regardless of the customer's length of time in the given program. This model also eases the administrative burden of reducing arrears by 1/24th each month, as will be discussed later in this report. For Consumers Energy customers, this initial \$600 may be sufficient to cover the full extent of their arrears, whereas it may be insufficient to cover all arrears for DTE customers who experience higher arrearages at enrollment.

¹⁸¹ See Chapter 14 for insight into Staff's analysis of program benefit matrices.

Revalidation: In its PIPP report, Consumers Energy acknowledged the barrier that income revalidation can play at the one-year mark and opted to not include income revalidation in its program design. The impacts of income revalidation at the one-year mark are evident in DTE's PSP, which lost 34% of participants due to a failure to revalidate. Thus, Staff concurs with Consumers Energy that income revalidation can present a substantial barrier to lower income families in maintaining access to energy assistance.

Other Matters of Note in the Reports

As Staff closes its broad analysis of the PIPP reports, there are many noteworthy portions of the DTE Energy and Consumers Energy PIPP pilot reports that do not fit nicely in the energy assistance reform recommendation or program design, but the Commission ought to be made aware of.

First, on page 36 of its report in its "Figure 15," DTE outlines the energy burden levels experienced by LSP, LSPM, and PSP customers for dual and single commodities. This was not reported in its response to Staff's data request and while readers can confirm in the data response that customer bills are higher for electric than natural gas, DTE does not outline the different energy burdens for its electric vs. natural gas customers, rather labels them as "single" commodity. This is somewhat expected, because DTE was not initially ordered to compare its PIPP to the APPs, but it definitely impacts Staff's analysis of energy burden.

Second, Staff would think that the number of "no de-enrollment" PIPP customers on page 59 of the DTE PSP Report would equal the number of households that completed 24 months of the pilot in the data response (Appendix H), but the data response states that number as 398 but is 392 in DTE's "Figure 25" on page 59 of its report. Similarly, the LSPM data in DTE's "Figure 25" indicates that 358 customers defaulted from the program due to a missed payment, which aligns with the data reported in its data response, however, in total, only 112 other customers were removed from the program according to DTE's "Figure 25",¹⁸² whereas in its data response, DTE reported the number of households that defaulted for any other reason as 770 in total. LSP data is also similar. For the number of customers who defaulted due to missed payments, DTE's "Figure 25" number is 464 versus 448 in its data response and defaulting for other reasons is 173¹⁸³ versus 515 for those same sources, respectively. When Staff asked DTE for clarification on how this outreach was performed, its reply on April 15, 2025 stated: "A customer may have had a de-enrollment and re-enrolled" and "In the datasheet, the 'no de-enrollment' numbers were also included in the totals."¹⁸⁴

¹⁸² 8+11+5+88 (for reasons agency request, bankruptcy, customer request, and move-out, respectively).

¹⁸³ 6+16+6+142+2+1 (for reasons agency request, bankruptcy, customer request, move-out, exceeded annual consumption, and exceeded assistance cap, respectively).

¹⁸⁴ Appendix K

Third, when designing and tracking the PSP progress, DTE reinforced the importance of piloting the PIPP on customers that did not qualify for MEAP (and the affordable payment plans) at the time (DTE has, however, offered the APPs to customers in the 151-200% FPL range funded by gift funds, as indicated in its report). DTE also reinforced the importance of having control groups when analyzing data to have a more statistically accurate data analysis. It was disappointing that the findings on these two groups were limited to a single page of analysis (on page 71 of the report) without much breadth or depth. Staff expected a more comprehensive analysis from this aspect of DTE's pilot and was disappointed in DTE's lack of any substantive findings.

Similarly, Staff identified data points in Consumers Energy's PIPP report which, although collected, were minimally referenced or examined. For example, on page 42 of the Company's report, Consumers Energy indicated it "instructed enrollment agencies to collect demographic information, including age, employment status, and fixed income." While the Company shares demographic results related to age, the other demographic data (employment status and fixed income) remains elusive. Given the data was collected and could potentially speak to pertinent topics in the energy assistance space, Staff would have expected such results to be included in the report.

Additionally, it was concerning that DTE did not track or estimate the cost of administering the PIPP pilot on page 73 of its report. Currently, the human service agencies that administer DTE's LSP, called MEAP grantees, meticulously log and report the hours their workers bill to administer the MEAP services. It is disconcerting for DTE customers to pay for a pilot program and for the Company to report the cost of the direct assistance and one-time costs but not report the cost of the workers administering the program. DTE indicated that customer service operations and maintenance (O&M) costs can be viewed as part of the standard regulatory filings; however, DTE did not report that number in the PSP report nor cite the costs in the regulatory filings. Although Consumers Energy provided estimated program costs, it can be difficult to extrapolate these costs to another utility given their unique operations and PIPP pilot program design. Staff worked with DTE to stress that any estimate needed to be provided as part of the analysis--even if it's the hourly/salaried wage of workers administering the program, since the Commission did not require time study tracking in the initial U-20929 filing. DTE refused to provide available information and there is little doubt that DTE is aware of the salaries of the different workers who worked on this program as well as other program costs. As regulators, it is important to understand the total cost of programs and their impacts on ratepayers, especially as they relate to affordability-based programs.

As for Consumers Energy, it was pertinent to Staff to report on all aspects of the PIPP pilot, including customer enrollment and case management. Since Consumers Energy chose to have human service agencies perform this work, Staff expected a robust explanation and observations from those agencies regarding the pilot, yet

their contributions to the report were somewhat surface level. Staff would have expected more descriptions of the interplay between utility and agency coordination and communication and comparing and contrasting agency experience with administering PIPPs versus APPs. This information was lacking.

Staff has also outlined various issues with the Consumers Energy and DTE Energy reports throughout this Staff report, which do not need to be reiterated here, as many require context to understand.

This concludes Staff's reactions to DTE Energy's and Consumers Energy's Percentage of Income Payment Plan Pilot Reports.

Statements, evidence, and reactions in this section of the Staff report are not necessarily Staff's final recommendations to the Commission. Rather they are created for the purpose to support Staff's recommendations and provide evidence on which the Commission can make decisions on the presented issues. Additionally, Staff will summarize its recommendations to the Commission in each section of the report. To that end, DTE Energy's and Consumers Energy's recommendations lack many necessary aspects of implementing the energy assistance program reform recommendation and administering a new program. The issues the Staff experienced with the Companies' data integrity also demonstrate a need for utility accountability in energy assistance reporting as well as better understanding of data requests. Unfortunately, the latter issue is ongoing with each investor-owned utility bringing unique hurdles to data reporting.

SECTION III - DETERMINING THE BEST FULFILLMENT OF MCL 460.11(2)

Chapter 9 - Impact of MEAP Legislative Change on MCL 460.11(2)

The overarching directive with which the Commission tasked the AAA subcommittee and by proxy, Staff, is to determine the best fulfillment of the MCL 460.11(2) statute. As was described in preceding sections of this report, the Michigan statute, MCL 460.11(2), grants the Commission authority to:

establish eligible low-income customer or eligible senior citizen customer rates. Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes. As used in this subsection, ‘eligible low-income customer’ and ‘eligible senior citizen customer’ mean those terms as defined in section 10t.

The referenced section 10t(6) states:

- (a) “Eligible customer” means either an eligible low-income customer or an eligible senior citizen customer.
- (b) “Eligible low-income customer” means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:
 - (i) Assistance from a state emergency relief program.
 - (ii) Food stamps.
 - (iii) Medicaid.
- (c) “Eligible senior citizen customer” means a utility or supplier customer who is 65 years of age or older and who advises the utility of his or her eligibility.

As was outlined in Chapter 2 of this report, the initial fulfillment of this statute was the Residential Income Assistance and Low-Income Assistance credits. The monthly credits are automatically applied to customer bills for 12 months if a participating utility receives a State Emergency Relief (SER) payment from MDHHS or a Home Heating Credit energy draft from the Michigan Department of Treasury on behalf of a customer, since those programs automatically qualify a customer for the RIA and LIA. However, in 2021-2022, the AAA subcommittee tried to work with MDHHS to allow recipients of food stamps, also called SNAP, and Medicaid to sign a release form or application/referral to their utility provider to receive the RIA and LIA. MDHHS was not supportive of the additional administrative burden nor on customers signing release forms to a utility provider when SNAP and Medicaid are not energy-related services. They additionally perceived hurdles if SNAP and Medicaid recipients

were not the account holder with their utility. Therefore, in the following sections of this report, Staff will explore the many aspects of that statute that the Commission has some authority over and how Staff reenvision implementing the statute.

As has been outlined previously in this report, MEAP legislation underwent various changes in 2024, which could significantly impact the MCL 460.11(2) statute's expression. Among the changes was the change in income eligibility from $\leq 150\%$ FPL and receipt of a State Emergency Relief (SER) payment from MDHHS to $\leq 60\%$ of State Median Income (SMI), which is roughly $\leq 200\%$ FPL.¹⁸⁵ Meanwhile, programs authorized under MCL 460.11(2) remain static $\leq 150\%$ FPL. Staff will explore the outcomes of this issue in this section.

The eligible low-income customer or eligible senior citizen customer rates expressed as the RIA and LIA credits have been applied by the IOUs primarily through eligibility for income-qualified programs that maintain eligibility at or below the income threshold for the MCL 460.11(2) at 150% FPL. For example, if a customer had received the HHC (110% FPL), SER (150% FPL), or MEAP (also 150% FPL and utilizing SER for eligibility), a utility could enroll the customer in the credits based on their eligibility for these other programs and receipt of payment from these programs to the customer's account. Consumers Energy and DTE Energy utilized this aligned eligibility to subsidize the MEAP APP costs with the LIA credit.

Due to the December 2024 MEAP reform raising the income eligibility for MEAP to $\leq 60\%$ SMI¹⁸⁶ and to SER maintaining the current eligibility threshold $\leq 150\%$ FPL,¹⁸⁷ there is a misalignment between MEAP and SER as well as between MEAP and MCL 460.11(2). In fiscal year 2026 (October 1, 2025, to September 30, 2026), a utility will no longer be able to assume that if a customer has received MEAP, they are eligible for the RIA or LIA credits. This requires additional information about the customer's income or other assistance pairings to determine whether the credit can be applied to an APP customer's account, or any MEAP recipient for that matter. While this situation is not ideal for identifying eligible customers under MCL 460.11(2), it is a positive outcome for customers in that MEAP recipients are no longer required to receive State Emergency Relief to receive MEAP. This means that not only are customers no longer subject to the stricter eligibility criteria of SER,¹⁸⁸ but they can choose not to apply for SER if they do not want to provide their sensitive information to MDHHS, rather they can choose which administrator they are most comfortable with. These differences in application processes are shown below by using the MEAP affordable payment plans as an illustrative example.

¹⁸⁵ [2024-PA-0170.pdf](#) Sec. 2(e)

¹⁸⁶ *Id.*

¹⁸⁷ [Low Income Home Energy Assistance Program \(LIHEAP\) State Plans](#)

¹⁸⁸ Many customers do not receive SER despite being income-eligible due to things like a limit on cash assets and considering child support owed but not received as income. There are many reasons why child support may not be pursued, threat of intimate partner violence being one reason. See page 26 of Consumers Energy's PIPP report.

Figure 60: Affordable Payment Plan Customer Journey (current state)

Customer might reach out to utility, 2-1-1, MEAP grantee for assistance.

Customer referred to MDHHS to receive State Emergency Relief and applies through MDHHS MI Bridges application.

After receiving SER, customer may choose a referral to one or more MEAP grantees.

A MEAP grantee can offer bill payment assistance or enrollment in 24-month Affordable Payment Plan and self-sufficiency services.

Once 24-month APP is complete and customer needs ongoing bill assistance, customer repeats this process.

Due to legislative changes, beginning October 2025, MEAP legislation no longer requires a past due bill nor receipt of SER as evidence of a crisis to receive MEAP services. The legislation now contains a goal of reducing energy insecurity. Therefore, the process may look somewhat different where receipt of SER is still an option for those with a past-due notice, but those who are not yet past due or above income for SER may apply directly to MEAP.

Figure 61: Affordable Payment Plan Customer Journey (future state beginning FY26)

Customer might reach out to utility, 2-1-1, MEAP grantee for assistance.

OPTIONAL: Customer referred to MDHHS to receive State Emergency Relief and applies through MDHHS MI Bridges application.

OPTIONAL: After receiving SER, customer has to choose referral to MEAP grantee.

MEAP grantee can offer as-needed bill payment assistance, enrollment in 24-month Affordable Payment Plan, and self-sufficiency services.

Once 24-month APP is complete and customer needs ongoing bill assistance, customer repeats this process.

While this may be a positive outcome for customers, it means that if all MEAP customers are no longer also SER customers, they no longer automatically qualify for programs authorized under MCL 460.11(2). Staff is further uncertain if all MEAP customers would automatically qualify for MCL 460.11(2) programs even if SER eligibility requirements were raised to 60% of State Median Income, since the income eligibility for MCL 460.11(2) is still $\leq 150\%$ FPL or *receipt* of SER. It calls into question if the Commission could approve any income eligibility in line with SER, Medicaid, or SNAP income requirements or only apply to customers who received those forms of assistance.

Staff views the eligibility of programs authorized under MCL 460.11(2) as very clear and largely indisputable. MCL 460.10t(6)(b) outlines that eligibility as:

"Eligible low-income customer" means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:

- (i) Assistance from a state emergency relief program.
- (ii) Food stamps.
- (iii) Medicaid

The issue of MEAP eligibility reform's impact on programs authorized under MCL 460.11(2) is largely unaddressed in the Consumers Energy PIPP Report, despite Consumers Energy currently utilizing the LIA credit to subsidize the MEAP payments for APP customers, as DTE Energy does. As part of Consumers Energy's recommendation, "the Company is in favor of maintaining the current trajectory of MEAP, which is linked with the LIA credit. As described on page 62, LIA credits are prioritized to ensure all CARE MB customers receive the credit."¹⁸⁹

DTE also fails to mention how its recommendation outlined in its PSP report will interact with the changes to the MEAP legislation.

Staff Recommendation: MCL 460.11(2) Eligibility Alignment

Staff therefore makes recommendations for two scenarios:

1. If MEAP income eligibility is $\leq 60\%$ SMI and SER is $\leq 150\%$ FPL
2. If MEAP income eligibility is $\leq 60\%$ SMI and SER is $\leq 60\%$ SMI

Under the first scenario, it would no longer be apparent to utilities which MEAP recipients were also eligible for assistance under MCL 460.11(2) presently expressed as the utility credits. Recommendations could be conceived in two ways:

¹⁸⁹ Consumers Energy PIPP Report, p.78

1. A) MEAP grantees would alert the utility to which customers are income eligible for credits $\leq$ 150% FPL. In this case, identified MEAP customers may receive whichever credits the Company currently has the authority to apply to customer accounts in the way they deem fit.
1. B) If MEAP grantees do not provide the account numbers of MEAP recipients who are income qualified for MCL 460.11(2), Staff recommends the Commission disallow any MEAP customer without proof of eligibility from receiving the RIA and LIA credits.

Under the second scenario, Staff notes that MCL 460.10t(6)(b) allows for income of 150% FPL or receipt of SER.

2. Even if SER increases to 60% SMI, it does not necessarily mean eligibility for programs authorized under MCL 460.11(2) would increase to 60% SMI for all applicants. It may only increase for those SER recipients. Staff recommends the Commission interpret the law to mean that receipt of SER qualifies a customer for programs under MCL 460.11(2), but the receipt of MEAP on its own is not a qualifier for eligibility without additional verification that a customer's household income is $\leq$ 150% FPL.

In this document, Staff will recommend making modifications to this system. The above scenarios pose temporary solutions to issues of program eligibility misalignment. These issues could be permanently resolved as the Commission phases in changes to the energy assistance programs under its authority.

Chapter 10 - Energy Affordability Standard

One of the first issues to be covered in Staff's recommended fulfillment of MCL 460.11(2) is envisioning the integration of energy affordability into the regulatory environment. To this end, the Commission ordered Staff to look at aspects of energy affordability in the regulatory environment, including rate design, utilizing the definition of energy affordability, and to map where assistance and affordability tools intersect with aspects of affordability. To understand what a standard for energy affordability might look like, Staff refer to standards recommended in literature.

Fisher Sheehan & Colton recommends using an affordability standard of 6% of gross household income based on the idea that a household can afford to spend about 30% of income on shelter costs and that about 20% of shelter costs are used for energy bills. Meanwhile, the Applied Public Policy Research Institute for Study and Evaluation (APPRISE) uses a model that identifies a severe shelter burden as 50% or more of income, and energy costs as about 22% of shelter costs. Using this approach, APPRISE suggests that analysts use 11% of income as an indicator of high energy burden (APPRISE 2007). Other researchers and policymakers use the area median energy burden as the threshold for affordable energy. For example, the Nevada Percentage of Income program indicates that low-income home energy burden should be no higher than that of a median income household (Nevada 2013). Others suggest that high energy burden should be defined as twice the median (Liddell et al. 2012; Moor 2012).¹⁹⁰

Figure 62: Energy affordability descriptors based on energy burden

ACEEE		EUCI/RMI Presentation		Energy Equity Project	
Median	3.1%	Non-energy burdened	<4%	Cheap	<3%
		Energy stressed	4-6%	Affordable	3-6%
High	Above 6%	Energy burdened	7-10%	Moderately affordable	6-9%
Median low-income	8.1%				
Severe	Above 10%	Energy impoverished	>10%	High	9-12%
				Severe	12-15%
				Extreme Catastrophic	15-20% >20%

¹⁹⁰ In the matter of the application of CONSUMERS ENERGY COMPANY for approval of Voluntary Green Pricing programs pursuant to Section 61 of 2016 PA 342, MPSC [Case No. U-20649-0048](#) (see PDF page 99 for quote); 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, MPSC Case No. [U-20697-0295](#).

Figure 62 outlines various energy affordability classifications and descriptors based on energy burden.¹⁹¹

There are, however, limitations on the authority of the Commission as it relates to energy affordability. After hearing the stories of customers during public hearings, cases brought before the Commission, and the Energy Affordability and Accessibility Collaborative, Staff has come to the following conclusions on avenues the Commission could explore to better promote energy affordability. These are broken down by different areas of the utility regulatory environment.

Statutory Interaction with Energy Affordability

Given the legislative parameters around energy assistance and affordability (as outlined earlier in Chapter 1 of this report), it is Staff's position that the Commission may largely have the authority to only promote energy affordability for those who reach out and are eligible for assistance under MCL 460.11(2). Customers who do not seek or receive energy assistance may only experience rate relief if the Commission controls or decreases utility spending approvals and decreases the investor-owned utilities' Returns on Equity. That being said, Commission decisions related to affordability and energy assistance can at times be at odds with critical spending approvals, like investment in reliability measures, which should be weighed and evaluated accordingly.

Rates

Under the Commission's fifth charge to develop a proposal for developing and integrating an energy affordability standard, the Commission issued a directive for Staff to look at rate design utilizing the definition of energy affordability adopted by the Commission. Something important to note is that approved expenditures must be recovered through rates. Plainly stated, any increase in cost will likely increase rates (depending on how each cost is allocated). Because Michigan law states that electric rates must be cost-based, the Commission cannot choose to allocate costs on a specific class without cost-based cause, unless otherwise permitted in statute. This means that most costs will likely be recovered in part by the residential class. To that end, any increase in affordability of some customers will likely decrease the rate/bill affordability for other customers. For that reason, it is paramount to consider the impact of energy assistance/affordability programs on ALICE¹⁹² customers. This could include customers with incomes just outside the eligibility criteria of assistance programs as well as low-income, energy assistance eligible customers that do not seek out or qualify for all programs. It is nearly impossible to make rates affordable for low-income customers without decreasing affordability for others.

¹⁹¹ [ACEEE-01 Energy Burden - National.pdf](#); EUCI Energy Burden and Affordability Training, July 16, 2025; [EnergyEquityProject.org](#).

¹⁹² Asset Limited Income Constrained, Employed (ALICE). As defined by the United Way.

Fees

Other ways that affordability can be incorporated into the regulatory environment are to decrease the number of fees that customers are charged. These fees include late-payment fees, reconnection fees, deposits, or payment methods that would incur fees; for example, only allowing payments by check, having to drive to make cash payments at kiosks,¹⁹³ or charging customers to make credit card payments. Much can be learned about utility practices as cited in the PIPP reports. For example, on page 61 of DTE's PSP report, DTE states that during the PSP, LSP, and LSPM, late payment charges are not assessed. However, late fees incurred prior to the program are not covered by the program. Staff views the carrying over of late fees as a barrier to promoting energy affordability. Meanwhile, Consumers Energy forgave/reversed past late payment fees for its payment plans including CARE, CARE MB, and PIPP.¹⁹⁴ Consumers Energy and DTE Energy both expressed that late payment charges are waived while enrolled in the PIPP¹⁹⁵ as well as the CARE/LSP (flat rate/traditional and modified budget).¹⁹⁶ Forgiving and waiving fees are a simple way to promote energy affordability.

Energy affordability also impacts home energy security. Given that low-income customers are likely to have little to no spare income, any increase in the low-income customers' bill will heighten their inability to pay, and thus negatively impact their energy security. Therefore, the less low-income customers are responsible for fees, the more affordable their bill will be. The same issue is present in selling customers' unpaid bills to collection agencies. Customers who already cannot afford a bill would also have to be concerned about negative impacts to credit scores. Additionally, if unpaid bills are sent to the collection agencies the Commission no longer has the authority to reverse or forgive arrears for income-qualified or other customers, which exacerbates affordability issues and allows for customers to be treated in ways that are not in accordance with the billing rules, thus losing customer protections.

By denying or significantly modifying the practices listed above for identified low-income customers, the Commission can alleviate financial burdens for residential customers. Energy bills are only one component of poverty and financial strain for Michiganders, but the Commission can decrease the energy burden on customers by disallowing some or all of the practices listed above for low-income or all residential customers, where applicable. Staff recommends the Commission require the utilities to outline in a revised tariff which charges low-income customers are obligated to pay, with all others waived, subject to Commission approval.

¹⁹³ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority MPSC Case No. U-21534 4/10/25 order, f#0552.

¹⁹⁴ Consumers Energy PIPP Report, p. 53

¹⁹⁵ Consumers Energy PIPP Report, p. 19, DTE Energy PSP Report, p. 61

¹⁹⁶ Consumers Energy PIPP Report, pp. 31, 33; DTE Energy PSP Report, p. 61

Energy Assistance Interacting with Energy Affordability

Under the Commission's fifth charge to develop a proposal for developing and integrating an energy affordability standard, the Commission issued a directive for Staff to map where energy assistance affordability tools intersect with energy affordability. The following statements guide the assistance/affordability interaction.

- If customers receive more assistance or have more disposable income, the more likely it is that the bill will be affordable
- If customers receive more consistent, monthly energy assistance, the more likely the customer will be energy secure

By the above criteria, this means that affordable payment plans and PIPPs are the optimal intersection of where energy assistance meets energy affordability and home energy security. This is supported by the analysis that Staff, Consumers Energy, and DTE Energy have conducted in relation to the APPs and PIPP pilots.

Staff Recommendation: Energy Affordability Standard

In this report, Staff has outlined relevant Michigan-specific statutes which bound the range of possible solutions the Commission can consider when addressing topics like affordability. For example, Staff indicated that electric energy rates in Michigan are required to be based on the cost of service for each customer class. While the Commission does have the authority to create a "low-income subclass," Staff clarified that the COSS is not an ideal pathway to fulfilling MCL 460.11(2) because it would not provide a more significant benefit than currently exists with the RIA credit. Fees are another facet within the Commission's authority, which Staff has considered and elevates for deeper consideration in relation to energy affordability. Lastly, Staff identified energy burden as a core element to defining energy affordability, although Staff noted the Commission's authority to promote energy affordability is likely limited to those who seek assistance and are eligible.

Given this acknowledgment, and Staff's observation that existing benefit matrices need to be re-examined, Staff views the design of energy assistance programs as a viable path to incorporate energy burden as an affordability standard. More specifically, Staff recommends that energy assistance subsidies should be based on energy burden and commodity type, such that dual commodity customers and electric heating households receive a subsidy to bring the applicant household to a maximum 6% energy burden. For single-commodity households not using electric heat, Staff further recommends subsidies would reflect the following: electric customers would have a maximum payment obligation of 4% energy burden; and natural gas customers' payment obligation would be a maximum of 2% energy burden. The following chapter further expands on program design recommendations to improve the customer journey experience and affordability outcomes for households seeking assistance.

Chapter 11 - Recommendation Regarding Program Design and Administration

Given the analysis that was outlined previously in this report, as well as the massive amount of information and lessons learned from the Consumers Energy and DTE Energy PIPP/PSP reports, Staff will explore how those lessons can be leveraged to analyze and reimagine the energy assistance landscape in the following sections of this report.

Below is a brief summary of the kinds of assistance offered by MEAP and investor-owned, regulated utilities broken down by the type of assistance it provides. Currently, there are a few models of assistance that are offered:

- Crisis assistance
 - o SER and MEAP as-needed assistance
 - o Used to resolve crisis and reduce arrears.
- Equal monthly credits
 - o RIA and LIA
 - o Customers who qualify are given the same, flat credit regardless of income for 12 months.
- Consistent plan amounts each month
 - o PIPP or traditional APP
 - o Customer payment remains consistent, and a funding source subsidizes any variations in billed amounts.
 - o Depending on household size and income and billing factors, each customer or group of customers could have different plan amounts.
- Flat credits and consistent plan amounts
 - o APP modified budgets
 - o Depending on income and other factors, each group of customers have consistent credits applied to their bill and consistent plan amounts and differences are reconciled at predetermined intervals.

Figure 63 lists the different types of monthly customer assistance models and explores the pros and cons of APPs vs. PIPPs vs. the RIA and LIA credits.

Figure 63: Pros and Cons of APPs, PIPPs, and RIA/LIA Credits

Modified Budget APPs	PIPP and Flat Rate APPs	RIA & LIA
Varied bill subsidy based on income and other factors but retains a consistent monthly bill subsidy and consistent customer payment obligation. Likely higher average bill subsidies than RIA/LIA but lower than PIPP.	Bill subsidy tailored to each individual's income (PIPP) or income tier (APP). Can be higher average bill subsidies than other programs being compared.	Consistent bill subsidy amount regardless of income.
Bill subsidies are predictable under APP modified budget.	Bill subsidies are difficult to predict.	Bill subsidies are quite easy to predict.
Less expensive to administer, since MEAP credit in each income tier are the same.	More expensive to administer, since each bill's credit would need calculating.	Cheapest to administer, since a customer's income eligibility is the only factor to determine credit.
Customer is responsible for fluctuations in bills/consumption under APP modified budget.	Customer is not responsible for fluctuations in bills/consumption.	Customer is responsible for fluctuations in bills/consumption.
If rates increase, customers will have to pay more either until the credits are adjusted by % increase OR just more if credits are not adjusted.	If rates increase, the customer may see no difference in their plan amount.	If rates increase, customers will have to pay more, absent any changes in consumption (so long as the credit does not get increased).
More difficult to determine if it promotes consistent energy affordability across customers. ¹⁹⁷	Can more easily align with energy affordability.	Energy affordability is likely inconsistent.
More difficult to determine if it promotes consistent home energy security across customers.	Can more easily promote home energy security.	Home energy security results are likely inconsistent.

¹⁹⁷ Some of this has been due to lack of parameters around benefit matrix design, utilities have been allowed to design their own with no common underlying rationale.

Program Design

To make decisions on other aspects of the reforming of energy assistance, such as a customer's experience/journey through the energy assistance landscape, it is important to determine what a future program could look like. This includes determining which programs should be offered to which customers, what the different eligibility criteria ought to be, and what assistance they should receive. These elements combined are what Staff refers to as "program design." Program design can encompass many different elements such as outreach, income verification etc. but for the purposes of this report, and specifically this section of this report, Staff is narrowly defining program design to focus on very specific aspects of energy assistance, including conceptualizing what energy affordability looks like, a program's eligibility criteria, bill subsidies, and the handling of past-due and other charges.

Program Administration

The first decisions to make when creating, analyzing, or making significant changes to an energy assistance program are determining which entity or organization administers the program and how applications will be received and processed. The AAA subcommittee has extensively discussed program administration in its meetings, most recently at its April 1, 2025 meeting. There are pros and cons of each current administrator of the existing energy assistance programs. Figure 64 indicates how current energy assistance programs are funded, which entities administer each program, and who is responsible for applications for assistance and helping a customer with their payment struggles.

Figure 64: Current energy assistance program funding and administration

State Emergency Relief (SER)	Funded by federal LIHEAP grant dollars
	Administered by MDHHS
	Assistance provided through MDHHS
Home Heating Credit (HHC)	Funded by federal LIHEAP grant dollars
	Administered by MDHHS
	Assistance provided by the Michigan Department of Treasury
Michigan Energy Assistance Program	Funded by the LIEAF surcharge on retail electric billing meters
	Administered by MDHHS through MPSC
	Assistance provided by community agencies
Residential Income Assistance Credit (RIA)	Costs recovered through rates
	Administered by investor-owned utilities
	Assistance provided by investor-owned utilities
Low Income Assistance Credit (LIA/LIAC)	Costs recovered through rates
	Administered by investor-owned utilities
	Assistance provided by investor-owned utilities
Percentage of Income Payment Plan Pilots (PIPP/PSP)	Costs recovered through rates
	Administered by utilities
	Assistance provided by DTE (PSP) /community agencies (CE)

In the referenced April 1, 2025 AAA meeting, participants discussed the pros and cons of different administrators. Some utilities and MEAP grantee agencies¹⁹⁸ expressed that some customers have had negative experiences and distrust government agencies with their sensitive information. For context, MDHHS already possesses sensitive customer information that is required in the application process, so the mistrust may be due to the nature of the experience more than the information being requested. For example, the child support compliance requirements can seem very invasive. Meanwhile, other customers distrust their utility with sensitive information in part because they are a corporation that is associated with shutting their power off for nonpayment. Other customers distrust the MEAP agencies for various reasons. Ultimately, not everyone is going to trust every potential assistance provider with their sensitive information, but applying for

¹⁹⁸ Through a request for proposal process, MEAP grantee agencies are chosen to distribute the MEAP dollars to customers and administer MEAP services/programs.

assistance that has statutory income eligibility requirements will require verifying sensitive income information. Rather than focusing on administrators, the question becomes how the application process might be administered in a way that engenders trust that sensitive information will be handled securely and confidentially, assuring that the applicant will be treated kindly and respectfully, and confidence that needs will be met through the application process.

According to Staff, a pertinent decision to be made within the Commission's statutory authority lies in how the administration of an energy assistance program authorized under the MCL 460.11(2) legislation will be handled, and how it interacts with MEAP. Currently, the RIA and LIA credits are administered by the investor-owned utilities (IOUs). This means that the IOUs oversee the following:

- A. Marketing and outreach for the credits.
- B. Handling the application and enrollment processes.
- C. Applying the credit benefit to the customer's bill.

Improving Access: Marketing and Outreach

In early discussions with AAA subcommittee participants, it became evident that many non-IOU energy assistance providers and other access points for assistance are unaware of the existence of the RIA and LIA credits. This is a significant challenge created by the current energy assistance structure, due in part to the minimal ability or tools available for outside organizations to refer customers to the credits.¹⁹⁹ Evidence presented in the DTE Electric and Gas rate cases, MPSC Case Nos. U-21534 and U-21291, respectively, has shone a light on access issues with the RIA and LIA credits. Customers and customer advocates alike had not heard of the RIA and LIA credits because customer service representatives did not offer them as an option when customers contacted DTE with expressed bill-payment issues.²⁰⁰ Staff additionally could not find evidence of the LIA credit being advertised on the DTE website. This is a significant issue with program administration at the investor-owned-utility (IOU) level. If the Commission does not have authority over this aspect of program administration,²⁰¹ customers cannot be helped effectively. Staff will explore this issue further in Chapter 18 of this report.

Even though energy assistance access issues exist at the IOU-level, IOUs are likely better equipped to perform targeted outreach to customers in need than MEAP grantees or a government entity for the following reasons:

¹⁹⁹ Expressed at an AAA subcommittee meeting in 2021-2022 by community agencies administering MEAP and by operators of 2-1-1, the assistance resource.

²⁰⁰ 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, MPSC Case No. U-21534, 6 TR 4636-4638, 4678, 4683-4685, 4686, 4688, F#0496.

²⁰¹ See Chapter 1 of this report.

- Utility providers have information on which customers may be struggling with bill payment based on their account performance.
- MEAP grantees offer a variety of programs in addition to energy assistance, making their marketing strategies less targeted toward one particular type of service.
- MEAP grantees do not have substantial budgets for marketing and outreach.
- MEAP grantees have overlapping service areas which could lead to ineffective messaging or campaigns.
- Staff does not see this marketing and outreach as the role of the State, except perhaps in a convening or coordinating role to ensure consistent messaging.

Recommendations regarding outreach and education strategies can be found in Chapter 17 of this report.

Application and Enrollment Process

It was made clear through the PIPP reports that the agencies already administering MEAP provide a more holistic customer service process due to their breadth of services, as compared to the investor-owned utilities. On pages 41-44 of DTE's PSP report, many aspects of the APP/MEAP program administration are outlined. Based on what was described in the PSP program administration section versus the APP administration section, MEAP agencies provide more in-depth case management and more services to customers than were offered to DTE PSP customers. Examples include needs assessments, referrals to housing and rental assistance, childcare cost assistance, etc. In the Consumers Energy PIPP Report, United Way of South Central Michigan (UWSCMI) described these services as needs assessments, financial counseling, vendor advocacy, short-term case management, and follow-up contacts. These services can include utility intervention to prevent service disconnection and closer communication with the customer to check in on their needs.²⁰² Additionally, through Assurance 16 dollars provided by the federal Low Income Home Energy Assistance Program (LIHEAP) and paired with MEAP, customers seeking assistance through MEAP agencies can also access self-sufficiency services if it were something that would benefit them. Customers having access to more services is a benefit that an IOU is not in a position to offer, especially for customers whose affordability concerns transcend beyond energy services. Having MEAP agencies handle the application and enrollment process for these programs can create fewer access points for various energy assistance offerings and streamline the energy assistance process, which is a goal of the AAA subcommittee handed down by the Commission.

Despite Consumers Energy's PIPP report highlighting the many upsides of having MEAP agencies administer energy assistance, Consumers Energy's recommendation seemed to promote conflicting goals. On the one hand, Consumers Energy stressed that "Consistency and clarity are paramount for building trust and loyalty, and by becoming experts in our existing programs, we can provide a more streamlined and

²⁰² Consumers Energy PIPP Report, p. 27

reliable experience.”²⁰³ This is misaligned with its recommendation to retain the LIA credit’s pairing with MEAP APP customers as well as the current administration of the RIA credit—both of which are administered by Consumers Energy.²⁰⁴ Retaining the significant number of energy assistance access points does not seem to promote streamlined experiences, when customers must apply for so many different forms of assistance at so many different program administrators. Meanwhile, DTE’s recommendation to institute a PIPP largely reflects the need that has been expressed in contested rate cases and the AAA subcommittee, but in its current form, would be administratively burdensome and would decrease the number of customers being served.

Staff Recommendation: Applying the Credit Benefit to Customer Accounts

Staff’s primary goal for energy assistance going forward is to reduce the number of households with unsustainable energy burdens by promoting home energy security. This is a shared goal with the Low-Income Energy Policy Board²⁰⁵ and the 2024 revisions to the MEAP legislation.²⁰⁶ There is a hurdle in terms of balancing the promotion of home energy security, expanding energy security plans to more investor-owned utilities, and administering energy assistance by a third-party, i.e. MEAP grantees.

With Staff’s recommendation to centralize energy assistance applications and enrollment to MEAP grantees in the long-term, it is very important to reduce the administrative burden of charging grantees with managing and administering the MEAP funds—and if approved by the Commission, MCL 460.11(2) funds as well. A centralized payment system could achieve several goals including:

- Streamlining and making more consistent the application of benefits to customer accounts.
- Increasing transparency in available data.
- Improving the ability to estimate costs and benefits.
- Creating opportunities for more streamlined program pairings.
- Reducing the multiplicity of IOU/grantee fund transfer relationships if periodic payments are submitted by multiple community service organizations to multiple utilities.
 - o Decreased complexity by reducing the number of entities submitting payment to IOUs.

²⁰³ Consumers Energy PIPP Report, p. 83

²⁰⁴ Consumers Energy PIPP Report, pp. 78-79

²⁰⁵ [Low-Income Energy Policy Board](#)

²⁰⁶ Michigan Public Acts [170](#) and [198](#) of 2024

- o Increased data security due to vulnerabilities of one system vs. many systems for applying payments.

There are various energy assistance programs for which the MPSC has responsibility or oversight and Staff foresees the opportunity for coordinating payments within a single payment system administered by the State of Michigan or by a single entity contracted for that purpose. MDHHS issues payments on a weekly basis utilizing the SIGMA system. This would be one option to explore if the Commission decided to centralize payment processes for applying the credit/benefit for MCL 460.11(2). Until that payment solution is realized, it would likely be too burdensome on MEAP grantees to manage the MCL 460.11(2) program and a form of payment plan for all utilities (either IOU or statewide). Additionally, IOUs would have to compensate MEAP grantees for administering the MCL 460.11(2) dollars, which, when the time comes, would require approval by the Commission. Staff will discuss short-term and long-term goals further in the following sections of this report.

In the interim, dollars associated with MCL 460.11(2)- would need to be accounted for, utilizing the following options:

1. MEAP grantees could solely be in charge of assisting customers by prioritizing resources for those served in a similar fashion to how the MPSC and MDHHS award grant dollars.
 - a. In this case, the grantees would allocate resources from the MEAP funds first, since there are penalties for not utilizing the full MEAP funding within a fiscal year. Additional resources would then be distributed using MCL 460.11(2). Funds would be reconciled so that any underspending of the MCL 460.11(2) resources could be accounted for in rate cases.
2. The second option is for MEAP grantees to be in charge of enrollment and determining customer plan amounts with utilities administering the funds.

Staff recommends the Commission allow for the exploration of the best method with MEAP grantees and utilities since that would likely lead to the best path forward for all parties.

Staff Recommendations: Program Administration

Based on the above evidence, Staff finds it clear that community service agencies, particularly those that administer MEAP, are more equipped and likely provide a more holistic menu of assistance services to customers. Staff recommends MEAP agencies manage applications and enrollments for Affordable Payment Plans authorized under MCL 460.11(2) for all IOUs. However, until payment mechanisms are determined for applying subsidies to customer accounts, many IOUs may have to manage the application of subsidies for their own customers enrolled in the programs authorized under MCL 460.11(2). Given Staff's analysis of how MEAP legislative changes impact the MCL 460.11(2) statute, MEAP grantees are far more equipped to determine if a customer meets the income eligibility criteria. Since IOUs

do not collect income information, and eligibility for RIA and LIA is currently determined by participation in other energy assistance programs or through a self-attestation form. With misaligned eligibility between SER and MEAP, agencies are best equipped to determine eligibility for APPs, whether offered under MEAP or MCL 460.11(2).

In the long-term goal of transitioning aspects of program administration away from the utilities to MEAP grantee agencies, Staff recommends that the Commission consider making IOU's maintain responsibility for marketing and outreach for any program resulting from MCL 460.11(2). Additionally, Staff will provide recommendations regarding outreach strategies in Chapter 17 of this report.

In its PSP report, DTE seems to agree with Staff that community agencies are best suited to provide enrollment services into an energy assistance program. In its proposed relaunched PIPP program, DTE recommends changing the program administrator from DTE to the agencies that administer MEAP.²⁰⁷ It is unclear if DTE proposes to change the program administrator for the LIA, but if the Commission were to accept DTE's recommendation, Staff proposes that applications and enrollment into the LIA be handled by MEAP agencies to best coordinate which customers are placed on the LIA versus the PIPP.

²⁰⁷ DTE Energy PSP Report, p. 91

Chapter 12 - Program Design for Eligibility

Key energy assistance program design elements include income eligibility, energy expenses based on the customer's energy consumption and billable charges and how arrearages are handled. Those elements individually and combined could also impact the bill subsidy amount a customer receives. One of the first considerations of reforming energy assistance is determining the eligibility qualifiers for energy assistance program's participants/recipients.

Statutory Eligibility Requirements and Additional Design Elements

Before conceptualizing the ideal program eligibility requirements, it is important to note that some program design elements are dictated by statute. Some of the statutory guidelines are summarized below, consistent with information provided in Chapter 2 of this report:

- Based on federal statute, LIHEAP program eligibility can be set up to either 150% of the federal poverty level or 60% of a state's median income, but not below 110% of the federal poverty level.²⁰⁸
 - Historically, MDHHS, the administrator of Michigan's LIHEAP grant dollars, has set the income eligibility for State Emergency Relief at or below 150% of the FPL, which aligned with MEAP statute.
- With the 2024 reforms to the Michigan statute, MEAP eligibility will now increase to 60% of the state median income and does not require customers to be past-due on energy bills to receive assistance, as SER does.
 - Despite the MEAP income eligibility change, MDHHS maintained SER eligibility at 150% FPL for fiscal year 2026.
 - There is now a misalignment in eligibility between SER and MEAP. By retaining the 150% FPL income eligibility for SER, increasing eligibility will likely only decrease the amount of assistance provided to individual customers (since LIHEAP funding has remained fairly level absent additional Covid-19 pandemic-related funding), but makes it difficult to effectively streamline enrollment of customers when the HHC, SER, and MEAP are at different eligibility thresholds.
- The MCL 460.11(2) eligibility threshold has not changed; a customer must still have an income at or below 150% FPL, or be the recipient of SER, Medicaid, or SNAP to qualify, as outlined in MCL 460.10t(6)(b).

In DTE Energy's PSP pilot report recommendation, DTE recommends relaunching its PSP pilot into a fully-implemented program.²⁰⁹ DTE states: "The proposed program would be structured in the same fashion as the prior version of PSP in terms of the

²⁰⁸ <https://stage.liheapch.acf.gov/pubs/liheapstatute.htm#2605> Section (a)(2)

²⁰⁹ DTE Energy PSP Report, p. 91

eligibility criteria, program design, consumption caps (to keep program costs low), payment amounts, etc. (as previously outlined in this document).”²¹⁰ Staff opposes the eligibility aspect of this proposal. Energy assistance programs authorized under MCL 460.11(2) must adhere to the eligibility criteria outlined above and interpreted in Chapter 9 of this report. Those criteria include an income eligibility cap of ≤150% FPL. Staff does not find a legal pathway to approve income eligibility of ≤200% FPL for DTE’s PSP pilot or any energy assistance program authorized under MCL 460.11(2) and recommends the Commission deny this aspect of DTE Energy’s proposal.

With the statutory eligibility requirements in mind, Staff strongly supports program eligibility alignment, as allowed in statute, to reduce system complexity and increase energy security.

With the statutory eligibility requirements in mind, Staff strongly supports program eligibility alignment, as allowed in statute, to reduce system complexity and increase energy security. To that end, not all of the outlined program design factors are statutorily required. Staff will explore ways in which inputs that impact a credit matrix could be utilized.

SER/Crisis Eligibility Requirements

When looking at program eligibility criteria, readers will note that receipt of SER from LIHEAP was previously required to receive MEAP and its APPs. Prior to 2024 revisions, the Michigan Energy Assistance Act contained requirements for expending MEAP funds during a winter crisis season.²¹¹ This aspect of the law as well as the lack of other opportunities for categorical eligibility contributed to policy decisions which made SER eligibility a prerequisite for MEAP assistance. This resulted in MEAP functioning as a crisis-centered program such that MEAP, by default, assisted customers who were either past-due on their bills or at risk of service shut-off due to bill nonpayment. The MEAP resolved arrearages for customers whose required co-payments for SER were not manageable. While this is a remaining need, the addition of proactive, preventative assistance is an important goal.

With the 2024 legislative revisions to MEAP that define an energy assistance program as one that reduces energy insecurity,²¹² these crisis-related restrictions are no longer required. However, MEAP can expect challenges in navigating

²¹⁰ DTE Energy PSP Report p. 91

²¹¹ The Michigan Energy Assistance Act previously required in Sec. 4. (1) The department shall only use money from the low-income energy assistance fund for energy assistance. (2) Money from the low-income energy assistance fund may be used for the program’s crisis season, which begins on November 1 and ends May 31 each year. Not more than 30% of the funds received for the program shall be spent outside of the crisis season.

²¹² MCL 400.1232(f)

preventative assistance for customers of utilities without APPs, since the current non-APP offering, as-needed assistance, is aimed at reducing arrears/resolving a crisis rather than providing proactive assistance to prevent energy insecurity. As Michigan's expression of the LIHEAP crisis component, one must meet the qualifications of a crisis definition to receive SER. SER and MEAP as-needed assistance are meant to address arrearages rather than support ongoing home energy security. Staff learned from interested parties that SER requirements are frequently stricter than the eligibility requirements of MEAP and MCL 460.11(2). Therefore, SER as a precursor to assistance would unnecessarily prevent some customer populations from receiving assistance.

Falling into an energy crisis, even when assistance is available to resolve that crisis, has negative impacts on households. These include behavioral impacts such as forgoing food, medication, or other essential needs to manage an unaffordable energy payment; keeping a home at unhealthy temperatures to limit energy use; or missed time from work to manage the assistance process. There is also psychological and emotional stress caused by unmet basic needs.

Staff Recommendation: Eligibility

Staff does not support retaining SER as an eligibility requirement and supports prioritizing home energy security in program design going forward.

There is, however, a benefit of requiring filling out an SER and/or HHC application before receiving other assistance that relates to layering funds, which will be discussed in Chapter 16 of this report.

Chapter 13 – Arrearage Handling

Consumption/Bill Caps and Arrearage Caps

It is not statutorily required to restrict nor tailor programs based on a customer's bill or arrearage²¹³ amount. The guiding question, therefore, is what can be gained from restricting eligibility based on consumption or total bill amounts?

Historically, with the MEAP affordable payment plans (APPs), there have been restrictions on "consumption."²¹⁴ The purpose of consumption limits was to manage the per-customer cost of the APPs since traditional APPs promoted equal customer payments in similar income ranges instead of equal assistance benefits. The modified budget version of the APPs, however, provides an equal assistance benefit *and* customer payment obligation based on income tier while the customer remains responsible for charges incurred above the assistance benefit level at true-up²¹⁵ intervals. These charges are evened out through a monthly budget calculation and are intended to hold the customer responsible for variances in their energy usage.

In the traditional affordable payment plan, if a customer incurred a lower bill on average, fewer dollars were needed to subsidize the bill, allowing MEAP to utilize the same amount of funds to serve more customers. The same was true for arrearage caps. The traditional APP included consumption/bill and arrearage caps, which were eliminated with the rollout of the modified budget APP. There are pros and cons to imposing consumption and arrearage caps on an equal payment obligation assistance model, which are detailed in Figure 65.

When diving into issues with MEAP's "consumption" caps, which are actually bill caps, a good example is to look at how APP-participating utilities structure their bill caps. On page 33 of its PSP report, DTE outlines usage consumption eligibility restrictions that equate to an annual billed amount for the LSP: \$3,750 for combination (electric and natural gas service) customers, \$1,600 for DTE electric-only customers, and \$2,150 for gas-only customers. Consumers Energy did not seem to indicate in its report that its traditional CARE program imposed eligibility restrictions on a customer's average bill. Something to note though is when looking at the different subsets of customers that data was collected on in Appendix H (PIPP, LSP, LSPM, control group, and non-low-income customers), natural gas-only bills are almost always lower than the electric bills, yet the APP consumption/bill caps allow for higher gas caps than electricity. This is a misalignment with billing realities. For

²¹³ Arrearages are past-due/unpaid balances

²¹⁴ MEAP uses the term "consumption caps" when discussing eligibility restrictions around billed amounts in dollars. Consumption for the energy regulation section refers to usage measured in kWh (or another metric measure like mWh) for electricity and ccf, Mcf, therms, or British Thermal Units for natural gas and propane.

²¹⁵ A "true-up" is the process of reconciling estimated or preliminary billed amounts with actual, final billed amounts.

program requirements, program eligibility would more accurately reflect realities (allowing higher caps for electric bills than gas) if the Commission were to approve caps in program design. This would promote better ratemaking principles, in which rates are designed reflective of the billing determinants.²¹⁶ However, it would need to be determined what caps are reasonable based on historical billed amounts and those caps would likely need to change with rate increases, since imposing caps or tailoring credits to billed amounts are heavily impacted by rates, as will be described later in this report.

Figure 65: Consumption and Arrearage Cap Impact

Impact of consumption and arrearage caps	Impact of no consumption and arrearage caps
Lower average cost of serving customers if each customer receives different credits but the same customer plan/payment expectation amount.	Higher average cost of serving customers if each customer receives different credits but the same plan/payment expectation amount
Can likely serve a greater number but narrower subset of customers with the same amount of funding. Helps to manage the cost of the plan and thereby increases access to more customers.	Can likely serve fewer but a wider subset of customers with the same amount of money. Increases the average cost of the plan and thereby decreases access to a greater number of customers.
Leads to inequities in access due to limits on participation of high usage and high arrears customers, decreasing who can access the benefits.	Provides greater equity in access to high usage and high arrears customers by eliminating caps.
Higher consumption customers receive larger bill subsidies than lower consumption customers, which leads to unequal assistance amounts but more equitable outcomes.	

Looking at arrears caps more specifically prompted the question: “On average, what should the subsidized amount for arrears be?” The answer can determine if caps are necessary. Staff circulated a data request in May 2025 to all investor-owned utilities that offer MEAP APPs to determine the average starting arrears for modified budget customers.²¹⁷ As a reminder, the modified budget plan does not have consumption nor arrears caps for any of its customers. Figure 66 shows the average starting arrears by utility company.

²¹⁶ The term billing determinant is used to describe anything that would create rate charges, like the average amount of volumetric energy a customer class consumes annually (in kWh, mWh, Mcf, Dth, etc.) or the number of customers served annually in that customer class. When a customer uses energy can impact ratemaking especially to develop time-of-use rates and demand charges.

²¹⁷ Appendix K

Figure 66: APP Average Starting Arrears by Utility

Utility	Average starting arrearage balance for APP modified budget customers (FY 2024)
UPPCO	\$574.24
SEMCO Energy	\$24
Consumers Energy	\$387
DTE Energy ²¹⁸	\$881

If the total arrears forgiveness awarded to customers through MEAP or PIPPs is lower than the average arrears without consumption and arrears caps, it is likely not necessary to impose arrears caps until average eligible customers' arrears reach a level that is beyond the amount MEAP can provide to customers in assistance/arrears forgiveness.

Staff Response: Consumption and Arrearage Caps

DTE offers its final PIPP recommendation on page 91 of its PSP report. DTE recommended rolling RIA and MEAP APP dollars into a single PIPP and keeping the recommended new PSP program design the same (consumption caps, eligibility criteria etc.). As was shown in the program design comparison table in this report (Figure 1), DTE seeks to manage costs by imposing/retaining consumption and arrearage caps. Staff respects DTE's goal of managing per-customer costs for a program and weighing costs is an important goal, as will be described later in this report. However, much work has been accomplished in the MEAP workgroup to switch the LSP and the rest of the APPs to eliminate consumption and arrears caps. DTE's proposal would be a regression from that work and a regression from the efforts to align the APPs. Even though Staff understands DTE's motives to balance the cost of the program and allow as many eligible customers as possible to partake in the program, Staff does not support the proposal.

DTE also suggests that the MEAP program and eligibility requirements (which will now be $\leq 60\%$ SMI for income eligibility) would be woven into the newly relaunched PIPP. Staff cautions that by including dollars formerly recovered for the RIA in DTE's recommendation, the MCL 460.11(2) legislation allowing for low-income rates does not state MEAP as a qualifier for the low-income rate (under MCL 460.10t(6)(b)) and this would need to be factored into DTE's recommendation or any recommendation going forward. Staff already addressed its recommendation regarding the interaction of the MEAP legislation, and the programs authorized under MCL 460.11(2) in Chapter 9 of this report. DTE's recommendation does not seem to address the conflicting eligibility criteria of MEAP and MCL 460.10t(6)(b). Staff will, however, factor this into its recommendation.

²¹⁸ DTE's response came from its data file, in Appendix H

Chapter 14 - Program Design—Bill Subsidy

After determining eligibility requirements, the next decision to make when designing an energy assistance program is the bill subsidy.

In DTE’s “Figure 17” on page 46 of its PSP report, DTE depicts the monthly credit amounts by FPL income tier for the new modified LSP (LSPM). For Consumers Energy’s CARE modified budget, this chart is shown in “Figure 9” on page 35 of its PIPP report. The plan amounts are determined by a few factors: whether a customer is an electric, natural gas, or combination (both electric and natural gas) customer at a single utility; what FPL bracket/tier a customer’s income falls within; if a customer has high usage or low usage based on their average consumption; and in which season the bill falls. Meanwhile, the PIPP pilot bill subsidy was much simpler: customers were responsible for paying 3% of their gross income each month for each Consumers Energy commodity service (6% for dual-commodity) and DTE customers were responsible for paying 6% of their gross income each month on single-commodity service and 10% for dual-commodity service. The remaining portion of their bill was recovered from ratepayers through rates for DTE Energy’s program, and shareholder funds for Consumers Energy’s program.

In the following sections, Staff will explore how bill subsidy determinations currently work, and in some cases could be improved, followed by Staff’s recommendation for reforming energy assistance credits and payment plans.

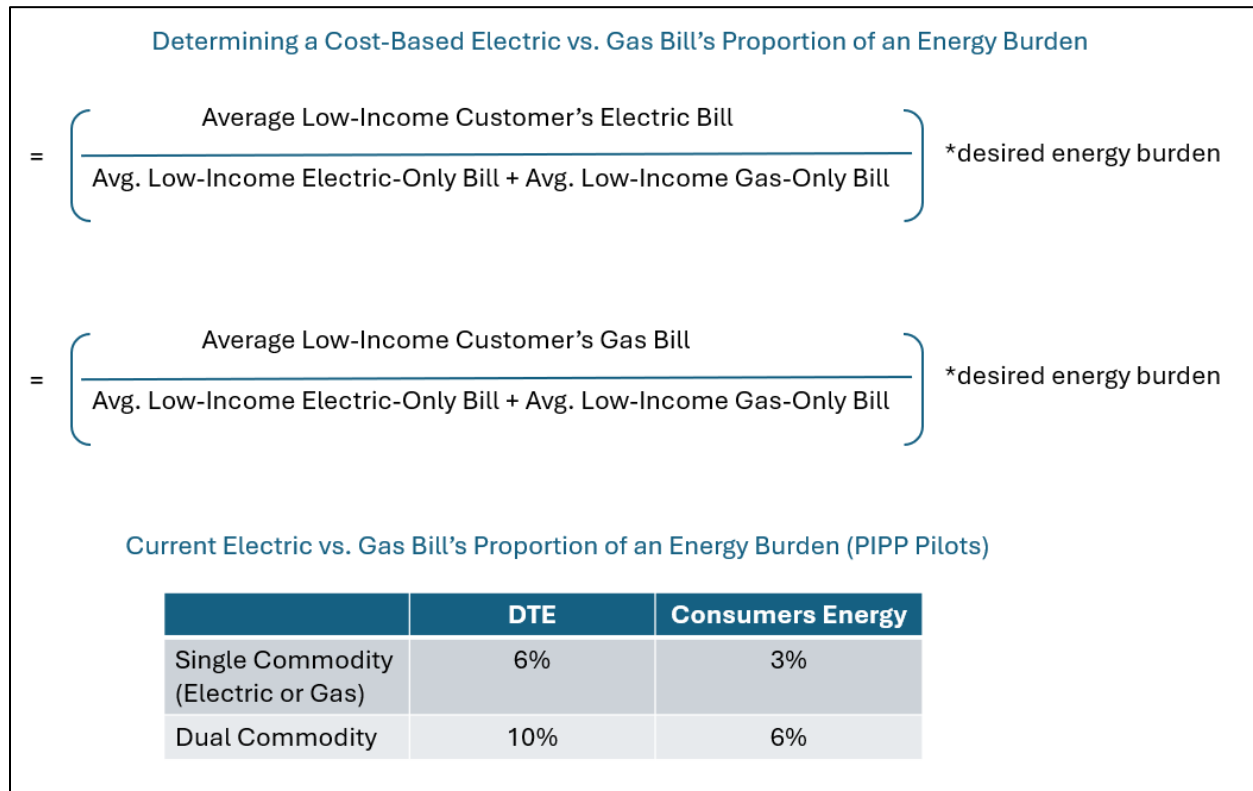
Determining the Credited Amount/Bill Subsidy—PIPP

When it comes to tailoring a program credit amount, Staff recommends adjusting the credit amount based on whether a customer is an electric, natural gas, or combination customer.

In the case of a PIPP, for example, if one seeks to determine a more cost-based percentage of income payment for single-commodity utilities, which Staff would recommend if energy burden is to play any role in an energy assistance program, what proportion of an average customer’s bill is attributable to electric service and what is attributable to gas service would be considered in the calculation. Staff outlines the calculation in Figure 67.

Note this assumes that customers have separate heat and electric service and do not use only electricity for home heating needs as well. In electric-heating households, customers would pay the full amount that was chosen to be the energy burden/PIPP payment obligation percentage (whether that is 6%, like with Consumers Energy’s model or 10% under DTE’s).

Figure 67: Determining a Cost-Based Electric vs. Gas Bill's Proportion of an Energy Burden



For DTE, this means utilizing the average low-income electric bill for LSPM customers²¹⁹ of \$158/month and the average gas bill of \$83 per month. If one sought to more equitably determine what share of a 6% of income for single commodity service customers should pay on a PIPP, the calculation would be: \$158+\$83=\$241 and then 83/241=0.34 and 158/241=0.66. 0.34*0.06=0.02 and 0.66*0.06=0.04 (with rounding to the nearest hundredth place).

Doing the same for Consumers Energy, this means utilizing the average low-income electric bill for CARE MB customers of \$203/month and the average gas bill of \$98 per month. If one sought to more equitably figure out what share of a 6% of income for single commodity service they should pay, the following calculation would be: \$203+\$98=\$301 and then 98/301=0.33 and 203/301=0.67. 0.33*0.06=0.02 and 0.67*0.06=0.04 (with rounding to the nearest hundredth place).

²¹⁹ Using LSPM is beneficial for a more accurate snapshot of what an average low-income customer's usage would be because LSPM has no restrictions on consumption and admits all customers at or below 150% FPL. The only issue is there's one customer 151-200% FPL, which is not authorized under MCL 460.11(2).

Staff Recommendation: Adjust the Credit Amount Based on Commodity

Under this proposal, the math would indicate that in a program similar to Consumers Energy’s PIPP in which a single commodity customer pays 6% of their income for their utility service, customers would likely pay around 4% of income for single commodity electric service and 2% of income for single commodity gas service to reflect cost-based ratemaking more accurately (Figure 68).

Figure 68: Cost-Based Electric vs. Gas Bill’s Proportion of a 6% Energy Burden

Commodity	Percentage of Income
Electric Service	4%
Natural gas Service	2%
Electric-Only, Electric Heat ²²⁰	6%

While eligibility restrictions could be placed on a PIPP, there are only two inputs for determining the bill subsidy: income and energy commodity. Unlike APPs, household size (to determine FPL), usage/billed amount, and the month of the year do not factor into the equation. Simply multiplying the gross household income by the determined percentage of income a customer pays for their energy commodity leads to the bill payment amount. Any billed amount outside the determined bill payment (plan amount) would be subsidized by the program funding source.

If the Commission chose to direct utilities and Staff to implement a PIPP, one measure that could be instituted going forward is easing the administrative burden of using each customer’s specific income to determine their bill subsidy and plan amount. Lessons can be learned from the APP in which income tiers are used to determine the plan amount for every customer in that tier—set at a plan amount for the income level in the middle of that tier. An example of this would be having customers with a 0-\$5,000 annual income pay the percentage of income equal to an income of \$2,500. More on this issue is discussed in the following report sections.

Determining the Credited Amount/Bill Subsidy—APPs

Compared to the PIPP, the bill subsidy for the APPs is impacted by a few factors:

- Which energy commodity a customer has with a provider (electric, natural gas, combination of the two)
- A customer’s income
 - Based on FPL tiers
- A customer’s average bill in the past year
 - The season, in the case of MEAP APPs.²²¹

²²⁰ Customers that use electric heat sources to heat their homes would be charged the full 6% of their income for an income-based payment plan.

²²¹ Staff notes that the seasonal consideration/split was due to previous MEAP legislation that has since been removed in the 2024 MEAP legislation revisions.

Staff will walk through how this works. Originally, under the older “traditional” or “flat rate” MEAP affordable payment plans, customers paid a fixed monthly amount based on their income as a percentage of FPL and historically billed amount, remaining fixed during heating and non-heating seasons. MEAP funds subsidized the difference between the customer payment obligation and the actual bill. Under the traditional model, there was variability in APP structure between the different utilities, so Staff worked with utilities to align the APPs to standardize eligibility, income tiers, and the general structure of the APPs. However, each utility still chose its own bill subsidy matrix. Due to variability in weather and usage patterns, the traditional model made budgeting for the gap payments provided by MEAP grantees much more challenging. Figure 69 outlines differences in how bill subsidies are determined for modified budget APPs and the PIPP.

Figure 69: Bill Subsidy Factor PIPP vs. APP-MB Comparison

Bill Subsidy Factor	PIPP	APP-MB
Income	Based strictly on percentage of Income	Based on Income Tiers
Commodity	Policy re: % of income per commodity	Benefit matrix per commodity provided by utility
Customer Payment Level Considerations	Considers only income	Considers income and billed amounts
Gap Payments	Variable, less predictable	Based on budget; more consistent and predictable

The modified budget APPs operate on a budget plan model in which a customer has a flat monthly payment obligation and MEAP provides a flat monthly credit amount (both based on FPL, usage, commodity, and formerly also for heating/cooling season). Any customer bill differences between those two credits over \$5 leads to a customer payment change, or “true-up” at 6, 12, and 18 months on the plan. This allows for greater predictability of the cost of the plans but may not accurately account for rate increases or weather variations that are outside the customer’s control. When the modified budget APP was instituted, participating utilities added in a heating season credit split to ensure compliance with old MEAP legislation that required 70% of MEAP funds be spent in the heating season. With the 2024 revisions to MEAP legislation, this split no longer exists.

The full APP credit matrices can be found on page 46 in “Figure 17” of DTE’s PSP report and on page 35 of the Consumers Energy PIPP Report. Upper Peninsula Power Company (UPPCO) and SEMCO Energy (SEMCO), the two other APP-participating utilities, submitted their recent credit matrices to Staff directly, since those utilities were not included in PIPP pilots nor reporting. The matrices in Figures 70-73 below are for the modified budget (MB) MEAP APPs, LSPM, CARE MB, MAP MB (SEMCO), and EASE MB(UPPCO), since the modified APPs are replacing the traditional APPs. However, SEMCO has only ever had the modified budget version of the APP and was the basis for the change in the payment plans.

Figure 70: DTE Energy's LSPM Monthly Credit Amounts for Customers

LSPM 2024 – 2025 Monthly Credits					
Commodity	FPL Tiers	Usage: (Avg Consumption)	Heating Season Gap Credits (November – May)	Non-Heating Season Gap Credits (June – October)	LSP Budget Reduction Amount
Combo	Between 1% – 75%	High Usage (> \$175)	\$95	\$35	\$70
		Low Usage (<= \$175)	\$28	\$9	\$20
	Between 76% – 110%	High Usage (> \$175)	\$80	\$32	\$60
		Low Usage (<= \$175)	\$14	\$5	\$10
	Between 111% – 150%	High Usage (> \$175)	\$68	\$25	\$50
		Low Usage (<= \$175)	\$7	\$3	\$5
Electric Only	Between 1% – 75%	High Usage (> \$115)	\$85	\$30	\$62
		Low Usage (<= \$115)	\$14	\$5	\$10
	Between 76% – 110%	High Usage (> \$115)	\$28	\$9	\$20
		Low Usage (<= \$115)	\$10	\$5	\$8
	Between 111% – 150%	High Usage (> \$115)	\$20	\$8	\$15
		Low Usage (<= \$115)	\$7	\$3	\$5
Gas Only	Between 1% – 75%	High Usage (> \$80)	\$68	\$25	\$50
		Low Usage (<= \$80)	\$14	\$5	\$10
	Between 76% – 110%	High Usage (> \$80)	\$40	\$16	\$30
		Low Usage (<= \$80)	\$10	\$5	\$8
	Between 111% – 150%	High Usage (> \$80)	\$14	\$5	\$10
		Low Usage (<= \$80)	\$7	\$3	\$5

Figure 71: Consumers Energy's CARE MB Monthly Credit Amounts for Customers²²²

CARE MB FY25 Monthly Credits					
Commodity	FPL Tiers	Usage (average consumption)	Heating Season (November-May)	Non-Heating Season (June-October)	Average Monthly Credit
Combo	Between 0%-75%	High Usage (>\$220)	\$153.00	\$69.00	\$118.00
		Low Usage (≤\$220)	\$30.00	\$5.00	\$19.58
	Between 76%-110%	High Usage (>\$220)	\$111.00	\$42.00	\$82.25
		Low Usage (≤\$220)	\$12.00	\$5.00	\$9.08
	Between 111%-150%	High Usage (>\$220)	\$68.00	\$17.00	\$46.75
		Low Usage (≤\$220)	\$5.00	\$5.00	\$5.00
Electric Only	Between 0%-75%	High Usage (>\$140)	\$111.00	\$55.00	\$87.67
		Low Usage (≤\$140)	\$24.00	\$5.00	\$16.08
	Between 76%-110%	High Usage (>\$140)	\$83.00	\$37.00	\$63.83
		Low Usage (≤\$140)	\$13.00	\$5.00	\$9.67
	Between 111%-150%	High Usage (>\$140)	\$55.00	\$21.00	\$40.83
		Low Usage (≤\$140)	\$5.00	\$5.00	\$5.00
Gas Only	Between 0%-75%	High Usage (>\$80)	\$70.00	\$5.00	\$42.92
		Low Usage (≤\$80)	\$5.00	\$5.00	\$5.00
	Between 76%-110%	High Usage (>\$80)	\$50.00	\$5.00	\$31.25
		Low Usage (≤\$80)	\$5.00	\$5.00	\$5.00
	Between 111%-150%	High Usage (>\$80)	\$30.00	\$5.00	\$19.58
		Low Usage (≤\$80)	\$5.00	\$5.00	\$5.00

Figure 72: SEMCO's MAP Modified Budget Monthly Credit Amounts for Customers

MAP 2024 Monthly Credits (New & Rollover)				
FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June – October)	Average Monthly Credit
Between 0% – 19%	High Usage (> \$76)	\$95	\$20	\$64
	Low Usage (≤ \$76)	\$55	\$10	\$36
Between 20% - 75%	High Usage (> \$76)	\$95	\$20	\$64
	Low Usage (≤ \$76)	\$55	\$10	\$36
Between 76% – 110%	High Usage (> \$76)	\$85	\$15	\$56
	Low Usage (≤ \$76)	\$45	\$8	\$30
Between 111% – 150%	High Usage (> \$76)	\$70	\$12	\$46
	Low Usage (≤ \$76)	\$40	\$5	\$25

²²² Consumers Energy PIPP Report, p. 35

Figure 73: UPPCO's EASE Modified Budget Monthly Credit Amounts for Customers

FY 2025 Enrollments A-1
EASE APP Credits Paid Monthly

FPL Range:	0	19	20	75	76	110	111	150
Sugg Bud:	>=186	<186	>=186	<186	>=186	<186	>=186	<186
Code:	1	2	3	4	5	6	7	8
AVG Credit:	\$207	\$85	\$177	\$73	\$148	\$61	\$118	\$48
	Credits Paid Each Month							
Oct	\$149	\$61	\$127	\$53	\$107	\$44	\$85	\$35
Nov	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
Dec	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
Jan	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
Feb	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
Mar	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
Apr	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
May	\$248	\$102	\$212	\$88	\$178	\$73	\$142	\$58
Jun	\$149	\$61	\$127	\$53	\$107	\$44	\$85	\$35
Jul	\$149	\$61	\$127	\$53	\$107	\$44	\$85	\$35
Aug	\$149	\$61	\$127	\$53	\$107	\$44	\$85	\$35
Sep	\$149	\$61	\$127	\$53	\$107	\$44	\$85	\$35
12 Month Total	\$ 2,484	\$ 1,020	\$ 2,124	\$ 876	\$ 1,776	\$ 732	\$ 1,416	\$ 576

FY 2025 Enrollments AH-1
EASE APP Credits Paid Monthly

FPL Range:	0	19	20	75	76	110	111	150
Sugg Bud:	>=201	<201	>=201	<201	>=201	<201	>=201	<201
Code:	1	2	3	4	5	6	7	8
AVG Credit:	\$218	\$110	\$187	\$94	\$156	\$79	\$125	\$63
	Credits Paid Each Month							
Oct	\$157	\$79	\$135	\$68	\$112	\$57	\$90	\$45
Nov	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
Dec	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
Jan	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
Feb	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
Mar	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
Apr	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
May	\$262	\$132	\$224	\$113	\$187	\$95	\$150	\$76
Jun	\$157	\$79	\$135	\$68	\$112	\$57	\$90	\$45
Jul	\$157	\$79	\$135	\$68	\$112	\$57	\$90	\$45
Aug	\$157	\$79	\$135	\$68	\$112	\$57	\$90	\$45
Sep	\$157	\$79	\$135	\$68	\$112	\$57	\$90	\$45
12 Month Total	\$ 2,616	\$ 1,320	\$ 2,244	\$ 1,128	\$ 1,872	\$ 948	\$ 1,500	\$ 756

Compared to the other APP-participating utilities, UPPCO's APP includes a different credit structure for standard electric customers (those on rate schedule A-1 shown above) versus those with all-electric households that heat their homes with electric heat (rate schedule AH-1). As UPPCO described in its response to Staff's APP questionnaire,

The electric heating rate (AH-1) is elective, however requires the primary heating source to be permanently installed. The use of plugged-in space heaters do not make a customer eligible for this rate per our tariff. A customer requesting to be on the electric heating rate, we require a visual inspection from our metering team to validate the heating source.²²³

This APP structure is unique, since SEMCO, Consumers Energy, and DTE Energy do not offer an all-electric household distinction in their APP credit structures and while DTE Electric has a rate schedule for electric space-heating households (schedule D2), the schedule has been closed for new business since December 17, 2015, as outlined in its MPSC-approved tariff book. Consumers Energy (electric and natural gas), DTE gas, and SEMCO do not have rate schedules that distinguish space-heating and non-space-heating natural gas customers. However, these metrics are tracked to a certain extent, since space-heating and non-space-heating customers are reported on in the P522 annual reports.

When Staff asked DTE and Consumers Energy why they do not utilize that P522 customer data to provide heating and non-heating gas considerations in their APP credit matrices, DTE responded that while DTE does not offer the electric heating rate to new customers, DTE and MEAP grantees may determine that the customer heats with electric heat sources and could be treated like a dual commodity customer in the credit matrix and enrolled in the APP despite higher than average electric bills.²²⁴ DTE did not indicate that accommodation could be made for customers that do not space heat with gas or how the P522 reporting could be leveraged. As for Consumers Energy, it seems like the Company is aware of which gas customers heat with gas versus those that do not. Despite only having one rate schedule for residential customers receiving gas service, Consumers Energy has a rate category for heating vs. non-heating that customer service representatives can select when a customer moves into a residence. While it may not be as important to design a matrix around this issue for gas customers, since less than 1% of Consumers Energy APP gas customers are non-space heating customers, it could be important for electric customers heating with electric sources. There simply is not as easy of a way to discern that information from existing data collected by the companies.

²²³ Appendix K

²²⁴ Appendix K

Analysis of Current APPs

While Staff is not recommending Commission approval of a PIPP in the way that the utilities piloted the PIPP—in which each customer's income is specifically tailored to their payment obligation amount—it is still important to explore energy burden and bill affordability and take it into account when determining the bill subsidy. Although there are many issues that will be presented later in this report that deter Staff from recommending implementing a PIPP, as DTE recommends in its report, this section focuses on presenting issues related to the design of the APP utilities' benefit matrices.²²⁵

When digging deeper into the design of the APP utilities' benefit matrices, it is apparent that the APPs lead to inconsistent outcomes for customers. Staff conducted modeling, illustrated in Figure 74, to discern the relationship between the MEAP-funded APPs and energy burden. Staff utilized FPL income data and program benefit matrices to model the energy burden of existing MEAP-funded APPs. Given the Commission has yet to set an affordability standard, this work, as demonstrated by the example below, utilizes energy industry research standards as a substitute threshold for affordability. U.S. industry standards recommend energy burden as the best available indicator for affordability, and 6% as the most frequently utilized threshold in the U.S. (Homsy and Kang 2025).²²⁶

Staff identified two major takeaways upon undertaking this work. First, currently-existing MEAP-funded APPs in Michigan were not designed for uniform success. More specifically, customers enrolled in the lowest FPL income tiers of existing APPs remain prone to high energy burdens even upon receiving assistance, whereas customers enrolled in higher FPL tiers are more likely to reach energy burden levels at or under a 6% energy burden. As benefit matrices may be designed based on a particular household size or none at all, energy burden outcomes are not consistent across household sizes, with smaller households experiencing higher energy burdens. This work also revealed that under current energy assistance designs, some participants' bills (primarily natural gas participants) are over-subsidized such that their energy burden is reduced beyond the region's median energy burden of 3.6%.²²⁷

²²⁵ DTE Energy PSP Report, p. 89

²²⁶ Homsy, G. C., & Kang, K. E. (2025). Energy burden: Exploring the intersection of race, income, and community characteristics across the United States. *Energy Research & Social Science*, 127, 104207.

²²⁷ ACEEE - American Council for an Energy-Efficient Economy. (2020). National and Regional Energy Burdens. <https://www.aceee.org/sites/default/files/pdfs/ACEEE-01%20Energy%20Burden%20-%20National.pdf>.

Figure 74: DTE LSPM Example Illustration of APP Energy Burden: (Low-Consumption Combo)

DTE LSPM Energy Burden Example (Low-Consumption Combo)							
	House hold Size	1 pers.	2 pers.	3 pers.	4 pers.	5 pers.	6 pers.
Energy Costs	\$2,100	\$175	\$175	\$175	\$175	\$175	\$175
Annual Income	Tier: 111-150% FPL	\$23,475	\$31,725	\$39,975	\$48,225	\$56,475	\$64,725
Bill Subsidy		\$5	\$5	\$5	\$5	\$5	\$5
Customer Payment		\$170	\$170	\$170	\$170	\$170	\$170
Energy Burden		8.7%	6.4%	5.1%	4.2%	3.6%	3.2%
Energy Costs	\$2,100	\$175	\$175	\$175	\$175	\$175	\$175
Annual Income	Tier: 76-110% FPL	\$17,215	\$23,265	\$29,315	\$35,365	\$41,415	\$47,465
Bill Subsidy		\$10	\$10	\$10	\$10	\$10	\$10
Customer Payment		\$165	\$165	\$165	\$165	\$165	\$165
Energy Burden		11.5%	8.5%	6.8%	5.6%	4.8%	4.2%
Energy Costs	\$2,100	\$175	\$175	\$175	\$175	\$175	\$175
Annual Income	Tier: 1-75% FPL	\$11,737.50	\$15,862.50	\$19,987.50	\$24,112.50	\$28,237.50	\$32,362.50
Bill Subsidy		\$20	\$20	\$20	\$20	\$20	\$20
Customer Payment		\$155	\$155	\$155	\$155	\$155	\$155
Energy Burden		15.8%	11.7%	9.3%	7.7%	6.6%	5.7%

Second, Staff's discovery questions on the PIPP pilot reports (Appendix K) highlighted many program design incongruencies across MEAP-funded APP benefit matrices and revealed seemingly arbitrary design choices that merit deeper thought and justification from the utilities. Figure 75 summarizes key differences identified in the design of MEAP-funded APP benefit matrices and outlines the four factors a caseworker would consider in determining the customer's bill subsidy.

Figure 75: APP Credit Matrix Design by Utility

	DTE	CE	UPPCO	SEMCO
1. Commodity	Determine: does a customer have only electric or gas service with the utility? Or do they have both gas and electric service with the utility?			
2. Income Tiers	A customer is sorted into an income range based on their percentage of the federal poverty level, a calculation of income and household size.			
3. Determining if customer has high/low consumption/bill	Based on average of all low-income customers per commodity	Based on median consumption	Based on average consumption	Based on median consumption
4. Credit Determination	Aimed for 8% energy burden based on household size of 3	On average, MEAP pays for approximately 50% of the customer's bill for 0-75% FPL, 40% for 76-110% FPL, and 30% for 111-150% FPL	On average, MEAP pays for approximately 70% of the customer's bill for 0-19% FPL, 60% for 20-75% FPL, 50% for 76-110% FPL, and 40% for 110-150% FPL	On average, MEAP pays for approximately 60% of the customer's bill for 0-75% FPL, 50% for 76-110% FPL, and 40% for 111%-150%

These design decisions carry implications for energy assistance outcomes. Given these observations, there is a need to develop a framework for equitable benefit matrix design. Designing with equity in mind may include consideration of the following factors, among others:

1. FPL tier width
 - a. What is the maximum size for any tier before producing disparate outcomes?
2. Number of FPL tiers
 - a. Related to tier width

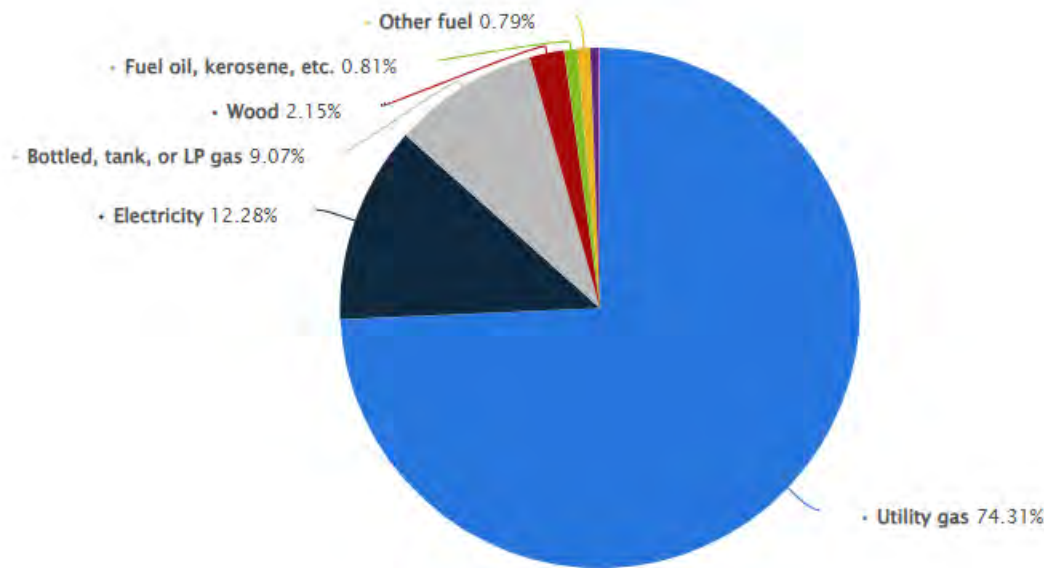
3. Household Size
 - a. How should household size be incorporated into the design?
4. Credit Determination
 - a. What amount is reasonable and just, and what should underly that determination?
5. Affordability Standard/Goal
6. Basis of Matrix
 - a. Are usage and total bill considered?
7. Commodity Type
8. Seasonality
 - a. How should seasonal fluctuations in use/bill be incorporated, if at all?
9. Minimum payment expectations
10. Program pairings and eligibility thresholds of program pairings
11. Update timeline
 - a. When are benefit matrices updated?
 - i. Example: Upon rate increases, every year, changes in average/median bills, etc.

Staff will explore the above factors, broken down by elements of the current APPs.

Step 1: Determine How Commodity Impacts Bill Subsidy

As was already calculated in the PIPP bill subsidy consideration section of this report, average electric and gas bills are clearly different, with the average electric-only customer bills being roughly twice the amount of the average gas-only customer for the months analyzed in Appendices G and H. Most households in Michigan do not heat their homes with electricity, meaning electricity bills will, on average, be higher in the summer than winter months. Customers generally cool their homes in the warmer months with electric air conditioning sources. In the winter months customers use a variety of heating sources, including natural gas, propane, wood, fuel oil etc., which use far less electricity than electric-only sources of heating. More information on this can be found in the October 3, 2023, AAA meeting presentation, which shows the seasonal electricity usage (also known as a load profile) for Consumers Energy residential customers. Additional information can be viewed in Figure 76 from Statista:

Figure 76: Distribution of residential heating fuel consumed in Michigan in 2022, by type²²⁸



Another consideration for the bill subsidy determination as a subset of electric-only customers is if they have only electric service at their residence and mainly heat their home with electric sources, whether that is an electric furnace, baseboard heating, electric space heaters, etc. UPPCO includes these factors in its modified budget APP credit matrices, but Consumers Energy and DTE Energy do not. Electric-only households could likely be determined by looking at the customer's electric load profile or bills to see if their usage (in kWh) and bills (in dollars) are relatively consistent year-round or increase in winter months over the summer months. Additionally, MEAP grantees could simply ask customers how they heat their homes. If it can be determined that the customer heats their home primarily with electric sources, the customer should be considered a new type of customer in the benefit matrix: an all-electric household likely with bill credit criteria closer to a combination customer than an electric-only customer who heats with another fuel source. This is not necessary for natural gas customers. If natural gas is not used to heat their home, their bills may be too low to require assistance or register as higher than 2% of a customer's energy burden. However, if their energy burden is above 2%, they could be assisted with the rest of the heating customers.

²²⁸ Source: <https://www.statista.com/statistics/1231384/residential-heating-fuel-distribution-in-michigan/> accessed on 4/25/2025.

Step 2: Determine How Billed Amount Impacts Bill Subsidy

In the APPs, another factor that determines a customer's bill subsidy is their "consumption" (the average or median bill). The APP plan amount decision matrix outlines what it considers a high bill versus low bill. Staff clarified with DTE that it calculated its average bill by only using base rates (monthly customer charge, power supply, and distribution charges), while excluding surcharges and riders. SEMCO and Consumers Energy both claimed to utilize more of a median bill amount for each income tier of their modified budget matrices to place approximately half of each income tier's recipients on high usage credits and half on low usage credits. The use of averages is concerning to Staff and incongruous with reality, especially in DTE's matrix when most low-income customers are higher energy consumers on average by its definition. Staff recommends changing the definitions of high and low "usage" in determining bill subsidies to reflect the median bill for identified low-income customers each year. In Figures 77-80, Staff outlines the difference between the utilities' definitions of high and low usage, and the data collected from DTE, Consumers Energy, SEMCO, and UPPCO, outlined in Appendix K.

Figure 77: DTE Energy LSP Modified Credit Matrix Actuals

	FPL Tiers	LSPM Budget Usage Matrix (average bill) ²²⁹	LSPM Actual Average Monthly Usage fiscal year 2025 ²³⁰	Actual Customer Counts FY 2025
Combo	1%-75%	High usage >\$175	\$283	4,433
		Low Usage ≤\$175	\$141	701
	76%-110%	High usage >\$175	\$280	1,387
		Low Usage ≤\$175	\$140	216
	111%-150%	High usage >\$175	\$280	636
		Low Usage ≤\$175	\$141	99

²²⁹ DTE Energy only includes base rates in the average bill calculation. Surcharges and bill riders are not included in this calculation.

²³⁰ Provided to Staff in a separate data request in May 2025, outlined in Appendix K.

Figure 77: DTE Energy LSP Modified Credit Matrix Actuals (Continued)

	FPL Tiers	LSPM Budget Usage Matrix (average bill) ²³¹	LSPM Actual Average Monthly Usage fiscal year 2025 ²³²	Actual Customer Counts FY 2025
Electric Only	1%-75%	High usage >\$115	\$195	1,096
		Low Usage ≤\$115	\$82	397
	76%-110%	High usage >\$115	\$194	407
		Low Usage ≤\$115	\$84	127
	111%-150%	High usage >\$115	\$205	189
		Low Usage ≤\$115	\$83	58
Gas Only	1%-75%	High usage >\$60	\$106	157
		Low Usage ≤\$60	\$76	74
	76%-110%	High usage >\$60	\$114	64
		Low Usage ≤\$60	\$48	10
	111%-150%	High usage >\$60	\$107	29
		Low Usage ≤\$60	\$43	6

²³¹ DTE Energy only includes base rates in the average bill calculation. Surcharges and bill riders are not included in this calculation.

²³² Provided to Staff in a separate data request in May 2025, outlined in Appendix K.

Figure 78: Consumers Energy CARE Modified Budget Credit Matrix Actuals²³³

	CARE MB Usage Matrix (average bill)	CARE MB Actual Average Monthly Usage FY 2024	Actual Customer Counts FY 2024
Combo	High usage >\$220	\$283	346
	Low Usage ≤\$220	\$173	220
Electric Only	High usage >\$140	\$283	118
	Low Usage ≤\$140	\$173	270
Gas Only	High usage >\$80	\$124	74
	Low Usage ≤\$80	\$68	31

Figure 79: SEMCO Energy MAP Modified Budget Credit Matrix Actuals

	MAP MB Usage Matrix (average bill)	MAP MB Actual Average Monthly Usage FY 2024²³⁴	Actual Customer Counts FY 2024
Gas Only	High usage >\$76	\$55; \$75 in previous two fiscal years	1,235
	Low Usage ≤\$76		1,269

²³³ Provided to Staff in a separate data request in May 2025. Consumers Energy did not break its information down by FPL tier.

²³⁴ SEMCO reported this information a bit differently than CE and DTE.

Figure 80: UPPCO EASE Modified Budget Credit Matrix Actuals

	EASE MB Usage Matrix (average bill)	EASE MB Actual Average Monthly Usage FY 2025²³⁵	Actual Customer Counts FY 2025²³⁶
Electric Only, Rate Schedule A-1	High usage >\$186	\$295	131
	Low Usage ≤\$186	\$121	178
Electric Only Space Heating, Rate Schedule AH-1	High usage >\$201	\$312	11
	Low Usage ≤\$201	\$157	11

One significant problem with using average “consumption” (bill) to determine a customer’s subsidy is that bills can fluctuate due to no change in the customer’s volumetric energy consumption (in kWh or ccf). Rates can change through Commission-approved rate increases, changes in cost allocation to customer classes, etc. In the modified budget APP, these billed amount changes outside of a customer’s control could become the customer’s responsibility to pay and increase their plan amount (the amount they are responsible for paying each month). As DTE describes in its PIPP report, “Customer’s LSP Modified plan amounts are evaluated every six months and can change based on the customer’s consumption behavior.”²³⁷ This is now the same practice for the MEAP APPs. As a point of clarification, the terminology “consumption behavior” is frequently used in describing MEAP APPs but is misleading terminology. For example, if the MPSC approves a 10% average residential rate increase absent changes in surcharges and consumption changes it could lead to up to a 10% increase or more in a customer’s bill without any changes in their volumetric consumption (measured in kWh for electricity and cubic feet [cf], therms, or British Thermal Units [Btu] for natural gas). So not only are customers usage determinants not aligned with reality, but customers could be required to pay more for using the same amount of energy due to changes in their rates (in dollars) instead of their changes in consumption (measured in kWh, ccf, therms, Btu). This needs to be considered in program design going forward. Staff supports incorporating more cost-based and rate design principles into APP benefit matrices such that billing determinants are used to calculate customer payment or credit amounts.

²³⁵ SEMCO reported this information a bit differently than CE and DTE.

²³⁶ As of the end of May 2025. Provided in follow-up email communications with UPPCO.

²³⁷ DTE Energy PSP Report, p. 46

Step 3: Determine How Heating and Cooling Seasons Impact Bill Subsidy

While it is indisputable that the weather outside impacts a customer's volumetric energy consumption, the question is if it ought to impact a customer's credited amount. It could be more costly and complicated to administer a program that adjusts bill subsidies or bill credits with the changing seasons, but it would more accurately reflect a customer's bill changes. The question remains if it would easily promote energy affordability and home energy security if a customer's bill and subsidy amounts change throughout the year. The APP has both a consistent customer payment and bill subsidy due to the budget plan. When eliminating the 70/30 split, the MEAP team determined that the seasonality reflected in the customer's balance shown on the bill, which may be lower than the amount due, reflects the real-world experience of a budget plan. To mediate customers dropping off the plan during months when charges are lower than the budgeted plan amount, utilities and grantees will work together to provide a visual explanation of the plan expectations to grantees.

Staff recommends the Commission consider whether a customer should receive more equal credits, more equal plan amounts, or more equal outcomes throughout the seasons. Staff's position on the issue is that the old APP format of providing a different credit for the heating versus cooling season does not promote home energy security nor consistent energy affordability and was only in effect due to MEAP legislation that was eliminated with the 2024 legislation revisions. Therefore, any affordable plans should maintain consistent payments throughout the year. This likely eases administrative burdens and promotes consistent energy affordability.

Step 4: Reconciliation months

The last component of the current modified budget APP bill subsidy matrix is the reconciliation. This aspect of the program design for the APP Modified Budget plans makes customers more responsible for changes in their billed amounts. There is a rolling budget accumulator, and if a customer uses more or less than their historical average, the customer will experience a true-up including potential charges or credits based on the reconciliation of budget projections to actual costs. The customer's payment obligation will be adjusted to a new projected budget amount. MEAP will pay for that difference after the first year on the program, and the customer is responsible for that payment after the second year on the program. The overage charge or credit occurs in the reconciliation month, in which a customer's billed amount is reconciled. As previously mentioned, it can become very difficult to determine what is within customer control given seasonal changes in weather conditions and rate changes.

Reconciliation needs to be considered when revising energy assistance programs. Looking at consumption in kWh and ccf/therms and comparing it with other low-income customers or the broader residential customer class would be a more

accurate way to determine if customers are changing their consumption in a way that is within their control.

When thinking about seasonal impacts on program design, Staff finds that there could be opportunities for credit matrix adjustments in MB APPs at the time of true-ups. Staff finds that it could be beneficial for true-ups to be done on a consistent cycle for all customers instead of the current practice of varying based on enrollment date to better streamline the program and perhaps align true-ups with changing seasons.

PIPP vs. APP-Style Bill Subsidy Customer Feedback

As discussed at various points in this report, DTE recommended in its PSP report to institute a PIPP to replace the MEAP APP and RIA while offering the LIA to customers who do not provide income information. There is merit to this proposed bill subsidy system but also concern, as discussed below. The first set of concerns is the clarity of the program communication and design.

In its report, DTE details the Net Promoter Score (NPS), which was a survey sent out to “PSP customers that were currently enrolled at the time [of the survey] or those who were de-enrolled because they did not verify by their anniversary date”²³⁸ to gauge customer satisfaction with the PSP pilot and LSP programs.²³⁹ It is interesting that despite the Company’s pushback on implementing the LSPM, a lower percentage of customers dislike (detract from) the program than the traditional LSP.²⁴⁰ LSPM and PSP are very similar in their NPS scores. However, on page 80 of the report, a larger proportion of PSP customers are extremely satisfied with the program.

Another important measure from DTE’s PSP report is the “affordability of my energy bill while on the payment plan” by percentage rating as “excellent” on a five-point scale. The percentages are as follows: LSP 28%, LSPM 32%, PSP 48%.²⁴¹ Due to low response rates, these percentages only represent the perspectives of a small subset of participating customers per DTE’s PIPP report (LSP 5.5%, LSPM 8.2%, PSP 12.1%). Although Staff’s opinion is that the on-time payment rate is the best available measure of affordability outside of customer feedback, it is still clear that a majority of customers surveyed do not view the offered payment plans as ideally affordable.

However, given that 91% of PSP survey respondents would re-enter the PSP if it were offered again,²⁴² it seems likely that this pilot was a success from the customer

²³⁸ Appendix K

²³⁹ DTE Energy sent the survey to 1,018 PIPP customers and received back only 123 surveys (roughly 12%). Total pilot participants is 2,141 of which 123 survey respondents equals less than 6% surveyed. DTE Energy PSP Report, p. 77

²⁴⁰ DTE Energy PSP Report, p. 78

²⁴¹ DTE Energy PSP Report, p. 81

²⁴² DTE Energy PSP Report, p. 82

perspective.²⁴³ It is important to note that DTE Energy performed seemingly unprecedented outreach for its PSP pilot, which likely included a pilot customer pool that had not previously interacted with energy assistance. Therefore, the participation of individuals who may have been inexperienced with energy assistance and other alternatives, such as those over 150% FPL, may have impacted the score. Some amount of assistance is better than nothing.

Consumers Energy offered a similar customer satisfaction survey and experienced a similar identified issue in which not all customers received the survey. Consumers Energy claimed “The PIPP survey targeted 411 customers nearing graduation who had valid email addresses”²⁴⁴ and the CARE MB survey was distributed to 1,000 customers currently enrolled in the program—two very different groups of customers. The PIPP survey only targeted customers likely to complete the program and therefore resolved payment troubles, whereas the CARE MB survey targeted a random assortment of customers potentially in the middle of their program.

Additional program differences could account for variances in survey results, including the requirement to first apply for SER before enrollment in an APP, and the benefit levels of the APP MB matrices. Figures 81 and 82 show the Consumers Energy survey results.

²⁴³ The voluntary survey only had a 12.1% response rate for PSP and 7.3% overall for all the surveyed programs, which might skew the results.

²⁴⁴ Consumers Energy PIPP Report, p. 69

Figure 81: Consumers Energy PIPP Report Survey Results, Enrollment Experience Comparison²⁴⁵

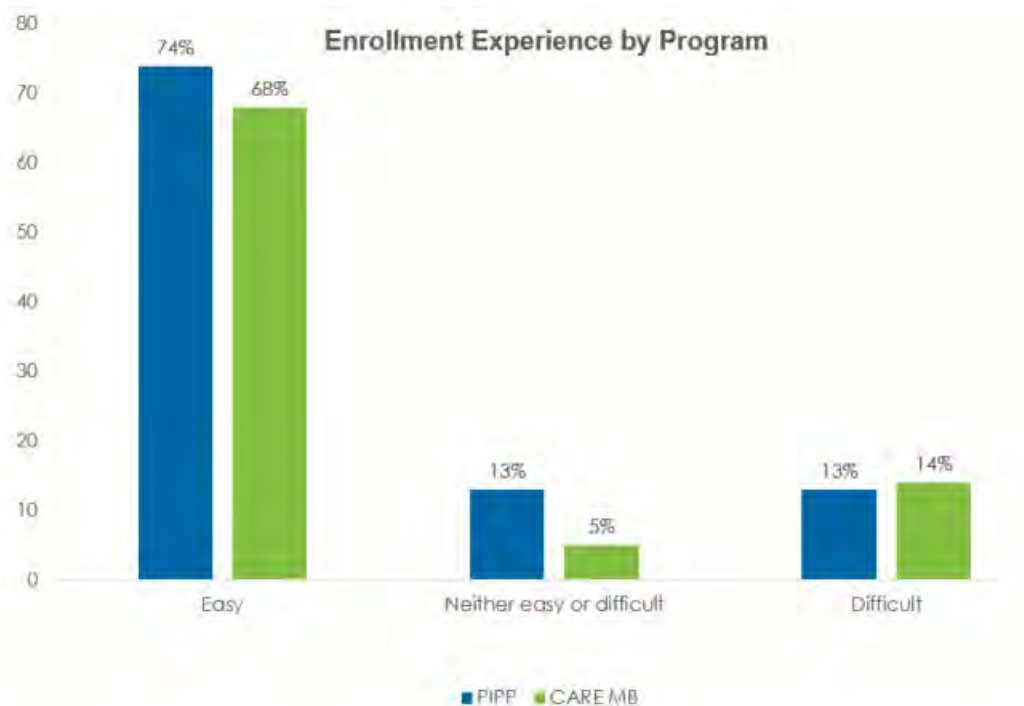
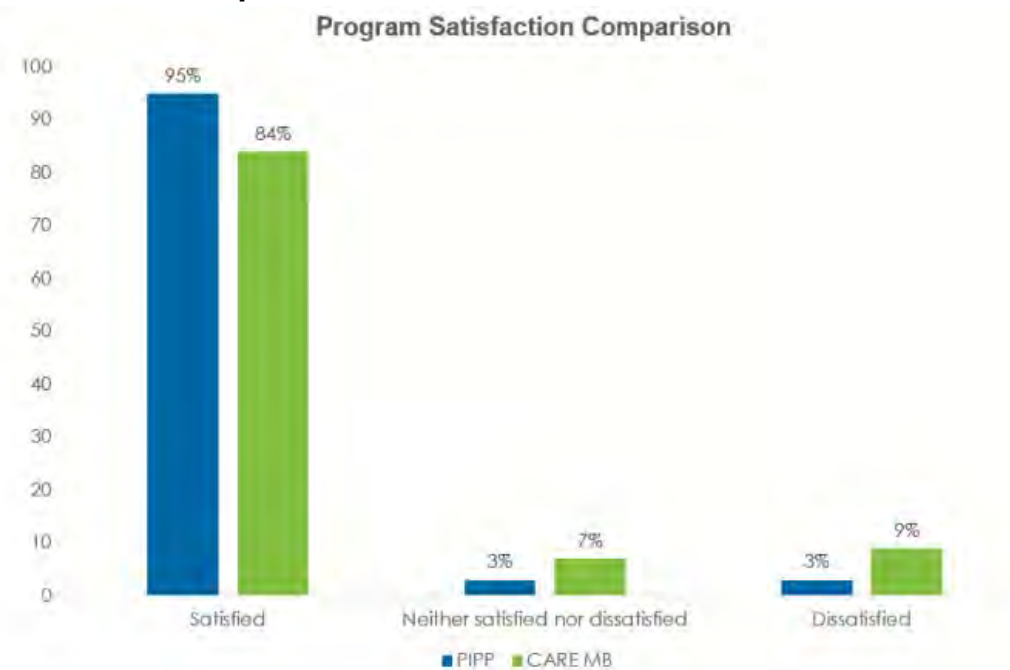


Figure 82: Consumers Energy PIPP Report Survey Results, Overall Program Satisfaction Comparison²⁴⁶



²⁴⁵ Consumers Energy PIPP Report, p. 71

²⁴⁶ Consumers Energy PIPP Report, p. 72

In its PIPP report narratives, Consumers Energy covered fewer survey questions and outcomes than DTE, but overall there were similar outcomes with PIPP scoring higher than the MEAP APPs, LSP, and CARE. Despite similar NPS outcomes, Consumers Energy and DTE Energy have very different recommendations to the Commission. Consumers Energy posits throughout its report that the PIPP did not perform substantially differently from the CARE MB. As a result, the CARE MB should continue and the PIPP should be discontinued. However, as was discovered in DTE's NPS outcome, the PIPP was easier to understand and seemed to be preferred over the APP. While program design should not be based solely on results from customer satisfaction surveys, there seems to be support for modifying the APPs to incorporate some elements of the PIPP while simplifying the program to make it easier for customers to understand.

Chapter 15 - Summary of Bill Subsidy Findings and Recommendations

A major undertaking throughout this energy assistance analysis process has been identifying what energy assistance ought to look like moving forward, more specifically, which programs should be offered. Ensuring that needs are met is foundational to ascertaining which programs are necessary and which ones are not. To determine if needs are being met across various assistance program offerings, Staff has considered topics throughout this report, including energy success metrics, differences in benefit matrix design, energy burden while participating in assistance programs, and customer feedback (NPS Scores).

This section further discusses variations in design between the programs. The definition of program success varied between DTE, Consumers Energy, and Staff. Although Staff presents a fuller counterproposal of metrics to consider in Chapter 22 of this report, Staff outlines energy affordability via energy burden, past-due notices, service disconnections for non-payment, and arrears management as metrics associated with historical energy assistance goals. Relatedly, Staff elevates home energy security and crisis prevention as desirable outcomes of energy assistance. Crisis prevention in energy assistance demands opportunities for ongoing assistance and addressing arrearages. While the APPs and PIPP pilots meet these two criteria, the LIA and RIA do not take income tiers or billed amounts into consideration, nor do they address arrears. As a result, Staff finds the APPs and PIPP pilots to be more targeted approaches to achieve home energy security.

Despite problems in metric comparisons, Staff indicated that APPs and PIPPs provide better outcomes than LIA and RIA in relation to disconnection data. This suggests that APPs and PIPPs can better facilitate home energy security than the LIA and RIA alone. However, Staff recognizes that there are benefits to a flat credit offering, which will be reflected in Staff's recommendation.

One lesson learned from these PSP/PIPP pilot reports is that APP benefit matrices are inconsistently constructed between participating utilities. For example, energy burden often is not considered in benefit matrix design. These design differences can impact bill subsidy amounts, program outcomes, and customer affordability experiences. It could be beneficial to base APPs or PIPP payments on an energy burden at or below 6% of income. A manageable energy burden may improve energy affordability for customers. This is especially evidenced by the inequitable program outcomes revealed in the analysis carried out previously in this report regarding the current energy burdens of APP customers (see Chapter 8). While Staff values and agrees with incorporating energy burden into energy assistance programs like a PIPP would, Staff views the PIPP as costly and administratively burdensome, at least as implemented in the pilots. Instead, Staff outlines a series of factors that could be utilized to help reform APP program offerings closer to the resemblance of a PIPP, thereby better addressing energy burden and program

standardization while limiting the increase of administrative burden and costs of implementation.

Beyond program design, the process of directing customers to or away from particular energy assistance programs is a practice worth noting when considering program offerings. On page 25 of its PIPP report, Consumers Energy via True North (TN) provided insight into which types of customers it targets for which programs and seems to direct customers with more stable income or a history of making more consistent payments to the more stable payment plans, like APPs and PIPP. True North stated that “As a rule, if the household had three or more missed payments, TN would encourage the household to consider a MEAP One Time Assist (MEAP OTA).”²⁴⁷ Instead of viewing payment trouble as a reason not to provide home energy security tools to customers, it may be important to note that customers struggling to pay their bills may not have the ideal energy burden or level of support. Additionally, customer payment struggles may indicate that assistance benefit matrices need to be adjusted.

True North continued its description of customer placement on plans in stating:

TN considers participant payment history by looking at how many late or non-payments the participant had in the previous year. If the household situation has changed since the inconsistent bill payment (i.e. new employment), TN would encourage the household to consider the PIPP. Each household makes their own decision on what program best fits their needs.²⁴⁸

United Way of South Central Michigan (UWSCMI) had a similar approach to directing customers to certain assistance plans by presenting the assistance options and allowing the customer to choose their preferred plan, which they believe “respects the client’s right to self-determination, as outlined in the Social Work Code of Ethics.”²⁴⁹ However, True North indicated that it placed customers on the PIPP versus the APP, CARE, based on which program had a lower customer payment obligation.²⁵⁰ While this works fine for a piloted program, it is not the most targeted approach to ensuring programs are designed to fit customer need. For this reason, Staff would not support an APP and PIPP operating simultaneously.

All of these factors combined are a good reminder that while APP-style credit matrices are important tools in recommending a preferred assistance plan for a customer, it is still up to the customer to choose to participate in the payment plan or assistance offering. This customer decision point heightens the importance of customer education and communication. As illustrated by customer feedback in

²⁴⁷ Consumers Energy PIPP Report, p. 25

²⁴⁸ Consumers Energy PIPP Report, pp. 25-26

²⁴⁹ Consumers Energy PIPP Report, p. 28

²⁵⁰ Consumers Energy PIPP Report, pp. 26

NPS scores from the utility PIPP reports, there is room for improving customer communication around and understanding of energy assistance programs.

Staff Recommendation: Bill Subsidy Design

Based on what has been learned from the program pilots so far, Staff will detail its recommendations below and present options, variations, and combinations of Staff’s recommendation for the Commission to consider. Recommendations on the RIA and LIA credits in their current form are not included in this section as Staff no longer supports these credits in their current form, especially not as a long-term home energy security solution.

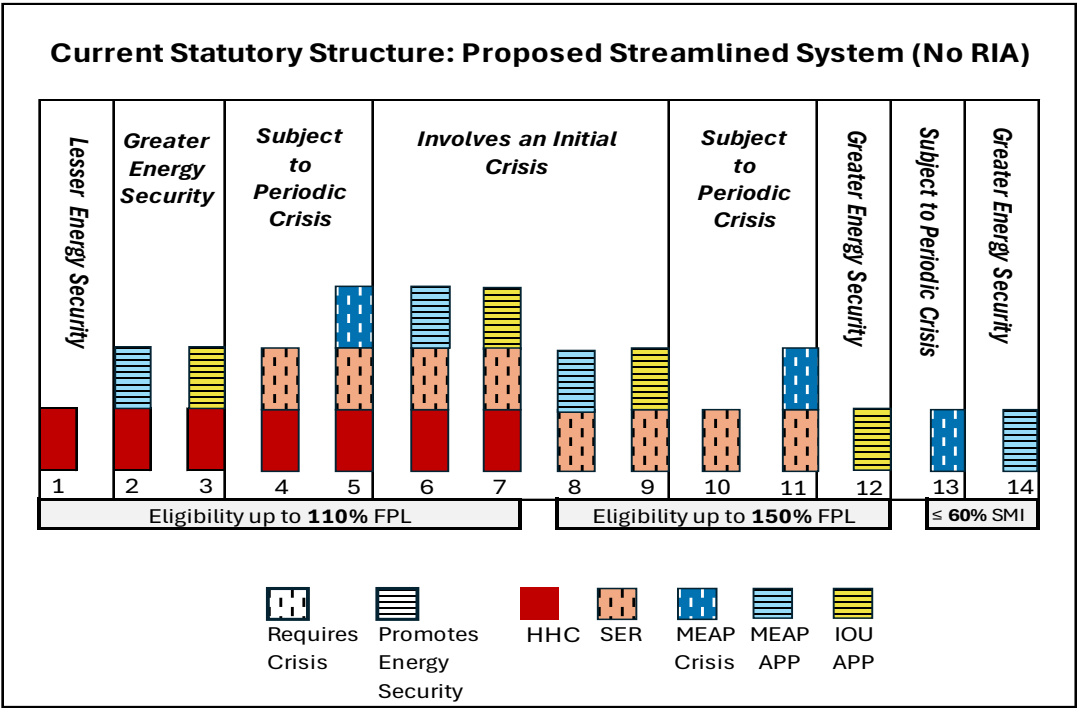
Staff Recommendation: A Redesigned Energy Assistance System

Based on the analysis above, Staff’s position is that a monthly subsidy tailored to household income and usage categories is the most targeted and effective means of supporting home energy security for income qualified customers.

As a long-term home energy security and energy affordability solution, Staff recommends the Commission approve one of the following for all IOUs that currently offer APPs as soon as possible:

- Option A): Divert MCL 460.11(2) related dollars to the relaunched affordable payment plans for utilities that already have APPs (but not co-mingling the funding sources with MEAP). A visual of this option is depicted in Figure 83.

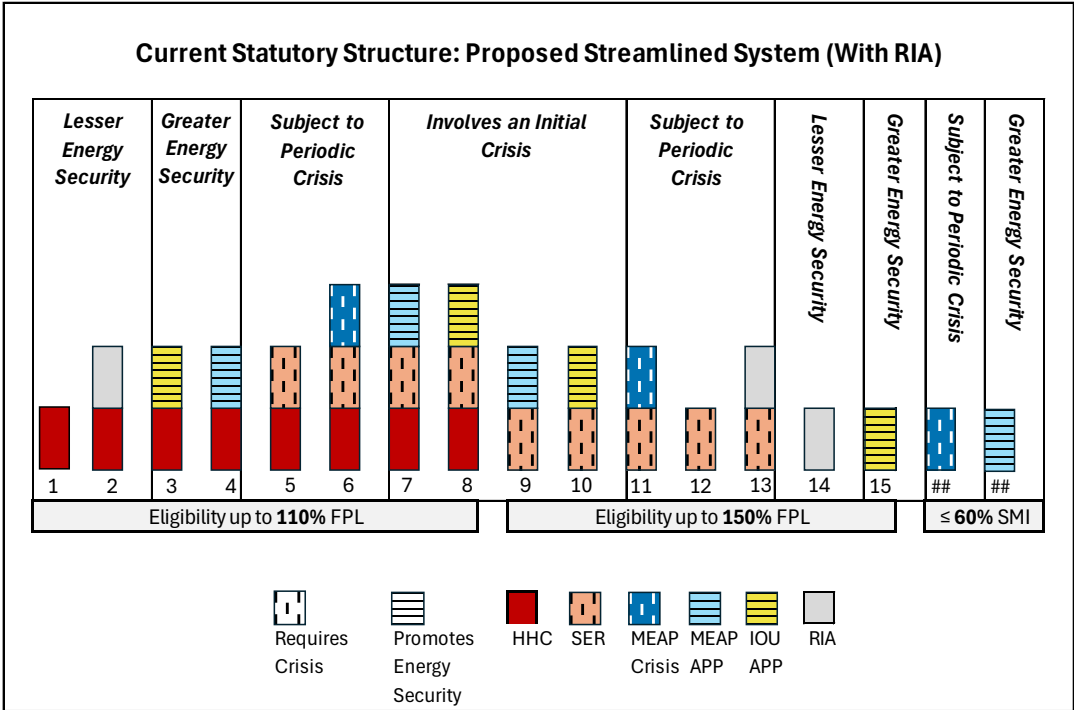
Figure 83: Proposed Streamlined Structure Without RIA



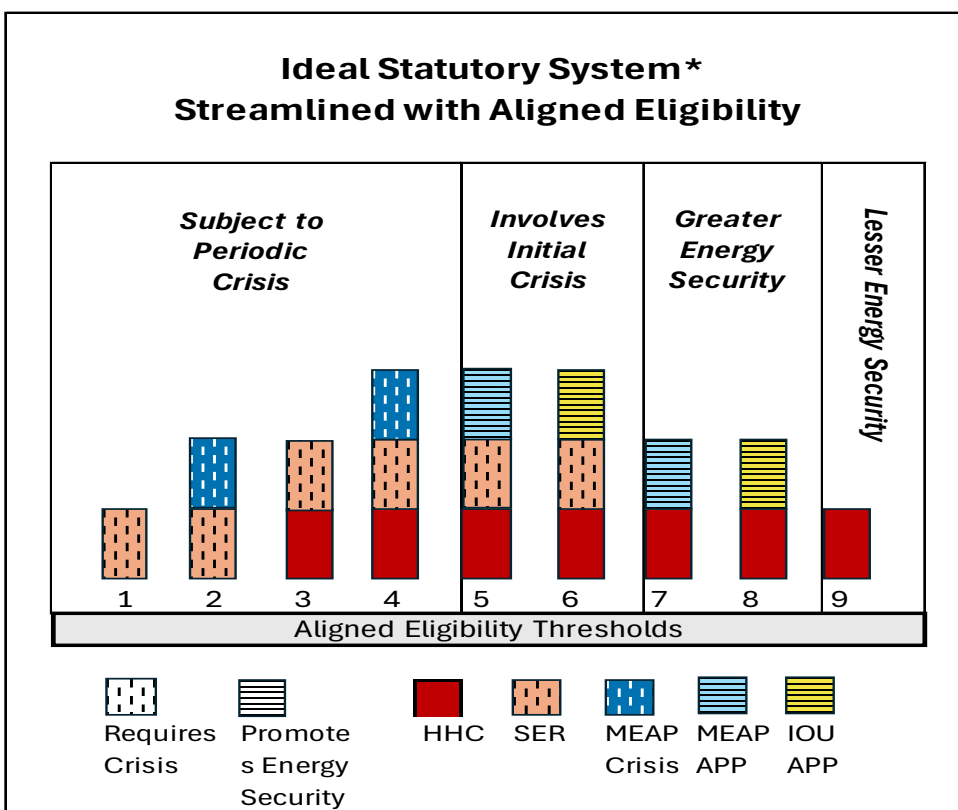
- Option B): Use part of the MCL 460.11(2) dollars to fund an APP that mimics the MEAP APP while also offering a credit to customers who seek assistance through a MEAP agency and prefer a more streamlined income verification process (Figure 84).
 - o The amount of the suggested credit would be set to the minimum bill subsidy offered for APP customers. This would encourage customers to apply and avoid an issue in which MEAP agencies simply refer customers to the credit because it offers a larger subsidy.

Option A would encourage customers to become energy secure, but Option B would also ensure there is ongoing support for customers who are not enrolled in a payment plan. The chosen recommendation would be implemented on a timeline approved by the Commission, as recommended in Chapter 21 of this report.

Figure 84: Proposed Streamlined Structure With RIA



These system changes promote greater energy security and system alignment while making Michigan’s energy assistance system more transparent and easier to navigate for income-qualified customers. Absent statutory barriers to income alignment, additional streamlining could further streamline the system and may further reduce the number of Michigan Households with unsustainable energy burdens. An energy assistance system with aligned eligibility could look as depicted in Figure 85.

Figure 85: Streamlined System with Aligned Eligibility

*Requires legislative changes

In the meantime, Staff recommends the Commission require utilities without APPs to explore instituting APPs consistent with Options A or B, above, depending on the Commission's decision.

For utilities that do not currently offer APPs, in the short-term, while decisions relating to program administration and fund management are being made, Staff recommends the Commission approve the following:

- Option 1) Continue the RIA credit²⁵¹ as the only credit offered; OR
- Option 2) Continue the RIA credit as the only credit offered; increase the RIA to \$20 for natural gas utility customers and \$40 for electric utility customers.
 - o These credit amounts are supported by average low-income customer electric bills being roughly double that of natural gas bills. Additionally, many natural gas RIA credits are approaching \$15 per month.²⁵²
 - o As is currently the practice outlined in LIA-participating utilities, any unused dollars in a given billing period would be applied to a

²⁵¹ For Indiana Michigan Power Company, this is called the Low-Income Service Charge Provision. Michigan Gas Utilities would eliminate its LIA credit, transition customers to the RIA, and excess, undistributed funds would be recorded as a regulatory liability. UMERG Gas would require starting an RIA credit.

²⁵² This applies to all natural gas IOUs with the exception of UMERG, which does not have an RIA.

customer's future bills for a determined number of months as outlined in each Company's tariff.

- o Consider approving deferred accounting for all IOUs for dollars associated with MCL 460.11(2) in the event the provided assistance exceeds that already included in rates.

In both the short-term and long-term proposals, to maintain separate programs and ease the ability to measure the programs' outcomes and/or success, Staff recommends the Commission no longer allow assistance authorized under MCL 460.11(2) to subsidize or be paired with a MEAP-funded APP customer's bill nor a MCL 460.11(2)-funded APP customer's bill—whether or not that bill subsidy is applied to the MEAP agency's subsidized portion of the bill or the customer's bill payment.

As part of the program design recommendation, Staff no longer supports the RIA and the LIA Credits in their current form for the following reasons:

- Providing the RIA credit is untargeted. It is not tailored to address specific customer needs.
- There is no evidence that customers receive reminders to re-enroll in the credits, so few customers are aware they are receiving it.
 - o Staff has received complaints through the MPSC call center that customers received no notice of when they were to be removed from the credit nor information on how to reapply.
- There is little evidence that customers are consistently being directed to the credit when calling in to the utilities, and advertisement of the credits on websites is minimal at best.
- The LIA credit has been partially used to offset costs associated with MEAP APPs, which seems at odds with providing a separate credit program from the APPs.
- Staff has reservations about moving energy assistance offered under MCL 460.11(2) completely out of the utilities.
 - o Outreach should still be promoted at utilities.
 - Having assistance offerings integrated with the utilities can be beneficial, but they lose their benefit if customers are not directed to apply.
 - A link to an application portal should still be available on utility websites and from utility sources.

Staff recognizes that until more tailored home energy security-based energy assistance can be implemented for all investor-owned utilities, there is still a need for ongoing assistance. There are several hurdles to expanding more tailored home energy security programs that need to be overcome. The following factors would support a flat monthly assistance credit in the interim:

1. Not all IOUs have affordable payment plans; it would take time to educate and to implement.

2. Utilities prefer not to access or retain customers' specific income information. Staff would not support utilities storing customer income information. Capacity needs to be developed to serve this function.
3. It is much simpler, in the short term, for utilities to apply a flat credit on customer accounts while the Commission moves toward implementing reforms.

DTE Energy's recommendation for reforming utility-based energy assistance overlaps with Staff's recommendations in some ways. On page 89 of its PIPP report, DTE recommends reallocating both the RIA and LSP funds to implement a PIPP. Staff does not agree with implementing the PIPP or PSP as piloted but agrees that energy burden should play a role in the APP benefit matrices, like it does with the PIPP.

Staff does, however, take issue with DTE Energy's proposal to retain the LIA credit amounts, which are currently higher than any other utility's credits. In its most recent rate cases approved by the Commission, MPSC Case No. U-21534 and MPSC Case No. U-21291, DTE Electric and Gas, respectively, proposed and were granted increases to the LIA credit. Staff opposed DTE's proposal since the PIPP analysis was ongoing.²⁵³ The Commission orders resulted in increasing the LIA credit to \$50 per month for applicable DTE Electric customers and \$40 per month for DTE Gas customers. Having this large of monthly credits as an alternative to a PIPP or APP presents a significant issue for MEAP grantees and customers when determining which energy assistance program a customer would be placed on. MEAP grantees administering the Consumers Energy PIPP pilot directed customers to an APP vs. PIPP based on which program had a lower customer payment obligation. See the table in Figure 86 to compare the RIA and LIA credits to the average credit amount provided by the different payment plans. For this analysis, Staff only included the modified budget APPs, since they are replacing the traditional flat-rate APPs.

To get an idea of the assistance amounts provided to customers, Staff provides a breakdown of the current average credits provided to customers under the different assistance plans.

Note that Consumers Energy's average credits are higher for PIPP because of different eligibility criteria that allowed customers with higher arrears and billed amounts to enroll. Whether it's customers with higher incomes or those with lower bills, the problem arises that under DTE's proposal, customers may have a lower bill by enrolling in the LIA than the PIPP. This issue was already prevalent in Consumers Energy's PIPP pilot in which True North (one of the PIPP and APP administering

²⁵³ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Order no. U-21534; In the matter of the application of DTE GAS COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of natural gas, and for miscellaneous accounting authority, MPSC Case No. U-21291.

agencies) directed customers to the PIPP instead of the APP if the customer would have a lower payment obligation on the PIPP.²⁵⁴ Having similar energy assistance options (in this case, two monthly credits/payment plans) creates tension for customers and MEAP grantees since this scenario does not intentionally assist customers with a targeted program. In this case, many customers could end up opting for the LIA instead of MEAP programs, which could decrease the number of investor-owned utility customers receiving MEAP and shift MEAP funding to non-IOUs, thereby increasing the ratepayer's burden at the IOUs.

Figure 86: Consumers Energy and DTE Energy Average Credit Amount by Assistance Type

Monthly Credit	DTE Energy Electric ²⁵⁵	DTE Energy Gas ²⁵⁶	Consumers Energy Electric ²⁵⁷	Consumers Energy Gas ²⁵⁸
LIA Credit	\$50	\$40	\$30	\$30.27
Avg. PIPP Credit	\$67	\$59	\$150	\$51
Avg. APP Modified Budget Credit	\$58	\$59	\$78	\$48

To summarize Staff's long-term energy security program design recommendation, Figure 87 illustrates the proposed redesigned energy assistance landscape, inclusive of MEAP and MCL 460.11(2) program offerings:

²⁵⁴ Consumers Energy PIPP Report, p. 26

²⁵⁵ PIPP and APP data from Appendix H

²⁵⁶ PIPP and APP data from Appendix H

²⁵⁷ Consumers Energy PIPP Report, p. 64, divided costs by 12. Does not include combo customers in electric averages, so the information is an approximation.

²⁵⁸ Consumers Energy PIPP Report, p.64, divided costs by 12. Does not include combo customers in gas averages, so the information is an approximation.

Figure 87: Staff-Proposed Program Design

	MCL 460.11(2)— payment plan	MCL 460.11(2)—flat amount	MEAP APP Modified Budget Plans	MEAP as- needed assistance
Short-Term Solution or Long-Term Vision	Long-term vision	Short-term solution if the Commission moves toward payment plans. Long- term vision if it is a tandem program with MCL 460.11(2) payment plans	Long-term vision for non-currently participating utilities	Short-term solution
Intended Customer Cohort	Income-verified	Income- qualified, but not verified and/or for IOUs without APPs	Income-verified	Past due / in crisis, income-qualified
Income Eligibility / Criteria	≤ 150% FPL or receipt of SER, Medicaid, or SNAP	≤ 150% FPL or receipt of SER, Medicaid, or SNAP	≤ 60% SMI	≤ 60% SMI
Arrears Cap	None	None	None	None
Consumption Cap	None	None	None	None
Annual Assistance Cap	Aligned with MEAP APP	Naturally capped at annual credited amount	Set annually based on prior year's data on need. \$3,500 in fiscal year 2025 and \$2,500 in fiscal year 2026	\$2,500 set annually based on prior year's data on need
Approved SER Arrears Required	Not Required No	Not Required No	Not Required No	Not Required Yes, intended to address arrearages

Figure 87: Staff-Proposed Program Design (Continued)				
	MCL 460.11(2)—payment plan	MCL 460.11(2)—flat amount	MEAP APP Modified Budget Plans	MEAP as-needed assistance
Arrears Forgiveness	Arrears are frozen at the time of enrollment and upfront arrears forgiveness payment up to \$600. Additional \$600 in forgiveness is offered every 12 months *To be assessed year to year based on average arrears at program enrollment.	No	Arrears are frozen at the time of enrollment and upfront arrears forgiveness payment up to \$600, 2nd arrears payment of up to \$600 at 12 months, and a final arrears payment of up to \$1800 at the completion of the 24-month plan.	No, but addresses arrearages
Plan/Credit Amount	Based on a benefit matrix mirroring the MEAP benefit matrix	Flat amount per month equal to the customer charge or \$20/month for natural gas and \$40/month for electric (pending Commission decision)	Based on benefit matrix factoring annual consumption and reduced by a program credit based on the customer's income tier. Customer's plan amount is evaluated every six months and can change based on adjustments to budget projections.	As needed up to a household cap.
Minimum Payment	Flat amount per month equal to the greater of the customer charge or \$10	N/A	Flat amount per month equal to the greater of the customer charge or \$10	N/A
Gap Payment	A flat monthly credit is provided to subsidize the customer's budgeted plan amount	N/A	A flat monthly credit is provided to subsidize the customer's budgeted plan amount	N/A

Figure 87: Staff-Proposed Program Design (Continued)				
	MCL 460.11(2)— payment plan	MCL 460.11(2)—flat amount	MEAP APP Modified Budget Plans	MEAP as-needed assistance
Annual True-Up	Customer payment responsibilities will be monitored every six months and may be adjusted annually based on billed amounts.	N/A	Customer payment responsibilities will be monitored every six months and may be adjusted annually based on billed amounts.	N/A
Term of Plan	Ongoing with income validation per proposed cadence	Ongoing with income validation per proposed cadence	Ongoing with income validation per proposed cadence	Point in time

Staff Recommendation: Benefit Matrix Design

Staff recommends the current MEAP modified budget APPs benefit matrices be redesigned.

- Subsidies should be based on a maximum 6% energy burden for dual commodity customers and electric heating households. Subsidies for single-commodity households not using electric heat should be based on a maximum of 4% energy burden payment obligation for electric customers, and a maximum of 2% energy burden for natural gas households' payments.
- In all cases, Staff recommends a minimum payment in an amount approximating the customer charge or \$10, whichever is higher. This will likely vary based on utility.
- Further discussion with MEAP agencies may be prudent to see if there is a need to further standardize the APP matrices across utilities.

Staff offers one example of what a standardized benefit matrix might look like if designed based on billing determinants and other factors outlined throughout this section. Figure 88 outlines key components Staff considers important to the development of a benefit matrix designed with equity and affordability in mind. Staff developed the example in Figure 88 utilizing DTE's pilot data as a baseline. Staff shares this example to provide additional insight but notes that greater dialogue is desired and needed on the subject of benefit matrices development prior to any formal development and implementation.

There are aspects of program design that have not yet been explored nor supported in this report. In the following sections, Staff will support its proposals.

As AAA members requested clarification on the DTE report data, it came to light that the amounts owed for customer bills while on the PIPP pilot seemed higher than the energy burden threshold in the plan. This was because taxes and fees were not included in the subsidized portion of the customer bill.²⁵⁹ This seems like a misleading practice where the Commission approved a pilot program with bills based on 6-10% energy burden yet the total amount due exceeded the Commission-approved amount. This approach also decreased energy affordability within an affordability-based payment plan.

Staff recommends going forward that monthly subsidy amounts known as gap credits be formulated to be inclusive of all charges (including taxes and fees) unless those charges are for unauthorized use of the utility service or unregulated, value-added programs and services.

²⁵⁹ See Chapter 5 of this report.

Figure 88: Example Benefit Matrix for APPs

Different Commodities have different costs. These differences need to be accounted for. Matrices reflect Combo, Electric and Gas

Tier sizes should be small enough to limit disparities between the top and bottom of the tier. Tier size will impact number of tiers.

Energy burden can facilitate calculations of affordable and equitable credits

Example Credit Matrix for Affordable Payment Plans					
Commodity	SMI Range	Total Bill (Median Consumption Threshold)	Small household (1-2)	Average household (3-4)	Large Household (5+)
Electric (4% Energy Burden)	55-60%	High (>\$110)	\$11	\$9	\$9
		Low (<= \$110)	\$9	\$9	\$9
	49-54%	High (>\$110)	\$23	\$9	\$9
		Low (<= \$110)	\$9	\$9	\$9
	43-48%	High (>\$110)	\$35	\$9	\$9
		Low (<= \$110)	\$18	\$9	\$9
	37-42%	High (>\$110)	\$47	\$9	\$9
		Low (<= \$110)	\$30	\$9	\$9
	31-36%	High (>\$110)	\$60	\$18	\$9
		Low (<= \$110)	\$42	\$8	\$9
	25-30%	High (>\$110)	\$72	\$37	\$9
		Low (<= \$110)	\$54	\$20	\$9
	19-24%	High (>\$110)	\$84	\$57	\$30
		Low (<= \$110)	\$66	\$40	\$13
	13-18%	High (>\$110)	\$96	\$77	\$57
		Low (<= \$110)	\$79	\$59	\$40
1-12%	High (>\$110)	\$114	\$105	\$98	
	Low (<= \$110)	\$97	\$89	\$81	

Matrix should be data-informed

Household size should be incorporated to avoid disparities in outcomes across household size

Minimum credit amount should cover utility service charge or customer charge (e.g. DTE's residential electric service charge is \$8.50)

Credits are calculated using energy burden goal, median total bill, household size, and median income of tier (e.g. state median income data)

Standard deviations should be utilized to determine the credits for customers above the "low consumption" threshold

Historically, minimum payment amounts have been set to \$10. The minimum payment may effect the size of the lowest tier (e.g. the threshold at which a higher payment is required)

Consumption thresholds should be set using MEDIAN total bill data, such that extreme values do not deeply impact balance of credit (i.e. extreme energy starvation or anomalously high consumption)

Arrearage handling, requirements, and forgiveness

Customers often seek assistance to resolve a crisis because of past due charges known as arrears or arrearages. If not resolved, these arrears create home energy security concerns for a household and lead to the threat or eventual reality of utility service disconnection. In pursuing a goal of increasing home energy security for Michigan households, program design must not only address energy bill affordability but must also address the handling of arrears on customer accounts. Currently, arrears forgiveness is a component of the PIPP and both versions of the MEAP Affordable Payment Plans. Not only have certain programs had restrictions on arrearages, but the handling of the forgiveness has differed. Recently, the modified budget APPs have sought to align APP program design, but there are still differences among the referenced programs. Differences are shown in Figure 89.

Figure 89: Arrears Forgiveness Handling by Assistance Type

Utility	PIPP	LSP/CARE	LSPM/CARE MB	LIA	RIA
DTE²⁶⁰	Each month, a 1/24th arrears forgiveness amount is applied to a customer's balance when an on-time payment is made, which can drive increased customer accountability.	When a customer's bill is generated each month, a 1/24th arrears forgiveness is applied to the balance.	Arrears Forgiveness is applied in three installments upfront (up to \$600 within 30 days of enrollment, up to \$600 at the one-year anniversary, and up to \$1,800 at the completion of the plan for a maximum of \$3,000).	No arrears forgiveness	No arrears forgiveness
CE	1/24 th arrears forgiveness when the bill is paid ²⁶²	1/24 th arrears forgiveness when the bill is paid ²⁶³	For CE, any remaining arrears over \$3,000 is applied to the first bill after graduation ²⁶¹	No arrears forgiveness	No arrears forgiveness

²⁶⁰ DTE Energy PSP Report, p. 70

²⁶¹ Consumers Energy PIPP Report, p. 34

²⁶² Consumers Energy PIPP Report, p. 19

²⁶³ Consumers Energy PIPP Report, pp. 31-32

Figure 90: Arrears Eligibility Requirements by Assistance Type

Utility	PIPP	LSP/CARE	LSPM/CARE MB	LIA	RIA
Arrears Requirement to Enroll	Yes	Yes	No	No	No
Arrears Cap	\$3,000 DTE \$4,000 CE	\$1,500 DTE \$6,000 CE	None	None	None

When the MEAP Affordable Payment Plans were developed, the updated modified budget arrears forgiveness cadence (Figure 89) was implemented. This strategy was supported by MEAP grantees and is preferred over applying minimal, sometimes less than \$20, payments each month for 24 months. The \$600 up-front forgiveness was additionally chosen because it resolved the majority of customers' arrearages, thereby negating the need for additional arrearage forgiveness. At the same time, it allowed grantees to manage program participation within the assistance caps.

Figure 66: APP Average Starting Arrears by Utility

Utility	Average starting arrearage balance for APP modified budget customers (FY 2024)
UPPCO	\$574.24
SEMCO Energy	\$24
Consumers Energy	\$387
DTE Energy²⁶⁴	\$881

Staff Recommendation: Arrears Forgiveness Cadence

Figures 89 and 66 illustrate the ease with which the modified budget arrears forgiveness cadence can resolve the average APP customers' arrears with one to two \$600 payments. For these reasons, Staff recommends retaining the current arrears forgiveness schedule instituted under the aligned modified budget APPs for payment plans going forward.

What is included in arrears forgiveness?

Each APP-participating utility approaches arrears forgiveness slightly differently and there are different schools of thought around what fees and balances should be included in the forgiveness. Staff will explore that issue in this section.

DTE stated in its PSP report: "Any late fees that are accumulated prior to enrollment on PSP, LSP or LSPM are not paid by the program and are the responsibility of the

²⁶⁴ DTE's Response came from its data file, in Appendix H

customer.”²⁶⁵ Consumers Energy had a different approach, stating “as part of a program design element, any late payment charges that are part of the arrears balance prior to enrollment in an APP will be reversed and no longer be the customer’s responsibility” for CARE, CARE MB, and PIPP.²⁶⁶ Consumers Energy and DTE Energy both expressed that late payment charges are waived while enrolled in the PIPP²⁶⁷ as well as the CARE/LSP (flat rate/traditional and modified budget).²⁶⁸

While it is difficult to isolate the customer responsibility for late fees’ impact on the success of the Consumers Energy versus DTE Energy PIPP pilots, energy affordability and home energy security outcomes can be compromised if a customer is put on an “affordable” payment plan (PIPP or MEAP APP) but is still responsible for other fees, like past late fees. This component of affordability was the topic of the AAA subcommittee meeting on July 1, 2025. Staff also presented on the consistency in the MEAP manual between investor-owned utility customers and non-investor-owned utility customers. The MEAP manual states:

4.3.1 LATE FEES In compliance with R460.125(1) of the Michigan Administrative Rules, Grantee must ensure that MEAP funds are not used to pay late payment fees assessed by regulated utilities* and included on client’s monthly heating bills. R460.125(1) states, “[a] utility shall not assess a late payment charge against a customer whose payments are made by the department of human services or who is participating in a shut off protection program. . .” MEAP funds can be used to cover late fees associated with non-regulated utilities. Any fees on an invoice for deliverable fuel must be clearly identified. Administrative fees (fees for processing paperwork for a MEAP recipient) are not allowed and should be reported to MPSC.

Most participants in the meeting that voiced input on the matter expressed that it makes little sense that payment plan participants would have to be responsible for late payments, especially since resuming collection of the late payments after graduation can just send the customer into crisis again. There was also support to waive security deposits and reconnection fees to ease burdens on these customers.

Staff supports carrying forward and making a customer responsible for past late fees, taxes or other fees in excess of their payment obligation amount decreases energy affordability, and thus customers should not be responsible for them as participants in an arrears forgiveness plan.

Staff Recommendation: What to Include in Arrears Forgiveness

In the Consumers Energy and DTE Energy PIPP reports, not much information is available, or insight gained from the differences in arrears forgiveness requirements,

²⁶⁵ DTE Energy PSP Report, p. 61

²⁶⁶ Consumers Energy PIPP Report, p. 53

²⁶⁷ Consumers Energy PIPP Report, p. 19; DTE Energy PSP Report, p. 61

²⁶⁸ Consumers Energy PIPP Report, p. 31, 33; DTE Energy PSP Report, p. 61

amounts, nor methods. Staff's recommendation is to include arrears forgiveness in the proposed payment plans, but not in any credit program, like the RIA and LIA. Staff additionally proposes that identified and relevant regulated fees, taxes, surcharges, and deposits be included in arrears forgiveness for MEAP and the payment plan authorized under MCL 460.11(2). Voluntary charges, such as value-added programs and services, like the appliance repair plan, and those associated with unauthorized use of the system would not be included in arrears forgiveness under this proposal. To the extent that the MEAP manual²⁶⁹ or billing rules/administrative rules²⁷⁰ prevent MEAP dollars from being used to pay late fees, Staff recommends the Commission order all investor-owned utilities to change any rules within the confines of applicable statutes. If a legal path forward cannot be found, and MEAP cannot pay for a customer's late fees as part of resolving their arrears, Staff recommends the Commission approve all investor-owned utilities to reverse late fees for MEAP recipients, including those receiving the as-needed assistance used to resolve their arrears.

²⁶⁹ "In compliance with R460.125(1) of the Michigan Administrative Rules, Grantee must ensure that MEAP funds are not used to pay late payment fees assessed by regulated utilities* and included on client's monthly heating bills. R460.125(1) states, '[a] utility shall not assess a late payment charge against a customer whose payments are made by the department of human services or who is participating in a shut off protection program. . . .' MEAP funds can be used to cover late fees associated with non-regulated utilities. Any fees on an invoice for deliverable fuel must be clearly identified. Administrative fees (fees for processing paperwork for a MEAP recipient) are not allowed and should be reported to MPSC."

²⁷⁰ R460.125: (2) A utility may assess residential customers a late payment charge that is not more than 2%, not compounded, of the portion of the bill, net of taxes, that is delinquent. A utility shall not assess a late-payment charge against a residential customer whose payments are made by the department of health and human services or who is participating in a shutoff protection program.

Chapter 16 - Funding Considerations

In this section of the report, Staff will discuss aspects of energy assistance reforms that impact the non-energy assistance recipients in the broader residential customer class, including the cost of current programs, the capping of costs or enrollment, and cost recovery methods. Since LIHEAP and MEAP are authorized through means largely outside of the Commission's jurisdiction, this section will primarily focus on the MCL 460.11(2) statute which allows the Commission to approve "a method to allocate the revenue shortfall attributed to the implementation of [low-income] rates upon all customer classes."

Bill Subsidy Costs

On pages 74 and 75 of its PSP report, DTE Energy details the one-time IT and O&M costs as well as the direct assistance cost of the pilot. However, DTE's ratepayers were not responsible for paying the whole cost of the PSP direct bill payment assistance. DTE layered funding from other existing assistance programs (like LIHEAP-funded State Emergency Relief, the Home Heating Credit, the LIA credit etc.). For context, this is similar to what DTE did with the LSP, in which the LIA credit was applied to the MEAP-subsidized portion of the customer's bill, or HHC being applied to the LSP customer's arrears. While Staff understands the benefit of layering funding, it is necessary to understand the cost of the program with and without that layering of funding. That analysis is performed in Figure 91.

Figure 91: PIPP, PSP, and APP Program Cost Funding Layering

	Number of Customers Start vs. End of Program	Information Technology (IT)/One-time Costs ²⁷¹	Program Administration Costs	Gap Payments and Arrears Forgiveness
PSP as administered with funding layered	2,141→398	Capital expenditure =\$1.3 million O&M expense =\$0.29 million	DTE did not provide this requested data	\$2,630,767 ²⁷² for the total pilot or \$804 per participant for electric ²⁷³ \$708 ²⁷⁴ for natural gas per year

²⁷¹ Page 74 of the DTE Energy PSP Report

²⁷² Page 75 of the DTE Energy PSP Report

²⁷³ Estimate from Appendix H

Includes gap and arrears forgiveness

=67*12

²⁷⁴ Data from Appendix H

=\$59*12

Figure 91: PIPP, PSP, and APP Program Cost Funding Layering (Continued)

	Number of Customers Start vs. End of Program	Information Technology (IT)/One-time Costs	Program Administration Costs	Gap Payments and Arrears Forgiveness
PSP without other funding sources layered				\$3,154,850 ²⁷⁵ for the total pilot.
PIPP as administered with funding layered	722→475	\$310,000 IT costs, \$37,000 maintenance costs ²⁷⁶	\$310,000 one-time implementation labor expense for CE ²⁷⁷ , \$37,000 ongoing labor expense (for 2 years) ²⁷⁸ , \$350,000 agency admin expense ²⁷⁹	\$2,007,459 ²⁸⁰ for the total pilot. Avg. annual cost per customer ²⁸¹ \$1810 for electric \$612 for natural gas \$1856 for combo Avg. of all participants \$1788
PIPP without other funding sources layered				\$3,361,183 for the total pilot ²⁸²
LSP as administered	Details not provided			Avg. annual cost per customer \$660 for electric ²⁸³ \$480 for natural gas ²⁸⁴
LSP without other funding sources layered				Avg. annual cost per customer \$1,248 for electric ²⁸⁵ \$984 for natural gas ²⁸⁶

²⁷⁵ =2630767+289870+116382+7360+77795+32676

²⁷⁶ Consumers Energy PIPP Report, p. 60

²⁷⁷ Consumers Energy PIPP Report, p. 57

²⁷⁸ Consumers Energy PIPP Report, p. 58

²⁷⁹ Consumers Energy PIPP Report, p. 60

²⁸⁰ Consumers Energy PIPP Report, p. 60, =2,387,000-379,541

²⁸¹ Consumers Energy PIPP Report, p. 64

²⁸² Consumers Energy PIPP Report, p. 65 SUM=22399898+290068+69673+69742+473303+58299
(includes assistance received by the customer up to 90 days before enrolling in PIPP)

²⁸³ =55*12, includes gap and arrears forgiveness, Appendix H

²⁸⁴ Data from Appendix H

= \$40*12 for gap payment and arrears forgiveness

²⁸⁵ =104*12 without other assistance applied to the customer bill, Appendix H

²⁸⁶ Data from Appendix H

=82*12 without other assistance applied to the customer bill

Figure 91: PIPP, PSP, and APP Program Cost Funding Layering (Continued)

	Number of Customers Start vs. End of Program	Information Technology (IT)/One-time Costs	Program Administration Costs	Gap Payments and Arrears Forgiveness
LSPM as administered	Details not provided			Avg. annual cost per customer \$696 for electric ²⁸⁷ \$708 for natural gas ²⁸⁸
LSP without other funding sources layered				Avg. annual cost per customer \$972 for electric ²⁸⁹ \$888 for natural gas ²⁹⁰
CARE			\$143,000 labor expense for CE (includes cost to administer LIA and RIA) ²⁹¹	Avg. annual cost per customer ²⁹² \$950 for electric \$358 for natural gas \$882 for combo Avg. of all participants \$829
CARE MB				Avg. annual cost per customer ²⁹³ \$941 for electric \$576 for natural gas \$1478 for combo Avg. of all participants \$1200

To refine the information presented in Figure 91, Staff presents the average annual cost of current monthly energy assistance programs in Figure 92. *See footnotes for calculations.

²⁸⁷ =58*12 for gap payment and arrears forgiveness, Appendix H

²⁸⁸ =59*12 for gap payment and arrears forgiveness, Appendix H

²⁸⁹ =81*12 without other assistance applied to the customer bill.

²⁹⁰ =\$74*12 without other assistance applied to the customer bill.

²⁹¹ Consumers Energy PIPP Report, p. 62

²⁹² Consumers Energy PIPP Report, p. 64

²⁹³ Consumers Energy PIPP Report, p. 64

Figure 92: Annual Cost of Energy Assistance Programs Per Participant

Utility	PIPP	APP	APP Modified Budget	LIA	RIA
DTE Electric with other assistance subsidizing program costs²⁹⁴	Not Reported	\$660	\$696	N/A	N/A
DTE Electric without other assistance subsidizing program costs²⁹⁵	\$804	\$1,248	\$972	\$600	\$102
CE Electric²⁹⁶	\$1,810	\$950	\$941	\$360	\$96
DTE Gas with other assistance subsidizing program costs²⁹⁷	Not Reported	\$480	\$708	N/A	N/A
DTE Gas without other assistance subsidizing program costs²⁹⁸	\$708	\$984	\$888	\$480	\$174
CE Gas²⁹⁹	\$612	\$358	\$576	\$363.24	\$180
CE Combo³⁰⁰	\$1,856	\$882	\$1,478	\$723.24	\$276
UPPCO³⁰¹	N/A	\$852	Data not disaggregated	N/A	\$180
SEMCO³⁰²	N/A	N/A	\$517	\$360	\$147
Ohio Comparison³⁰³	\$1,546	N/A	N/A	N/A	N/A

²⁹⁴ Appendix H; APP=55*12; APP MB=58*12, include gap and arrears forgiveness

²⁹⁵ Appendix H; PIPP=67*12; APP=104*12; APP MB=81*12, without other assistance applied to the customer bill; LIA=\$50*12; RIA=\$8.50*12

²⁹⁶ Consumers Energy PIPP Report, p. 64 (PIPP, APP, APP MB); LIA=\$30*12; RIA=\$8*12 (as of 3/5/25)

²⁹⁷ Appendix H; APP=\$40*12; APP MB=59*12, Includes gap and arrears forgiveness.

²⁹⁸ Appendix H; PIPP=\$59*12; APP=82*12; APP MB=\$74*12, without other assistance applied to the customer bill; LIA=\$40*12; RIA=\$14.50*12

²⁹⁹ Consumers Energy PIPP Report, p. 64 (PIPP, APP, APP MB); LIA=\$30.27*12; RIA=\$15*12

³⁰⁰ Consumers Energy PIPP Report, p. 64(PIPP, APP, APP MB); LIA=\$363.24+\$360; RIA=\$180+\$96

³⁰¹ APP=\$71*12 for fiscal year 2024, Appendix K; RIA=\$15*12

³⁰² APP MB=Appendix K, 2024 data; LIA=\$30*12, from Sheet No. D-7.00 of the Company's tariff book; RIA=\$12.25*12, from Sheet No. D-7.00 of the Company's tariff book

³⁰³ After LIHEAP benefit is applied. According to 2023 numbers. The average LIHEAP benefit was \$262 per household (Consumers Energy PIPP Report, p. 16).

Based on the cost per customer for the programs and cost of administering the programs, while taking into account the different eligibility criteria and the fact that each utility has different ways of layering funding, the Commission must decide how to choose a reform option and how much is reasonable to spend on said program. As an attempt to determine how utilities and the Commission should reform energy assistance and consider the rate impact of the reform, the following question was posed to the AAA subcommittee at a meeting on December 5, 2023:

When choosing a reform recommendation, is it best to:

- Narrow eligibility and availability to provide greater assistance to few?
- Expand availability, but provide a smaller amount in assistance to all?
- Expand availability *and* provide greater assistance to all eligible?
 - o Potentially disproportionately impact the energy burden of ALICE customers and other ratepayers.

This is the guiding questions that the Commission must contemplate when determining how much assistance should be provided to how many customers.

To aid in that decision, Staff provided an example during the AAA subcommittee meeting on June 18, 2025. Using estimates from Consumers Energy and DTE Energy PIPP/PSP pilot data, Staff explored the cost estimate to serve identified income-eligible customers under the current allocation method for revenue shortfall associated with MCL 460.11(2) programs if all subsidies, like MEAP, SER, HHC, and LIA credits were removed. That analysis is shown in Figures 93 and 94.³⁰⁴

Figure 93: Consumers Energy-Energy Assistance Program Expense Comparison

Estimated Annual Program Expense included in rates if all identified eligible customers received the listed form of assistance—Consumers Energy		
Ratepayer-based Assistance Model	Annual Amount Prospectively Included in CE Electric Rates	Annual Amount Prospectively Included in CE Gas Rates
PIPP	\$80,014,616	\$46,884,013
CARE	\$37,098,499	\$21,737,610
CARE MB	\$53,701,085	\$31,465,781
Current RIA & LIA Split (currently in rates)	\$ 7,000,000	\$16,800,000

³⁰⁴ Calculations performed in Appendix I.

Figure 94: DTE Energy-Energy Assistance Program Expense Comparison

Estimated Annual Program Expense included in rates if all identified eligible customers received the listed form of assistance—DTE Energy		
Ratepayer-based Assistance Model	Annual Amount Prospectively Included in DTE Electric Rates	Annual Amount Prospectively Included in DTE Gas Rates
PIPP	\$46,413,688	\$25,085,856
LSP	\$77,093,923	\$41,668,032
LSP MB	\$62,147,142	\$33,589,536
Current RIA & LIA Enrollment Split (currently in rates)	\$20,096,000	\$28,020,000

For Consumers Energy, this analysis was based on the costs provided by Consumers Energy in Figure 92, which utilized numbers from page 64 of its PIPP report, but estimated the amount of a combination customer bill that is attributable to electric and gas service. Staff chose to split the combination customer bill into assigning 2/3 of the costs to electric and 1/3 of the costs to gas, in line with the split that was identified in Chapter 15 of this report. The customer counts that were used were 3-year historical averages from recent Consumers Energy rate case data, including: 4,580 electric LIA customers; 61,816 electric RIA customers; 11,652 gas LIA customers; and 68,782 gas RIA customers.³⁰⁵ PIPP and LSP estimates totaled those enrollment estimates to reach total estimated identified income-eligible customer counts. The same is true for DTE Energy's methodology except the estimated customer counts included: 32,000 electric LIA customers; 68,085 electric RIA customers; 33,000 gas LIA customers; and 70,000 gas RIA customers.³⁰⁶

Staff recognizes this is not necessarily the most accurate means of projecting costs since not all data necessary to perform such an analysis was available, and LIHEAP and MEAP dollars would have to be factored into the real-world estimates. The aim of this analysis is to determine how much energy assistance expense included in rates equates to how large of a rate increase for the average residential customer, absent differences in customer consumption variations. In this case, Figures 93 and 94 included the following average expense in currently-approved rates and Figures 95-96 show the annual average residential rate impact of those costs using currently-approved cost allocations.

³⁰⁵ Data from MPSC Rate Case Nos. U-21585 and U-21806

³⁰⁶ Data from MPSC Rate Case Nos. U-21860 and U-21291

Figure 95: Consumers Energy - Energy Assistance Rate Impact Comparison

Estimated Annual Rate Impact of Programs if identified eligible customers received the listed form of assistance—Consumers Energy

Ratepayer-based Assistance Model	Annual Average Rate Impact on Residential Electric Customers	Annual Average Rate Impact on Residential Gas Customers
PIPP	\$23.82	\$20.79
CARE	\$11.05	\$ 7.64
CARE MB	\$15.99	\$13.95
Current RIA & LIA Split (currently in rates)	\$ 2.08	\$ 7.45

Figure 96: DTE Energy - Energy Assistance Rate Impact Comparison

Estimated Annual Rate Impact of Programs if identified eligible customers received the listed form of assistance—DTE Energy

Ratepayer-based Assistance Model	Annual Average Rate Impact on Residential Electric Customers	Annual Average Rate Impact on Residential Gas Customers
PIPP	\$20.48	\$ 3.82
LSP	\$34.02	\$11.73
LSP MB	\$27.42	\$ 5.11
Current RIA & LIA Enrollment Split (currently in rates)	\$ 8.87	\$ 4.26

Note that these estimates were provided to show how different program costs would impact rates. It does not serve as an accurate representation of how much the program would cost, since eligibility restrictions and obfuscated funding layering both have an impact on program cost.³⁰⁷ Additionally, other available funding layers would have to be factored in, including LIHEAP and MEAP, which may experience large changes in the upcoming fiscal year.

More detail on the above cost estimates can be found in Appendix I.

³⁰⁷ An example of funding layering impacting cost estimate accuracies is the fact that the current MEAP APPs require an SER to receive MEAP, which defrays the cost of arrears forgiveness, but not requiring an SER to receive MCL 460.11(2) assistance and the MEAP legislation revisions no longer requiring SER could easily cause an increase in the average program expense without SER to resolve some arrears first.

Staff Recommendation: Bill Subsidy

The important question to ask at this juncture is how much of an average increase in residential customer bills is reasonable and prudent to approve? Staff does not have a recommendation for this question and defers to the Commission's judgement. However, Staff does recommend that the Commission no longer approve enrollment projections as a means of approving energy assistance spending; rather switch to a model that more closely resembles LIHEAP and MEAP in which a determined level of funding is approved and collected, and fund managers are required to spend down the fund and reconcile the fund. This changed outlook would center affordability for all ratepayers and prevent the risk of program costs exceeding expectations due to forces outside of the Commission's or utility's control such as weather or customers' financial need. Choosing the average amount rates could increase to cover energy affordability services would also likely decrease the length of the record in rate cases by no longer requiring enrollment projections to be audited and projections debated.

Staff recommends the Commission approve one of the following to collect funds for programs authorized under MCL 460.11(2):

- The Commission could approve either a percentage of each utility's revenue requirement to be approved for energy affordability funds, OR
- Include a set dollar amount per year that the average residential ratepayer would pay for.

Staff recognizes that this change in funding could impact the need for applicants to be prioritized to receive assistance in the event that the set amount of funding does not cover expenses of an energy assistance program for those eligible. Every utility offering assistance under MCL 460.11(2) would need to have a provision in their tariff book outlining the priority of applicants to receive assistance.

Additionally, to adjust funding mechanisms, Staff recommends the Commission consider approving deferred accounting treatment to account for energy assistance program costs in the short-term.

Administrative Costs

Another aspect of program costs is the administrative side of the program. This could mean the cost of advertising and performing outreach for the energy assistance programs, triaging and verifying eligibility for applicants, enrolling and disenrolling customers in/from assistance, managing the energy assistance funding, etc. These are costs incurred to provide assistance in contrast to the cost of direct bill payment subsidies.

For MEAP, most of the above services are provided by human service agencies chosen to distribute MEAP funding. For programs authorized under MCL 460.11(2), most of these services are provided by utilities. Because MEAP is funded by LIEAF dollars granted to MEAP agencies, there is a legislative mandate for grantees to

account for all dollars, whether they are bill payment assistance dollars or administrative expenses. For programs authorized under MCL 460.11(2), utilities are not as transparent about the administrative dollars. Staff struggles in rate cases to receive accurate credit disbursement numbers from utilities, and the amount of time spent administering the RIA and LIA credits is not logged by the utilities nor reported as part of program expenses. This issue was exceedingly apparent in DTE Energy's PSP report.

As part of DTE Energy's ex parte application to approve its Payment Stability Plan, the Commission approved the following request from the Company:

The companies are also requesting that the supplemental payments, arrears forgiveness, benefit awards, and \$300,000 in operations and maintenance implementation costs be deferred until reflected in rates in a future proceeding. The companies propose to record the deferred costs to Account 182.3, Other Regulatory Assets, and to amortize the regulatory asset over a two-year period, effective with its inclusion in base rates. While the PSP will require information technology (IT) capital costs to implement, the companies are not seeking recovery of IT costs in this filing. Per the companies, associated IT costs will be included in each company's next general rate case filing for recovery based upon the Commission's review for reasonableness and prudence of the spending.³⁰⁸

The issue is that the full dollar amount spent to administer the program was not disclosed as requested in the Company's PSP report. The Company stated: "While DTE did not conduct a time study, we leveraged our flexible staffing model to add or reduce capacity to handle PSP enrollments and other plan maintenance tasks. Regarding the comparison of PSP administrative costs to APP, the Company does not have insight into agency administrative costs for APPs."³⁰⁹

It likely that DTE incurred additional costs to administer the PSP pilot and if it did, it would have been appropriate to track the costs of the pilot or attempt to estimate the costs. For this reason, DTE and other regulated utilities should no longer remain the lone administrator of programs authorized under MCL 460.11(2) and should also be required to engage in more intentional cost tracking in the future.

Consumers Energy, in its PIPP report, extensively outlined its cost of not only performing the program administration responsibilities that MEAP grantees could not (i.e., handling customer billing and applying payments to customer accounts),

³⁰⁸ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929, 4/21/2021 Commission Order, pp. 2-3.

³⁰⁹ DTE Energy PSP Report, p. 73

but also compared it against the cost of similar administrative tasks associated with MEAP dollars and the RIA and LIA credits.³¹⁰

Staff Recommendation: Administrative Costs

Going forward, Staff recommends the Commission order all investor-owned utilities to report itemized costs of administering various energy assistance programs.

Administrative costs will look different if the Commission and MEAP grantees accept Staff's recommendation to make these agencies the administrators of funds associated with MCL 460.11(2). MEAP agencies must receive compensation for becoming program administrators. Staff recommends providing guidance around enrolling partner compensation and that administrative compensation levels for MCL 460.11(2) are at least comparable to MEAP funding and in a similar range.

Cost Recovery and Allocation Methods

The last component of program cost is determining how arrears forgiveness and direct bill payment assistance costs should be allocated. Determining this can also help determine what is a reasonable amount for customers to contribute to energy assistance programs. For LIHEAP (SER and HHC in Michigan), program funding is distributed in a block grant from the federal government, which makes it difficult to determine how much residential customers are paying for those programs. Meanwhile, MEAP is funded through the Low-Income Energy Assistance Fund, which is funded by levying a statutorily required flat surcharge on all retail electric billing meters each month.³¹¹ This is essentially a flat fee method in which all homes, businesses, and electrically connected buildings or sites pay an equal amount to fund a service. This is not an equitable system. However, both LIHEAP and MEAP funding are dictated by statutes and are largely not within the Commission's jurisdiction to effectuate change.

Finally, MCL 460.11(2) is ambiguous in terms of its funding mechanism. The statute states that "Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes."³¹² It is that allocation method that Staff will explore in this section.

On page 99 of DTE's PSP report (DTE's Figure 44), DTE provides a bill impact analysis for the cost of its PSP pilot. As a point of background information, DTE allocates the cost of the RIA and LIA credits based on customer count across the different customer classes. This was established years ago when the RIA/its predecessor was

³¹⁰ Consumers Energy PIPP Report, pp. 57-63

³¹¹ MCL 460.9t, but no more than one meter per residential site

³¹² MCL 460.11(2)

originally approved in rate cases.³¹³ Since then, and mainly through the Consumers Energy rate cases, it has become standard to instead allocate the revenue shortfall associated with the RIA and LIA credits based on each customer class's share of the total revenue requirement, or total cost of service instead of by customer count.

The tables in Figures 97-102 depict the difference in allocation methods for Consumers Energy and DTE Energy's electric businesses. Consumers Energy currently utilizes a "Total Cost of Service" allocator to recover its revenue shortfall, whereas DTE Energy utilizes "Distribution Number of Customers." Staff is proposing to use the "Total Billed Revenue" allocator in the DTE Electric rate case MPSC Case No. U-21860 as a close approximation and interim solution to transitioning all IOUs to allocation based on total cost of service or present revenue, which may require creating a new allocator.

³¹³ See Appendix E, which details the history of the RIA and LIA credits

Figure 97: DTE Electric RIA & LIA Credit Revenue Shortfall Allocation Methods (in percentages)

	Residential Secondary	Commercial Secondary	Primary	Sub- transmission	Transmission	D-9 OPL Residential	D-9 OPL Commercial	E-1 St Light	E-2 Signals	Total
Total Billed Revenue (402)	52%	26%	20%	0.18%	0.22%	0.04%	0.18%	1%	0.10%	
Distribution Number of Customers (800)	91%	9%	0.13%	0.004%	0.003%	-	-	0.05%	-	
Current RIA/LIA Cost										20.096 Million
Allocation on Billed Revenue	\$10,517,121	\$5,253,215	\$3,944,764	\$35,932	\$43,468	\$7,717	\$35,550	\$238,218	\$20,036	
Allocation on Customer Count	\$18,196,426	\$1,863,804	\$25,261	\$784	\$603	\$ -	\$ -	\$9,103	\$ -	

Figure 98: Consumers Electric RIA & LIA Credit Revenue Shortfall Allocation Methods (in percentages)

	Total Residential	Total Commercial Secondary	Total Primary	Total Lighting and Unmetered	GSG	Total
Total Cost of Service	53%	25%	22%	1%	0%	
Number of Customers (160)	88%	12%	0.22%	0.29%	0.001%	
Current RIA/LIA Cost						7,000,000
Allocation on COS	\$3,675,000	\$1,736,000	\$1,519,000	\$63,000	\$ -	
Allocation on Customer Count	\$6,145,146	\$819,168	\$15,211	\$20,391	\$84	

To illustrate the differences in cost allocation more acutely, Staff utilizes P522 annual report data from 2023 (the most recent available data at the time of the analysis) to show the bill impact for the average customer, absent variance in customer usage.

Figure 99: DTE Electric RIA & LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total excluding resale
Sales revenue generated	\$2,814,774,800	\$2,097,975,297	\$729,929,371	\$69,204,574	\$5,711,884,042
Customer count	2,055,911	208,790	715	1,044	2,266,460
Cost of energy assistance					\$20,096,000
Annual cost of RIA & LIA per customer allocated on % of total customer count	\$8.87	\$8.87	\$8.87	\$8.87	
Annual cost of RIA & LIA per customer allocated on % of the total revenue requirement	\$4.82	\$35.35	\$3,591.74	\$233.22	
Annual average bill	\$1,369.11	\$10,048.26	\$1,020,880.24	\$66,287.91	
Energy assistance cost % of annual bill (Based on total revenue requirement allocator)	0.35%	0.35%	0.35%	0.35%	

Figure 100: DTE Gas RIA & LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total excluding transportation
Sales revenue generated	\$998,576,964	\$294,749,687	\$7,031,383	\$54,182	\$5,711,884,042
Customer count	1,148,660	79,193	354	0	2,266,460
Cost of energy assistance					\$28,020,000
Annual cost of RIA & LIA per customer allocated on % of total customer count	\$12.36	\$12.36	\$12.36	--	
Annual cost of RIA & LIA per customer allocated on % of total revenue requirement	\$4.26	\$18.26	\$97.44	--	
Annual average bill	\$869.34	\$3,721.92	\$19,862.66	--	
Energy assistance cost % of annual bill (Based on total revenue requirement allocator)	0.49%	0.49%	0.49%	--	

Figure 101: Consumers Electric RIA & LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total excluding resale
Sales revenue generated	\$2,297,684,905	\$1,623,457,424	\$712,480,629	\$37,346,540	\$4,670,969,498
Customer count	1,652,141	225,756	1,238	5,155	1,884,290
Cost of energy assistance					\$7,000,000
Annual cost of RIA & LIA per customer allocated on % of total customer count	\$3.71	\$3.71	\$3.71	\$3.71	
Annual cost of RIA & LIA per customer allocated on % of total revenue requirement	\$2.08	\$10.78	\$862.47	\$10.86	
Annual average bill	\$1,390.73	\$7,191.20	\$575,509.39	\$7,244.72	
Energy assistance cost % of annual bill (Based on total revenue requirement allocator)	0.15%	0.15%	0.15%	0.15%	

Figure 102: Consumers Gas RIA & LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total excluding transportation
Sales revenue generated	\$1,619,682,334	\$488,700,897	\$59,825,629	\$949,327	\$2,169,158,187
Customer count	1,683,982	128,943	3,731	57	1,816,713
Cost of energy assistance					\$16,800,000
Annual cost of RIA & LIA per customer allocated on % of total customer count	\$9.25	\$9.25	\$9.25	\$9.25	
Annual cost of RIA & LIA per customer allocated on % of total revenue requirement	\$7.45	\$29.35	\$124.19	\$128.99	
Annual average bill	\$961.82	\$3,790.05	\$16,034.74	\$16,654.86	
Energy assistance cost % of annual bill (Based on total revenue requirement allocator)	0.77%	0.77%	0.77%	0.77%	

Staff Recommendation: Revenue Shortfall

Staff recommends that revenue shortfalls associated with programs authorized under MCL 460.11(2) should be allocated on each customer class's percentage of total present revenue instead of the percentage of each class's total share of customers for all participating utilities. The argument for this allocation method is that the revenue shortfall generated by residential credits is not attributable to the nature of any particular customer's service. Instead, the revenue shortfall is a *general* cost of business and is thus appropriate to allocate to customers based on their total cost to serve. Costs, or in this case lack of revenue, cannot always be tied directly to a class, and while only residential customers receive the credits that does not mean that class is the cause of the cost. In fact, nothing about the customer's service is causing the need for the credit, but rather the customer's ability to pay their bill, which is unrelated to serving them energy. Allocating this revenue shortfall on a present revenue or total cost of service basis instead of a customer basis more equitably spreads the costs across customer classes, whereas a customer count allocation methodology requires a much larger amount of the shortfall to be recovered by the residential class. This is because the residential class contributes a much larger proportion of customers to the total customer base than its proportion of revenue. It is more appropriate for customer classes to share in this cost as a proportion of their contribution to the total revenue requirement instead of each customer class sharing in the cost by its proportional share of the total customer count.

How Program Costs Are Accounted For

The second component of cost allocation is how the costs are accounted for. As previously stated, the costs of the RIA and LIA credits are/should be allocated based on each customer class's share of the total present revenue. This is recovered by means of a revenue offset. However, in DTE Electric's latest electric rate case, MPSC Case No. U-21860, DTE proposed:

In addition, as per the April 21, 2021 Order in Case No. U-2029, uncollectible expense includes 12 months of the proposed 24 months of amortization expense of the Low-Income Payment Stability Plan Pilot Regulatory Asset that concluded in 2024. This results in \$48.0 million of uncollectible expense. This amount is calculated on Exhibit A-13, Schedule C5.8 and shown on line 1, column (h) of that same exhibit.³¹⁴

However, DTE stated in MPSC Case No. U-20929:

the supplemental payments, arrears forgiveness, benefit awards, and \$0.3 O&M implementation costs be deferred until reflected in rates in a future

³¹⁴ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21860, direct testimony of Company witness Jason Sparks, p. 54.

proceeding. The Companies propose to record the deferred costs to account 182.3, Other Regulatory Assets, and to amortize the regulatory asset over a two-year period, effective with its inclusion in base rates.³¹⁵

While these issues will be contested in the DTE Electric rate case, it is important to determine the accounting method for a program going forward for impacted utilities.

The RIA and LIA credits have avoided recording costs associated with the program as an uncollectible expense. Arguments can be made both for and against including bill subsidy costs as uncollectible expenses, and Staff outlines those arguments in Figure 103.

Figure 103: Arguments for and Against Recording Program Costs in Uncollectible Expense

Uncollectible Expense	Not Uncollectible Expense
Arrearages could already be included in uncollectible expenses if they continue to be unpaid.	Bill subsidies are not already considered an uncollectible expense.
	If a program goal is to reduce uncollectible expense, bill subsidy expenses should not be recorded there.
	Uncollectible expenses are capitalized, meaning investors earn a return on it, which from a policy perspective conflicts with affordability goals.

Staff Recommendation: Accounting for Program Expenses

The Federal Energy Regulatory Commission (FERC) Uniform System of Accounts advises that utilities should book expenses to the account they would have been booked to in the previous period they would have been incurred if not for the Commission allowing it to be booked as a regulatory asset.³¹⁶ Because accounts associated with MCL 460.11(2) revenue shortfalls already exist and regulatory assets and liabilities already exist to handle any differences between actual and projected dollars associated with MCL 460.11(2), direct-assistance dollars should be allocated to each customer class as a revenue offset equal to each class's share of the total present revenue and only arrearage reversals and forgiveness should be included in uncollectible expense with line items delineating that the cost was for arrears

³¹⁵ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929, 11/18/2020 Ex Parte Application, p. 4.

³¹⁶ See FERC Account 182.3, Other Regulatory Asset: <https://www.ecfr.gov/current/title-18/chapter-I/subchapter-C/part-101>

forgiveness associated with an energy assistance program. This would likely include Consumers Energy's current practice of forgiving late fees.

For these reasons, going forward, for programs authorized under MCL 460.11(2), arrears forgiveness should be booked as uncollectible expenses and bill credits should be recovered in the way consistent with the RIA and LIA credits: as a revenue offset recovered across all rate classes allocated by each class's proportion of the total present revenue. For any unspent dollars associated with the MCL 460.11(2) funding, the Companies should reconcile the account in each rate case. This kind of reporting would impact the filing requirements. To handle this issue, after the Commission approves a program authorized under MCL 460.11(2) and allocation methods, Staff recommends the Commission order Staff and all investor-owned utilities to develop rate case filing requirement modifications for approval in the relevant case.

Layering of Funds

Another funding consideration is how each funding source interacts with the others. As outlined in Chapter 2 in this report, currently there are many funding sources for energy assistance, energy waste reduction, weatherization, and self-sufficiency services in which a customer could receive nearly every possible combination of those services if they apply and are eligible. Annually, energy assistance fluctuates depending on a few factors:

1. The Low-Income Home Energy Assistance Program (LIHEAP)
 - a. Federal funding is approved annually by congress.
 - b. MDHHS and the Michigan Department of Treasury determines how to allocate the dollars based on the number of applications received.
2. The Low-Income Energy Assistance Fund is no longer capped at \$50 million and is likely to grow over time as the funding factor incrementally increases until reaching a \$2.00 per meter per month cap and then increases by the rate of inflation..
 - a. The Commission approves a funding factor for retail electric billing meters.³¹⁷
3. If the Commission approves increases in the credit amounts or structure of the RIA and LIA credits in rate cases

The repeat of Figure 4 below shows these funds and their sources and may be read from top to bottom with programs being nestled under their corresponding funding source.

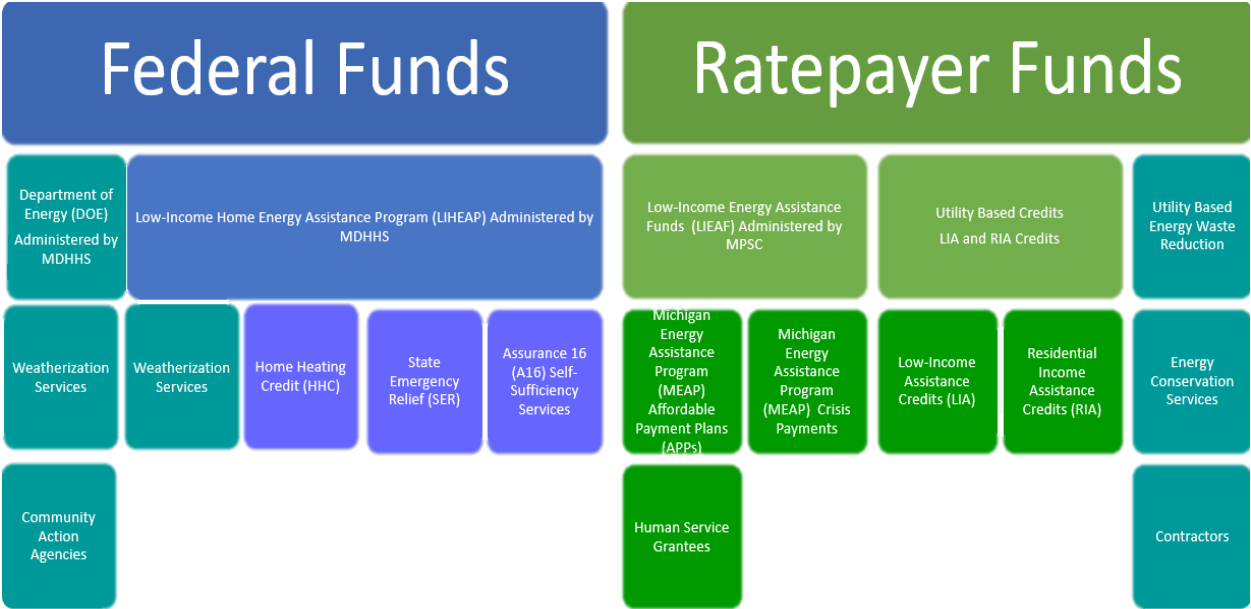
While Staff has reinforced the importance of having a single application for assistance³¹⁸ and moving away from crisis assistance, the MPSC has little authority

³¹⁷ In the matter on the Commission's own motion to implement the provisions of 2013 PA 95 as amended by 2024 PA 168 and 2024 PA 169, MPSC Case No. U-17377.

³¹⁸ In the matter, on the Commission's own motion to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state of emergency, and to provide guidance and

over the largest enrollment, highest-funded programs—State Emergency Relief and the Home Heating Credit, since the former is administered by MDHHS and the latter by the Michigan Department of Treasury. Thus, there are statutory requirements and system modification costs limiting some of the desired system changes.

Figure 4: Michigan's Energy Assistance System



*A larger sized version of Figure 4 may be found on page 21 of this report.

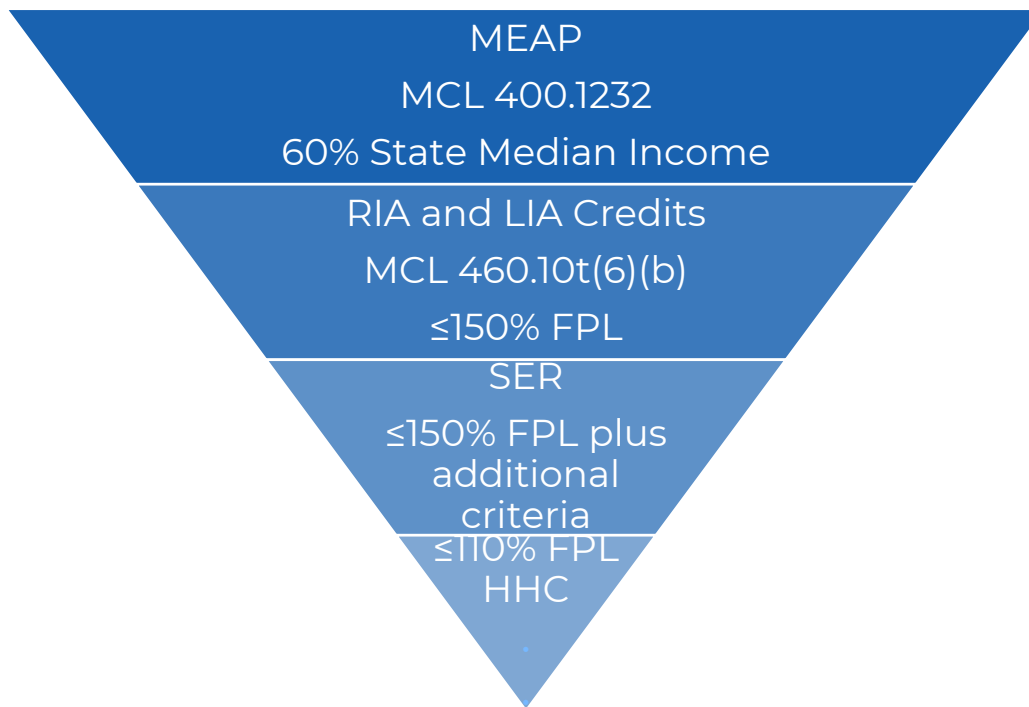
There are options that could be explored to leverage this funding to create more coordinated programs with aligned goals; but first, one must review the energy assistance programs' income eligibility criteria, shown in Figure 104 on the following page and discussed earlier in this report.

The inverted pyramid indicates that the lower a customer's income falls on the pyramid, the more assistance they'd likely be eligible for, but the pool of eligible customers narrows. This creates the opportunity for layering of funding or cross subsidizing of programs.

As this report has noted, Consumers Energy and DTE Energy have both used cross-subsidies to expand programs in the past. Instead of having individual, distinct energy assistance programs for each of the above-listed funding sources, DTE and Consumers Energy have historically utilized the LIA credit, in part, to subsidize the MEAP agency's portion of APP recipients' bills. That is one way to expand a program. The other way is to leverage more eligibility-restrictive funding sources to fund programs for customers who are not eligible for other programs.

direction to energy and telecommunications providers and other stakeholders, MPSC Case No. U-20757, 3/16/23 Staff Report, filing # 0524, pp. 20-21.

Figure 104: Energy Assistance Programs by Income Eligibility threshold (Descending)



An illustrative example of funding being leveraged to fund the DTE PSP pilot is shown in Figure 105. If interpreted correctly, the PSP enrollees received a fairly large number of subsidies to support a program that, if fully implemented, would combine dollars currently allocated to the RIA with MEAP APP funds. If HHC and SER payments were applied to the gap and arrears forgiveness payments where applicable, these programs would offset the ratepayer-subsidized portion of the program cost.

Figure 105: DTE Energy PSP Report Funding Layering³¹⁹

	Customer Count	Gap/AF	SER	HHC	LIA	RIA	MEAP
PSP	2,141	\$2,630,767	\$289,870	\$116,382	\$7,306	\$77,795	\$32,676

Consumers Energy depicted similar data in its report but included subsidies/ payments made to customer accounts up to 90 days before the customer enrolled in the respective payment plans. This somewhat obscures the data unless one is trying to determine the cost of energy assistance programs with or without all forms of support. Additional support may include an HHC or MEAP one-time assistance (OTA)/ as-needed assistance attempt to resolve a customer's arrears. SER and MEAP would be applied to a customer's account before they enter payment plans like PIPP

³¹⁹ DTE Energy PSP Report, p. 75

and CARE. To that end, Consumers Energy did clarify that payments from these additional sources (depicted below in Figure 106) helped reduce the gap payment (or the bill subsidy provided by the PIPP funding).

Figure 106: Consumers Energy PIPP Report Funding Layering³²⁰

Program	Customer Count	GAP/AF	SER*	HHC*	MEAP OTA*	LIA**	RIA**
CARE	14116	\$20,425,546	\$4,211,898	\$876,681	\$796,224	\$5,466,511	\$721,392
CARE MB	1059	\$2,039,674	\$673,163	\$51,222	\$88,708	\$90,298	\$142,671
PIPP	722	\$2,399,898	\$290,068	\$69,673	\$69,742	\$473,303	\$58,299

*Totals calculated for duration of 90-days before enrollment to end of program

**Totals calculated for duration of program from enrollment to de-enrollment

DTE Energy and Consumers Energy's funding layering protocols are similar to Ohio's PIPP funding policies, in which available funding supports the PIPP program, with customers being required to apply concurrently for the LIHEAP heating benefit before entering the PIPP. The LIHEAP dollars are used to support the PIPP and reduce the cost of the program that is recovered through rates.

Michigan customers in the lower-income tiers may see greater bill subsidies from HHC and SER which have relatively narrow eligibility criteria and less benefit from the other sources listed above. Meanwhile, customers with higher incomes above 150% FPL have historically been assisted with "gift funds" which may be donated from the utility shareholders or other sources that donate to MEAP agencies that do not have firm eligibility restrictions attached to them.

These claims can be supported by the DTE and Consumers Energy PIPP Reports. For example, on page 35 of its report, DTE states:

When enrolled in LSP, either the Traditional or Modified LSP (LSPM), customers are still eligible for other forms of energy assistance. For example, households whose FPL is less than 110% can still apply for a Home Heating Credit (HHC) through the Michigan Department of Treasury. If an HHC is received, it will be applied toward the customer's arrears balance.

In the next sentence of the PSP Report, DTE states that the pairing of the LIA credit and LSP results in the LIA credit being applied to the MEAP agency's portion of the customer's subsidized bill—it is not credited on top of the customer's plan amount. The AAA subcommittee explicitly requested clarification on this point. Furthermore, in DTE's PSP report, the Company states:

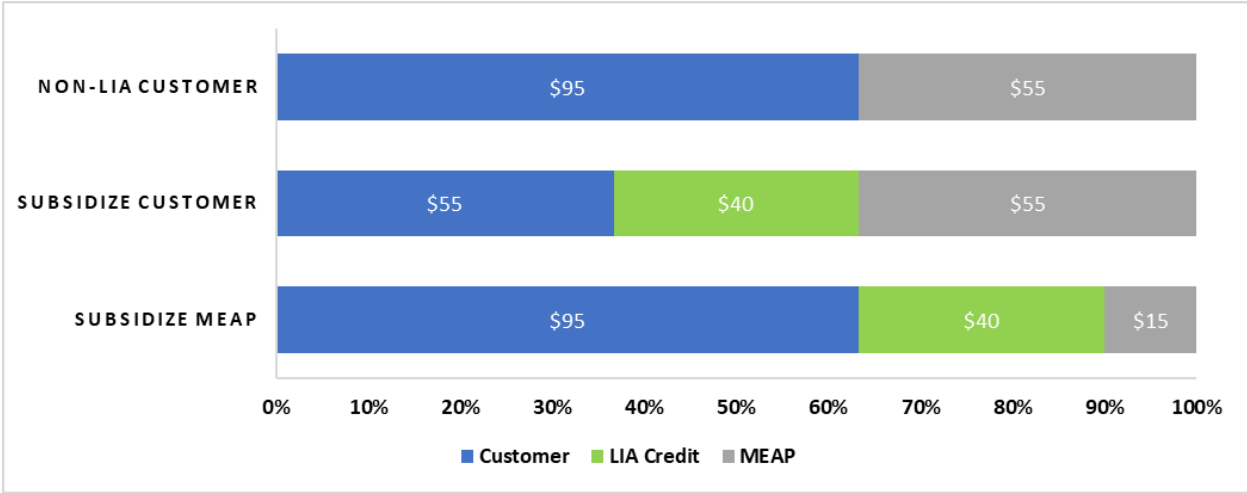
In the current state, LSP customers also receive an LIA credit, meaning that 18,266 customers receive both forms of energy assistance. The unique customer count in the current state is 181,431 (199,697 less 18,266) for both Electric and Gas combined (see Figure 43 Reallocation Proposals Table below

³²⁰ Consumers Energy PIPP Report, p. 65

for supporting calculations). LIA amounts that are received by LSP customers are used to help offset the MEAP agency portion of the bill.³²¹

Either way, the HHC and the LIA’s application reduce the MEAP agency’s cost of direct assistance to the customer since it is MEAP funds that pay for arrears forgiveness and MEAP funds that pay the customer’s gap payment (the difference between their LSP plan amount and their total bill). Figure 107 helps illustrate this point with an example of an LIA bill that could be subsidized three different ways under MEAP APPs and depicts who is responsible for paying for portions of the bill. If a customer received no assistance, the bar would be fully blue, fully paid by the customer, and would equal \$150.

Figure 107: Example DTE LIA Bill Subsidy³²²



Funding layering was also the topic of the AAA subcommittee meeting on August 5, 2025, at which AAA leadership presented additional funding layering examples. Each of the examples conceptualized different ways a customer could achieve a maximum 6% energy burden for their combined electric and heating needs. These generic examples in Figures 108-110 were not intended to represent any specific utility, rather utilized an example of different funding sources that would be needed or could be utilized to achieve a more optimal energy burden for a customer’s total energy costs.

³²¹ DTE Energy PSP Report, p. 94. The referenced Figure 43 is in DTE Energy’s PSP report, not the Staff Energy Affordability Report.

³²² AAA subcommittee meeting presentation (slide 21) on May 23, 2023.

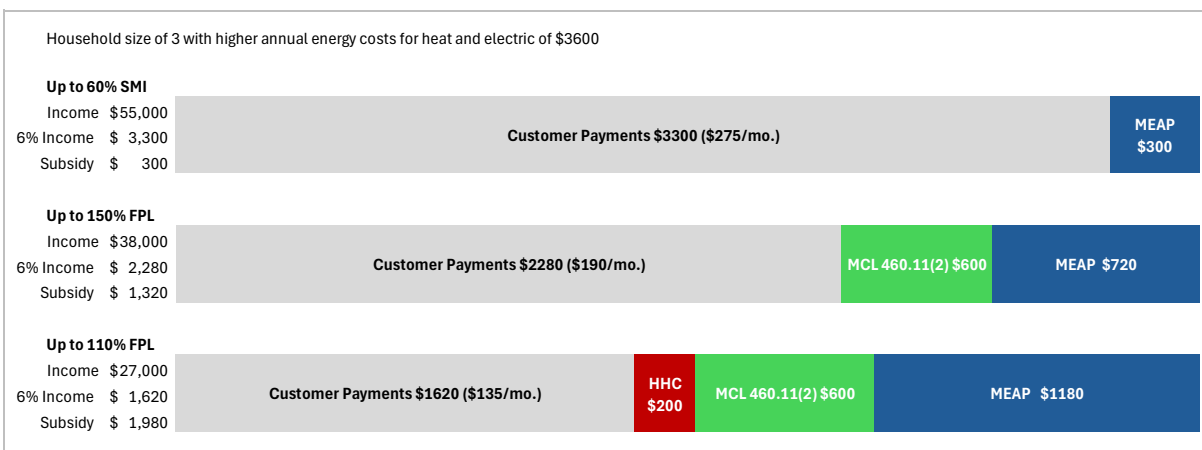
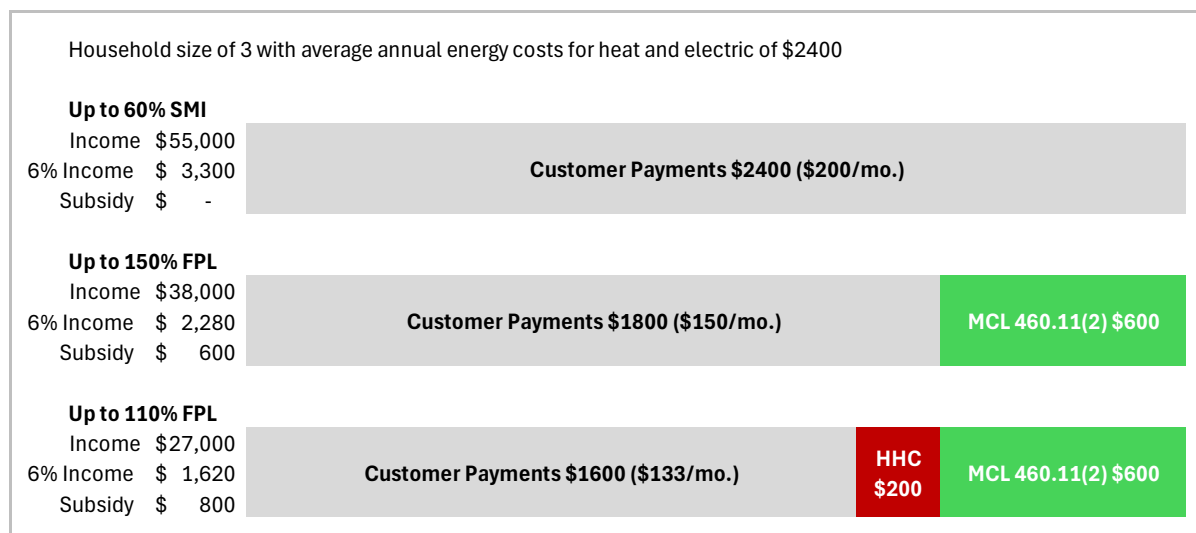
Figure 108: Fund Layering Example A - Higher Energy Costs**Figure 109: Fund Layering Example A1 - Average Energy Costs**

Figure 110: Fund Layering Example B: Side-by-Side Programs

Household size of 3 with higher annual energy costs for heat and electric of \$3600			
Up to 60% SMI			
Income \$55,000	Customer Payments \$3300 (\$275/mo.)		MEAP \$300
6% Income \$ 3,300			
Subsidy \$ 300			
Up to 150% FPL			
Income \$38,000	Customer Payments \$2280 (\$190/mo.)		MCL 460.11(2) \$1320
6% Income \$ 2,280			
Subsidy \$ 1,320			
Up to 150% FPL			
Income \$38,000	Customer Payments \$2280 (\$190/mo.)		MEAP \$1320
6% Income \$ 2,280			
Subsidy \$ 1,320			
Up to 110% FPL			
Income \$27,000	Customer Payments \$1620 (\$135/mo.)		MCL 460.11(2) \$1780
6% Income \$ 1,620			
Subsidy \$ 1,980			
Up to 110% FPL			
Income \$27,000	Customer Payments \$1620 (\$135/mo.)		MEAP \$1780
6% Income \$ 1,620			
Subsidy \$ 1,980			

Staff Recommendation: Fund Layering

In DTE Energy's recommendation for energy assistance reform, DTE stated: "In both proposed future states, PSP customers would not receive the LIA credit."³²³ Staff agrees with this recommendation for reasons described earlier in this report relating to intentional program design, upholding program goals, and tailoring programs to customer needs. Staff reserves a decision on whether or not the PSP/PIPP is the best path forward for energy assistance program design.

Staff does not necessarily take issue with layering certain funding sources, depending on the source, and supports customers being served in an intentional and coordinated manner that promotes home energy security. Staff notes that the LIA credit was created as a separate program in 2015 by DTE Electric, distinct from the RIA and MEAP, only to be later used as a funding source to subsidize MEAP. In Staff's opinion, that is an unintended use of LIA credits that conflates the application of both MEAP and MCL 460.11(2) dollars. Going forward, Staff does not support MCL 460.11(2) dollars subsidizing MEAP APPs but is supportive of an identical parallel program with its MCL 460.11(2) funding source distinct from MEAP APPs.

Examples of more effective layering of funding sources include federal funding providing a foundation for ratepayer energy assistance. In Michigan, SER is utilized to decrease a customer's arrears before enrollment in MEAP APPs. In Ohio, customers submit a joint application for the LIHEAP heating benefit and their PIPP which effectively offsets the cost of their PIPP.

³²³ DTE Energy PSP Report, p. 94

Staff recommends that the Commission continue to work with MDHHS to explore ways that federal funding could be layered into both MEAP and the MCL 460.11(2) programs. At the same time, to ensure MEAP funds are spent down first and MCL 460.11(2) funding does not lead to MEAP funds remaining unspent, Staff recommends the approval of monthly home energy security programs for all (or relevant) IOUs, as outlined previously in this report. These programs are recommended to be funded separately from MEAP but align with the same program design as MEAP programs. Separate funding will ensure that MEAP funding is not supplanted by IOU programs. Furthermore, a consistent programmatic design can reduce confusion for customers and create a more streamlined user experience.

Determining Enrollment or Funding Caps and Phasing Customers into New Programs

After choosing a reasonable amount to spend on an energy assistance program, the next phase is determining how the customers will be phased into new energy assistance programs. This phase-in is partially dependent on which energy assistance reform option the Commission chooses. Staff looks to examples in the DTE and Consumers Energy PIPP Reports.

Beginning with DTE's PSP Report, DTE Energy recommended:

reallocating both the RIA and the LSP funds into a relaunched PSP program [...] while the Company proposes that the LIA program continues as a stand-alone program with the same funding and enrollment levels. Funds for the LIA program would not be utilized for a relaunched PSP program or used to supplement PSP funding or PSP customers. Customers would be directed toward a PSP enrollment first (as capacity allows), rather than an LIA enrollment. However, customers that do not qualify for the PSP program (may exceed the consumption or arrears caps) or those that are unwilling to apply for the PSP program would be directed toward an LIA enrollment.³²⁴

On page 92 of its report, DTE proposes how the RIA would be phased out: over two years with 50% of enrollees in the first fiscal year and the remaining 50% in the second year, whereas new LSP enrollments would not be accepted after the first fiscal year of this proposal adoption, meaning that the LSP would end one fiscal year after the elimination of the RIA. Staff is not opposed to this proposal since LSP is currently a 24-month plan, so this plan would allow for current dollars recovered for the RIA credit to be transitioned into the PSP before the LSP ends, which staggers the work expected of the community agencies to implement these new changes. Staff neither agrees with DTE's recommendation of how the RIA would be phased out nor opposes this implementation plan for a new payment plan or credit.

³²⁴ DTE Energy PSP Report, pp. 89-90

The Trade-Off

The trade-off with choosing to redirect RIA enrollments onto the PSP without increasing funding is that fewer customers can be enrolled in the program. On page 95 of its PIPP report, DTE has a thorough breakdown of the current state of energy assistance enrollments, the proposed future state of enrollments, and the future state of the enrollments under its proposal once the LIEAF surcharge that funds MEAP reaches \$2/retail electric billing meter/month.

Staff notes that this proposal would reduce energy assistance recipients by 46%³²⁵ in the short run (reallocation only phase) and by 35%³²⁶ in the reallocation and surcharge increase phase. However, if funding caps do not increase, that percentage reduction will likely increase since this analysis does not control for the percentage increase in bills during that time period (which increases the per-customer cost of the payment plans barring any change in the amount owed by the customer, known as the plan amount).

Meanwhile, Consumers Energy recommended retaining the current energy assistance landscape and discontinue the PIPP pilot. Since the PIPP ended and customers were disenrolled, there is no phased-in proposal of any kind in Consumers Energy's PIPP report. Enrollments in energy assistance would revert to similar levels as before the PIPP pilot, absent changes in RIA enrollments and changes in MEAP, SER, and HHC funding, which result in changes in enrollments.

Earlier in the report Staff provided several recommendations to the Commission on how energy assistance could be reformed to better center home energy security as well as the funding options available to mitigate adverse impacts. The Commission must ultimately decide if that reduction in the number of customers served is reasonable, or if it is more reasonable to serve more customers with a smaller sum of assistance dollars, or to increase funding to match need. At the AAA subcommittee meeting on June 18, 2025, most of the participants that voiced an opinion on the matter found that serving less customers with more assistance was the most favorable option, since it would better promote energy affordability while reducing rate increases to customers not participating in the program. Staff also finds this path forward favorable. Instead of the utilities enrolling identified eligible customers in the RIA or LIA, changing the entity in charge of program enrollment to MEAP agencies could better determine customers' level of need.

³²⁵ (199697-107462)/199697

³²⁶ (199697-130160)/199697

Staff Recommendation: Phasing Customers Into New Programs

Staff finds that implementing a revamped energy assistance program could present many new and unexpected challenges. For these reasons, Staff recommends a small Staff-led working group based on Commission directives, including utilities, MDHHS, and assistance agencies, to implement the Commission's new fulfillment of MCL 460.11(2) and any related modifications to the MEAP affordable payment plans. If needed, Staff will file a memo to the current docket requesting further Commission guidance.

SECTION IV - THE CUSTOMER JOURNEY

Chapter 17 - Energy Assistance Program Outreach and Education

The customer journey is a term that Staff and other human service organizations utilize to describe how a customer interacts with each step of a process. In this case, that process involves experiencing difficulties with paying an energy bill and subsequently applying for and receiving energy assistance. This process looks different depending on which entry point a customer interacts with assistance (SER, HHC, MEAP, and utilities). Appendix C shows a simplified process that the average customer may experience when entering the energy assistance landscape. The following sections will walk through the intricacies of that process.

Regardless of which entity or organization administers an energy assistance program, and regardless of which programs are offered, customers must be informed of available energy assistance offerings and educated on program eligibility and how to apply. Staff's position is that this outreach should be done in a consistent manner.

Currently, to Staff's knowledge, the requirements to perform outreach in a specific way for the MPSC-regulated energy assistance programs are limited to those that were recommended in the MPSC Case No. U-20757 March 16, 2023 Staff Report, and to a degree approved by the Commission in its subsequent December 21, 2023 Order in the same docket and to billing rule R 460.129. This rule provides guidance on notice of energy assistance programs for residential customers. Utilities are required to provide energy assistance information annually, which may be explained on the customer's bill, provided as a bill insert, or provided by other means of transmittal. This information shall also be posted on the company's website. That same rules set requires utilities to provide customers access information about energy assistance programs on all shutoff notification.

Going forward, Staff recommends the Commission explore a more robust outreach requirement that is enshrined in the utility companies' tariff. Guidance for specifics is informed by the PIPP reports and provided by Staff recommendations in the following sections of this report.

General Customer Outreach Findings

Through Consumers Energy's PIPP Report, Staff learned that Consumers Energy uses customer personas to tailor its communications with customers.³²⁷ In a meeting on May 28, 2025, Staff and Consumers Energy discussed in more depth the customer personas, shown in Appendix I of the Consumers Energy PIPP Report. Internal working groups at Consumers Energy realized low to moderate income customers

³²⁷ Consumers Energy PIPP Report, pp. 13, 192-193

"I cannot remember a recent time when I received a pamphlet or brochure from DTE about its assistance programs—either through mail or email. Usually, I try to be proactive about finding these programs in the first place—for example, I visit DTE's website from time to time to see if the Company is running any new programs—so I would have remembered if DTE had sent me information about assistance programs. Even if DTE is sending us brochures, it is not sending them to us nearly as frequently as it should be."

were not interacting with company communications and did not necessarily know about program offerings. As a potential solution, the personas were built using research on actual customer lives and experiences so that Consumers Energy staff are not forming assumptions about customers that impact their interactions or communication materials. The personas are distributed to relevant staff and used to build empathy with customers' lives, archetypes, and financial situations. Historically, Consumers Energy has heavily communicated with customers through email but is starting to reach out in other ways this year, like a button on the customer bill portal and disseminating more information to community organizations. Consumers Energy has shared profiles with its outreach drafting team to make sure relevant staff members know who the target audience is, which helps tailor outreach materials and more appropriately connects customers with relevant information.

Another aspect of customer outreach that Consumers Energy outlined in its PIPP report was that it "actively communicates at-risk customer segments regarding assistance programs through bill messages, website updates, and direct emails."³²⁸ Staff found the term "at-risk" to be vague and requested clarification in May 2025. Consumers Energy stated:

The Company identifies "at-risk" customers through a low-income operand system flag, which is set if the customer receives energy assistance at or below 150% of the Federal Poverty Level (FPL) or if a qualified customer submits an RIA self-attestation form on the Company's website. This operand remains active for 12 months from the date of the last qualifying interaction. The Company proactively educates and encourages customers to utilize additional assistance if needed, provided they have not received such support in the past 12 months. For example, an SER customer who has not enrolled in CARE, or an RIA self-attest customer who has not received an HHC or other similar scenarios would receive communications. Communications are typically broad and educational, directing customers to resources such as the Consumers Energy website or 211 for further information on available assistance.³²⁹

³²⁸ Consumers Energy PIPP Report, p. 39

³²⁹ Appendix K

While Staff finds this method of outreach somewhat responsive, it still relies on customers reaching out for and receiving assistance first.

In its PSP report, DTE Energy provided general information about community outreach, but did not go into depth on this issue.³³⁰ When Staff asked about its outreach practices, DTE Energy stated:

Each year at the start of heating season, DTE Energy distributes energy assistance brochures to all customers—regardless of income level—to ensure broad awareness of available support programs. These brochures include updated information, which is also available on the DTE Energy website for easy access. Additionally, during key seasonal periods such as the Home Heating Credits season, DTE initiates targeted outreach through Methods of Delivery (MODs) to notify customers who may be eligible for assistance programs.³³¹

The need for a form and frequency of outreach was reinforced in the DTE Electric rate case, MPSC Case No. U-21534, in which a customer testified to not receiving frequent energy assistance outreach from DTE. She stated,

I cannot remember a recent time when I received a pamphlet or brochure from DTE about its assistance programs—either through mail or email. Usually, I try to be proactive about finding these programs in the first place—for example, I visit DTE's website from time to time to see if the Company is running any new programs—so I would have remembered if DTE had sent me information about assistance programs. Even if DTE is sending us brochures, it is not sending them to us nearly as frequently as it should be.³³²

As it was mentioned in testimonies in MPSC Case Nos. U-21534 and U-21291, DTE does not advertise its LIA credit on its website³³³ despite the Commission ordering utilities to “work with the Staff to advertise the RIA along with other assistance offerings on their websites in a similar and consistent fashion with similar content, consistent with the Staff’s recommendation.”³³⁴

³³⁰ DTE Energy PSP Report, pp. 12-15

³³¹ Appendix K

³³² In re DTE Energy Company Electric Rate Case, MPSC Case No. U-21534, 6 TR 4677, F#0496.

³³³ On DTE’s [energy assistance website](#) (accessed on 4/16/2025), the RIA credit is advertised with instructions to apply, but the LIA credit is not.

³³⁴ In the matter, on the Commission’s own motion to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state Case No. U-20757 of emergency, and to provide guidance and direction to energy and telecommunications providers and other stakeholders, MPSC Case No. U-20757, 12/21/23 Commission Order, p. 12.

Consumers Energy also does not advertise the LIA credit on its website, nor does it advertise the RIA on its website,³³⁵ again, despite the Commission's order. Consumers Energy states in its report that:

The Consumers Energy Assistance team continually revises communication materials and disseminates new programmatic updates, as changes are frequently made to the energy assistance landscape causing confusion amongst customers in need. The team offers clear calls to action and key educational information about programs, including average savings, eligibility requirements, and enrollment assistance. The Company regularly communicates to low-income residential customers through various platforms, such as resources on an energy assistance website, email, mail, robo-calls, social media, blog posts, flyers, press releases, interviews, and radio announcements, to ensure customers are informed about different options and plans that may benefit them and keep them safe.³³⁶

Both of these claims appear to be misleading. Staff cannot find information about the RIA and LIA on Consumers Energy's website, and Staff has received calls from Consumers Energy customers complaining that they are not alerted when the credit is expiring and how to apply.

Staff Recommendation: Energy Assistance Transparency

Energy assistance and budget billing offerings, eligibility criteria, and applications should be transparent—whether that is when a customer calls into the utility or a customer seeks information on a utility website. That is a benefit of a decision matrix like Consumers Energy's PIPP administrators used to determine the best program for a customer. A customer should be provided with a decision matrix for energy assistance and budget options over phone and website.

PIPP Outreach

On pages 49-50 of its PSP report, DTE describes its outreach approach to invite customers to the PSP program. "DTE invited customers to apply for PSP if they missed between 1 and 5 payments over a 12-month cycle. Likewise, customers previously enrolled in the Budget Wise Billing program who were de-enrolled due to missed payments were targeted." When Staff asked DTE for clarification on how this outreach was performed, its reply on April 15, 2025 stated: "On page 23, we describe the methods of communication to potential PSP enrollees, including 'letters, emails, and calls'. The letter sent to customers is in Appendix D. The report states that we did not track the number of customer outreach attempts or types per customer."³³⁷

³³⁵ Consumers Energy's [energy assistance website](#) (accessed on 4/16/2025).

³³⁶ Consumers Energy PIPP Report, pp. 12-13

³³⁷ Appendix K. The Appendix D referenced in the quote refers to the DTE Energy PSP Report and not the MPSC Staff Energy Affordability Report.

Unfortunately, Consumers Energy did not convey an outreach strategy for its PIPP pilot in its report. Consumers Energy's PIPP, unlike DTE's, was administered by two of the same agencies that administer its APP. One of the agencies, United Way of South Central Michigan, described its outreach strategy as "UWSCMI processes a high volume of utility assistance applications without additional outreach for PIPP."³³⁸ If anything, this underscores the importance of utility companies performing outreach to their customers to refer them to assistance applications, since grantees may not have the capacity to perform it themselves.

Something that was unaddressed in the PIPP reports, likely because it was part of the design of the program, was that broad-scale web technology was not leveraged to advertise initial enrollment in the PIPP program. Unless Staff missed details in the analysis or utilities did not mention it, DTE did not advertise the PSP pilot on its website during enrollment, and the organizations that implemented Consumers Energy's PIPP did not perform any outreach or advertisement of its PIPP offering, rather relying on customers to naturally come to them for assistance.³³⁹ This seems to be a prevalent issue at multiple investor-owned utilities and while it may be excused for a pilot, it cannot be tolerated with a long-term program.

At an initial glance, Staff concurs that DTE Energy's PSP outreach, with the exception of not advertising on the Company's website, was thorough in terms of identifying eligible customers and making them aware of energy assistance offerings. Staff recommends targeted outreach in accordance with DTE's methods since Staff finds it to be a useful practice in the industry and utilized to remind customers of all available assistance—not just PIPPs.

APP/MEAP Outreach

As for the MEAP agencies and affordable payment plan outreach, additional insight was gained from the Consumers Energy PIPP Report, but the same is likely true for agencies that administer DTE's APP. Consumers Energy states that "Agencies are provided with lists of customers who have received SER but have not enrolled in the CARE MB Program, which can be leveraged for additional outreach based on the agency's program capacity."³⁴⁰ Staff understands that MEAP agencies operate on limited budgets and resources and may not have time to perform outreach—especially since MEAP agencies have had little issue spending the historically \$50,000,000 annual funds available from LIEAF. With the change in the MEAP legislation and Staff's goal of improving access to energy assistance, it is important that investor-owned utilities promote the assistance programs that MEAP offers.

The LIEAF legislation now requires that the fund is administered to promote "collaboration between the department of health and human services, the commission, energy providers, and entities that administer assistance programs to

³³⁸ Consumers Energy PIPP Report, p. 28

³³⁹ Consumers Energy PIPP Report, pp. 25, 28

³⁴⁰ Consumers Energy PIPP Report, p. 39

ensure that, to the extent possible, eligible low-income customers in a geographic area are receiving funds proportional to what customers in that geographic area are being assessed,” and “for energy providers and entities that administer assistance programs, education and outreach on availability of the assistance programs and funding.”³⁴¹ With this cited change in the MEAP legislation and keeping in mind Staff’s goal of improving access to energy assistance, it is important that investor-owned utilities coordinate with MEAP agencies to promote the assistance programs that MEAP and investor-owned utilities offer.

Staff Recommendation: Identified Opportunities for Energy Assistance Program Outreach and Education

To frame the discussion on energy assistance program outreach and education and based on the findings in the DTE and Consumers Energy PIPP Reports, Staff identified areas which the Commission could explore implementing. Those areas are as follows:

Transparency: Energy assistance and budget billing offerings, eligibility criteria, and applications should be transparent—whether a customer calls into the utility or seeks information on a utility website. The Commission could consider creating a tool for its website that determines if a customer is eligible for various forms of assistance including a recommended order in which to submit applications.³⁴²

Identifying Customers: There are many customers who will forego necessities like food and medicine to pay their bills. Without being past-due on bills or reaching out to receive assistance, it is very difficult for utilities to identify and target customers for outreach. These individuals may need outreach, even if they are not in arrears. Therefore, the Commission could consider approving a broad-scale residential customer energy assistance outreach strategy for investor-owned utilities.

Outreach Methods: Outreach methods informing customers of energy assistance can include phone, email, and mail. To enhance accessibility, phone calls could be made to customers without an email address on file. Bill inserts by mail could be sent to customers without a phone number or email address on file. To include all customers (including those without internet access), outreach and applications would need to be offered in all the above formats.

Outreach Frequency: In accordance with an outlined schedule and approval by the Commission for inclusion in each IOU’s tariff, Staff recommends the Companies be required to perform broad-scale outreach for residential customers for energy assistance.

³⁴¹ [2024-PA-0169.pdf](#)

³⁴² The MPSC website tool would be a resource mainly for MEAP grantees and 211 which could also inspire utilities to duplicate. This recommendation was made by a Low-Income Energy Policy Board member at a meeting on July 28, 2025.

Outreach Content: Include the eligibility guidelines (60% SMI or 150% FPL chart for different household sizes). Staff recommends customers be provided with a decision matrix for energy assistance and budget-billing options over phone and website.

Commission efforts are underway to coordinate and improve upon customer communication and outreach with investor-owned utilities. Such efforts should be taken into consideration as the Commission considers the above recommendations.

EWR Outreach

The applications and orders in Consumers Energy's MPSC Case No. U-21021 and DTE's MPSC Case No. U-20929 PIPP pilot ex parte filings,³⁴³ and ultimately approved in the corresponding orders,³⁴⁴ included a requirement to offer and encourage energy waste reduction (EWR)/energy efficiency program offerings to the pilot enrollees. This section of the report will explore how each utility fulfilled its Commission directive and the results.

On page 26 of its PIPP report, one of Consumers Energy's PIPP-administering grantees, True North, described the EWR outreach as occurring by both mail and email. While the description provided by True North was not particularly detailed, it does not seem like the most deliberate way to solicit EWR enrollment. Staff heard feedback from participants in AAA subcommittee meetings in 2021 and 2022 that MEAP grantees often find customers to be overwhelmed by their crisis situation when applying for assistance, making it not the most productive time to engage a customer with EWR services. In that respect, True North's EWR outreach practices seem aligned with what Staff heard in the AAA meetings as a useful finding. However, performing EWR outreach by phone could also be offered at the planned check-ins with customers. It is not apparent if people disregard mail and email. United Way of South Central Michigan (UWSCMI) addressed this issue but was unclear in its contribution to the Consumers Energy report in stating that EWR services are often a non-urgent need addressed at enrollment in a program. It is unclear how they perform EWR outreach and address other non-urgent needs.

On page 20 of its PIPP report, DTE states that it reached out to 700 of its PIPP customers to offer EWR services and performed 70 EWR assessments. Staff's analysis of the DTE report data includes the total PIPP pilot participants (Appendix H). At the start of the pilot, 2,141 customers were enrolled; at 12 months of the pilot, 991; and at

³⁴³ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0001; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot U-21021-0002.

³⁴⁴ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929-0006; In the matter of the application of CONSUMERS ENERGY COMPANY for approval of a Percent of Income Payment Plan Pilot U-21021-0003.

24 months of the pilot, 398. According to page 14 of the ex parte application filed on November 18, 2020, in MPSC Case No. U-20929, DTE states that “PSP Customers will be enrolled in Energy Waste Reduction education and wrap around services where applicable.” Staff is uncertain how DTE defined “where applicable” and why that led to so many customers not being offered EWR services and/or how the 700 customers were chosen for outreach. When Staff asked DTE for clarification on the meaning of “where applicable”, its reply on April 15, 2025 stated: “EWR focused on reaching out to single-family households as part of the EWR communication plan. Multi-family housing units were not a focus of the EWR outreach for the PSP pilot.”³⁴⁵

At this time, Staff does not have specific recommendations to modify EWR outreach practices. Currently the utility providers have partnering agencies that have referral waitlists, and they typically do not reach a point at which they have excess money to spend and need to perform additional outreach to those on the list who did not respond or could not receive services at the time they were contacted.

As for EWR services being performed, DTE’s Figure 6: 2022-2024 EWR Services Provided to PSP indicates as many as 518 PSP customers received EWR services (for lighting), contrary to DTE’s reported data showing 433 PSP customers received EWR services during active enrollment.³⁴⁶ The incongruencies raise further questions about the 700 customers who received outreach, especially when DTE claimed only 70 PSP customers received EWR assessments in its report. When Staff asked DTE for clarification, DTE’s reply on April 15, 2025 stated:

The language on page 21 describes the count of EWR services provided, not the count of customers. In our report, we state that “over” 70 PSP customers received energy assessments. Energy assessments are the intake process and are not one-for-one with energy services provided. The EWR services provided are not unique contract accounts. Example: the 518 count indicates the number of times lighting services were provided. A customer could receive multiple types of “lighting” and, therefore, appear more than once in the count. Additionally, a customer could receive multiple types of EWR services and appear more than once in the overall tally.³⁴⁷

Meanwhile, in the Consumers Energy data reporting, EWR services seemed to far outweigh the number of customers. Consumers Energy outlined the average monthly number of low-income households not enrolled in the PIPP pilot, CARE, or CARE MB during the pilot period: 13,303 for combo customers; 10,940 for electric only; and 15,093 for gas only. Yet, the data reporting on the number of low-income households not enrolled in the PIPP pilot, CARE, or CARE MB that received EWR services amount to the following count: combo customers = 16,564; electric customers = 10,709; gas customers = 36,759. If overlain (# receiving EWR / # average

³⁴⁵ Appendix K

³⁴⁶ DTE Energy PSP Report, p. 21; Appendix H

³⁴⁷ Appendix K

monthly customers), these numbers equate to 125% of combo customers, 98% electric customers, and 244% of gas customers receiving EWR. When asked for clarification on this discrepancy, Consumers Energy indicated that the EWR counts represent the overall number of customers receiving services for the October 2022-January 2025 timeframe, rather than a monthly average. While this may explain some variation, EWR is not a service one would expect households to receive repeatedly over such a short time span, nor is the Consumers Energy customer base expected to fluctuate enormously. Staff finds this explanation insufficient to account for numbers 25% and 144% over the average monthly combo and gas customer count (not enrolled in CARE, CARE MB, or the PIPP pilot).

Staff provides Figure 37 once again as a reminder of the EWR uptake in DTE Energy's PSP pilot versus Consumers Energy's PIPP pilot.

Figure 37: DTE Energy and Consumers Summary of PSP/PIPP EWR Services

Program Name	Percent of PIPP Enrollees³⁴⁸	Percent of PSP Enrollees³⁴⁹
Home Energy Report	16%	Not Reported
Home Energy Assessment	12%	Not Reported
Appliance Recycling	2%	Not Reported
Residential Marketplace Rebates and Discounts	1%	Not Reported
HVAC (CE), Furnace/ AC (DTE), Water Heating	<1%	16%
Insulation and Windows (CE)	<1%	13%
Energy Star Appliances	<1%	Not Reported
Lighting	Not Reported	35%
Power Strip	Not Reported	17%
Refrigerator	Not Reported	4%
Air Purifier	Not Reported	3%
Thermostat	Not Reported	3%
Dehumidifier	Not Reported	2%
Duct Sealing	Not Reported	2%
Infiltration	Not Reported	2%
Other	Not Reported	4%

Having a shared EWR scheduling tool that MEAP agencies can access to coordinate home energy assessment scheduling significantly helped Consumers Energy coordinate EWR services with its PIPP/MEAP agencies.³⁵⁰ However, there are potential issues with performing the work or coordinating the outreach when one looks at the results compared to DTE. It begs the question: what did these two utilities do differently? The largest identifiable difference is that Consumers Energy's

³⁴⁸ Consumers Energy PIPP Report, p. 56

³⁴⁹ DTE Energy PSP Report, p. 21

³⁵⁰ Shared by Consumers Energy at the 5/6/25 AAA meeting.

PIPP program was administered by MEAP grantees and DTE's was administered in-house, meaning that the payment plan as well as EWR referrals were all handled by DTE. This could have perhaps led to a more seamless experience for EWR referrals for the customer.

Staff Recommendation: EWR Metrics

Based on the seemingly large disparities in the reporting, Staff recommends tracking identified low-income customers EWR services by differentiating services performed before the reporting time period and services performed during the reporting period, as well as differentiating services performed versus households receiving service, that way numbers are less duplicative. This recommendation will appear in Chapter 22 of this report but will also likely require a larger conversation with utilities on data integrity in reporting.

Chapter 18 - Energy Assistance Program Triage

The next step in the customer journey process, customer triage, is integral to customer service and administering energy assistance. Having a trained workforce and complete information to offer customers when they reach out regarding bill payment struggles—whether it's over phone, digital communication, or website resources—is paramount to ensuring customers are connected to the services they require.

Staff learned from page 51 of the DTE PSP Report that: “Moreover, a dedicated phone line was provided to answer any program inquiries” relating to the PIPP. Consumers Energy seemed to offer a similar service when stating on page 12 of its report “The Company provides training for caseworkers, call center staff, and organizational leadership on the available client assistance programs and offers a direct Company contact to resolve issues that fall outside the traditional scope.” Staff supports the idea of utilities having one central area with experts to receive calls on all the different payment plan options to ensure that customers can receive accurate information when calling in to their utility to seek help with bill payment struggles. The Commission hears repeatedly at Commission meetings that customers struggle to receive complete and accurate information from call centers at utilities. The struggle with DTE Energy's and Consumers Energy's dedicated phone lines is that they were provided to PIPP pilot customers for DTE and only to MEAP caseworkers for Consumers Energy, but seemingly not for other energy assistance or payment-struggling customers. When Staff asked Consumers Energy for clarification on if the dedicated phone line was for energy assistance customers or only MEAP grantees, Consumers Energy replied:

The Company offers two email addresses for inquiries regarding the CARE program or general energy assistance. These inboxes are monitored daily by Consumers Energy employees who respond to inquiries promptly. [...] Customers can also reach Consumers Energy by calling 1-800-477-5050 to speak with a live customer service agent who will guide them to the appropriate assistance channels based on their individual needs.³⁵¹

Consumers Energy unclearly answered the question, but Staff takes the response to mean that the phone line and email addresses are for MEAP grantees and if customers have payment struggles, they call into the general customer service phone number.

Staff cites the issues expressed by customers and customer advocates in MPSC Case Nos. U-21534 and U-21291, in which customers expressed difficulty with DTE's customer service representatives not knowing what assistance programs are

³⁵¹ Appendix K

offered.³⁵² When looking at page 81 of the DTE PSP Report, LSPM only scored 27% for clear, understandable communication, whereas PSP scored 43%. This demonstrates a need to either simplify the plans, increase or clarify customer communication, or both. The policies and tariffs³⁵³ that the Companies offer are vast, and it is imperative to have properly trained employees who know the Company offerings, can address concerns, and can answer questions. Staff recommends the Commission explore the possibility of IOUs having a dedicated phone line or specialist in the call center with well-trained personnel to offer relevant program offerings for customers with bill payment struggles.

The issue of clear information is not something unique to utilities. The situation may also be challenging, although likely inconsistent, across the MEAP grantees.

Another key part of the customer triage process is not just knowing the assistance and bill payment options that can be presented to a customer but knowing what other organizations may offer to better serve a customer. In the DTE PSP Report, DTE states: “[...] making referrals to United Way 211 is a standard practice for DTE representatives.”³⁵⁴ What is unclear in the context of this statement is how DTE implements this practice. With cited complaints from customers that they were unaware of available assistance, it is clear that a very consistent and thorough decision matrix needs to be used to not only determine the most fitting plan for a customer, but also to refer a customer to the most beneficial organizations to help with their specific needs.

In a similar vein, DTE states: “However, the Company does partner with MEAP agencies on customer outreach and recruitment efforts and refers customers to MEAP agencies for LSP enrollment if the customer indicates a need.”³⁵⁵ This statement concerns Staff. “Indicates a need” is quite vague.

In Consumers Energy’s Appendix I, beginning on page 190 of its PIPP report, Consumers Energy details some internal resources used for instances in which customers express an inability to pay their bills. See Figure 111 below.

³⁵² In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, 6 TR 4683-4685, 4636-4638, F#0496;

In the matter of the application of DTE GAS COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of natural gas, and for miscellaneous accounting authority, MPSC Case No. U-21291, 4 TR 1182-1183, F#0297.

³⁵³ Tariffs in this case mean the company tariff books, which outline the rules, regulations, and rate offerings at the companies.

³⁵⁴ DTE Energy PSP Report, p. 27

³⁵⁵ DTE Energy PSP Report, p. 33

Figure 111: Consumers Energy PIPP Report Inability to Pay Process Resource³⁵⁶

Consumers Energy explained that this figure is in the Service Now Advocate Portal, which provides resources to customer service representatives when they are troubleshooting customers' needs.³⁵⁷ There are issues with the above graphic that are similar to DTE's customer issues with the call center. Notable issues in this process are that customers are not offered the RIA nor LIA credits and customers must request a shutoff hold on their accounts, despite many customers likely not knowing that option exists. Staff recommends very clear triage practices, utility policies and training manuals when a customer expresses difficulty with paying a bill.

³⁵⁶ Consumers Energy PIPP Report, p. 190

³⁵⁷ Consumers Energy PIPP Report, p. 14

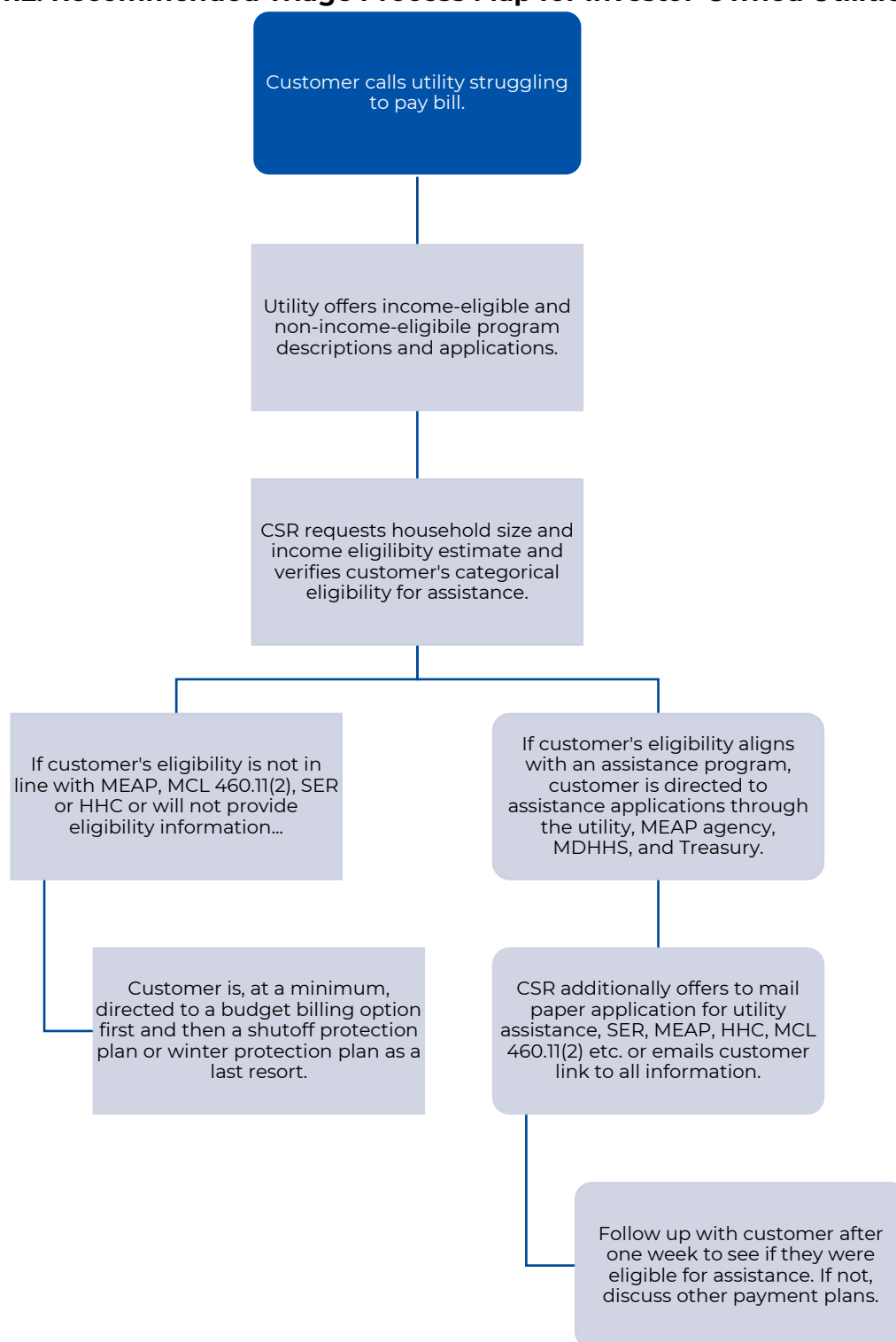
Staff Recommendations: Energy Assistance Program Triage

Staff identified pros and cons of Consumers Energy and DTE Energy customer triage that helped develop Staff's recommendation (Figure 112).

Clear Triage Practices, Policies, and Training Manuals: Staff recommends that regulated utility companies propose, design and implement clear triage practices, utility policies and training manuals to deal with a situation where a customer expresses difficulty with paying a bill. Staff finds a portal like Consumers Energy's Service Now Advocate Portal to be a useful platform to host training and triage materials but recognizes that each company's approach will be unique to the needs of its customers and ethos.

A Dedicated Phone Line or Specialist(s) For Bill Payment Struggles: Having a dedicated phone line or specialist in the call center for bill payment struggles could be standard practice for IOUs so that personnel can be well-trained to handle issues and be able to explain relevant program offerings for a customer's inquiry.

An Assistance Program Decision Matrix: Staff recommends a consistent and thorough decision matrix as a suggested finding to be used to not only determine the most fitting plan for a customer, but also to refer a customer to the most beneficial organizations to help with their specific needs.

Figure 112: Recommended Triage Process Map for Investor-Owned Utilities

Chapter 19 - Program Application and Income Verification Process

The next step in the low-income energy assistance customer's journey is to have a customer's eligibility for energy assistance programs validated.

As has been previously outlined, there are statutory requirements for energy assistance program eligibility, so parameters need to be in place to verify income, despite the burden it can place on customers and program administrators.

Important factors for income verification and applying for assistance include a customer's preferred contact method, accessibility, and cadence of outreach. The process begins when a customer initiates contact.

Application Process

The first step in the customer journey process includes a customer reaching out for assistance and beginning the energy assistance application process. This process will look different for SER and HHC, which the Commission has no jurisdiction over, but MEAP and utility provider energy assistance application processes could likely be better aligned due to similarities in their administrative capabilities.

As for the PSP application process, DTE stated in its report that "Customers were instructed to apply by submitting the required documentation at our DTE website."³⁵⁸ On page 28 DTE states, "DTE representatives also worked closely with customers with limited internet access or technical challenges to assist them with verification." Assisting customers with limited internet access almost seems moot if the application had to be completed online at the DTE website with no non-internet alternative.³⁵⁹ DTE's stated restrictions on advertising and applying for the PSP pilot are similarly imposed on the RIA credit; whereas the LIA credit has no application process, since DTE selects customers to receive the LIA.³⁶⁰ Staff emphasizes the restriction this places on customers with limited or no access to internet and those with limited technological literacy.

No matter how much someone is helped with internet access and technical challenges, it cannot solve the fact that some customers may have lost their access to internet or would have been better served with paper applications—including advice on where customers could print information to send in. This is concerning to Staff. Part of the AAA subcommittee's work focused on increasing access to energy assistance and reducing barriers. Internet access and literacy issues are prevalent in

³⁵⁸ DTE Energy PSP Report, p. 51

³⁵⁹ DTE Energy PSP Report, p. 51

³⁶⁰ Appendix K

DTE's service territory.³⁶¹ The Michigan Department of Labor and Economic Opportunity produced a 2021 update on the state of Michigan broadband access and utilizing the U.S. Census data. They found that 31.5% of Michigan households do not have a permanent, fixed internet connection at home. They found that 35% of households earning less than \$20,000 annually do not have a broadband connection, and more than 22% of residents age 65 and older (395,000) do not have broadband at home. Black and Latino Michiganders are nearly half as likely to have a home broadband connection than non-Black or Latino residents.³⁶² Based on the analysis from the Michigan Department of Labor and Economic Opportunity, 1.24 million Michigan households struggle with internet connectivity.³⁶³

Insight is gained from True North's contribution to the Consumers Energy PIPP Report. They state: "Any household who has limited energy access or technology limitations may call the TN call center and the team will complete the TN application over the phone with them. It is common among the MEAP grantees to make accommodations to address access issues and overcome barriers to applying for assistance. For example, in locations where TN has in-home workers, the TN team will go to the household and help them fill out the application."³⁶⁴ Staff would not advocate for in-home application assistance being the standard, as it creates liability for the worker and the organization. There can be significant safety risks and costs with in-home services where both organizations and workers need to be equipped and trained to navigate risk factors.

Offering paper applications to be mailed to customers with assistance offered over the phone or increasing accessibility through additional locations where a customer can be assisted with an application are two approaches that are calculated to achieve access for customers without internet access or computer literacy. This approach is more inclusive than exclusively offering digital energy assistance.

Offering paper applications to be mailed to customers with assistance offered over the phone or increasing accessibility through additional locations where a customer can be assisted with an application are two approaches that are calculated to achieve access to customers without internet access or computer literacy. This approach is more inclusive than exclusively offering digital energy assistance.

³⁶¹ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, 6 TR 4637-4638, F#0496.

³⁶² 2021 UPDATE TO THE MICHIGAN BROADBAND ROADMAP, p. 5. <https://www.michigan.gov/leo/-/media/Project/Websites/leo/Documents/MIHI/2021-Update-to-the-Michigan-Broadband-Roadmap.pdf>

³⁶³ 2021 UPDATE TO THE MICHIGAN BROADBAND ROADMAP, p. 19

³⁶⁴ Consumers Energy PIPP Report, p. 25

Consumers Energy faces similar issues to DTE's energy assistance application outside of its MEAP agencies. Consumers Energy stated that the RIA credit application is only available on its website, which customers can print themselves, but if printing is an issue, customer service representatives can mail an application.³⁶⁵ This is fairly reliant on a customer having access to the internet and a printer to view and print offered assistance or knowing that they would need to ask their utility to assist them, which is a problem.

The need for increased access is apparent when viewing the percentage of residential customers that interact with Consumers Energy and DTE Energy billing in digital versus paper means. See the data in Figure 113, collected from Appendix K.

Figure 113: Percentage of Internet vs. Non-Internet Billing and Bill Payment by Utility

Company	Percentage of Residential Customers Receiving Mailed Bills	Percentage of Residential Customers Payments Received from Non-Internet Means
DTE Energy	46%	42% (42% by mail, 32% bank transfer, 27% card) ³⁶⁶
Consumers Energy	50%	25% (17% by mail, 2% in-person, 6% over the phone)

This combined analysis indicates a need to retain non-digital aspects of business operations, especially for monopolistic companies that support essential needs. While it may be more cost effective and efficient to serve customers solely through digital platforms, it is inappropriate to alienate the most vulnerable customers from energy assistance if they are not connected to the internet—and as readers saw from the Michigan Department of Labor and Economic Opportunity data above, it is precisely many of Michigan's low-income customers that do not have access to internet.

Staff Recommendation: Accessible Application Process

Staff recommends that whichever assistance plans are offered, applications should not be limited to only online applications.

³⁶⁵ Appendix K

³⁶⁶ Data reported by DTE Energy. May not equal 100% due to rounding.

How income is verified and applications are processed

The next step in the customer's journey through the energy assistance landscape is verifying a customer's income eligibility and processing their energy assistance application by an organization. The topic of the AAA subcommittee meeting on April 1, 2025, largely focused not only discussing the pros and cons of different energy assistance plan terms, but also useful findings in eligibility verification. To start, AAA leadership outlined income validation information for different energy assistance programs in Figure 114, including practices utilized in Ohio.

Figure 114: Income Validation by Energy Assistance Program

Factor	Traditional APP	APP Modified Budget Plan	PSP and PIPP Pilot	Ohio PIPP
Who Validates Income?	MDHHS via SER	MDHHS via SER MDHHS considering categorical eligibility for MEAP	DTE—Staff CE—MEAP Grantee Agencies	Agencies
Income Threshold	≤150% FPL	≤150% FPL Soon 60% SMI	DTE ≤200% FPL CE ≤150% FPL	≤175% FPL
Enrollment	MEAP Grantee Agencies		DTE—DTE Staff CE—MEAP Grantee Agencies	Agencies
Categorical Eligibility Used	SER		N/A—income had to be verified. Used categorical outreach	No, but joint enrollment with LIHEAP heating benefit
Categorical Eligibility that could be used	HHC, SNAP, Medicaid, Disability, Some VA		N/A	N/A

After reviewing level-setting information, the meeting was opened up to discuss the income validation successes and pain points, which are shown in Figure 115.

Figure 115: Income Validation Successes and Pain Points³⁶⁷

	Successes	Hurdles/Pain Points
Application	- Applying for multiple programs at once can increase success. - MI Bridges streamlines many applications.	Can require applications to MDHHS, MEAP Grantee, and the utility to receive available assistance.
Income Validation	- DTE found that some customers felt more comfortable with the State not having their private information (for income validation). - Some flexibility for SER income validation—for self-employed (tax documents) and SSI (annual award used). - State can more accurately validate income (access to more customer info). - Categorical eligibility is easier, and State is then in charge of fraud investigation/audit.	Customers may not want to share sensitive, private information with utilities. UPPCO: did not do PIPP pilot, but would find income validation very staff-intensive. - It is assumed but not verified that agencies are more trusted. - Why does DTE need income verification after one year for PIPP, especially since APPs do not do it? - Categorical eligibility does not provide a precise FPL tier for the customer, requiring further steps for placement on an APP. - Obtaining documentation of eligibility. - SER process projects customer income for eligibility instead of solely using 30-day historical income. - Sometimes SER income sources are not totally accurate (outdated info). - Child support is considered income for SER even if the non-custodial parent does not pay.
Administration	Agencies are much better equipped to do needs assessments.	DTE's PSP: difficult to do full self-sufficiency program and needs assessment.
Income Reverification	Ohio had success in sending similar reminders as DTE to reapply.	Unfortunately, it takes getting removed from a program to get responses from many.

³⁶⁷ Source: Discussion at the AAA meeting on April 1, 2025.

Unfortunately, many of these pain points lie in customer interactions with the State Emergency Relief application process, which is housed in the MI Bridges application portal for public assistance or at local MDHHS offices, both administered by the MDHHS. Staff formatted pain points in bold that may be eased with the recommendations outlined in this report and can notify MDHHS of the identified issues and explore changing them. However, Staff is not in the position to effectuate the change.

Staff Recommendation: Income Verification and Re-validation

If the Commission accepts Staff's recommendation to house the application and income verification process for programs authorized under MCL 460.11(2) with MEAP grantees, grantees could be better equipped to handle eligibility verification than alternative options. However, as has been pointed out in AAA subcommittee meetings, performing income verification can be burdensome. For income-tailored programs like APPs or PIPPs, it is necessary to collect income information to tailor a program to that applicant. Therefore, Staff recommends that every application be reviewed and income determined upon application, but that income reverification can be handled differently to reduce the administrative burden. This will be addressed in Chapter 20 of this report.

What may be helpful to MEAP agencies is a discussion on how income is determined for those customers who are not categorically eligible for energy assistance by receipt of SER. For programs that have a two-year validation cycle (as will be discussed in a subsequent section of this report), Staff recommends that program administrators perform an annual forecast based on a 12-month historical look-back on the customer's income to deem the customer eligible for assistance and determine their eligibility and plan amount. Crisis programs like SER often utilize a 30-day lookback and projection which aligns with the goal of resolving an immediate crisis. Providing home energy security for a household, however, is a longer-term goal that should consider a household's annual income rather than solely what is needed to resolve an immediate crisis.

Staff suggests the Commission explore opportunities for increasing accessibility to energy assistance programs through investor-owned utilities. Options may include mailed applications, phone applications, or increasing the number of physical locations where assistance is offered. In terms of the customer application process for the investor-owned utilities, the Commission could consider an alternative approach that would help customers without internet access by requiring the offering of energy assistance to be mailed to customers, offered over the phone, or accessible through additional locations where a customer can be assisted with an application.

In terms of income validation, Staff recommends utilizing the MEAP workgroup and conversations with MDHHS for continued exploration of process opportunities and

efficiencies in eligibility determination, especially as MEAP agencies confront having to validate income in fiscal year 2026 for customers who have not received an SER. A potential best-practice Staff recommends for customers on a two-year income validation cycle is for program administrators to perform an annual forecast based on a 12-month historical look-back on the customer's income to deem the customer eligible for the assistance and determine their eligibility and plan amount.

Prioritization of Applicants for Enrollment

Determining which customers should be selected to be placed on which programs is required if there is limited space in each program due to funding restrictions. This could be envisioned as ensuring eligible customers either experience an equal opportunity of being placed on programs or that certain populations are prioritized for a well-supported reason.

DTE Energy and Consumers Energy selected their PIPP pilot participants differently, but going forward, Staff recommends there be more transparent and consistent policies around which customers are being chosen for each program. This was an issue that was explored in Chapter 3 of this report. The AAA subcommittee discussed how the utilities had discretion to choose which customers were placed on the LIA credit and the prioritization process was not very clear, nor consistent among utilities. Without clear procedures that place customers on a program that suits their needs, assistance dollars are not necessarily being spent prudently to ensure programs fulfill a goal. In the case of the LIA credit, the credit essentially became an external funding mechanism to support MEAP's APP goals for Consumers Energy and DTE Energy.

In its report, regarding applicant prioritization, DTE Energy stated: "Random enrollments were staggered to provide a statistically significant pool of approved applications. DTE did not control or predetermine how many customers were enrolled in each income bracket and didn't necessarily have a goal of enrolling specific customers."³⁶⁸ In Consumers Energy's report, UWSCMI and True North were charged with selecting customers to place on the PIPP. Consumers Energy stated more explicitly that they were looking to reflect the APP breakdown of having similar proportions of the total participant pool in each FPL income tier used in the APPs.³⁶⁹ It is unclear if Consumers Energy's program administrators chose those customers at random or prioritized anything but their FPL income tier. This sort of customer placement on the PIPP was not necessarily done to promote policy goals. Its purpose was instead to make the PIPP as comparable to the APP as possible by having similar customer income breakdowns. While that makes sense for a pilot, it does not make sense to Staff to target enrolling a certain proportion of customs in specific FPL tiers going forward unless there were a cost-driven motive. In terms of the affordable payment plans, however, the Consumers Energy report did reveal the

³⁶⁸ DTE Energy PSP Report, p. 50

³⁶⁹ Consumers Energy PIPP Report, p. 41

following about the MEAP grantee, True North: “As a rule, if the household had three or more missed payments, TN would encourage the household to consider a MEAP One Time Assist (MEAP OTA).” Staff is uncertain about how pervasive a practice this is among MEAP grantees but would argue that sometimes a customer is experiencing inconsistent payment behavior because their bill is not affordable and if given the chance to enroll in an APP, their payment struggles could be mostly resolved. This underscores the importance of basing APP credit matrices on energy burden instead of more arbitrary factors, like many currently are.

During the AAA subcommittee meeting on June 18, 2025, the participants discussed the best way to prioritize applicants for enrollment when funding is limited. For background on the issue, in its 2024 revisions, the MEAP legislation directs MEAP agencies to prioritize vulnerable populations. In that statute, “Vulnerable populations” means eligible low-income households that have at least one member that meets the following criteria:

- (i) Is a child under 5 years of age.
- (ii) Is an individual with a disability.
- (iii) Is an individual who is 60 years of age or older.
- (iv) Is an individual who has experienced homelessness in the preceding 12 months and who needs energy assistance to secure housing.³⁷⁰

During the meeting, the question participants aimed to address was whether certain customers receiving assistance under MCL 460.11(2) should be prioritized.

Figure 116 shows how customers are currently chosen to be placed on energy assistance offerings.

So long as cost is an inhibiting factor to increasing energy affordability, it is necessary to determine which customers should be prioritized for assistance, if any. Based on conversations at the June 18, 2025 AAA subcommittee meeting, there were mixed opinions of how much assistance should be provided to determine if enrollment in various plans needed to be limited or not. However, more participants seemed interested in providing greater assistance to fewer customers. There were a couple of participants who said regardless of the cost, energy should be made affordable to whomever it can be legally made affordable to.

³⁷⁰ MCL 400.1232

Figure 116: Prioritization of Applicants by Energy Assistance Type

	State Emergency Relief	Home Heating Credit	MEAP as- needed Assistance (aka “one- time assist”)	MEAP Affordable Payment Plans	PIPP Pilot (DTE and CE Concluded)	RIA Credit	LIA Credit (some investor- owned utilities)
Assistance frequency	One-time assistance	One-time assistance	As-needed assistance	Monthly assistance	Monthly assistance	Monthly assistance	Monthly assistance
Prioritization of applicants	First-come first served	All who apply receive. Benefit adjusted to serve all	Sometimes based on customer choice	Some agencies prioritize those they think can make stable payments. Others based on customer choice and availability	DTE— randomized CE—same as APPs but would have lower payment under PIPP	All who apply/are eligible receive.	Sometimes APP recipients. Sometimes APP grads, seniors etc. Depends on utility
Commission authority	No Commission authority	No Commission authority	Limited Commission authority	Limited Commission authority	Commission authority through MCL 460.11(2)	Commission authority through MCL 460.11(2)	Commission authority through MCL 460.11(2)
	Authority: MDHHS	Authority: MDHHS/ Michigan Department of Treasury (agency agreement)	Authority: MDHHS/MP SC (agency agreement)	Authority: MDHHS/MP SC (agency agreement)			

The interest in providing more assistance to fewer customers was largely fueled by not wanting to make energy rates more unaffordable for customers not receiving assistance, since rates would have to increase to increase the amount of energy assistance provided. For context, Staff provided cost estimates using the current average cost of assistance for PIPP, APPs, and the RIA/LIA credits, which ranged from about \$4 per residential customer per year to \$34 per residential customer per year for Consumers Energy and DTE Energy customers if MEAP funding were not included as a funding mechanism. This analysis is presented in Chapter 16 of this report. The meeting participants did not particularly weigh in on which customers should then be prioritized, but DTE representatives were concerned that removing LIA credit subsidization from the current APPs would limit the ability to expand the APPs. This struck Staff as slightly odd, since DTE's recommendation in its PSP report was to no longer have the LIA subsidize the APPs, rather have the APPs expanded with dollars that are currently allocated to the RIA credit. Another participant suggested income qualification without specific prioritization could be a preferable option. Outside of what has already been mentioned, not much else was learned from the PIPP reports about prioritizing applicants for assistance.

The MCL 460.11(2) statute does not require nor prohibit the prioritization of applicants so long as eligibility is adhered to in MCL 460.10t(6), namely that:

“Eligible customer” means either an eligible low-income customer or an eligible senior citizen customer. “Eligible low-income customer” means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following: Assistance from a state emergency relief program, food stamps, or Medicaid. “Eligible senior citizen customer” means a utility or supplier customer who is 65 years of age or older and who advises the utility of his or her eligibility.³⁷¹

Consideration of Vulnerable Populations

According to 2023 data available through the American Community Survey,³⁷² more than 20% of Michigan households meet the income eligibility threshold for the low-income rate indicated in MCL 460.11(2), and 10% of Michigan households fall below 75% FPL, thus requiring greater assistance to reduce the household energy burden. To maintain affordability for “cliff” populations, those just outside of eligibility thresholds, prioritizing households with the greatest need is an important consideration.

As readers may have understood from this report, energy assistance in Michigan is its own ecosystem with inter-dependent layers of funding, programs, and

³⁷¹ [MCL - Section 460.10t - Michigan Legislature](#)

³⁷² [B17002 Michigan 2023 - Census Bureau Tables](#)

organizational support. Operating programs to fulfill the MCL 460.11(2) statute requires operating within this ecosystem. LIHEAP and LIEAF, which fund the MEAP, expand resources to address the needs of Michigan households and can operate alongside this statutory fulfillment.

LIHEAP and MEAP have similar statutory requirements to prioritize vulnerable populations. Both require prioritizing vulnerable populations including households with a child under five years of age, an individual with a disability, and an individual over the age of 60. MEAP has the additional requirement of prioritizing households with an individual who has experienced homelessness within the last 12 months and needs energy assistance to secure housing. Since this prioritization requirement is new to MEAP, for fiscal year 2026 households will receive prioritization through the use of categorically eligible income sources that serve populations with these vulnerabilities. Other options in use in other states include prioritization in terms of a supplemental benefit, and prioritization by offering earlier enrollment to populations identified as vulnerable.

To maintain affordability for “cliff” populations, those just outside of eligibility thresholds, prioritizing households with the greatest need is an important consideration.

Staff Recommendation: Prioritization of Applicants

Due to the limited availability of resources and the assistance ecosystem in which programs authorized under the low-income rates statute will operate, Staff recommends offering similar prioritization of vulnerable populations for programs authorized under MEAP statutes and MCL 460.11(2) to retain affordability for cliff populations. Whether through the use of categorical eligibility or prioritization through other means, similarity in system access will streamline and coordinate assistance offerings. In the short-term, or until MEAP grantees are able to administer MCL 460.11(2) dollars, all IOU company tariffs should state that customers receiving assistance through MCL 460.11(2) are provided with assistance either on a first-come first-served basis or in line with MEAP statutory guidelines. Should the Commission institute a funding cap on MCL 460.11(2) dollars, the Commission may want to consider how utilities should prioritize customers for enrollment. There are various options available for demonstrating need. In the past, “need” has sometimes been defined as lowest incomes, but income is not always the best predictor of need if a customer has very low expenses. Another option could be offering priority to those who receive SER or apply for the credit directly through the utility and thus identifying themselves as requiring assistance. Prioritization outlined in MEAP statute could additionally be utilized. Whichever method is chosen Staff recommends consistency between utilities in the prioritization of customers receiving assistance through MCL 460.11(2). This supports the recommendation made in Chapter 15 of this report to no longer pair the LIA credit with the MEAP APPs and to potentially optimize funding by providing greater assistance to fewer customers who more expressly seek assistance with their energy bills.

As for recommendations pertaining to how customers are directed to which forms of energy assistance, Staff recommends that MEAP grantees and utilities do not deny a customer access to an affordable payment plan based on on-time payment history or prioritize any given type of customer outside of those outlined in MEAP statute. Lack of on-time payment is frequently an indicator of bills not being affordable, and those customers should be given an equal chance at a more affordable bill.

Chapter 20 - Term of Plan and Income Validation Frequency

The next step of designing an energy assistance program that Staff will present is determining the length of energy assistance programs that have monthly bill subsidies or credits. Linked with the term of the assistance program is the frequency at which income is validated, which impacts all energy assistance programs.

Term of Plan Overview

DTE Energy and Consumers Energy alike chose to align the term of the PSP/PIPP pilot with their respective MEAP APPs, however, income validation frequency looked different between the utilities' two PIPP pilots. See Figure 117 for more detail.

Figure 117: Term of Plan and Income Revalidation Overview by Energy Assistance Type

Factor	DTE LSP Traditional APP and Modified Budget	CE CARE Traditional APP and Modified Budget	DTE PSP PIPP Pilot	CE PIPP Pilot	Ohio PIPP	RIA and LIA Credits
Term of Plan	24 months	24 months	24 months	24 months	Indefinite. 24 months for arrears forgiveness	12 months
Income Revalidation Frequency	N/A (can voluntarily update income at month 12)	N/A (can voluntarily update income at month 12)	12 months	24 months	12 months	12 months
Reapplication Process	Customer would need to receive SER again and reapply for the APP.	Customer would need to receive SER again and reapply for the APP until October 1, 2025. Due to legislative revisions, SER will no longer be required for MEAP.	Pilot ended	Pilot ended	If the customer falls off the program, they would need to reapply for HEAP and thus the PIPP.	Customer would have to receive SER, HHC, or MEAP in the past 12 months to continue automatically or submit an application with their utility.

Staff Recommendation: Term of Plan

Historically, the term of the APP was set at 24 months due to the focus on self-sufficiency in the original MEAP legislation. However, Staff is aware that customers, like those on fixed incomes, may not become self-sufficient in the way that the original MEAP legislation saw the need for. It is for these reasons Staff recommends there no longer be a set term for energy assistance programs, rather income revalidation at appropriate intervals. So long as a customer has valid eligibility and finds the need for assistance, they should not be limited to an assistance term.

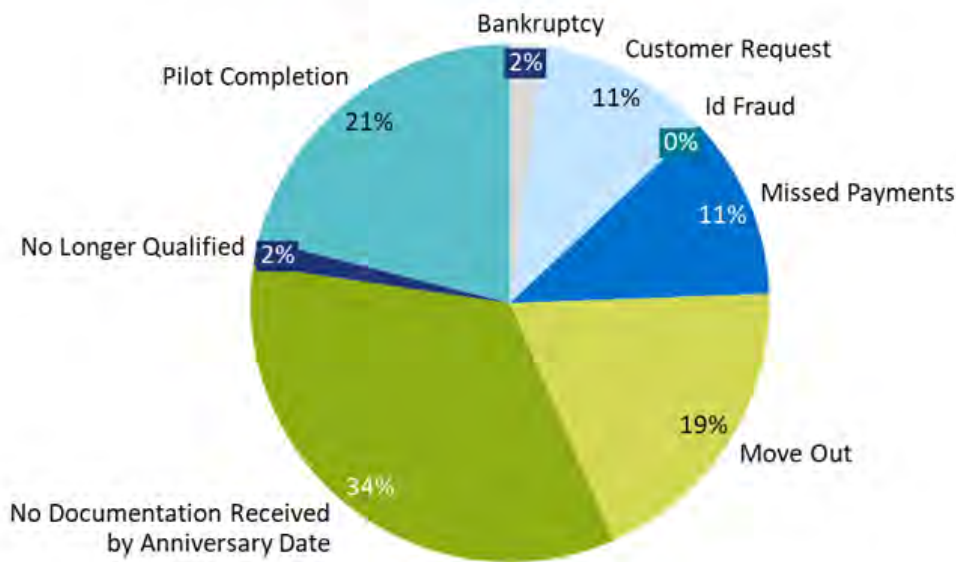
Income Validation Frequency in the PIPP Reports

When looking at income validation from a very high level, on page 34 of DTE's PSP report, DTE states that traditional LSP customers' plan amounts were set at enrollment and would not change over the 24-month plan period even if their consumption did. Staff notes that plan amounts could change if a customer voluntarily updated their income during the 24-month period. This was clarified by DTE in its February presentation to the AAA subcommittee. Staff approves of customers being offered the option of updating income during payment plans every six months or twice annually but not requiring it until the specified intervals outlined in this report.

When looking deeper into the differences in income validation frequencies in the PIPP reports, many differences and concerning outcomes were exposed. Consumers Energy aligned its PIPP more closely with the MEAP APPs, in which the term of the PIPP was 24 months without income revalidation after beginning the pilot, meanwhile, DTE set a 24-month pilot term with income revalidation at month 12. The DTE PSP Report does not explore in depth the reason why the Company chose a 12-month income validation frequency for the PIPP when the LSP had no interim income revalidation in its 24-month program term, but the outcomes of this decision inform the success of annual income revalidation.

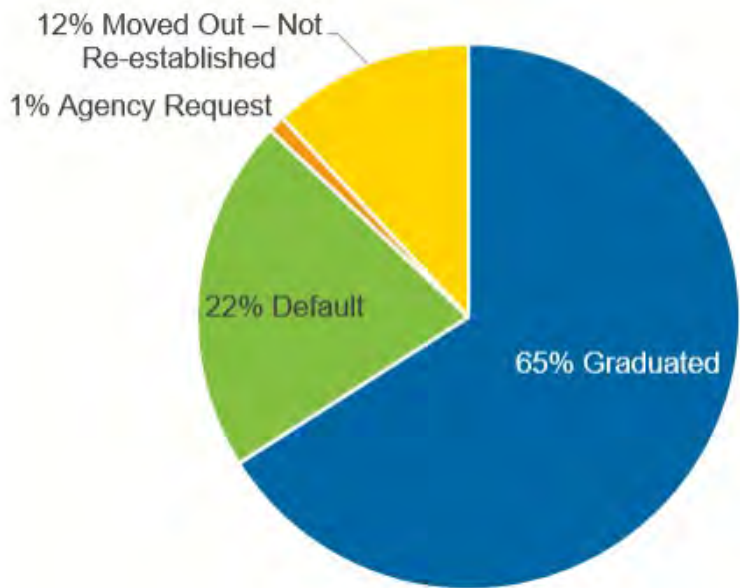
As was shown on page 58 of DTE's PSP pilot report, 34% of PSP participants were disenrolled from the pilot for failure to re-verify income at year two. DTE's graphic is pictured below in Figure 118. This issue was especially of interest to AAA subcommittee participants and was the topic of discussion at the meeting on April 1, 2025 (discussion content from that meeting is shown in Chapter 19 of this report). To promote home energy security, it is important to successfully maintain customers on payment plans.

Figure 118: DTE Energy PSP De-Enrollment Reason Pie Chart³⁷³



The following chart in Figure 119 was provided by Consumers Energy in its PIPP report, which depicts the same type of data:

Figure 119: Consumers Energy PIPP De-Enrollment Reason Pie Chart³⁷⁴



As Staff stated previously, Consumers Energy modeled its PIPP pilot more closely after its existing MEAP affordable payment plan, CARE (which is equivalent to DTE’s

³⁷³ DTE Energy PSP Report, p. 58

³⁷⁴ Consumers Energy PIPP Report, p. 49

LSP), in terms of program design. Not only was the income eligibility $\leq 150\%$ FPL, but the term of the plan was 24 months without income revalidation at month 12 of the plan.

After seeing the surprising rate at which DTE Energy's PSP customers were disenrolled from the plan, Staff was curious if this was a normal experience or if it was perhaps an issue unique to DTE Energy. The state of Ohio also has a PIPP, which DTE modeled its pilot after. Being that the two models are more similar, DTE provided Staff with comparative data (Figure 120) that it received from Ohio on its reverification information.

Figure 120: Ohio PIPP Enrollment Reverifications

<i>PIPP Enrollments - Reverifications</i>	
PIPP Type	Apps
Enrollment	134,613
Reverification	496,277
Total:	
630,890	

<i>Distinct PIPP Enrollments - Reverifications</i>	
PIPP Type	Apps
Enrollment	94,522
Reverification	213,511
Total:	
308,033	

<i>Time Between Reverifications</i>	
Reverification Days	Apps
Reverify Within 365	94,050
Reverify 30Days Late	22,625
Reverify 60Days Late	9,360
Reverify Late	16,703
Total:	
142,738	

The following description of the data was provided by DTE:

Data is looking at PIPP enrollment and reverifications from 7/1/2023. In addition, Ohio looked at the application date of the previous application to the new one to determine the amount of time between applications. The distinct count is by client # from 7/1/2023. If a client has multiple enrollments or re-verifications, they are only counted once. Additionally, the distinct only counts the client once by Enrollment or Reverification; it does not look at the fuel type (the client has an option of both gas and electric PIPP).³⁷⁵

Based on the above data, specifically looking at the “Time Between Reverifications” data, it seems Ohio experiences a similar issue with customer income reverification as DTE did. This still makes the issue of income reverification concerning but means DTE Energy’s experience is not as anomalous as it seems at first glance. Staff would prefer, however, to limit the impact that income reverification has on keeping customers energy secure, which is why Staff will explore this issue in further detail.

Suggested Findings in Income Validation

This topic of income revalidation was of particular interest to the AAA subcommittee during DTE’s PSP pilot presentation on February 4, 2025, so the AAA discussed the issue of income validation and revalidation further at its meeting on April 1, 2025. The discussion largely focused on the issues that customers have with the income verification and application process, as well as the pros and cons of 12-month income verification intervals vs. 24-month intervals. Figure 121 summarizes the outcome of that discussion:

Figure 121: 12-month vs. 24-month energy assistance plan pros and cons³⁷⁶

12-Month Plans	24-Month Plans
Requiring annual LIHEAP application allows some layering of funds/subsidization	Less onerous work on the customer
Is there an administrative cost component to the revalidation cadence?	Better customer retention
Income revalidation after one year leads to more accurate customer payments (either going up or down at month 12)	If there is little evidence of change in income, is it worth it to revalidate?
After multiple years of offering a PIPP, customers could get used to more frequent revalidation	

³⁷⁵ Email from DTE representative quoting Ohio PIPP representative.

³⁷⁶ From discussions at the AAA subcommittee meeting on April 1, 2025.

Staff additionally finds that there are certain types of customers for whom it makes sense to reverify income more frequently and other types less frequently. That school of thought informs Staff's recommendation.

Staff Recommendation: Income Verification Frequency

Since Staff cannot find a statutory argument against 24-month revalidation cycles, unless a federal program pairing is underpinning the cost, Staff makes the following recommendations for the payment plan option that the Commission approves (whether authorized under MEAP or MCL 460.11(2):

- Institute an income reverification matrix
 - o If a customer's sole income comes from retirement/disability (SSI, SSDA, or the customer is 60-years or older,³⁷⁷
 - Reverify eligibility every two years.
 - o If a customer has earned income, they would revalidate annually
- No longer have limited term plans and instead customers would remain on the program so long as their eligibility is valid.
 - o This would better promote home energy security instead of arbitrarily choosing an ending for the program and requiring customers to go back into crisis to be placed back on the APP, like the plan currently functions.

Recognizing that revalidating income is still onerous, this process could be made easier with text, mail, or phone call protocols (depending on which form of communication is on file). Customers could reverify their income at the intervening 12th month in a similar fashion to how a doctor's office revalidates insurance and contact information at each visit, i.e., "We have recorded your income level as between \$# and \$# and have the following people living in your household, has any of this changed? If so, what is it now?" An example of the use of this type of method in assistance programs is the [DHS-2240-Bridges, Change Report](#).

This could be a streamlined process by having participating customers reconfirm their income at the same time as their billing true-up in the year. Both true-up and income revalidation times would be on a consistent schedule or target month instead of each customer going through both processes at their anniversary on the program.

As another possibility, and as a way to decrease the administrative burden on the agencies, income reverification could occur as a random audit instead of for each customer.

³⁷⁷ The 60 years and up requirement is in line with LIHEAP. MCL 460.11(2) only has an age requirement for a senior citizen rate, but not a low-income rate. Since this pertains to low-income energy assistance, a revalidation matrix could be based off the LIHEAP definition.

Program Graduation/Disenrollment

As was shown in the data in DTE's PSP report and previously in Chapter 20 of this report, many customers will inevitably fall off assistance programs or no longer have valid income/eligibility documents on file for a variety of reasons. Staff's position is that there should be procedures in place for when that happens. The most common occurrence that requires a post-plan protocol is due to graduation from the program (if the program has a limited term). However, Staff does not recommend limited term plans going forward, as was stated previously. Other common disenrollment reasons are a failure to revalidate income, missed payments, and customer request.

Figures 122-123 show some comparisons of how Consumers Energy and DTE Energy handle disenrollment and graduation differently.

Figure 122: Current Disenrollment Protocol by Assistance Type

Utility	PIPP	LSP/CARE	LSPM/CARE MB	LIA	RIA
DTE	Customers who were three or more payments behind were removed from the PSP plan ³⁷⁸	Removed from plan after two missed months (figure 16)	Removed from plan after two missed months	De-enrollment after 12 months on the credit without income revalidation	De-enrollment after 12 months on the credit without income revalidation
CE	Removed from plan after two missed months of payment ³⁷⁹	Removed from plan after two missed months of payment ³⁸⁰	Removed from plan after two missed months of payment ³⁸¹	De-enrollment after 12 months on the credit without income revalidation	De-enrollment after 12 months on the credit without income revalidation

³⁷⁸ DTE Energy PSP Report, p. 19

³⁷⁹ Consumers Energy PIPP Report, p. 20

³⁸⁰ Consumers Energy PIPP Report, p. 33

³⁸¹ Consumers Energy PIPP Report, p. 36

Figure 123: Current Post-Enrollment/Graduation Protocol by Assistance Type

Utility	PIPP	LSP/CARE	LSPM/CARE MB	LIA	RIA
DTE	No post-enrollment protocol	Put on budget-wise- billing post-grad— sometimes put on LIA ³⁸²	Put on budget-wise- billing post-grad— sometimes put on LIA	No post-enrollment protocol	No post-enrollment protocol
CE	No post-enrollment protocol. TN provided a link to information about the CE Budget Plan.		Put on the CE Energy Budget Plan. ³⁸³ Customer responsible for unforgiven arrears starting the first post-enrollment billing cycle.	No post-enrollment protocol	No post-enrollment protocol
Ohio	No “graduation” but if no longer eligible, put on graduated payment plan to return to full bills. ³⁸⁴	N/A	N/A	N/A	N/A

Missed Payment Procedure

The first way a customer may find themselves being removed from an energy assistance program designed like the MEAP APPs or PIPP is by missing payments. To dive deeper into the issue of how missed payments and subsequent disenrollment were handled at DTE, page 27 of the DTE PSP Report states, “Specifically, letters were

³⁸² Page 38 of the DTE Energy PSP Report references the graduation process.

³⁸³ Consumers Energy PIPP Report, p. 34

³⁸⁴ Ohio offers Grad PIPP and Post PIPP. Grad PIPP is a 14-month payment plan to help customers that are no longer eligible or have voluntarily left the program. Post PIPP provides an opportunity for former PIPP customers with outstanding arrearages who are no longer with the utility and are current with their PIPP payments to reduce or pay off their arrearage. The companies benefit because they are able to collect funds that would have previously not been collected.

issued for the first, second, and third missed payments.” DTE goes on to discuss maintaining enrollment in stating:

The Company took extensive measures to assist PSP participants in maintaining their enrollment and sustaining their energy security. To that end, a one-time courtesy was extended to customers who missed the equivalent of three payments and were de-enrolled. If such participants submitted their payment within thirty (30) days of removal, they would be automatically re-enrolled in PSP.³⁸⁵

At face value, the first sentence seems disconnected from or at odds with the second sentence. A letter after each missed payment does not seem like “extensive measures”—however, Staff thinks the missed payment procedure may require more thought and input but recognizes that the missed payment and dunning process is included in the billing rules.³⁸⁶

Figures 124 and 125 display DTE’s collections process and LSP default process.

Figure 124: DTE Standard Collections Process Timeline Example³⁸⁷



Figure 125: DTE LSP Timeline Examples³⁸⁸

LSP Past Due Amounts & Termination Examples		Bill 1	Bill 2	Bill 3	Bill 4	Bill 5	Bill 6 Status
Customer 1	Monthly Activity	Paid 1x	Paid 1x	Paid 1x	Missed	Missed	Terminated
	Past Due Status	Current	Current	Current	1x	2x	
Customer 2	Monthly Activity	Paid 1x	Missed	Paid 1x	Paid 1x	Missed	Terminated
	Past Due Status	Current	1x	1x	1x	2x	
Customer 3	Monthly Activity	Paid 1x	Missed	Paid 1x	Paid 2x	Missed	Active
	Past Due Status	Current	1x	1x	Current	1x	

³⁸⁵ DTE Energy PSP Report, p. 27

³⁸⁶ R 460.146 Payment plan procedures for residential and small nonresidential customers. Rule 46.

(1) A utility shall establish a policy to allow a residential or small nonresidential customer the opportunity to enter into a minimum of 2 documented payment plans for an amount owed to the utility that is not in dispute, if a customer claims an inability to pay in full.

(3) A utility is not required to enter into more than 2 payment plans with a residential or small nonresidential customer who defaulted on the terms and conditions of such payment plan within the last 12 months. This rule works in conjunction with the winter protection plan and shutoff protection plan.

³⁸⁷ DTE Energy PSP Report, p. 20

³⁸⁸ DTE Energy PSP Report, p. 37

Consumers Energy seemed to implement a similar reminder approach to missed payments, in which PIPP and CARE customers are sent a notification via mail after their first missed payment to contact the program administering agency to explore more options, with the second mailed communication outlining the deadline for payment and amount due required to maintain enrollment.³⁸⁹ See Figure 126 below for Consumers Energy's collections process.

Figure 126: Consumers Energy Standard Collections Progress Timeline Example³⁹⁰



For the MEAP affordable payment plan, CARE, offered by Consumers Energy, a late payment letter is issued four days after the payment due date. If the payment letter is not responded to, a default letter is sent once the customer is two months past due (34 days post-due date). Four days later, a phone call is issued. After the second warning due date, the customer is de-enrolled from the program and a letter is sent notifying the customer of de-enrollment.³⁹¹ This process is rooted in the customer billing rules. Once a customer does not make a payment on time, late fees are applied to the customer account. If the customer continues to not make a payment, the dunning process starts. A customer then receives a shutoff notice under billing rule R 460.140, which outlines certain parameters on the notice including the following: disconnection date, reasoning, assistance information, complaint, an offer to enter into a payment plan, etc. Prior to the disconnection due date, the utility is required under billing rule R 460.139 & R 460.143 to make two reminder attempts prior to disconnection.

This disenrollment process was discussed at the AAA meeting on July 1, 2025, and participants had mixed feelings about how to handle missed payments for payment plans. Some participants from nonprofit organizations thought the Company procedures did not remind nor support customers enough before being disenrolled

³⁸⁹ Consumers Energy PIPP Report, p. 20

³⁹⁰ Consumers Energy PIPP Report, p. 21

³⁹¹ Consumers Energy PIPP Report, p. 32-33

from a program, and some utilities found it at odds with their perceived role as a utility to reach out to customers to keep them enrolled in a payment plan, since the customer should be aware of their payment obligations when signing up for a payment plan. One AAA participant's concern was that more leeway should be provided to customers to make their payments, since customers might have unsteady income streams and may be late sometimes but should be allowed to catch up on missed payments. Other participants chimed into the discussion in saying that some procedures are already in place to handle this issue. For example, MEAP grantees can sometimes offer a catch-up payment, and customers are not removed from the APP until being two months behind on their monthly payments.

Staff Recommendation: Late Payment Protocols

Staff largely agrees with the current Company protocols to send reminders to customers that they are late on their payments and may be removed from energy assistance plans, especially since customers' removal from payment plans has foundations rooted in the customer billing rules and the stated dunning process.³⁹² The main adjustment Staff recommends that late payment protocols for plans be standardized across utilities and that customers are made aware of protocols and safety-net assistance at enrollment on the plan.³⁹³ Additionally, Company tariffs should reflect the late payment protocols as they relate to customers provided any form of assistance authorized under MCL 460.11(2).

Being Removed from an Energy Assistance Program

With the collections process and missed payment protocol in mind, a customer will be removed from their APP or PIPP after each program's specified late payments are reached and unpaid. To promote home energy security, there should be protocols in place for a customer's removal from an energy assistance program.

³⁹² R 460.125 Late payment charges. Rule 25. (1) Except as otherwise provided by statute, a utility shall bill each residential customer for the amount of natural gas or electricity consumed and any other approved charges pursuant to the rates and tariffs approved by the commission. (2) A utility may assess residential customers a late payment charge that is not more than 2%, not compounded, of the portion of the bill, net of taxes, that is delinquent. A utility shall not assess a late-payment charge against a residential customer whose payments are made by the department of health and human services or who is participating in a shutoff protection program described in Part 9 of these rules, R 460.145 to R 460.153. (3) A utility may not charge residential customers a late payment fee for failure to pay an estimated bill by the due date unless the customer is subsequently delinquent on a bill using an actual meter reading. This rule shall not apply if the bill is estimated because the utility was unable to gain access to the meter, the utility's lack of access is documented, and the customer refused to provide an actual meter reading. (4) For nonresidential customers, unless the utility's tariff states otherwise, a late payment charge of not more than 2%, not compounded, may be applied to the unpaid balance outstanding, net of taxes, if the bill is not paid in full on or before the date on which the bill is due.

³⁹³ Consumers Energy PIPP Report, p. 27

On page 29 of the DTE PSP Report, DTE outlines the post-enrollment process for PIPP customers by stating: “Customers who were removed from the [PIPP] program were provided information on contacting 211 and how to find additional information about other forms of income-qualified assistance through our website (dteenergy.com/help). Unlike LSP, customers who were ending PSP were not automatically converted to Budget-Wise-Billing.” Staff finds it concerning not knowing what payment plans (if any) disenrolled customers were offered. The above quote seems to indicate that customers removed from the LSP were treated differently than PIPP removals without any explanation as to why. This seems especially concerning because customers who are removed from PIPP likely still have valid income eligibility on file, meaning they could have been automatically placed on the RIA or LIA credit. Meanwhile, Consumers Energy did not explore disenrollment protocols in-depth in its report. It seems Consumers Energy has inconsistent policies across its programs, similar to DTE (See Figures 117, 122, and 123). Like DTE, if a customer was disenrolled from an APP or PIPP for nonpayment, they likely still had valid income eligibility on file and would have been able to receive RIA or LIA credits, which they likely should have.

Staff Recommendation: Payment Plan Removal

Staff’s position going forward is that if customers miss payments or request to be removed from a payment plan without entering another, and they are still income eligible, they should be put on Staff’s proposed flat credit program, if the Commission approves a credit offering as well as an APP offering recommended in the long-term recommendation. They should additionally be referred to the MEAP agency administering their APP to recommend MEAP as-needed assistance in case the customer could use help meeting their payment obligations.

Customers Identified as no Longer Income-Eligible/Graduation Protocol

As part of any energy assistance program, there is a cadence to reverifying eligibility, as Staff outlined previously in this report, and if customers do not submit the necessary reverification documents by the required date, they are currently removed from any program (APPs, PIPPs, RIA, and LIA credits) for no longer being eligible, or graduated from a limited-term program. In this section, Staff explores protocols that handle such a situation to ensure customers are well-supported post-enrollment.

Staff learned of industry practices during conversations with representatives from the state of Ohio who administer their statewide PIPP. As shown in the tables above, Ohio has a program for customers that are no longer income-eligible for their PIPP, called a graduated PIPP, which eases customers who are no longer eligible for the PIPP back onto a non-subsidized bill through a step-down bill subsidy process. Under the strict income eligibility for MCL 460.11(2) and the Michigan Energy Assistance Program, Staff does not see the ability to use funds associated with those programs for customers whose income eligibility is no longer valid (under whichever

policy MEAP and the Commission approve). Despite that, DTE does, in some cases, use the LIA as a form of APP graduation step-down assistance process to ease customers back onto their full bill, as the AAA learned from DTE LIA presentations in 2023. Staff is uncertain under which authority or by what income-verification means DTE places some LSP graduates on the LIA credit post-graduation.

Staff Recommendation: Program graduation or income ineligible

Customers that are no longer income-eligible (likely due to income/eligibility validation lapsing or re-verified as now ineligible) should be offered the non-APP budget-based billing plans they would be eligible for but not automatically enrolled in budgeted billing programs; similar to True North's policy outlined in the Consumers Energy PIPP Report. There is testimony in the DTE Electric Rate Case, MPSC Case No. U-21534, that expresses customer confusion with Budget Wise Billing and the issues with the reconciliation months as well as the cadence at which actual vs. estimated bills are reconciled.³⁹⁴ Unlike DTE's APP approach, it would be best for customers to have received sufficient explanation before being automatically placed on a budgeted billing program. Staff is not suggesting that all customers be treated the same way—quite the contrary, since customers have varied needs and desires—but there should be policies in place that are applied consistently so that programs and procedures are tailored to certain subsets of customers and needs are addressed in a way that reflects customer needs and leads to home energy security. Staff's proposal for process maps handling post-enrollment and disenrollment are outlined in Figures 127-128:

³⁹⁴ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, 6 TR 4690, F#0496.

Figure 127: Income Revalidation Reminder Staff Recommendation

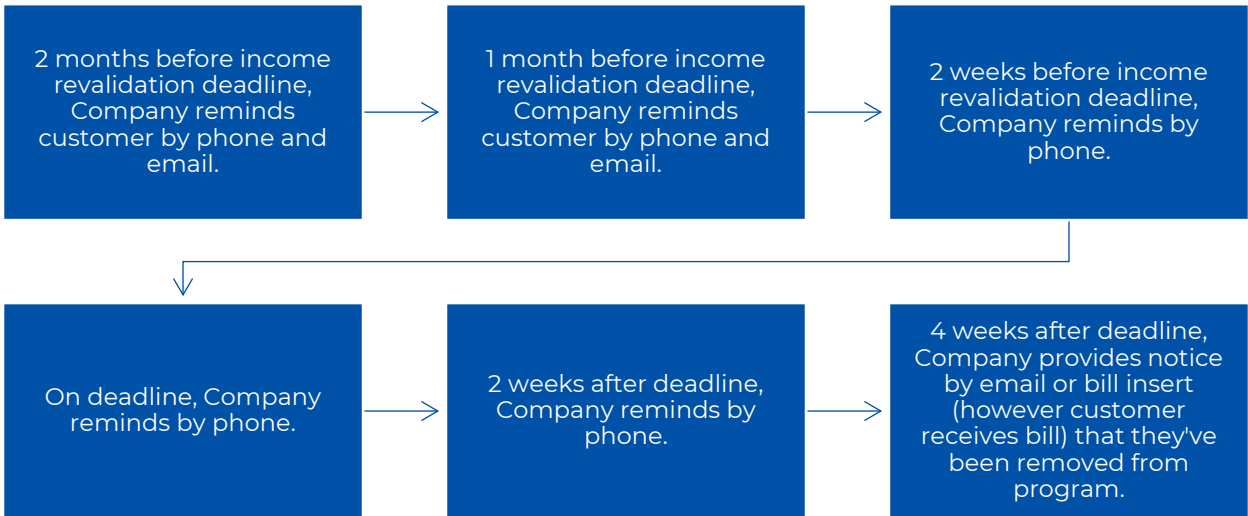
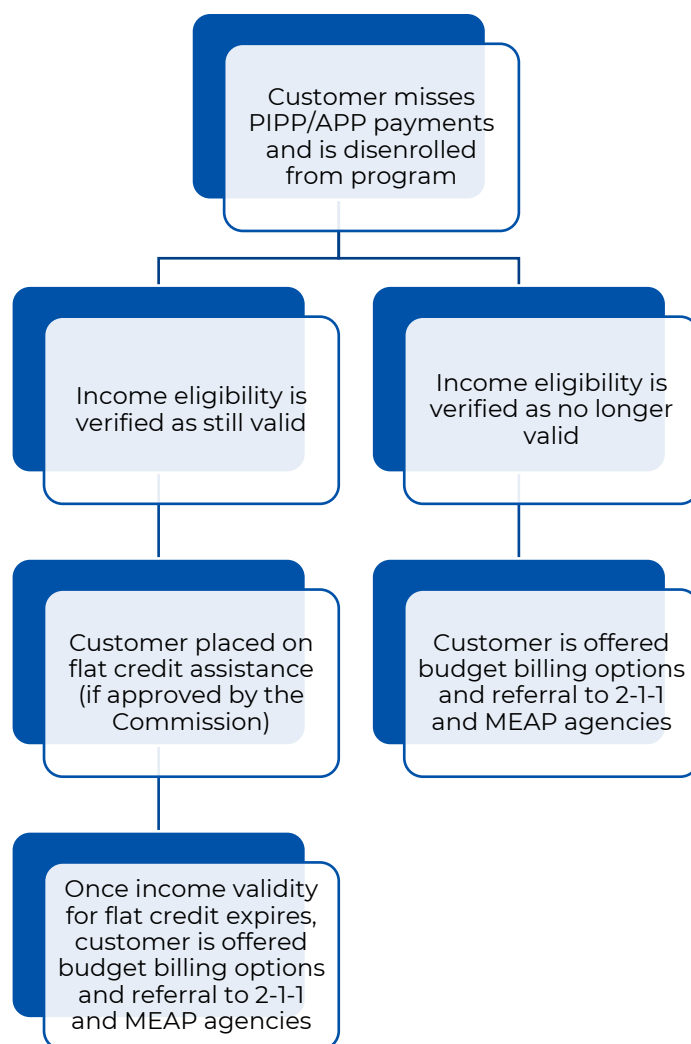


Figure 128: Missed Payment Process Staff Recommendation

Chapter 21 – Tariff Proposals and Implementation Timeline

Staff Recommendation: Tariff Proposals/Compliance

Based on the recommendations presented in this report, Staff finds that all IOUs require standardization and transparency in the administration and application of its energy assistance programs. Therefore, Staff recommends that each IOU update its tariff to reflect the Commission's decisions that disseminate from this report. This process should take place by means of ex parte applications for approval after a small workgroup discussion to ensure consistency in tariff updates. Company policies and eligibility criteria would likely be outlined in Section C of the tariff books with the availability of the program(s) being outlined on applicable rate schedules commonly found in Section D of the tariff books. Staff's proposed program parameters to include in the tariff revisions are as follows:

- Program eligibility
- Application methods
- Income verification protocols
 - Outline how customers can submit proof of eligibility/apply for assistance
- Communication protocols
- Tariffs updated in accordance with revised MEAP laws
- Policies for eligibility/income reverification
- De-enrollment protocols
 - Including but not limited to referrals for assistance as well as the dunning process's impact on receiving assistance
- Fees that eligible customers would and/or would not be responsible for
- Prioritization of applicants
- Customers receiving assistance from a MEAP APP are ineligible for energy assistance under MCL 460.11(2)

Staff Recommendation: Implementation Timeline

In order to implement a new benefit matrix by the start of the MEAP program year, and the start date of the State fiscal year 2027 (October 1, 2026), Staff recommends that the Commission provide clear guidance on next steps by, ideally, February 2026.

Staff additionally notes that some recommendations may require further collaboration with impacted utilities and community service agencies that administer MEAP. While Staff recommends the Commission approve the above-mentioned timeline, the Commission should also allow leeway for longer-term goals to have an extended timeline.

Chapter 22 - Energy Assistance Program Goals and Affordability Metrics

As has been made clear throughout this report, Staff's goal in reforming energy assistance is to better promote home energy security and coordinate energy assistance programs. Historically, energy assistance programs have not necessarily held clearly stated program goals nor have there been consistent metrics to track the outcome and progress of programs. Figure 24 on pages 61-62 of Chapter 6 is a look at historical program goals that have been expressed for the current energy assistance programs as defined in MPSC orders and statutes. The table content is restated here.

Stated Goals of the RIA Credit

DTE Energy: "The Commission finds that the key to a low-income rate is the affordability of that rate to low-income customers. Section 11(3) obligates Detroit Edison to include a properly designed low-income rate with its future rate case filings. In so doing, Detroit Edison shall focus on proposals that will result in a rate that is affordable by the utility's low-income customers. The Commission also observes that other interested parties are encouraged to submit their own proposals for the Commission's consideration."³⁹⁵

Consumers Energy: "The Company recognizes the impact of current economic conditions and understands that the need for assistance is on the rise. Massive layoffs have led to an increase in the unemployment rate of 0.4 basis points from December 2005 to December 2006."³⁹⁶

Stated Goals of the LIA Credit

DTE Energy: "The D1.6 tariff that DTE Electric proposes to pilot will provide proactive assistance to eligible low-income customers that will make their utility bill more affordable. As experienced through past and current low-income programs, proactive solutions provide vulnerable customers assistance that mitigates the occurrence of a crisis situation. As a result,

³⁹⁵ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-15244, 12/23/2008 Commission [Order](#), pp. 92-93.

³⁹⁶ 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, MPSC Case No. U-15245, Direct Testimony of Consumers Energy witness Hubert Miller III, p. 25.

efficiencies in the collection cycle are gained, thereby enabling DTE Electric to manage its arrears and uncollectible expense.³⁹⁷

Consumers Energy: “The company claimed that the Staff’s proposal is contrary to the goals of the enhanced RIA provision, which is to provide more meaningful assistance to the company’s most vulnerable customers.”³⁹⁸

Stated Goals of the Affordable Payment Plans

DTE Energy (LSP) and Consumers Energy (CARE): The purpose of the MEAP is to establish and administer statewide programs that provide energy assistance and self-sufficiency services to eligible low-income households. Self-sufficiency services include assisting participants with paying their energy bills on time, budgeting for and contributing to their ability to provide for energy expenses, which may include enrollment into an APP, and utilizing energy services to optimize on energy efficiency.³⁹⁹ Under MCL 400.1232(f), energy assistance under MEAP means reducing energy insecurity.

Stated Goals of the PIPP Pilots

DTE Energy: “The goals of the PSP pilot are to eliminate a customer’s arrearage after 24-months of timely payments, and to provide a manageable, fixed monthly payment amount that assists Low-Income customers in avoiding future arrearages.”⁴⁰⁰

Consumers Energy: “The company claimed that the Staff’s proposal is contrary to the goals of the enhanced RIA provision, which is to provide more meaningful assistance to the company’s most vulnerable customers.”⁴⁰¹

While many of these goals may have been modified over time to reflect desired uses of the programs, the goals were some of the earliest stated uses of the programs. Staff finds these goals somewhat vague, which makes it difficult to determine if an energy assistance program has successfully met its goal.

³⁹⁷ In the matter of the application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-17767, Direct Testimony of DTE Energy witness Tomina, pp.15-16.

³⁹⁸ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-18124, 7/31/17 Commission order p. 58.

³⁹⁹ Michigan Public Service Commission [website](#), accessed on 4/17/2025.

⁴⁰⁰ In the matter of the application of DTE Gas Company and DTE Electric Company for approval of a Low-Income Payment Stability Plan Pilot Program, MPSC Case No. U-20929, 11/18/2020 Application—Ex Parte, p. 2

⁴⁰¹ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-18124, 7/31/17 Commission order p. 58.

DTE Energy, in its percentage of income payment plan pilot report to Staff, included clearer goals of its PIPP, but did not necessarily turn them into actionable metrics that they would track and report to the Commission beyond this report.

On pages 8-9 of its report, DTE states the goals of its array of energy assistance programs that are to:

- Promote sustained energy access
- Reduce arrears
- Encourage responsible payment habits
- Provide short-term assistance
- Empower self-sufficiency
- Enhance community collaboration

Another set of goals that DTE expressed in its report relating to its final recommendation are as follows:

Goals / Means to Improving Home Energy Security:

- Ease access to energy assistance
- Streamline energy assistance
- Simplify energy assistance
- Offer stability before a crisis occurs by not requiring a past-due bill⁴⁰²
- Provide stable payment amounts
- Provide affordable payment amounts

Intended Outcomes:

- Reduce the number of Michigan households with unsustainable energy burdens
- Reduce arrears
- Reduce disconnections
- Promote on-time payment

On page 95 and 96 of its report, DTE restated the goals of the PSP pilot with the addition of consumption reduction. While Staff does not disagree with the stated goals, unfortunately, most of these goals are not inherently measurable nor enforceable. Staff recommends instituting measurable goals and affordability metrics going forward to be able to track and analyze any energy assistance program. The Commission would need to determine which programs to track using these goals and develop an annual cadence and docket in which utilities could submit their annual reports.

⁴⁰² DTE Energy PSP Report, pp. 83-84

Energy Affordability Metrics

Staff Recommendation: Goals

Staff developed and recommends a counterproposal to track goal metrics while enrolled in monthly subsidy plans and compare to crisis assistance programs like SER and MEAP as-needed assistance (See Figure 129).

Staff recommends the Commission consider a process for identifying and tracking indicators of how the energy assistance system meets the needs of income-qualified customers. These metrics should be tracked for energy assistance customers and compared against the non-low-income residential customer class to benchmark how the different assistance plans are performing against customers that may not struggle with bill payment as much as others. The metrics would be collected on a regular cycle; ideally in an annual report filed to the Commission.

Figure 129: Energy Affordability Metrics Recommendation

Energy Affordability/Security Goal	Metric to Track
Customer participation	Track number of customers by assistance type, broken down by those receiving multiple forms of assistance.
Sustained energy access	Disconnection rate and disenrollment percentages by reason for disenrollment
Arrears reduction	Tracking customer arrearages over time. Report based on the 30-60-90-day arrearage buckets.
Payment habit encouragement	On-time payment rate.
Energy affordability	Customer energy burden Program costs (IT, administration, bill assistance, bill impact on other customers) Crisis cycling: track customers frequency of seeking energy assistance
Consumption reduction	Track consumption compared to average temperatures and against the average residential customer.
Short-term assistance	Track number of customers who choose different forms of assistance (short-term vs. sustained vs. payment plans)
Empowerment and self-sufficiency	Track number of customers who return for different forms of assistance each year.
MEAP vulnerable populations	Track the number of households with a vulnerable member, as defined by MEAP statute.
Energy waste reduction	Track number of households who received EWR services prior to the assistance year and those who received it in the current assistance year. Break down by service type.
Community collaboration	Qualitatively report to the Commission how utilities have collaborated with local organizations.

Staff Recommendation: Data Integrity

While Staff's position is that more energy assistance data needs to be collected and reported annually, it will likely require a larger conversation with utilities on data integrity in reporting. Investor-owned utilities should work with relevant state agencies and MEAP grantees to track, collect, and report on different metrics. Going forward, Staff recommends the following to ensure data integrity in final reporting:

- Detailed clarity in expectations and data standards: while an attempt was made to streamline reporting via the PIPP Pilot data report template, additional guidance with greater detail may be required to more closely align calculations, definitions, and timelines. Such alignments in expectations will better facilitate program assessment and comparisons. Example problems are summarized below to highlight the importance of this alignment.
 - o Survey timelines: Consumers Energy conducted customer surveys at different time periods, with PIPP pilot surveys conducted near graduation, and CARE MB surveys conducted with a random assortment of enrolled customers.
 - o Energy burden calculations: in DTE's responses to AAA subcommittee participant questions, the Company indicated that it assesses single commodity energy burden by using half the income rather than the total.
 - o Definitions of success: DTE, Consumers Energy, and Staff had different perspectives on definitions of success and which metrics are foundational to those definitions. For example, DTE defined LSP success as "the household's ability to complete a twelve-month fiscal year without being removed for nonpayment"; but Staff views this definition of success as insufficient because it does not help evaluate long-term home energy in/security.
- Regular reporting for improved data quality and program monitoring: in relation to current and ongoing utility programs, Staff recommends the development of a centralized and routine reporting pathway akin to MEAP reporting and the shutoff and arrearage data reporting. This would allow for greater transparency and facilitate regular program outcome evaluation.
- In relation to future energy assistance pilots, Staff recommends at least one preliminary data submission halfway through a pilot period. This preliminary submission would allow for Staff to ensure mutual understandings with utilities and clarify any misunderstandings ahead of final reporting.

Staff Recommendation: Outreach Data

Staff finds it appropriate to determine what types of energy assistance outreach are being performed, especially since Staff identified utilities as the best-equipped entity to perform energy assistance outreach. To that end, Staff identifies the following outreach metrics to customers, not only those in energy assistance programs, but that would also inform the success of outreach attempts:

- Energy assistance program offerings available on web pages
 - o Specific web addresses
 - o Where web addresses are hyperlinked
 - o Number of visits in a specified timeframe
- Energy assistance program offerings outreach sent
 - o Sender(s) identified on communications (utility, government agency, non-profit human services agency)
 - o Number of rounds of outreach sent within reporting period
 - o Number of customers outreach was sent to in each round
 - o Breakdown of outreach provided in phone, email, bill insert, and other formats
 - o Identified outreach goals. Examples may include:
 - General education and awareness
 - Overcoming stigma
 - Increasing applications
 - Overall
 - From targeted populations
 - From a targeted geography
 - Increasing approval rates
 - o A description of outreach targeting
- A pdf of outreach content
- Energy assistance applications received for programs included in messaging
 - o Divided by in-person, mail, electronic means
 - o Number/percentage of applications from targeted populations vs. those not targeted.
 - o Comparison of pre and post outreach volumes
- Energy assistance applications approved
 - o Divided by in-person, mail, electronic means
 - o Comparison of pre and post outreach volumes
 - o Reasons not approved so that communications may be improved accordingly

Staff finds many of these goals to overlap with goals of MEAP as well as goals MPSC Staff has shared and promoted through its work in the Energy Affordability and Accessibility Collaborative (EAAC). It is therefore important to address and promote these goals in a coordinated fashion for the sake of efficiency, clear and consistent messaging, and to avoid duplicate reporting.

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SECTION V - FURTHER EXPLORATION

Chapter 23 - Unexplored Reform Options

Between the AAA meetings ending in 2023 and work resuming in 2025, there was a marked shift away from supporting continuation of the LIA and RIA credits and either prioritizing different customers for the LIA or supporting reforming the credits into a simpler single credit—except as a short-term solution for utilities without APPs. Part of that is attributable to Staff’s increased focus on centering decisions around home energy security and coordinating the different forms of assistance. The PIPP reports provided fresh insight into these issues as well as the process of reforming the MEAP legislation and the work of the Low-Income Energy Policy Board. During this time, there was also plenty of activity in the contested utility rate cases brought before the Commission that raised issues around energy affordability, security, and equity. It was Staff’s position that the issues raised in the cases regarding energy affordability and its intersection with energy assistance were best addressed in a coordinated fashion by means of this report, but that did not mean ignoring those testimonies, rather considering them while making recommendations in this report. However, there are many issues and recommendations that were made in those cases that Staff would like to take the time to comment on to ensure that not only have all options been addressed by the Commission but that the Commission can reach an optimal conclusion.

Issues Pertaining to Energy Affordability for all

A proposal that was repeatedly raised in MPSC utility rate cases in 2024 was that energy should be affordable for all.⁴⁰³ When these statements are made, Staff assumes that they generally refer to residential customers, which is how Staff will respond to them in this report. There are a few hurdles with energy affordability for all. First, as was described Chapter 1 of this report, the MPSC is statutorily required to design electric rates to be equal to the cost of service,⁴⁰⁴ notwithstanding legislative exemptions including allowing for low-income rates.⁴⁰⁵ Michigan is fairly unique in having a mandate to make rates cost-based, especially with the provision that states: “The commission shall ensure that the cost of providing service to each customer class is based on the allocation of production-related costs based on using the 75-0-25 method of cost allocation and transmission costs based on using the 100%

⁴⁰³ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, Direct Testimony of DAAO witness Justin Schott, p. 69, addressing all customers should have 6% of income capped rates; In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, Direct Testimony of DAAO witness Jackson Koeppel, p. 24, addressing affordability-based rates and pp. 62-63 regarding a universal affordability program.

⁴⁰⁴ MCL 460.11(1)

⁴⁰⁵ MCL 460.11(2)

demand method of cost allocation.”⁴⁰⁶ This is why analysts must be cautious in comparing Michigan’s electric rates to other states. Cost of service ratemaking can at times conflict with affordability. Each customer class must pay its share of the cost to serve its customers, which means that the costs associated with serving residential

Eligibility for MCL 460.11(2), MEAP, and LIHEAP are very strict, being that they are defined in statute. For these reasons, Staff does not support recommendations for MCL 460.11(2) fulfillment that included increasing income eligibility up to 200% of the federal poverty level or beyond.

customers cannot be shifted to another customer class without cause. This creates a legislative restriction to promoting energy affordability for all residential customers. Furthermore, even if energy were made affordable for all customers eligible for a low-income rate under MCL 460.11(2) and defined eligibility in MCL 460.10t(6)(b), all customer classes will likely see a relative decrease in their energy affordability due to their responsibility to cover those costs. Simply put, one customer’s energy affordability cannot be achieved without reducing another customer’s energy affordability.

Issues Pertaining to Income Eligibility

In this report, Staff has reinforced that the eligibility for MCL 460.11(2), MEAP, and LIHEAP are very strict, being that they are defined in statute. For these reasons, Staff does not support recommendations for MCL 460.11(2) fulfillment that included increasing income eligibility up to 200% of the federal poverty level or beyond. Many of these proposals were made in MPSC Case Nos. U-21291, U-21534, and U-21585 in the 2024 calendar year.

Energy Assistance Program Funding Mechanism Proposals

In testimonies filed in rate cases by intervenors in 2024, many proposals were made that offered funding solutions for energy assistance programs. These recommendations ranged from leveraging multiple funding sources to creating new surcharge funding sources. This issue was raised in DAAO witness Kinkhabwala’s testimony in MPSC Case No. U-21534, in which he recommended combining LIHEAP and MEAP dollars with a \$0.18 per kWh surcharge to fund a percentage of income payment plan for DTE Electric Company.⁴⁰⁷ The reason that Staff is not supporting that specific proposal nor a similar proposal is because LIHEAP is a federal program

⁴⁰⁶ MCL 460.11(1)

⁴⁰⁷ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, Direct Testimony of DAAO witness Yunus Kinkhabwala, pp. 19, 30.

with federal statutory restrictions and requirements and not under the MPSC's jurisdiction.

However, Staff's long-term assistance reform proposal can be seen as having overlap with witness Kinkhabwala's proposal. Staff supports leveraging funding to run a single energy affordability-based assistance program that is funded by different streams (MEAP and MCL 460.11(2) ratepayer dollars). This proposal differs from witness Kinkhabwala's proposal because it accepts the statutory restrictions of each assistance program but applies the funding in a coordinated fashion. Furthermore, Staff outlined different options to fund utility-based energy assistance in Chapter 16 of this report but does not see value in adding another surcharge to customer bills to fund energy assistance; incorporating funding into base rates accomplishes the same goals. The Commission need only decide the fund target or estimate, depending on which recommendation it accepts.

Energy Assistance Program Design

A recurring theme and recommendation that was made in intervenor testimonies in 2024 was to apply a PIPP to either all residential customers or all eligible customers. Staff has already outlined why applying a bill equal to 6% of each customer's income conflicts with statute, but there are a few additional issues. First, there is a significant administrative burden to verify every customer's income and tailor a customer's payment amount to each specific income. In AAA meetings, utilities have expressed opposition to instituting PIPPs even for income-qualified customers. Second, as outlined in DTE's PSP pilot, not all customers will reverify their income eligibility and there is a great chance that some customers will not provide specific income information but may be identified as categorically eligible. This means that if customers do not provide income information, they would not be provided with an affordable payment option if a PIPP or APP is the only assistance option. This is a trade-off to the promotion of energy security. Several of Staff's array of proposals could provide assistance to customers that may be able to be identified as categorically eligible even if it cannot be tailored to their income, but there are many issues that could arise if the Commission approves a larger credit, as outlined in Chapter 15 of this report.

Meanwhile, in DTE Energy's electric rate case, MPSC Case No. U-21534, witness Roger Colton testified on behalf of NRDC/MEC and proposed to redirect RIA credit recipients with special needs (on protection plans, p. 27) up to 250% of FPL or 60% SMI, make public assistance a qualifier for RIA,⁴⁰⁸ place former RIA customers on the LIA credit, create a tiered LIA credit structure, reconcile LIA costs on an annual basis, remove the cap on RIA (which is not capped) and LIA, expand LIA enrollment to

⁴⁰⁸ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, Direct Testimony of NRDC/MEC witness Roger Colton, p. 4.

include self-attestation of other benefits⁴⁰⁹ and make modifications to arrearage forgiveness.⁴¹⁰

In Consumers Energy's electric rate case, MPSC Case No. U-21585, witness Colton made a similar proposal. As Staff noted in rebuttal testimony in MPSC Case No. U-21585, it is prudent to consider administrative costs when approving energy assistance programs, which most if not all energy assistance/affordability proposals in the referenced rate cases failed to do. That was why it was prudent to first view the DTE Energy and Consumers Energy PIPP pilot analysis before reforming energy assistance, especially if income verification was a component of a reformed energy assistance program.

Furthermore, as Staff indicated in MPSC Staff witness Elaina Braunschweig's rebuttal filing in MPSC Case No U-21585, NRDC/MEC/CUB witness Roger Colton's tiered LIA credit proposal is substantially similar in structure to the PIPP and the MEAP affordable payment plans, but would create an issue of not only requiring utilities to perform income verification, but complicate the energy assistance landscape for customers by requiring yet another energy assistance application and confuse customers with a program substantially similar to the APPs. Therefore, Staff is already supporting a similar program design to the one mentioned by Roger Colton, but one based on billing determinants, energy burden, and thoughtful policy outcomes to determine the bill credit/plan amounts. For this reason, a program like Colton's did not meet Staff's standards. The Commission should instead approve Staff's recommendations made in this report.

⁴⁰⁹ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, Direct Testimony of NRDC/MEC witness Roger Colton, p. 5.

⁴¹⁰ In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority, MPSC Case No. U-21534, Direct Testimony of NRDC/MEC witness Roger Colton, p. 6.

Chapter 24- Issues for Further Exploration

There are several outstanding issues discussed earlier that have not been resolved. Staff identifies them in this section of the report.

Determination Holds and Service Shutoff Holds

A significant issue that directly impacts customer experience relates to determination holds and service shutoff holds on customer accounts. After a customer applies for assistance, the organization providing enrollment services must review applications. This process can include certain customer protections and company procedures, which the DTE PSP Report briefly describes. DTE stated in its report that “The Energy Advocacy Group began to validate incoming applications during the week of November 1, 2021. The Company applied thirty-day collection locks to protect PSP applicants from potential service disruption while customers’ application status was being determined.”⁴¹¹

When Staff inquired with Consumers Energy and DTE Energy about the nature of these shutoff locks, DTE stated that customers who apply for SER receive a 30-day shutoff lock with a maximum of three per year. MEAP grantees can also request a shutoff lock on behalf of a customer; however, customers on a payment plan are not eligible for a 30-day hold.⁴¹² Consumers Energy has a similar process in which a dunning/shutoff lock is placed on a customer account while a customer applies for SER or when a customer has been deemed eligible for receiving funds and is placed on a customer account by a MEAP agency or an internal energy assistance/customer service team member at Consumers.⁴¹³

Once a customer applies for crisis assistance, MDHHS or an assistance provider requests the utility to place a hold on the customer’s account to prevent shutoff while eligibility is being determined. Crisis programs have a requirement to provide timely assistance⁴¹⁴ based in LIHEAP Statute.⁴¹⁵ Depending on the acuity of the crisis, the timeliness standard could be 48 hours or 10 days.

To Staff’s understanding, determination holds and service shutoff holds relating to customers applying for energy assistance are a courtesy agreement between MDHHS and utilities. These holds promote energy security by keeping a customer connected while assistance is being sought, but they are presently not addressed in the Commission’s rules and could require more conversation with utilities to determine how to keep customers energy secure.

⁴¹¹ DTE Energy PSP Report, p. 50

⁴¹² Appendix K

⁴¹³ *Id.*

⁴¹⁴ [MDHHS Income Eligibility Guidelines 1101](#) Page 12

⁴¹⁵ [LIHEAP Statute | The Administration for Children and Families](#)

Summary of Additional Areas for Exploration

Beyond determination holds and service shutoff holds, Staff outlines issues throughout this report that merit additional dialogue. While these issues are covered in greater depth throughout the report, they are summarized here for ease of access:

- Developing methods for how to efficiently compensate enrollment agencies for their work enrolling customers in affordability plans across multiple IOU programs.
- Ensuring integrity and transparency in program data, including reporting accuracy, auditing, and exploring outreach and weatherization data.
- Developing protocols for addressing customer concerns and communicating those protocols at enrollment and at income reverification.
- Developing methods for applying payments to customer accounts. For MEAP, utilities invoice grantees for payment amounts; what would it look like for an IOU program?
- Creating the specific benefit matrices.
- Reviewing the missed payment procedures while recognizing that the missed payment and dunning process is included in the billing rules.⁴¹⁶

Recommendations in this report, if adopted, may carry impacts for MEAP grantees. As a result, Staff suggests coordination with MEAP grantees on the implementation of relevant program design recommendations. Many aspects of program recommendations and implementation will either have to be addressed in an implementation docket/filing and/or addressed by Staff, the Companies, and interested parties outside of a case—and can perhaps be filed to the Commission as a memorandum in the appropriate docket.

⁴¹⁶ R 460.146 Payment plan procedures for residential and small nonresidential customers. Rule 46. (1) A utility shall establish a policy to allow a residential or small nonresidential customer the opportunity to enter into a minimum of 2 documented payment plans for an amount owed to the utility that is not in dispute, if a customer claims an inability to pay in full. (3) A utility is not required to enter into more than 2 payment plans with a residential or small nonresidential customer who defaulted on the terms and conditions of such payment plan within the last 12 months.

This rule works in conjunction with the winter protection plan and shutoff protection plan.

Conclusion

Michigan's energy assistance landscape is complex, and in many ways unique. Throughout this report, Staff provided an in-depth look at various energy assistance programs, and several aspects related to their design, implementation, administration, evaluation, funding, and potential futures. In summary, Staff paraphrases its response to DTE Energy's and Consumers Energy's PSP/PIPP pilot reports and addresses the Commission directives driving this report.

The PIPP pilot process offered insight not only into how payment plans could be better structured to address customer needs, but also how programs could be designed to best serve customers. Staff finds it important to base decisions on real observations and actual inputs. Given that this process unveiled many arbitrary program design decisions that have occurred in the past with the LIA credit, RIA credit, and MEAP-funded utility APPs, Staff disagrees with Consumers Energy's recommendation to maintain the status quo for energy assistance offerings. While DTE's PSP pilot program highlighted equitable outcomes, the Company's pilot program was also the least generative in terms of improving on-time payment behavior, affordability outcomes, and overall arrearage reduction, when compared to its existing APPs. Thus, Staff disagrees with DTE's recommendation for a full relaunch of its PSP without any program design modifications. Most notably, Consumers Energy's pilot demonstrates that APPs can produce outcomes on par with PIPPs, thus informing Staff's recommendation for a PIPP-inspired tiered APP designed with energy affordability and home energy security in mind.

This pilot process was not without its challenges. The stark program design difference between DTE Energy's PSP pilot and its existing affordable payment plan made it difficult to determine which factors led to the different program outcomes than those of the existing APPs. Meanwhile, Consumers Energy chose two different program administrators but did not go into significant depth on how they administered their pilot. Having two different administrators could lead to skewed or inconsistent results that were not explored. Staff also experienced data integrity challenges related to the utilities' differing interpretations of reporting requirements, which further complicated the PIPP pilot analysis.

Despite issues with the PIPP reporting, Staff found this process a productive effort and informative for not only determining the bill subsidy amounts provided to eligible customers, but also to better understand options for consideration in the customer's journey, from energy assistance outreach through program graduation or potential removal from an energy assistance program.

Staff recommends the Commission move toward a more intentional program design that not only prioritizes home energy security and incorporates affordability metrics like energy burden but is intent on streamlining and simplifying the energy assistance landscape. Staff recognizes that providing energy affordability-based assistance is costly to administer and coordinate with MEAP agencies and MDHHS.

Transitional decisions must be made to ease that burden in the short term. In reviewing the Consumers Energy and DTE Energy PIPP reports and the implementation of MCL 460.11(2) as well as past comments made regarding energy assistance and affordability, Staff urges the Commission to consider if the proposals they approve make the energy assistance landscape more opaque or if it will improve the ability for all to interact with this system. Staff's recommendations attempt to take conflicting priorities and barriers into account with the intent of crafting a balanced recommendation to improve home energy security for ratepayers.

All things considered, Staff provides the following key recommendation summaries in response to the Commission's directives to the EAAC AAA subcommittee, while noting that additional and more detailed recommendations are made throughout the report.

1. Directive: Initiate a stakeholder discussion of DTE's report on the enrollment of customers in the Low-Income Assistance (LIA) credit program and submit a report and recommendations to the Commission.

Response:

- The AAA subcommittee convened in 2023 to review and dialogue over DTE's LIA report. Interested parties were given an opportunity to engage in discussions, ask questions, contribute to data requests, and participate in surveys.

2. Directive: Discuss the LIA/Residential Income Assistance Credit (RIA) enrollment assignment, enrollment cap, and best use/program pairings.

Response:

- The AAA subcommittee outlined LIA reform options which cover enrollment assignments and program pairings (Appendix F). However, the subcommittee needed to review the outcome of the PIPP pilots to determine the preferred path forward.
- *Staff no longer supports the LIA/RIA credits in their current form.*

3. Directive: Evaluate the feasibility of a low-income customer subclass in the Consumers Energy Cost-of-Service Study ("COSS").

Response:

- The AAA subcommittee invited Consumers Energy to present on its cost-based low-income customer subclass in the electric cost of service study.
- *Based on this presentation and additional observations, Staff does not recommend the Commission approve nor continue to explore a low-income subclass in the cost-of-service study as a means of fulfilling MCL 460.11(2).*

4. Directive: Evaluate and make recommendations regarding Percentage of Income Payment Plans (PIPPs).

Response:

- In the analysis of DTE's and Consumers Energy's PIPP pilot reports, Staff identifies numerous data integrity challenges and presents recommendations to facilitate greater consistency and transparency. Nevertheless, Staff's analysis illustrates the capacity for PIPPs to

produce more equitable outcomes, though not necessarily more affordable outcomes, than utility APP programs. Staff's analysis highlights a need to re-evaluate and develop guidance on benefit matrices for existing APP programs.

- *Staff does not recommend approval of a PIPP, as piloted. Instead, Staff recommends a tiered PIPP-like approach in which APPs are designed using billing determinants with energy burden, among other factors, considered in their design.*
5. Directive: Develop a proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.

Response:

- Beyond decreasing investor-owned utilities' Returns on Equity, Staff finds few ways that energy affordability can be integrated into the regulatory environment for all utility customers.
- Assistance for income-eligible customers and waiving fees and/or fee forgiveness for low-income customers promotes energy affordability for those eligible for assistance.
- Staff elevates and centers home energy security as a leading goal. More specifically, *Staff proposes energy burden as the basis of future or reformed energy assistance programs, at 6% for customers with combination electric and gas service, 4% for electric service customers, and 2% for natural gas service customers. Staff also shares a counterproposal identifying goal metrics to track energy assistance program performance.*
- *Staff recommends that IOUs without APPs be ordered to explore participating in the APPs.*

6. Directive: Determine the best fulfillment of the legislation MCL 460.11 (2).

Response:

- Staff outlines recommendations related to program administration to describe decisions pertinent to the best fulfillment of MCL 460.11 (2) - including marketing and outreach, application and enrollment, and application of credit benefits. In brief, *Staff recommends outreach strategy parameters, guidance on triage and the customer journey, and a centralized payment system.*
- *Staff provides two options for fulfilling MCL 460.11 (2), with short and long term considerations.* Staff also address issues pertinent to alternative proposals like Energy Affordability for All.
- *Staff recommends that the Commission continue to work with MDHHS to explore ways that federal funding could be layered into both MEAP and the MCL 460.11(2) programs.*

Staff appreciates the opportunity to delve deep into these important matters and recognizes that many of these recommendations will prompt additional conversations and/or collaboration.

Acknowledgments

MPSC Staff would like to express sincere gratitude to the many individuals who contributed to the thoughts, ideas, and recommendations in this report. The participants of the Affordability Alignment and Assistance Subcommittee (AAA) of the Energy Affordability and Accessibility Collaborative were most instrumental in informing, developing, and vetting concepts around energy affordability and home energy security that led to the recommendations in this report. Staff greatly appreciates the contributions of individuals with lived experience, whose voice and perspective provided a critical foundation. Staff also thanks the Low-Income Energy Policy Board for their leadership, additional thought, and experience informing the goal of reducing the number of Michigan households with unsustainable energy burdens.

In particular, Staff recognizes and appreciates the contributions, time, and guidance of Kasey Grieco, Program Manager with Superior Watershed Partnership and Land Conservancy. Ms. Grieco serves as a member of the Low-Income Energy Policy Board and co-leader of the AAA Subcommittee. Kasey's dedication and concern for income-qualified customers was a north star in the work of the AAA. For her commitment, Staff is grateful. Staff is additionally grateful for the efforts of Dr. Jesann Gonzalez Cruz, an Energy Innovator Fellow working with the MPSC through the U.S. Department of Energy. Staff credits the shaping of recommendations, in part, to her depth of insight and data analysis.

Staff would also like to acknowledge the efforts of Consumers Energy and DTE Energy in their piloting of Percentage of Income Payment Plans, their attentiveness in reporting and their response to Staff's many requests for clarification of data. Similarly, Staff appreciates the responsiveness of SEMCO Energy and Upper Peninsula Power Company for their responses to requests for data regarding their Affordable Payment Plans funded by the Michigan Energy Assistance Program.

Staff's recommendations are the product of a collective effort over dozens of meetings over several years. Staff appreciates the collaboration and support of so many individuals and interested parties. It is their willingness to share their thoughts, ideas, and concerns that has culminated in this report. It is the hope of Staff that all of this effort enhances the energy security of Michigan households.

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APPENDICES

Appendix A - Glossary of Terms

AAA	Affordability, Alignment, and Assistance Subcommittee In MPSC Case No. U-20757, the MPSC directed the formation of an Energy Affordability and Accessibility Collaborative, which created and delegated tasks to the AAA subcommittee. The AAA was charged with promoting energy affordability, supporting program alignments for ease of access and use, effectiveness of administration, and evaluation. The AAA was tasked with determining the best fulfillment of MCL 460.11(2) by analyzing the current fulfillment of the statute and comparing the PIPP pilots against the current MEAP offerings.
ACEEE	American Council for an Energy-Efficient Economy The American Council for an Energy-Efficient Economy (ACEEE), a nonprofit research organization, develops transformative policies to reduce energy waste and combat climate change.
AF	Arrears Forgiveness Frequently part of program design features in payment plans, arrears forgiveness is when past-due bill balances are forgiven over a period of time. Costs would generally either be recovered by ratepayers in base rates (in the case of DTE's PIPP) or subsidized by MEAP.
ALICE	Asset Limited Income Constrained Employed The ALICE population refers to households that are Asset-Limited, Income-Constrained, and Employed. These households earn above the Federal Poverty Level but still struggle to afford basic necessities like housing, childcare, food, transportation, health care, and technology. Essentially, ALICE households are working families that are just above the poverty line but not earning enough to cover the cost of living in their communities.
APP	Affordable Payment Plan A MEAP program that provides a household with a more affordable energy payment for an established period and includes a component for arrearage forgiveness when necessary. Utilities in MI have different names for their APPs: Consumers Energy's is CARE; DTE Energy's is LSP, Upper Peninsula Power Company's is EASE; and SEMCO Energy's is MAP.
BCUW	Barry County United Way One of 9 enrolling MEAP agencies.
BCAEO	The Bureau of Community Action One of 9 enrolling MEAP agencies.

BWB	Budget Wise Billing DTE's payment plan with a structured monthly payment amount that allows customers to manage their budget and avoid seasonal spikes in energy costs. The Budget Wise Billing payment amount is the monthly average of household energy costs over the past year.
CARE	Consumers Affordable Resource for Energy CARE was Consumers Energy's MEAP APP funded by LIEAF. CARE was a 24-month affordable payment plan. The plan offered an affordable fixed monthly bill (based on FPL) with a MEAP gap payment. Past due balances were forgiven over 2 years, rewarding on-time payments.
CARE MB	Consumers Affordable Resource for Energy - Modified Budget This program functions very similarly to CARE, but on a "modified budget" plan. It includes a flat monthly subsidy from MEAP, and the customer's budgeted monthly payment amount can change based on energy usage after budget review at 6, 12, and 18 months in the program.
CE	Consumers Energy Company
CERA	COVID Emergency Rental Assistance A program authorized by the American Rescue Plan Act of 2021 to assist eligible households with financial assistance, such as housing stability services and utility payments.
COSS	Cost of Service Study A process by which utilities allocate costs to different customer classes. The methodology includes identifying each cost's function, classification, and allocation.
Crisis Assistance	Crisis Assistance A program that is offered when a customer is past-due on a utility bill, has service shut off or has 25% remaining in their heating fuel tank, or a stated need for deliverable fuel. Example: State Emergency Relief (SER) program.
CSR	Customer Service Representative Generally, refers to organizations' or companies' staff that answer general questions or service-related phone calls, emails, or messages from clients or customers.
DTE	DTE Energy Company

EAAC	Energy Affordability and Accessibility Collaborative This collaborative, authorized under the MPSC case number U-20757 docket results from the order issued February 18, 2021, in Case No. U-20757. It seeks broad and diverse input from residents, non-profits, utilities, and state agencies to address energy equity, the affordability of energy, access to low-income energy assistance, customer protections and low-income energy waste reduction services in coordination with the Energy Waste Reduction Low Income Workgroup. The EAAC's work takes place in subcommittees and the Low-Income Energy Policy Board.
EAG	Energy Advocacy Group A team of specialist DTE representatives who work with vulnerable customers to connect them with energy assistance and validate program eligibility.
EASE	Energy Assistance, Self-sufficiency & Education UPPCO's MEAP APP funded by LIEAF. EASE modified budget is replacing EASE in fiscal year 2026 and is a 24-month affordable payment plan. It includes a flat monthly subsidy from MEAP, and the customer's budgeted monthly payment amount can change based on energy usage after budget review at 6, 12, and 18 months in the program.
EWR	Energy Waste Reduction, also known as Energy Optimization Michigan law requires each provider to have an energy waste reduction plan that has been approved by MPSC. The overall goal of an energy waste reduction plan is to help the provider's customers reduce energy waste and to reduce the future costs of provider service to customers. In particular, an electric provider's energy waste reduction plan shall be designed to delay the need for constructing new electric generating facilities and thereby protect consumers from incurring the costs of such construction. Since 2009, Michigan's utility providers have helped customers save almost \$6 billion in electric costs and close to \$2 billion in natural gas costs through Energy Waste Reduction options.
FPL	Federal Poverty Level The U.S. Federal poverty level is a measure of income the U.S. government uses to determine who is eligible for subsidies, programs, and benefits. Each year, the U.S. Census Bureau uses census data and the Consumer Price Index (CPI) to determine an official poverty measure (OPM). This process weighs household income against costs to determine the minimum amount necessary to afford basic living expenses such as housing, utilities, clothing, food, and transportation. The Department of Health and Human Services (HHS) updates the poverty guidelines each January to account for inflation.

Gap Payment	Gap Payment For payment plans like APPs and PIPPs, the gap payment is the difference between the customer's portion of the bill and the total billed amount. This portion is the bill-subsidy paid either by ratepayers by recovering costs in rates (in the case of DTE's PIPP) or by MEAP, which is funded by a surcharge on ratepayer bills.
HEA	Home Energy Analysis Home Energy Analysis looks at how the whole home uses energy and offers free product upgrades and a list of ways homeowners can take action to save energy.
HNP or HN	Helping Neighbors Program The Helping Neighbors Program is a Free Energy Saving Upgrades and home energy report for income-qualified customers of Consumers Energy.
HHC	Home Heating Credit The Home Heating Credit is a program administered by the State of Michigan to help low-income families pay a portion of their heating expenses if they are a qualified Michigan homeowner or renter. This program is funded by LIHEAP and administered via a tax rider by the Michigan Department of Treasury.
HHS	U.S. Department of Health and Human Services HHS is a cabinet-level executive branch department of the U.S. federal government created to protect the health of all Americans and provide essential human services.
IOU	Investor-Owned Utility IOUs in Michigan are publicly traded corporations that provide electric or natural gas services to their customers. IOUs are government-regulated monopolies that operate under the condition that a Public Service Commission regulate their rates. Electric IOUs in Michigan include: - Alpena Power Company - Consumers Energy Company - Detroit Thermal - DTE Electric Company - Indiana Michigan Power Company (American Electric Power) - Northern States Power (XCEL ENERGY) - Upper Michigan Energy Resources Corporation (UMERC) - Upper Peninsula Power Company

	Natural gas IOUs in Michigan include: Consumers Energy Company DTE Gas Company Michigan Gas Utilities Corporation Northern States Power - Wisconsin (Xcel) SEMCO Energy Gas Company Upper Michigan Energy Resources Corporation (UMERC)
LI	Low Income Customers that fall under 150% of the Federal Poverty Level are generally considered low-income. MEAP now defines low-income as being at or below 60% state median income effective October 2025.
LIA	Low Income Assistance Credit A monthly credit for qualifying Low-Income Customers: \$40.00 per month on the DTE Gas account, \$50.00 per month on the DTE Electric account, \$30.00 per month for a SEMCO, MGU, Consumers Electric account, and \$30.27 per month for a Consumers Gas account. Approved in MPSC rate cases and applied at the utility's discretion. This credit may be associated with currently enrolled or graduating APP customers.
LIEAF	Low Income Energy Assistance Fund (and surcharge) A ratepayer-funded energy assistance fund. Public Act 95 of the Michigan Public Acts of 2013 established the Low-Income Energy Assistance Fund (LIEAF) charging the Michigan Department of Human Services (DHHS) with expending money from the fund as provided by the Michigan Energy Assistance Act. The funding mechanism is a non-bypassable surcharge on all retail electric meters for participating electric utilities. Under revised legislation, there is no longer an annual fund cap unless 10% of the fund was unspent in the previous year. The funding factor is authorized to be \$1.25 per meter per month in fiscal year 2026 and may increase by \$0.25 per year up to \$2.00 per meter per month with inflationary adjustments made in subsequent years.
LIEPB	Low Income Energy Policy Board The Low-Income Energy Policy Board guides the work of the Energy Affordability and Accessibility Collaborative and the Energy Waste Reduction Low-Income Workgroup and connects this work to other state agencies and efforts. With a focus on effectuating affordability, equity, access, and environmental justice, the group's goal is to "reduce the number of Michigan households with unsustainable energy burdens" by connecting the expertise, experience, and perspectives of members and providing recommendations to the Commission to better serve low-income and vulnerable households with their energy needs. Board membership is by invitation and meetings are open to the public.

LIHEAP	Low Income Home Energy Assistance Program A federally funded energy assistance program. Home Heating Credit, State Emergency Relief, and the Weatherization Assistance Program are programs in Michigan that are funded through LIHEAP.
LMI	Low to Moderate Income A term used by Consumers Energy, which it defines as customers under 400% of the Federal Poverty Level.
LSP	Low Income Self-Sufficiency Plan LSP was DTE's MEAP APP funded by LIEAF. LSP was a 24-month affordable payment plan. The plan offered an affordable fixed monthly bill (based on FPL) with a MEAP gap payment. Past due balances were forgiven over 2 years, rewarding on-time payments.
LSPM	Low Income Self-Sufficiency Plan- Modified Budget This program functions very similarly to LSP, but on a "modified budget" plan. It includes a flat monthly subsidy from MEAP, and the customer's budgeted monthly payment amount can change based on energy usage after budget review at 6, 12, and 18 months in the program.
MAP	Monthly Assistance Program SEMCO Energy Company's MEAP APP funded by LIEAF. MAP is a 24-month affordable payment plan. It includes a flat monthly subsidy from MEAP, and the customer's budgeted monthly payment amount can change based on energy usage after budget review at 6, 12, and 18 months in the program.
MDHHS	Michigan Department of Health and Human Services A principal department of the state of Michigan, headquartered in Lansing, that provides public assistance and child and family welfare services and oversees health policy and management.
MEAP	Michigan Energy Assistance Program MEAP is a statewide program for participating utilities and funded through the Low-Income Energy Assistance Fund (LIEAF) surcharge that provides energy assistance and self-sufficiency services to eligible low-income households. Services accompanying as-needed or monthly bill payment assistance include assisting with paying energy bills on time, budgeting for and contributing to the ability to provide for energy expenses, which may include enrollment into an affordable payment plan, bill payment assistance and utilizing energy services to optimize energy efficiency.
MGU	Michigan Gas Utilities

MPSC	Michigan Public Service Commission The MPSC is a governmental agency under the Michigan Department of Licensing and Regulatory Agency that regulates investor-owned energy utilities (natural gas and electric) and telecommunication in Michigan. Also referred to as “the Commission” in MPSC work and proceedings.
NSP	Northern States Power Company
OTA	MEAP One-Time Assistance Formerly called MEAP one-time assistance is now called MEAP as-needed assistance to more accurately reflect the frequency of the assistance, which can be sought as many times as needed up to the annual capped assistance amount per customer. This form of energy bill payment assistance is, however, distinct from one-time assistance like the Home Heating Credit or ongoing assistance like the APPs, since it does not limit the assistance-receipt to once annually like HHC nor offer monthly bill subsidies like the APPs. Its intent is to address customer arrearages and past-due bills.
PIPP	Percentage of Income Payment Plan General terminology for describing payment plans that have plan amounts equal to a set portion of a customer’s income. For Consumers Energy, it is a 2-year pilot approved by the Michigan Public Service Commission (MPSC) in which low-income customers at 150% FPL or below will be provided energy bill assistance and access to programs to help them reduce energy waste and lower their monthly bills. DTE's PIPP is a similar program targeted at customers below 200% FPL.
Plan Amount	Plan Amount The term used to describe what portion of a customer’s bill is the customer’s responsibility to pay. This is for customers on a payment plan like PIPP or APPs.
PSP	Payment Stability Plan The Payment Stability Plan was DTE’s PIPP pilot program designed to address the energy burden for income-challenged households, including customers up to 200% of the Federal Poverty Level with customer payment being set based on a percentage of their income.

RIA	Residential Income Assistance Credit A monthly credit offered by all investor-owned utilities except for UMERG Gas for qualifying low-income customers equal to the monthly service charge. Monthly service charges are based on the cost-of-service study results and therefore range from \$5 per month to \$20 per month depending on utility. The RIA credit will remain on the account for 12 months, requiring customers to re-apply annually by submitting income documentation to verify eligibility.
ROE	Return on Equity Return on equity (ROE) for energy utilities refers to the profit a utility earns from its shareholders' investment. It is calculated by dividing the net income by shareholder's equity and represents the efficiency of a utility's management in generating income from the equity. ROE is a key metric for investors and regulators, as it reflects the utility's ability to generate returns from its capital investments and attract investors. The MPSC approves a ROE for investor-owned utilities in contested rate cases.
SER	State Emergency Relief A program that provides immediate help to individuals and families facing conditions of extreme hardship or for emergencies that threaten health and safety. SER helps low-income households meet emergency needs such as heat & utilities, assist in keeping utilities in service, or have service restored, home repairs, relocation assistance, home ownership services, and burial. The program is available as long as funding lasts. Applications for the programs are conducted through a local Michigan Department of Health and Human Services office or on MI Bridges.
SMI	State Median Income The state median income is promulgated by the secretary of the United States Department of Health and Human Services in accordance with procedures established under section 2002 of the social security act, 42 USC 1397a, and adjusted, in accordance with regulations prescribed by the secretary, to take into account the number of individuals in the household.
SNAP	Supplemental Nutrition Assistance Program SNAP is a federally funded program that provides food benefits to low-income families to supplement their grocery budget. The program is known as the Food Assistance Program (FAP) in Michigan and is frequently called "food stamps".

SPP	Shut-Off Protection Plan A Shutoff Protection Plan (SPP) is a year-round payment program available to assist customers at or below 200% of the FPL with arrears by establishing a monthly payment that incorporates the average monthly usage plus the total account balance at enrollment, spread over a 12-month period.
SVDP	Saint Vincent De Paul One of 9 enrolling MEAP agencies.
Tariff	Tariff In the context of utility regulations, a tariff references a utility company's tariff/rate books, which outline rules, regulations, and rate offerings at the company. Tariffs are approved by the Commission. Linked here are the currently-approved tariff books for electric and natural gas utilities.
True-up	True-up A "true-up" is the process of reconciling estimated or preliminary billed amounts with actual final billed amounts.
TN	True North Community Services One of 9 enrolling MEAP agencies.
UMERC	Upper Michigan Energy Resources Corporation
UPPCO	Upper Peninsula Power Company
UWSCMI	United Way of South-Central Michigan One of 9 enrolling MEAP agencies.
WAP	Weatherization Assistance Program A federally funded, low-income residential energy conservation program. The program provides free home energy conservation services to low-income Michigan homeowners and renters. These services reduce energy use and lower utility bills, thus creating more energy efficient homes. Assessment includes inspection for blower door testing for air leakage, combustion appliance testing for safety and efficiency and a health and safety inspection.
WPP	Winter Protection Plan The Winter Protection Plan (WPP) is a payment deferral plan which protects both senior and low-income customers of MPSC regulated natural gas and electric companies. Customers may find relief from the electric or natural gas service shutoff and high utility payments between November 1 and March 31.

Appendix B – List of Tables and Figures

Figure	Title	Approximate Page
1	Energy Assistance Payment Plans	15-17
2	Energy Assistance Credits and Payments	18-19
3	2025 Federal Poverty Level Guidelines	20
4	Summary of Current Energy Assistance Programs with their Funding Sources	21, 196
5	How Assistance is Applied to Customer Accounts	24
6	Assistance Dollars Available to a Household if Eligible	25
7	Assistance Layering Options Prior to MEAP Reform	26
8	Assistance Layering Options After MEAP Reform	29
9	Program Orientation Toward Greater or Lesser Home Energy Security and Crisis Prevention	31
10	DTE LIA/LSP Program Pairing Argument	36
11	DTE Energy Service Territory Low-Income Customer Count Illustration	37
12	Initial LIA Reform Options	39
13	RIA Enrollment Process	40
14	RIA Self-Attestation Process	40
15	On-Time Payment Rate by Customer Assistance	42
16	Shutoff Notice Rate by Customer Assistance	42
17	Large Utility- Groups Prioritized for LIA	43
18	Mid-Sized Utility – Groups Prioritized for LIA	43
19	Energy Assistance Reform Options Cost Estimates	44
20	Consumers Energy COSS Visualization	47
21	Consumers Energy Load Study Results	48
22	Consumers Energy Summary of Low-Income COSS Results	49
23	DTE Response on Income and Energy Burden Relationship	59
24	A Summary of Energy Assistance Program Goals	61-62
25	DTE's LSP Customers' Percentage of On-Time Payments	64
26	DTE Program Outcome Metrics	67
27	Consumers Energy Outcome Metrics	69
28	Consumers Energy Program Success Rate	69
29	DTE Energy PSP Report On-Time Payment Behaviors	71
30	Consumers Energy PIPP Report On-Time Payment Behaviors	72
31	Disconnection Rate Comparison	74
32	DTE Energy PSP Report All Groups Consumption Comparison Table	75
33	Staff Consumption Analysis from Appendix H	75

34	Consumers Energy PIPP Report Household Consumption by Customer Segment	76
35	Staff Consumption Analysis from Appendix G	76
36	Michigan Average Temperature Data 2022-2025	77
37	DTE and Consumers Energy Summary of PSP/PIPP EWR Services	78, 214
38	DTE Programs Savings Comparison	85
39	Consumers Energy Programs Savings Comparison	85
40	On-Time Payment rate for DTE's Energy Assistance Programs, excluding RIA and LIA credits	91
41	DTE's PSP Customer Energy Burden & Disconnection Rates	93
42	DTE's LSP Customer Energy Burden & Disconnection Rates	94
43	DTE's LSPM Customer Energy Burden & Disconnection Rates	95
44	DTE's Control and Non-Low-Income Groups Disconnection Rates	95
45	DTE PSP Average Customer Arrears at enrollment, 12 months, and 24 months	96
46	DTE LSP Average Customer Arrears at enrollment, 12 months, and 24 months	97
47	DTE LSPM Average Customer Arrears at enrollment, 12 months, and 24 months	97
48	DTE Control Group Arrears at enrollment, 12 months, and 24 months	98
49	DTE's average non-low-income customer arrearages at enrollment, 12 months, and 24 months	98
50	DTE's energy assistance programs: number of customers enrolled and percentage of program completion	99
51	Consumers Energy's energy assistance programs, excluding RIA and LIA credits: On-time payment rate for enrolled customers	101
52	Consumers Energy's PIPP Customer Energy Burden & Disconnection Rates	102
53	Consumers Energy's CARE Customer Energy Burden & Disconnection Rates	103
54	Consumers Energy's CARE MB and Non-Low Income Customer Energy Burden & Disconnection Rates	104
55	Consumer Energy's PIPP Customer Average Arrears at enrollment, 12 months, and 24 months	105
56	Consumer Energy's CARE Customer Average Arrears at enrollment, 12 months, and 24 months	105
57	Consumer Energy's CARE MB Customer Average Arrears at enrollment, 12 months, and 24 months	106

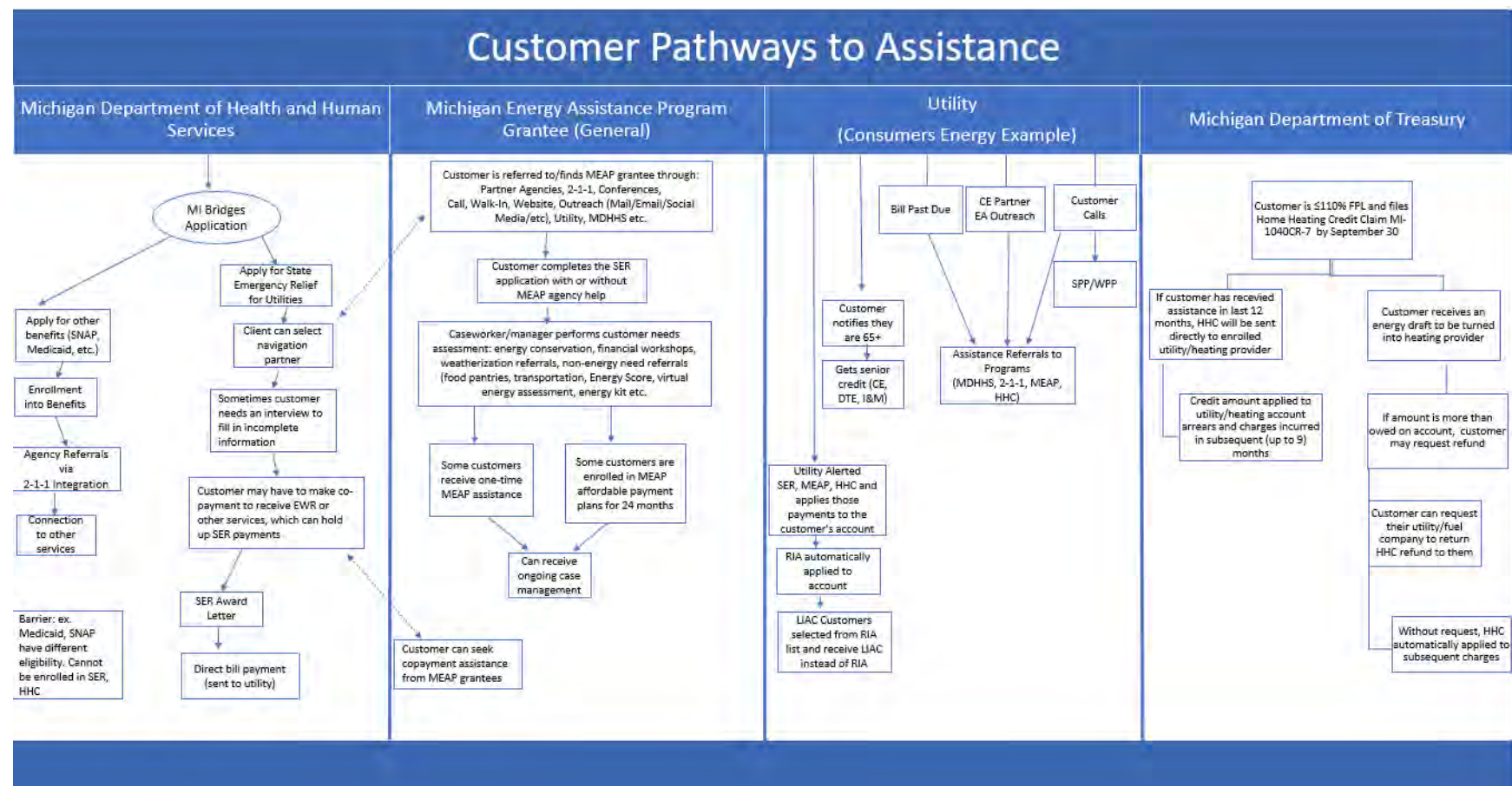
58	Consumer Energy's Customer Average Arrears for Average Low-Income and Non-Low-Income Groups at enrollment, 12 months, and 24 months	106
59	Consumers Energy's energy assistance programs: Number of customers enrolled and percentage of program completion	107
60	Affordable Payment Plan Customer Journey (current state)	116
61	Affordable Payment Plan Customer Journey (future state beginning FY26)	116
62	Energy affordability descriptors based on energy burden	119
63	Pros and Cons of APPs, PIPPs, and RIA/LIA Credits	124
64	Current energy assistance program funding and administration	126
65	Consumption and Arrearage Cap Impact	136
66	APP Average Starting Arrears by Utility	137, 174
67	Determining a Cost-Based Electric vs. Gas Bill's Proportion of an Energy Burden	139
68	Cost-Based Electric vs. Gas Bill's Proportion of a 6% Energy Burden	140
69	Bill Subsidy Factor PIPP vs. APP-MB Comparison	141
70	LSPM Monthly Credit Amounts for Customers	142
71	Consumers Energy's CARE MB Monthly Credit Amounts for Customers	143
72	SEMCO's MAP Modified Budget Monthly Credit Amounts for Customers	143
73	UPPCO's EASE Modified Budget Monthly Credit Amounts for Customers	144
74	DTE LSPM Example Illustration of APP Energy Burden: (Low-Consumption Combo)	147
75	APP Credit Matrix Design by Utility	148
76	Distribution of residential heating fuel consumed in Michigan in 2022, by type	150
77	DTE Energy LSPM Credit Matrix Actuals	151-152
78	Consumers Energy CARE MB Credit Matrix Actuals	153
79	SEMCO Energy MAP MB Credit Matrix Actuals	153
80	UPPCO EASE MB Credit Matrix Actuals	154
81	Consumers Energy PIPP Report Survey Results, Enrollment Experience Comparison	158
82	Consumers Energy PIPP Report Survey Results, Overall Program Satisfaction Comparison	158
83	Proposed Streamlined Structure Without RIA	162
84	Proposed Streamlined Structure With RIA	163
85	Streamlined System with Aligned Eligibility	164
86	Consumers Energy and DTE Energy Average Credit Amount by Assistance Type	167
87	Staff-Proposed Program Design	168-170

88	Example Benefit Matrix for APPs	172
89	Arrears Forgiveness Handling by Assistance Type	173
90	Arrears Eligibility Requirements by Assistance Type	174
91	PIPP, PSP, and APP Program Cost Funding Layering	177-179
92	Annual Cost of Energy Assistance Programs Per Participant	180
93	Consumers Energy-Energy Assistance Program Expense Comparison	181
94	DTE Energy-Energy Assistance Program Expense Comparison	182
95	Consumers Energy - Energy Assistance Rate Impact Comparison	183
96	DTE Energy - Energy Assistance Rate Impact Comparison	183
97	DTE Electric RIA&LIA Credit Revenue Shortfall Allocation Methods (in percentages)	188
98	Consumers Electric RIA&LIA Credit Revenue Shortfall Allocation Methods (in percentages)	189
99	DTE Electric RIA & LIA Credit Revenue Shortfall Allocation Methods	189
100	DTE Gas RIA & LIA Credit Revenue Shortfall Allocation Methods	190
101	Consumers Electric RIA & LIA Credit Revenue Shortfall Allocation Methods	191
102	Consumers Gas RIA & LIA Credit Revenue Shortfall Allocation Methods	192
103	Arguments for and Against Recording Program Costs in Uncollectible Expense	194
104	Energy Assistance Programs by Income Eligibility threshold (Descending)	197
105	DTE Energy PSP Report Funding Layering	197
106	Consumers Energy PIPP Report Funding Layering	198
107	Example DTE LIA Bill Subsidy	199
108	Fund Layering Example A - Higher Energy Costs	200
109	Fund Layering Example A1 - Average Energy Costs	200
110	Fund Layering Example B: Side-by-Side Programs	201
111	Consumers Energy PIPP Report Inability to Pay Process Resource	218
112	Recommended Triage Process Map for Investor-Owned Utilities	220
113	Percentage of Internet vs. Non-Internet Billing and Bill Payment by Utility	223
114	Income Validation by Energy Assistance Program	224
115	Income Validation Successes and Pain Points	225
116	Prioritization of Applicants by Energy Assistance Type	229
117	Term of Plan and Income Revalidation Overview by Energy Assistance Type	233

118	DTE Energy PSP De-Enrollment Reason Pie Chart	235
119	Consumers Energy PIPP De-Enrollment Reason Pie Chart	235
120	Ohio PIPP Enrollment Reverifications	236
121	12-month vs. 24-month energy assistance plan pros and cons	237
122	Current Disenrollment Protocol by Assistance Type	239
123	Current Post-Enrollment/Graduation Protocol by Assistance Type	240
124	DTE Standard Collections Process Timeline Example	241
125	DTE LSP Timeline Examples	241
126	Consumers Energy Standard Collections Progress Timeline Example	242
127	Income Revalidation Reminder Staff Recommendation	246
128	Missed Payment Process Staff Recommendation	247
129	Energy Affordability Metrics Recommendation	253

Appendix C - Customer Journey

The following graphic was created and utilized by the AAA subcommittee in January 2025 as a generalized version of how a customer applies for and receives energy assistance given the current energy assistance landscape. This example may not precisely reflect application procedures.



Appendix D – Fiscal Year 2026 Table of Income Eligibility

Household Size	110% FPL (Home Heating Credit)	150% FPL (SER)	60% SMI (MEAP)	250% FPL (Utility LI-EWR Programs)
1	\$17,215	\$23,475	\$36,517	\$39,125
2	\$23,265	\$31,725	\$47,753	\$52,875
3	\$29,315	\$39,975	\$58,989	\$66,625
4	\$35,365	\$48,225	\$70,225	\$80,375
5	\$41,415	\$56,475	\$81,461	\$94,125
6	\$47,465	\$64,725	\$92,697	\$107,875
7	\$53,515	\$72,975	\$94,803	\$121,625
8	\$59,565	\$81,225	\$96,910	\$135,375

Appendix E - Residential Income Assistance Credit (RIA) and Low Income Assistance Credit (LIA/LIAC) Commission Order History

Pursuant to Commission order compliance in MPSC Case No. U-20836:

This appendix addresses program design, the intent of programs, and corresponding tariff revisions.

Arguments relating to RIA enrollment projections are not addressed in this appendix, as those issues were resolved in rate cases and are a result of audited projections. The Commission did not request the EAAC to audit low-income credit enrollment figures. If the LIA and RIA credits were not modified, or if the RIA was only changed to remain equal with the monthly customer charge, the case was not included in this document.

Table of Contents

Tariff Resources	1
DTE Energy Electric and DTE Gas	1
U-15244 DTE Electric General Rate Case 12/23/08	1
U-15768 DTE Electric General Rate Case 1/11/10	2
U-15985 DTE Gas/Michigan Consolidated Gas General Rate Case 6/3/10	2
U-17767 DTE Electric General Rate Case 12/11/15	2
U-17999 DTE Gas General Rate Case 12/9/16	3
U-18255 DTE Electric General Rate Case 4/18/18	4
U-18999 DTE Gas General Rate Case 9/13/18	4
U-20561 DTE Electric General Rate Case 5/15/20	6
U-20642 DTE Gas General Rate Case 8/20/20	7
U-20836 DTE Electric General Rate Case 11/18/22	7
U-20917 DTE Gas RIA LIA Ex parte tariff change 1/21/21	8
U-20940 DTE Gas General Rate Case 12/9/21	9
U-21291 DTE Gas General Rate Case 11/7/24	11
U-21534 DTE Electric General Rate Case 1/23/25	11
Consumers Energy Electric and Gas	13
U-15245 CE Electric General Rate Case 6/10/08	13
U-15986 CE Gas General Rate Case 5/17/10	13
U-18124 CE Gas General Rate Case 7/31/17	13
U-18424 CE Gas General Rate Case 8/28/18	15
U-20650 CE Gas General Rate Case 9/10/20	16
U-20697 CE Electric General Rate Case 12/17/20	17
U-20963 CE Electric General Rate Case 12/22/21	19
U-21043 CE Gas and Electric Ex Parte RIA LIA Tariff Language 6/9/21	19
SEMCO Energy Gas Company	20
U-20479 Semco Energy Gas Company General Rate Case 12/6/19	20
Michigan Gas Utilities Corporation	20
U-20718 Michigan Gas Utilities Corporation General Rate Case 9/9/21	20
U-21366 Michigan Gas Utilities Corporation General Rate Case 8/30/23	21
Upper Michigan Energy Resources Corporation	22

U-21541 UMERG General Rate Case 10/10/24	22
Alpena Power Company	22
U-21488 Alpena General Rate Case 7/23/24	22
Indiana Michigan Power Company	23
U-18370 I&M General Rate Case 4/12/18	23
U-21461 I&M General Rate Case 7/2/24	23
Upper Peninsula Power Company	23
U-21286 UPPCO General Rate Case 3/24/23	23
Northern States Power	24
U-21097 NSP Electric General Rate Case 3/17/22	24
U-21226 NSP Gas General Rate Case 12/21/22	24

Tariff Resources

[Natural gas](#) and [electric](#) tariff books include each utility's approved rate schedules, rules, regulations, and standard forms governing the distribution and sale of a utility's commodity.

The tariff books can be found at their respective links (above) on the MPSC website. After selecting the utility you're searching for, you can select the complete current rate book or scroll down and select the canceled sheets or former rate books to view past iterations of the tariff sheets. All sheets are labeled with a number in the upper right corner and a stamp in the center bottom of the page to mark when the sheet was approved and uploaded to the MPSC website. The date the sheet went into effect can be found in the lower right corner.

DTE Energy Electric and DTE Gas

Each of the following cases are dated with the date the final order was passed.

[U-15244 DTE Electric General Rate Case 12/23/08](#)

Inception of DTE Electric's RIA credit

"Detroit Edison supports a low income credit in the \$3.00 to \$4.00 range, with funding allocated across the residential customer class. The Staff proposed a residential income assistance (RIA) program similar to the one recently approved for Consumers. The Staff's proposal offers a \$6.00 credit that would fully offset the proposed residential system access charge of \$6.00. Detroit Edison agreed to this proposal. The Commission agrees that the residential system access charge and the RIA credit should be implemented as proposed by the Staff in this proceeding. The Commission is aware that the first two sentences of Section 11(3) of Act 286, MCL 460.11(3), which were signed into law after the close of proofs in this case, provide:

Notwithstanding any other provision of this act, the commission may establish eligible low-income customer or eligible senior citizen customer rates. Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer

rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes.

The Commission finds that the key to a low-income rate is the affordability of that rate to low-income customers. Section 11(3) obligates Detroit Edison to include a properly designed low-income rate with all of its future rate case filings. In so doing, Detroit Edison shall focus on proposals that will result in a rate that is affordable by the utility's low-income customers. The Commission also observes that other interested parties are encouraged to submit their own proposals for the Commission's consideration." (12/23/08 [Order](#), pp. 92-93.).

[U-15768 DTE Electric General Rate Case 1/11/10](#)

DTE proposed in direct testimony to modify its low-income assistance rates (the RIA credit) to conform to Public Act 286 of 2008 (MCL 460.11(2)). The MPSC Staff supported the proposal and the Commission adopted the changes. (1/11/10 [Order](#), p. 77).

The RIA credit amount remained the same at \$6 per month but the eligibility criteria was modified to conform to MCL 460.10t(6)(b)

[U-15985 DTE Gas/Michigan Consolidated Gas General Rate Case 6/3/10](#)

Inception of DTE Gas's RIA.

"The Staff proposed, and Mich Con accepted, the elimination of the current Rate AS Low-Income Senior Citizens Winter Credit of \$12.00 per month for four months of the year, and its replacement with the residential income assistance (RIA) credit of \$6.00 per month, available year round.

However, these two parties disagreed on how to allocate the estimated \$13 million revenue shortfall arising from implementation of the RIA credit. The Staff recommended spreading the shortfall to all rate classes on the basis of test year throughput. Mich Con proposed that it be recovered from the residential class only, and, if allocated to all classes, on the basis of Allocation Factor No. 20 (cost of service plus cost of gas), as is done for uncollectibles." (6/3/2010 [Order](#), p. 91).

In its June 3, 2010 Commission Order, the Commission determined the allocation method for the revenue shortfall associated with the RIA to be the following:

The ALJ found that the revenue shortfall should be recovered from all rate classes, on the basis of Allocation Factor No. 20 rather than on the basis of throughput. [U-15985 Order, page 91.]

The Commission adopts the findings and recommendations of the ALJ. For the electric utilities, this shortfall is spread to all customer classes and the Commission is not persuaded that gas should be treated differently. See, MCL 460.11 (3). The Commission further finds that spreading it on the basis of cost of service plus the cost of gas is fair and reasonable. (Order, page 92.)

This allocation method has been continued for the RIA as well as the LIA credits to date.

[U-17767 DTE Electric General Rate Case 12/11/15](#)

DTE proposed, and was approved, to start a pilot called the Residential Service Special Low Income Pilot tariff on rate D1.6, which was the standard residential rate (D1) with a \$40 monthly credit to 32,000 qualifying customers. To qualify, customers had to have 12-month historical usage levels less than \$1,700 and an income at or below 150% of the federal poverty level. No metrics were established to

evaluate the effectiveness of the credit, nor was the purpose of the credit stated/approved by the Commission. (12/11/15 [Order](#), pp. 130-132).

DTE [Testimony](#):

“The proposed Rate D1.6 is a pilot that in tandem with a modified RIA will allow DTE Electric to best serve the needs of our low-income customers.” (Direct Testimony of Company witness Stanczak, p. 24).

The D1.6 tariff that DTE Electric proposes to pilot will provide proactive assistance to eligible low-income customers that will make their utility bill more affordable. As experienced through past and current low-income programs, proactive solutions provide vulnerable customers assistance that mitigates the occurrence of a crisis situation. As a result, efficiencies in the collection cycle are gained, thereby enabling DTE Electric to manage its arrears and uncollectible expense.

Q. Why is eligibility to D1.6 limited to electric customers with historical electric usage less than \$1,700 per year?

A. The average bill amount for electric customers in the city of Detroit is \$1,700 per year. This amount was selected to ensure that the credit would be effective in helping electric customers successfully manage their electric bills. As electric customers’ bills increase above a certain amount, the credit becomes less effective because the total amount owing may still be too high for them to manage [...]The pilot program, operating in conjunction with the existing RIA program, will provide an opportunity for the Company to continue to gain knowledge and identify best practices available to serve Low-Income customers. (Direct Testimony of Company witness Tomina, pp.15-16).

LIA Rate D1.6 Tariff Language Sheet No. D-12.01 from [Canceled Rate Sheets from MPSC#1](#):

Customers who select this pilot rate must qualify for the Residential Service rate D1 and must have been billed by the Company \$1,700 or less over the last 12 months. To qualify for this pilot rate a customer must also provide annual evidence of receiving a Home Heating Credit (HHC) energy draft or warrant, or must provide confirmation by an authorized State or Federal agency verifying that the customer's total household income does not exceed 150% of the poverty level as published by the United States department of health and human services or if the customer receives any of the following: i) Assistance from a state emergency relief program; ii) Food stamps or iii) Medicaid. Service under this rate shall be limited to 32,000 customers.

[U-17999](#) DTE Gas General Rate Case 12/9/16

DTE Gas was approved for its first LIA credit with 20,000 capped, randomly enrolled customers.

“the Commission cautions DTE Gas that future continuation of the LIACP is contingent on the company showing that this tariff fills a need or extends assistance to customers in a way unique from or complementary to the company’s other assistance programs, including the Low-Income Self-Sufficiency Plan and RIA (e.g., keeping fixed-income customers from experiencing an energy crisis or ensuring customers finishing other programs do not reenter a crisis situation)” (12/9/16 [order](#) p. 63).

LIA Tariff Language Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #1](#):

Low Income Assistance Credit Pilot

This credit is available to up to 20,000 qualifying Residential Customers. To qualify for the Low Income Assistance Credit Pilot a customer must be currently enrolled in the residential Income Assistance Provision, fulfilling one of the following requirements: 1) Provide evidence of receiving a Home Heating Credit energy draft, confirmed annually; or 2) Provide confirmation by an authorized State, Federal or community agency verifying the total household income does not exceed 150% of the poverty level as published by the United States Department of Health and Human Services; or 3) Receive any one of the following a. Assistance from a state emergency relief program b. Food stamps c. Medicaid. The monthly credit for the residential Low Income Assistance Credit shall be applied as follows: Income Assistance Credit: \$(30.00) per meter per month

U-18255 DTE Electric General Rate Case 4/18/18

4/18/18 [Order](#)

DTE begins calling the credit the LIA in the Direct [Testimony](#) of Company witness Johnson p. 26 and is said to be applied to LSP customers.

DTE Electric proposes removing the current requirement that eligible customers have been billed by the company \$1,700 or less over the last 12 months. (Johnson p. 27). Johnson also proposed modifying the corresponding D1.6 tariff language to allow for a 32,000 annual average customer cap instead of only stating a limit of 32,000 in the existing tariff.

DTE Electric proposed new terms and conditions for its Low-Income Self-Sufficiency Plan program and Special Low Income Pilot tariff, including removal of an eligibility requirement and modification of the customer cap. 7 Tr 944-947. The Staff supported the proposal. MEC/NRDC/SC advocated no cap on participation. The ALJ found that the current program funding of \$15.4 million is reasonable, and, noting that MEC/NRDC/SC's proposal could push funding requirements to \$233.8 million, recommended adoption of DTE Electric's proposal. PFD, p. 302. No exceptions were filed, and the Commission adopts the recommendation of the ALJ. (Order, pp. 82-83).

LIA Rate D1.6 Tariff Language Sheet No. D-12.01 from [Canceled Rate Sheets from MPSC#1](#):

Customers who select this pilot rate must qualify for the Residential Service rate D1. To qualify for this pilot rate a customer must also provide annual evidence of receiving a Home Heating Credit (HHC) energy draft or warrant, or must provide confirmation by an authorized State or Federal agency verifying that the customer's total household income does not exceed 150% of the poverty level as published by the United States department of health and human services or if the customer receives any of the following: i) Assistance from a state emergency relief program; ii) Food stamps or iii) Medicaid. Service under this rate shall be limited to an average of 32,000 customers.

U-18999 DTE Gas General Rate Case 9/13/18

9/13/18 [Order](#) details DTE's request for increased LIA participation from 20,000 customers to 33,000, with the increased 13,000 being participants in DTE's affordable payment plan, the LSP. (Order, p. 106)

"The Staff opposed the shift, but proposed that no more than half of the LIA credit be applied randomly to no more than half of customers who have graduated from the LSP, and DTE Gas agreed. The ALJ,

apparently assuming that the Staff supported the utility's proposal, recommended adoption of DTE Gas' proposal as amended by the Staff." PFD, p. 199. (Order, p. 107).

The Commission agrees with the Staff that it is important to continue to monitor and evaluate the efficacy of the rate credits and the LSP, but finds compelling evidence presented in this case on the 2016 and 2017 performance results of the LSP, combined with the rate credits. 2 Tr 523-528, 533-534; 4 Tr 1396-1397; Exhibit S-17.3. The LSP is funded by a combination of sources, including the rate credits (which, though not a direct funding source, allow the other funding sources to stretch farther), DTE Energy or DTE Gas contributions (not embedded in rates), and Michigan Energy Assistance Program (MEAP) funding administered by social service agencies (and previously, MEAP funding administered by DTE Gas directly). In the past, other funding sources, such as the Low-income Home Energy Assistance Program, were used. Through the coordinated services and assistance of DTE Gas and social service agencies, the program has demonstrated significant progress in avoiding disconnections, reducing energy consumption, and maintaining customer participation by providing comprehensive support that helps eligible customers actually afford their utility service. 2 Tr 524. This, in turn, avoids costs incurred by the utility associated with disconnection and other customer interactions addressing non-payment issues. 2 Tr 525, 533; 4 Tr 1396-1397. With the declining RIA enrollments, the Commission agrees with DTE Gas that it is appropriate to shift additional customers and resources toward the LIA credit as proposed. Specifically, the Commission agrees to increase the customer cap for the LIA credit from 20,000 to 33,000 customers and accepts the company's projection of 55,000 customers to receive the RIA credit. As a result of the projected customer counts approved herein, the associated cost of the RIA credit is \$7.4 million and \$11.9 million for the LIA credit. This is a net increase of \$1.4 million over the joint cost of the credits from the previous case. The Commission also agrees with DTE Gas that the experience to date with the random assignment of the LIA to customers not participating in the LSP does not produce the same benefits in terms of avoided disconnections, as those customers receiving the credit as part of the LSP. This is logical because the LSP provides comprehensive services that enable customers to achieve self-sufficiency. Therefore, the Commission is concerned that such random assignments may not be prudent and is not opposed to further alignment of the LIA with the LSP beyond the 50-50 split between LSP and non-LSP customers suggested by the Staff. With this level of credit under the LIA pilot, it is essential that it be used in a manner that can actually drive down utility operating costs in terms of uncollectibles, disconnection, and customer assistance over the long term. The Commission is not opposed to continuing some level of LIA credits outside of the LSP but stresses the need for thorough evaluation and adjustments to program design if it is not producing positive results. Because the LIA is a pilot with fairly limited experience, the Commission agrees wholeheartedly with the Staff that additional research and monitoring of the LSP and rate credits are warranted. (Order, pp. 108-109).

LIA Tariff Language Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #1](#):*Low Income Assistance Credit Pilot*

This credit is available to up to 33,000 qualifying Residential Customers. To qualify for the Low Income Assistance Credit Pilot a customer must be currently enrolled in the residential Income Assistance Provision, fulfilling one of the following requirements: 1) Provide evidence of receiving a Home Heating Credit energy draft, confirmed annually; or 2) Provide confirmation by an authorized State, Federal or community agency verifying the total household income does not exceed 150% of the poverty level as published by the United States Department of Health and Human Services; or 3) Receive any one of the following a. Assistance from a state emergency relief program b. Food stamps c. Medicaid. The monthly credit for the residential Low Income Assistance Credit shall be applied as follows: Income Assistance Credit: \$(30.00) per meter per month

[U-20561](#) DTE Electric General Rate Case 5/15/20

The Residential Service Special Low Income Rate (D1.6) is being referred to as the LIA.

The Commission agrees that projecting these levels can be challenging, and wants to ensure ratepayers are protected and that all who want to utilize these programs are able. Therefore, the Commission adopts the ALJ's recommendations pertaining to reducing the projection to 43,000 RIA enrollments and retaining the 32,000 LIA program customer cap, thereby adopting the Staff's revenue adjustment. However, the Commission finds that these programs are valuable and encourages the company to continue the enrollment of interested customers. To encourage continued enrollment, the Commission authorizes DTE Electric to track enrollments up to the company's projections of 60,000 for RIA and 50,000 for LIA, to be booked as a regulatory asset. Thus, the Commission adopts the ALJ's recommendation pertaining to the 43,000 RIA enrollments, but authorizes the company to book any overages relating to serving customers above this 43,000 level as a regulatory asset for a future determination by the Commission as to the reasonableness and prudence of the costs involved. The Commission also adopts the ALJ's recommendation to approve the Staff's revenue adjustments relating to the RIA and LIA customer counts. Additional LIA pilot program issues are discussed further below. (5/8/20 [Order](#), pp. 180-181).

The Commission finds that the ALJ's determination is reasonable and prudent. As noted above, the Commission adopts the ALJ's findings related to retaining the cap on enrollment but authorizes regulatory accounting treatment for the enrollment of additional customers. The Commission takes note of all suggested modifications but agrees with the Staff that the current pilot should remain in effect. As the ALJ recommended, the Commission finds that the company should work with the Staff and stakeholders to develop a low-income pilot structured around the Attorney General's and MEC Coalition's combined analysis. The Commission looks forward to seeing the results from the collaborative process and believes engaging all interested parties in the process will result in a well thought out proposal. (Order, p.239).

The resulting 2-year pilot was developed in the U-20929 ex-parte case and is referred to as the Payment Stability Plan, which is a percentage-of-income based payment plan.

LIA Tariff from U-18255 remains in effect.

[U-20642 DTE Gas General Rate Case 8/20/20](#)

The case was settled in a 7/17/20 settlement [agreement](#).

Credit enrollment figures were adjusted, but program design adjustments were not stated in the settlement agreement.

Language was added to the RIA and LIA stipulating that “If the Low-Income Assistance Credit results in a credit balance, that credit balance may only be applied to future billed amounts related to utility service provided to that customer under Rate A. In no case will a refund of such a balance be issued.”

The revised language also clarified which rate “residential customers” are, on sheet D-13 on Attachment 2 of the Settlement Agreement.

The 8/20/20 [Order](#) approved the settlement agreement.

LIA Tariff Language Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #1](#):

Low Income Assistance Credit Pilot

This credit is available to up to 33,000 qualifying customers taking service under Rate A. To qualify for the Low Income Assistance Credit Pilot a customer must be currently enrolled in the residential Income Assistance Provision, fulfilling one of the following requirements: 1) Provide evidence of receiving a Home Heating Credit energy draft, confirmed annually; or 2) Provide confirmation by an authorized State, Federal or community agency verifying the total household income does not exceed 150% of the poverty level as published by the United States Department of Health and Human Services; or 3) Receive any one of the following a. Assistance from a state emergency relief program b. Food stamps c. Medicaid. If the Low Income Assistance Credit results in a credit balance, that credit balance may only be applied to future billed amounts related to utility service provided to that customer under Rate A. In no case will a refund of such a balance be issued. The monthly credit for the residential Low Income Assistance Credit shall be applied as follows: Income Assistance Credit: \$(30.00) per meter per month

[U-20836 DTE Electric General Rate Case 11/18/22](#)

11/18/22 [Order](#)

After review of the record and arguments of the parties, the Commission finds the ALJ’s recommendations on these issues to be well-reasoned and supported by the record. Accordingly, the Commission adopts the ALJ’s findings and conclusions. The Commission adopts the Staff’s RIA projection of 65,000 RIA and LIA credits and resulting revenue increase of \$2,587,050, in accordance with the ALJ’s decision. The Commission permits the deferred accounting treatment of RIA credits to be presented in rate cases in accordance with its decision in DTE Electric’s last general electric rate case. (Order, pp. 254-255)

The ALJ noted that DTE Electric and the Staff agreed that DTE Electric’s “deferred asset and liability balances authorized in the May 8 order for LIA and RIA credits above

projected levels and subject to the caps provided—can be addressed in rate cases rather than in biennial reconciliations.” PFD, p. 601. No exceptions were filed. (Order, p. 363)

The ALJ agreed that the Staff and the DAAOs raised reasonable concerns with DTE Electric’s administration of the RIA and LIA programs considering the company’s resistance to providing RIA and LIA enrollment data separately, the company’s objection to the Staff’s assumption that the company would permit LIA enrollment up to the cap level, and the assertion that the company is not fully utilizing LIA credits. The ALJ recommended that the company file a report detailing its current approach to enrolling customers in the LIA credit program with current enrollment data from 2021 and 2022 (to date). Following this report, the parties should discuss the enrollment assignment and the enrollment cap in the Energy Affordability and Accessibility Collaborative (EAAC). The ALJ found the other clarifying changes proposed by DTE Electric and the Staff unnecessary to address at this time. PFD, p. 662 (Order, pp.403-404) [....] Finding the ALJ’s recommendations to be well-reasoned and supported by the record, the Commission adopts the ALJ’s recommendations regarding the RIA/LIA programs. While the Commission understands the calls for urgency expressed by the DAAOs and recognizes that energy affordability is a critical issue for many DTE Electric ratepayers, the Commission agrees with the ALJ that the EAAC is in the best position to assess the issues of the enrollment assignment and caps as well as potential revisions to the LIA credit. The Commission further finds that a report detailing DTE Electric’s current enrollment practices would be informative and beneficial to the EAAC’s discussion of the issue. Therefore, the Commission directs DTE Electric to file, within 120 days from the date of this order, a report detailing the company’s current approach to enrolling customers in the LIA credit program with current enrollment data from 2021 and 2022 (through the end of 2022). The report shall be filed in Case No. U-20757. Following the submission of DTE Electric’s report, the Commission directs the EAAC to initiate, according to a format and schedule set by the collaborative, a stakeholder discussion of the company’s report on the enrollment of customers in the LIA credit program and submit a report and recommendations to the Commission. (Order, p. 407).

LIA Tariff from U-18255 remains in effect

[U-20917](#) DTE Gas RIA LIA Ex parte tariff change 1/21/21

DTE filed revised RIA and LIA tariff [sheets](#) that removed income verification from a State or Federal agency and instead added the income verification methods: HHC, SER, MEAP, Medicaid, and a low-income verification form for customers who cannot verify their income using the other criteria. For the LIA, a customer could also verify their income using receipt of SNAP.

The Commission approved the proposed tariff sheets filed in the revised Attachment A in the [1/21/21 Order](#).

LIA Tariff Language Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #1](#):

Low Income Assistance Credit Pilot

This credit is available to up to 33,000 qualifying customers taking service under Rate A. To qualify for the Low Income Assistance Credit Pilot a customer must be currently enrolled in the residential Income Assistance Provision and verify they meet at least one of the following requirements in the past 12 months: 1. Enrollment in the Company's affordable payment plan as sanctioned under the Michigan Energy Assistance Program (MEAP); 2. Confirmed receipt of: a. Home Heating Credit energy draft; b. State Emergency Relief; c. One time Michigan Energy Assistance Program; d. Medicaid; or e. Supplementary Nutrition Assistance Program. If the Low Income Assistance Credit results in a credit balance, that credit balance may only be applied to future billed amounts related to utility service provided to that customer under Rate A. In no case will a refund of such a balance be issued.

[U-20940 DTE Gas General Rate Case 12/9/21](#)

12/9/21 [Order](#)

The ALJ stated that DTE Gas made the following accounting requests: [...] (2) a Low Income Mechanism to record a regulatory asset or liability for the difference between actual LIA [Low-Income Assistance] and RIA [Residential Income Assistance] credits issued [...] PFD, pp. 249-250. The ALJ recommended approval of DTE Gas's accounting requests one through four because they were unopposed but noted that the LIA credit cap has not been lifted, as discussed below. Id. [...] The Commission is persuaded that the ALJ's analysis and recommendation regarding the use of the SADM is supported in the record and is reasonable and prudent. Accordingly, the Commission adopts the ALJ's recommendation. (Order, pp. 182-185).

The ALJ outlined DTE Gas's proposals for rate book changes to low-income energy assistance: 1. Eliminate duplicative language by adding a "Low Income Energy Assistance Programs" section to the company's rate book containing all common program features and providing the individual program details; 2. Increase maximum income qualifications to 200% of Federal Poverty Level (FPL) from 150% of FPL; 3. Clarify that the credits will be distributed at DTE [Gas's] discretion; 4. Add a low-income self-attestation for the LIA program; 5. Update the RIA [Residential Income Assistance] credit to \$14.70 per month, which is the amount that DTE Gas proposes as the monthly customer charge; 6. Increase the number of LIA customers from 33,000 to 45,000; 7. Clarify that assistance credits are applied in the same manner as the customer charge; and 8. Remove requirement of RIA enrollment to qualify for LIA enrollment. PFD, pp. 265-266; 5 Tr 1015-1016, 1082-1083. All of the above-listed proposals were unopposed except for DTE Gas's request to raise the maximum income to qualify for LIA and RIA from 150% of the FPL to 200% of the FPL; its request to increase the cap on the number of LIA enrollees from 33,000 to 45,000; and its request to increase the RIA credit from \$12.25 per month to \$14.70 per month. DTE Gas also proposed to eliminate the RIA enrollment requirement for non-Low Income Self Sufficiency (LSP) LIA customers.³¹ 5 Tr 1015-1016. Exhibit A-16, Schedule F5.1, Sheet D-10.00. [...] The Commission is not persuaded by DTE Gas's arguments to raise the income limit for RIA and LIA to 200% of the FPL or by the company's arguments to raise the LIA enrollment cap. The Commission is certainly supportive of assisting as many low-income customers as possible; however, the Commission does not have the authority to unilaterally raise the income limit set by the Legislature in MCL 460.11(2) as DTE Gas is

urging the Commission to do. Additionally, such decisions must be made with an eye towards the most efficient use of the funds available for these programs. Although the record suggests that a number of customers with income up to a 200% FPL limit could be enrolled in RIA and/or LIA if the enrollment and income caps were increased, the record also suggests that enrollments of customers with income 150% of the FPL or less have not reached the current LIA cap—a situation that the company would do well to focus on improving because the program should first assist its most needy customers, i.e., customers whose income is under 150% of the FPL. Further, the Commission finds that the PIPP, which enrolls customers whose income is over 150% but under 200% of the FPL, should reach its conclusion prior to discussion of increased low-income program income limits and enrollment caps so that the efficacy of the program may be fully evaluated and intelligently inform such decisions. As well, the Commission is currently engaged in the Energy Affordability and Accessibility Collaborative, which will also inform its future decisions related to low-income programs and pilots. Further, relating to the company's request to increase the LIA enrollment cap to align the LIA with the LSP, the Commission recalls and agrees with the Staff's testimony in Case No. U-20642 that the company's desire to tie eligibility for LIA with LSP eligibility is, in effect, a request for ratepayers to subsidize the LSP program when the LSP is supposed to be funded largely by taxpayers. See, Case No. U-20642, filing #U-20642-0243, p. 1199. Finally, the Commission is not persuaded that the ALJ's reliance on the low-income tracker as support for denial of the requested increases in income limits and enrollment caps is misplaced. While the tracker may reveal over-projections of customer enrollments, it also may reveal underenrollments. The Commission is unclear as to the reasons the neediest customers (those with income 150% of FPL or less) remain underserved. In any case, aside from use of the tracker, the reasons discussed above for disapproving the proposed increases remain as concerns. For these reasons, the Commission finds that the ALJ's recommendations that the Commission deny DTE Gas's request for an increased LIA enrollment cap, increased income limits for LIA and RIA, and a monthly RIA credit of \$14.70 are supported in the record and are reasonable and prudent. The Commission, therefore, adopts the ALJ's recommendations on these issues. The monthly RIA credit is set at \$13.50, matching the monthly customer charge as discussed below. Answering Detroit Thermal/Vicinity's request for EUT customers to be exempt from the allocation of low-income pilot program expenses, the Commission notes that low-income program costs are required by MCL 460.11(2) to be allocated to all customer classes. Accordingly, Detroit Thermal/Vicinity's proposal is rejected. (Order, pp. 212-219).

LIA Tariff Language Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #1](#):

Low Income Assistance Credit Pilot

This credit is available to up to 33,000 qualifying customers taking service under Rate A. In addition to the income verification methods listed above, a customer may qualify for the Low Income Assistance Credit Pilot with proof of Enrollment in the Company's affordable payment plan as sanctioned under the Michigan Energy Assistance Program (MEAP) or having received one-time

MEAP assistance in the past 12 months. The monthly credit for the residential Low Income Assistance Credit shall be applied as follows: Income Assistance Credit: \$(30.00) per meter per month, consistent with the Customer Charge.

[U-21291](#) DTE Gas General Rate Case 11/7/24

11/7/24 [Order](#)

The Commission finds the ALJ's recommendation to be well-reasoned and based on persuasive evidence on the record. While the Commission agrees with the Staff that many of the issues pertaining to affordability and the company's energy assistance programs are well suited for the holistic and participatory process of the EAAC, the Commission also agrees with the company's sentiments that a good solution now does not need to be passed over in favor of a potentially better solution later. Therefore, the Commission finds it reasonable to take the narrow action of increasing the LIA credit within the confines of this rate case given the rate increase that is being requested and the evidence in this case attesting to the current effectiveness of the program. See, 4 Tr 2225-2231. The Commission clarifies, however, that it maintains the previous directives to the EAAC and AAA to assess assistance program issues such as enrollment assignment and caps, revisions to the LIA/RIA programs, and the overall effectiveness of utilities' affordability assistance programs. In this case, the Commission is persuaded by DTE Gas's testimony that an increase in the LIA credit to \$40 per month is appropriate and will lend impactful assistance to low-income customers. Further, DTE Gas's proposed increase is based on the company's requested rate increase in this case and tracks approximately with the company's current stated goals of covering 70% of the customer's distribution and customer charges. See, 4 Tr 2230-2231. While FLO suggests that the company adjust the credit to the 70% level now, the Commission finds that the company's proposal, based on the increased rate request here, constitutes a more-reasoned basis for the time being. The Commission awaits and will consider the final findings of the AAA of the EAAC and consider their recommendations for future updates and changes to the LIA/RIA programs and other matters related to affordability, including but not limited to energy assistance programs and design and fulfilling the Commission's ability under MCL 460.11(2) to establish low-income rates in future rate cases. (Order, pp. 207-208).

LIA Tariff Language Sheet No. D-10.00 from the Company's [Complete Rate Book—MPSC #1](#), Effective for service rendered on and after November 21, 2024

Low Income Assistance Credit Pilot

This credit is available to up to 33,000 qualifying customers taking service under Rate A. In addition to the income verification methods listed above, a customer may qualify for the Low Income Assistance Credit Pilot with proof of Enrollment in the Company's affordable payment plan as sanctioned under the Michigan Energy Assistance Program (MEAP) or having received one-time MEAP assistance in the past 12 months. The monthly credit for the residential Low Income Assistance Credit shall be applied as follows: Income Assistance Credit: \$(40.00) per meter per month, consistent with the Customer Charge.

[U-21534](#) DTE Electric General Rate Case 1/23/25

1/23/25 [Order](#)

The Commission finds that DTE Electric's proposal to retire Rate Schedule D1.6, to transition customers to Rate Schedule D1.11, and to extend the LIA credit to all residential base rates should be approved. The Commission finds persuasive the company's, the Staff's, and the CEOs' arguments that nearly two-thirds of low-income customers would experience reduced utility rates. See, DTE Electric's initial brief, pp. 310-311; Staff's initial brief, p. 123; CEOs' initial brief, p. 18. However, the Commission finds that DTE Electric did not sufficiently perform the impact study ordered in the December 1 order. Therefore, in its next general rate case, DTE Electric shall include, in relation to the transition from Rate Schedule D1.6 to Rate Schedule D1.11, an analysis of shutoff information, an analysis of the factors impacting household ability to shift usage, and regression analyses. For the remaining one-third of customers who may experience higher utility rates as a result of the transition, the Commission finds that the company shall implement the CEOs' recommended mitigation measures: expanded educational outreach to low-income customers regarding low-income energy efficiency programs, weatherization, and smart thermostats; and the use of smart meter data to identify customers and address energy-limiting behavior that is adverse to health and safety. See, CEOs' initial brief, p. 18. (Order, pp. 393-394).

Therefore, the Commission finds that the LIA credit should be increased to \$50. However, the Commission finds that after final decisions and recommendations are provided by the EAAC, the Commission may continue to refine the LIA program in the future, including potentially changing the amount of this credit. The Commission also finds that the Staff's proposed tariff language for a self-attestation form and the "Special Low-income Assistance Credit" should be approved to provide better clarity regarding customer eligibility for the RIA and LIA credits. See, Staff's initial brief, pp. 128-130; Staff's reply brief, pp. 25-26. As noted by the Staff, no party objects to the proposed tariff revisions. However, the Commission finds that the issues of the LIA program cap, enrollment assignment, LSP amendments, and PIPP pilots shall continue to be addressed by the EAAC's AAA subcommittee. (Order, pp. 405-406).

RIA and LIA Tariff Language Sheet Nos. D-14.06 and D-14.07, [Complete Rate Book—MPSC #1](#)

INCOME ASSISTANCE SERVICE PROVISION (RIA): When service is supplied to a Principal Residence Customer, where the household receives a Home Heating Credit (HHC) in the State of Michigan, a credit shall be applied during all billing months. For an income assistance customer to qualify for this credit, the Company shall require annual evidence of the HHC energy draft or warrant. The customer may also qualify for this credit upon confirmation by an authorized State or Federal agency verifying that the customer's total household income does not exceed 150% of the poverty level as published by the United States department of health and human services or if the customer receives any of the following: i) Assistance from a state emergency relief program; ii) Food stamps or iii) Medicaid. **If a customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return.**

LOW INCOME ASSISTANCE CREDIT PILOT: This credit is available to up to an annual average of 32,000 qualifying customers taking service under an applicable residential rate schedule. This credit shall not be taken in conjunction with a credit for the Income Assistance Service Provision (RIA) or the Senior Citizen Provision. In addition to the income verification methods listed above, a customer may qualify for the Low-Income Assistance Credit Pilot with proof of Enrollment in the Company's affordable payment plan

as sanctioned under the Michigan Energy Assistance Program (MEAP) or having received one-time MEAP assistance in the past 12 months. If a customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return. The monthly credit for the residential Low Income Assistance Credit shall be applied as follows: Income Assistance Credit: \$(50.00) per meter per month. If a credit balance occurs, the credit shall apply to the customer's future utility Charges.

Consumers Energy Electric and Gas

[U-15245 CE Electric General Rate Case 6/10/08](#)

The RIA was established in this rate case [order](#).

"Consumers proposes, and the Staff supports, a new residential income assistance (RIA) provision, under which customers currently receiving assistance under the Home Heating Credit (which is based on a showing of need) would be eligible for a monthly credit of \$6.00; and a new senior citizen credit which would provide customers currently served under Consumers' senior citizen rate provisions a \$3.00 monthly credit [...] The Commission agrees with the ALJ and the Staff, and finds that these two provisions should be approved." (6/10/08 Order, pp. 74, 76.).

This is the first case in which CE Electric was authorized to implement a Residential Income Assistance Credit. The tariff language first appeared in the Company's 13th tariff [book](#) on the Second Revised Sheet No. D-10.00 with the tariff language stating:

"Income Assistance Service Provision (RIA): When service is supplied to a Principal Residence Customer, where the household receives a Home Heating Credit (HHC) in the State of Michigan, a credit shall be applied during all billing months. For an income assistance customer to qualify for this credit, the Company shall require annual evidence of the HHC energy draft or warrant. The customer may also qualify for this credit upon confirmation by an authorized State or Federal agency verifying that the customer's total household income does not exceed 110% of the Federal poverty level. The monthly credit for the residential Income Assistance Service Provision shall be applied as follows: Delivery Charges: These charges are applicable to Full Service and Retail Open Access customers. Income Assistance Credit: \$(6.00) per customer per month This credit shall not be taken in conjunction with a credit for the Life Support Service Provision (RLS), for the Senior Citizen Service Provision (RSC), or for the Small Farm Service Provision (RSF)."

[U-15986 CE Gas General Rate Case 5/17/10](#)

"Consumers proposed an Income Assistance Service Provision to mitigate the effect of rising costs for customers who are low income. Consumers proposed to enroll customers whose total annual household income does not exceed 150% of the Federal Poverty Guidelines. Consumers stated that it will enroll eligible gas customers upon notification from a qualifying assistance or governmental agency." (5/17/10 [Order](#), p. 68.).

The Commission approved the Company's proposal. (5/17/2010 Order, pp. 68-69.)

[U-18124 CE Gas General Rate Case 7/31/17](#)

The LIAC was established in this rate case [order](#).

While the Commission did not state a goal of the LIAC, “The company claimed that the Staff’s proposal is contrary to the goals of the enhanced RIA provision, which is to provide more meaningful assistance to the company’s most vulnerable customers.” (7/31/17 order p. 58)

Regarding the Staff’s proposed customer count of 69,000, the ALJ found “that Staff’s proposed adjustment more accurately reflects the historical data and recent trends, as set forth in the testimony of Staff’s witness, Olumide Makinde, testimony that is not disputed by the Company.” PFD, p. 114. The ALJ also determined that the Staff’s testimony regarding proposed random selection of qualifying RIA provision customers was more persuasive. She agreed with the Staff that auto-enrollment ensures full participation in the LIAC program for its duration, whereas the company’s first-come, first-serve proposal fails to provide customer awareness or incentive for the company to actively identify and enroll qualifying customers. In addition, the ALJ adopted Consumers’ proposal to roll-in unused RIA/LIAC funds into future versions of the LIAC pilot because it “adequately addresses Staff’s concern that such funds be excluded from the [Consumers Affordable Resource for Energy] CARE program – and, notably, Staff has not objected to this alternative.” PFD, p. 116. [...] The Commission adopts the findings and recommendations of the ALJ. The Commission agrees with the Staff that the appropriate projection is not the number of qualifying customers, but the number of customers expected to receive the credit in the test year. The Commission finds that the Staff presented adequate and persuasive evidence demonstrating that the appropriate RIA/LIAC customer count is 69,000 for the projected test year. The Commission also agrees that Consumers shall roll-over any unused RIA/LIAC funds into future versions of the LIAC pilot. No exceptions were filed regarding the ALJ’s recommendation to randomly select qualifying RIA provision customers for program participation, and therefore, the Commission adopts the ALJ’s recommendation on this issue. (Order, pp. 58-60).

The Staff recommended four adjustments to Consumers’ proposed RIA provision. First, the Staff recommended adjusting the projected qualifying RIA provision customer count from 85,000 to 69,000, arguing that 69,000 is more representative of historical data and recent trends in the program. Second, the Staff requested that Consumers continue the current RIA program along with the company’s proposed modified version, the LIAC pilot, with the total number of customers enrolled in the RIA provision divided between the RIA program and the LIAC pilot in the same proportions as those approved by the Commission in Case No. U-17999. Third, the Staff recommended that LIAC pilot participants be selected at random because auto-enrollment ensures full participation in the program for its duration. Finally, the Staff opposed Consumers’ proposal to roll-over any unused RIA provision/LIAC pilot funds into the CARE program [...] The ALJ found that, as in section VII.A.1. above, the Staff’s recommended modifications to Consumers’ RIA provision are reasonable and should be adopted, but with the incorporation of the company’s proposed roll-in of unspent amounts into future versions of the LIAC pilot. The ALJ explained that if the company’s proposed customer count of 33,000 is adopted, 36,000 low-income customers, who had once received a monthly credit, would no longer receive assistance, which is an unacceptable result [...] The Commission adopts the findings and recommendations of the ALJ. As set forth in section VII.A.1. above, the Commission finds

that the Staff's recommended modifications to Consumers' RIA provision are reasonable and prudent, and should be adopted, along with the incorporation of the company's proposed roll-in of unspent amounts into future versions of the LIAC pilot. (Order, pp. 105-106).

BUT the Commission's order LIAC tariff (attachment C) had the language "This credit is available for up to 12,000 qualifying Residential customers on a first-come, first-served basis for up to 12 consecutive months," which differs from the Order.

LIAC Tariff Language on Sheet No. D-8.00 from [Canceled Rate Sheets from MPSC #2 Rate Book](#)

Low Income Assistance Credit (LIAC) Pilot: This credit is available for up to 12,000 qualifying Residential customers chosen on a random basis for up to 12 consecutive months. To qualify for the LIAC Pilot, a customer must have been billed \$2,500 or less over the last 12 months for gas service and fulfill one of the following requirements: 1. Provide evidence of receiving a Home Heating Credit energy draft; or 2. Provide confirmation by an authorized State, Federal or community agency verifying the total household income does not exceed 150% of the poverty level as published by the United States Department of Health and Human Services; or 3. Provide evidence of receiving any one of the following: a. Assistance from a state emergency relief program b. Food stamps c. Medicaid The monthly credit for the LIAC Pilot shall be applied as follows: (\$30.27) per meter per month, not to exceed the amount of the monthly gas billing for up to 12 consecutive months. Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation. Customers selected for LIAC, will not be eligible for the RIA Provision while enrolled in LIAC.

U-18424 CE Gas General Rate Case 8/28/18

8/28/18 [order](#) that approved the 8/2/18 Settlement [agreement](#) removed randomly chosen LIAC recipients to "company selected" in settled tariff language.

LIAC Tariff Language on Sheet No. D-8.00 from [Canceled Rate Sheets from MPSC #2 Rate Book](#)

Low Income Assistance Credit (LIAC): Company selected Residential customers may receive LIAC for up to 12 consecutive months. To qualify for LIAC, a customer must have been billed \$2,500 or less over the last 12 months for gas service. The number of customers enrolled may be adjusted, at the Company's discretion, in order to dispense Commission-approved LIAC funding on an annual basis. Any shortfall in the dispensing of annual LIAC funds to qualified customers shall be carried over into the subsequent LIAC program year. LIAC customer selection will be based on highest need chosen from those with a significant medical condition, customers with lowest income and those with highest past-due balances, based on the following criteria: 1. Customers with an approved critical care certification where the total household income does not exceed 150% of the Federal Poverty level within the last 12 months, as verified by an authorized State or Federal agency. 2. Customers who have received a Home Heating Credit in the previous 12 months. a. Enrollment based on customers with highest arrears balance. 3. Customers whose total household income does not exceed 150% of the Federal Poverty level and have a past due balance. a. Enrollment based on customers with highest arrears balance. The monthly credit for LIAC shall be applied as follows: Low Income Assistance Credit: (\$30.27) per meter per month If a credit

balance occurs, the credit shall apply to the customer's future gas utility charges. Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation. Customers selected for LIAC, will not be eligible for the RIA Provision while enrolled in LIAC.

U-20650 CE Gas General Rate Case 9/10/20

The case was settled in a 8/20/20 settlement [agreement](#), which was approved by the Commission in a 9/10/20 [order](#).

This case required the Company to create a percentage-of-income pilot, which was later developed in Case No. U-21021.

There were no line items in the settlement that changed the LIAC, however the LIAC tariff was changed. The proposed tariff sheets included revisions to

- Eliminate the requirement that a customer be billed \$2,500 or less in the previous 12 months to qualify for the LIAC
- Prioritize those with significant medical conditions, customers with the lowest income, and those with the highest past due balances
- Clarification that a customer can qualify for the credit based on *one or more* of the following *eligibility* criteria.
- Added community agencies to entities who could verify income
- Added customers enrolled in CE's affordable payment plan, CARE, as an eligibility criterion.
- Eliminated all references to enrollment being based on customers with the highest arrears balance.
- Clarified that the 150% FPL income requirement must be verified by an authorized State, Federal, or community agency
- Added State Emergency Relief, food assistance, and Medicaid as eligibility criteria

LIAC Tariff Language on Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #3 Rate Book](#)

Low Income Assistance Credit (LIAC): Company selected Residential customers may receive LIAC for up to 12 consecutive months. The number of customers enrolled may be adjusted, at the Company's discretion, in order to dispense Commission-approved LIAC funding on an annual basis. Any shortfall in the dispensing of annual LIAC funds to qualified customers shall be carried over into the subsequent LIAC program year. LIAC customer selection will be based on highest need chosen from one or more of the following eligibility criteria: 1. Customers with an approved critical care certification where the total household income does not exceed 150% of the Federal Poverty level within the last 12 months, as verified by an authorized State, Federal, or community agency. 2. Customers who are enrolled in the Company's Consumers Affordable Resource for Energy (CARE) program. 3. Customers who have received a Home Heating Credit in the previous 12 months. 4. Customers whose total household income does not exceed 150% of the Federal Poverty level, as verified by an authorized State, Federal, or community agency. a. Assistance from a state emergency relief program; b. Food Assistance Program; c. Medicaid

The monthly credit for LIAC shall be applied as follows: Low Income Assistance Credit: (\$30.27) per meter per month

If a credit balance occurs, the credit shall apply to the customer's future gas utility charges.

Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation. Customers selected for LIAC, will not be eligible for the RIA Provision while enrolled in LIAC.

[U-20697 CE Electric General Rate Case 12/17/20](#)

12/17/20 [Order](#)

The ALJ agreed in part with the MEC Coalition and the Attorney General and found that the assistance provided in the RIA program is “nearly meaningless” for many customers with a high energy burden and recommended that the Commission approve, until a more targeted program can be developed, a \$30 per month credit for customers at or below 100% of the FPL, with an additional \$20 for customers at or below 50% of the FPL. PFD, p. 361-362. The ALJ also recommended that the Commission direct the company to implement this change within 30 days from the date of this order. The ALJ noted that total program budget should not exceed \$18,628,808, including administration costs. The ALJ agreed with Consumers that developing a PIPP program within 18 months may be a challenge. She found that other methods, such as lifeline rates (providing a discounted rate for a certain number of kilowatt-hours (kWh) per month), may also be beneficial. The ALJ recommended that the Commission direct the Staff to convene a collaborative to address low-income rates with significant coordination with the existing Low-income EWR workgroup. (Order, pp. 257-258).

MCL 460.11 provides the Commission authority to establish eligible low-income customer or eligible senior citizen customer rates. Pursuant to this authority, Consumers seeks approval of its revised LIAC program to provide a credit of \$30 per month and an RIA credit of \$8.50 per month for eligible customers. The Commission appreciates the arguments set forth by the MEC Coalition regarding rate affordability and the difficulties faced by many Consumers’ customers in affording their energy bills. However, the Commission declines to adopt the ALJ’s recommendation to adopt part of the MEC Coalition’s proposals to add an additional \$20 LIAC credit for customers at or below 50% of the FPL and to eliminate the RIA program. As acknowledged by the MEC Coalition, there is currently no mechanism in place to identify the customers that would be eligible for the additional \$20 credit. See, MEC Coalition’s replies to exceptions, p. 112. Consumers states that its customers qualify for RIA and LIAC if they participate in the HHC and State Emergency Relief (SER) programs and thus, those programs validate customer income and need. See, Consumers’ initial brief, p. 504. In other words, Consumers does not independently have the ability to verify the specified income levels suggested by the ALJ at this time. Income verification is a vital aspect of low-income program design and implementation and the Commission does not find it reasonable to approve \$12.5 million in additional funds when the recipients of those funds are not yet identifiable. Therefore, the Commission declines to adopt the ALJ’s recommendation to add an additional \$20 credit available under LIAC to customers at or below 50% of the FPL. Given the company’s ongoing efforts to develop a PIPP program for its natural gas service pursuant to a settlement agreement approved in the September 10, 2020 order in Case No. U-20650, the Commission finds it reasonable to direct Consumers to develop a PIPP pilot for its electric service. The Commission agrees with the ALJ that a low-income collaborative

would be beneficial to develop the pilot, as well as to address other issues surrounding energy affordability, including many of the points raised by the MEC Coalition and the Attorney General. The Commission notes that on December 15, 2020, the Staff issued a report pursuant to a Commission directive in Case No. U-20757, detailing its findings and recommendations regarding energy affordability concerns that have been heightened in light of the COVID-19 pandemic. The Commission observes that the Staff's report will serve as a good starting point for the low-income workgroup. Therefore, the Commission directs the Staff to convene a low-income collaborative, with the participation of Consumers, to address energy affordability. In this collaborative, Consumers shall provide a proposal for a PIPP pilot for its electric service. As noted by the ALJ, the Commission's COVID-19 response, as well as emergency relief efforts, are being addressed in Case No. U-20757. PFD, p. 357, n. 1141. The Commission agrees that COVID-19-related relief and utility responses are better addressed in the existing Case No. U-20757 docket, and therefore, adopts the ALJ's recommendation. Lastly, the Commission addresses the issue of the RIA credit and RSC credit amounts. The Commission adopts the ALJ's recommendation to retain the RIA credit. The Commission finds that the MEC Coalition did not adequately account for the benefit of the RIA credit in tandem with other assistance from the HHC and SER, and therefore, the Commission is not persuaded that eliminating the program is justified at this time. The company proposed an increase in the RIA credit to \$8.50 per month and the Staff proposed an increase to \$8.00 per month. The Staff supported its recommendation by explaining that the RIA credit and the RSC credit are tied to the residential electric customer charge. The ALJ addressed this issue on the PFD and recommended that the Staff's residential customer charge of \$8.00 per month be adopted. The Commission finds reasonable the Staff's argument that historically, the RIA credit has equaled the residential customer charge and that the RSC has been equal to 50% of the residential charge, and adopts the Staff's proposed \$8.00 per month RIA credit and \$4.00 per month RSC credit. For ease of reference to all issues pertaining to the company's low-income program, the Commission includes its RIA and RSC determination here, but the full overview and analysis of the residential customer charge is discussed in Section VIII.A.1.e. (Order, pp.261-263).

LIAC Tariff Language on Sheet No. D-15.00 from [Canceled Rate Sheets from MPSC #14 Rate Book](#)

Low Income Assistance Credit (LIAC): Company selected Residential customers may receive LIAC for up to 12 consecutive months. The number of customers enrolled may be adjusted, at the Company's discretion, in order to dispense Commission-approved LIAC funding on an annual basis. Any shortfall in the dispensing of annual LIAC funds to qualified customers shall be carried over into the subsequent LIAC program year. LIAC customer selection will be based on highest need chosen from one or more of the following eligibility criteria: 1. Customers with an approved critical care certification where the total household income does not exceed 150% of the Federal Poverty level within the last 12 months, as verified by an authorized State, Federal or community agency. 2. Customers who are enrolled in the Company's Consumers Affordable Resources for Energy (CARE) program. 3. Customers who have received a Home Heating Credit in the previous 12 months. 4. Customers whose total household income does not exceed 150% of the Federal Poverty

level as verified by an authorized State, Federal or community agency. The monthly credit for LIAC shall be applied as follows: Low Income Assistance Credit: \$(30.00) per meter per month If a credit balance occurs, the credit shall apply to the customer's future electric utility charges. Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation. Customers selected for LIAC will not be eligible for the RIA Provision while enrolled in LIAC.

[U-20963 CE Electric General Rate Case 12/22/21](#)

LIAC was only mentioned pertaining to the proposed low-income sub-class in the COSS. (12/22/21 [Order](#), pp. 398-403).

[U-21043 CE Gas and Electric Ex Parte RIA LIA Tariff Language 6/9/21](#)

Revisions to the RIA and LIAC tariffs were approved in the 6/9/21 [order](#) as filed in the [application](#).

Gas LIAC Tariff Language on Sheet No. D-10.00 from [Canceled Rate Sheets from MPSC #3 Rate Book](#)

Low Income Assistance Credit (LIAC): Company selected Residential customers may receive LIAC for up to 12 consecutive months. The number of customers enrolled may be adjusted, at the Company's discretion, in order to dispense Commission-approved LIAC funding on an annual basis. Any shortfall in the dispensing of annual LIAC funds to qualified customers shall be carried over into the subsequent LIAC program year. LIAC customer selection will be based on highest need and with total household income that does not exceed 150% of the Federal Poverty level. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one or more of the following within the past 12 months: 1. Customers whose total household income does not exceed 150% of the Federal Poverty level within the last 12 months 2. Customers who have received assistance from a Michigan Energy Assistance Program (MEAP) 3. Customers who have received a Home Heating Credit energy draft 4. A State Emergency Relief program 5. Medicaid 6. Customers that have participated in a Supplementary Nutrition Assistance Program where the total household income does not exceed 150% of the Federal Poverty level within the last 12 months If the customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return. The monthly credit for LIAC shall be applied as follows: Low Income Assistance Credit: (\$30.27) per meter per month If a credit balance occurs, the credit shall apply to the customer's future gas utility charges. Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation. Customers selected for LIAC, will not be eligible for the RIA provision while enrolled in LIAC.

Electric LIAC Tariff Language on Sheet No. D-15.00 from [Canceled Rate Sheets from MPSC #14 Rate Book](#)

Low Income Assistance Credit (LIAC): Company selected Residential customers may receive LIAC for up to 12 consecutive months. The number of customers enrolled may be adjusted, at the Company's discretion, in order to dispense Commission-approved LIAC funding on an annual basis. Any shortfall in the dispensing of annual LIAC funds to qualified customers shall be carried over into the subsequent LIAC program year. LIAC customer selection will be based on highest need and with total household income that does not exceed 150% of the Federal Poverty level. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one or more of the following within the past 12 months: 1. Customers whose total household income does not exceed 150%

of the Federal Poverty level within the last 12 months 2. Customers who have received assistance from a Michigan Energy Assistance Program (MEAP) 3. Customers who have received a Home Heating Credit energy draft 4. A State Emergency Relief program 5. Medicaid 6. Customers that have participated in a Supplementary Nutrition Assistance Program where the total household income does not exceed 150% of the Federal Poverty level within the last 12 months. If the customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return. The monthly credit for LIAC shall be applied as follows: Low Income Assistance Credit: \$(30.00) per meter per month If a credit balance occurs, the credit shall apply to the customer's future electric utility charges. Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation. Customers selected for LIAC will not be eligible for the RIA Provision while enrolled in LIAC.

SEMCO Energy Gas Company

U-[20479](#) Semco Energy Gas Company General Rate Case 12/6/19

Pursuant to the 11/20/19 settlement [agreement](#):

Attachment B reflects miscellaneous tariff revisions including changes to rates, the addition of the Residential Income Assistance ("RIA") program, the Low-Income Assistance Credit ("LIAC"), the new MRP and IRIP programs, changes to the gas customer choice program, and various other changes to Sections A, C, D, E, and F of the Company's Rate Book. All changes reflected in Attachment B will take effect January 1, 2020

The 12/6/19 Commission [Order](#) approved the settlement agreement.

LIAC Tariff Language on Sheet No. D-7.00 from [Current Rate Book MPSC #01](#)

Low-Income Assistance Credit (LIAC) Company selected residential customers may receive the LIAC. This credit is available for up to 2,000 qualifying residential customers. LIAC customer selection will be based on the following criteria: 1. Customers whose total household income is at or below 150% Federal Poverty Level as confirmed by an authorized State, Federal, or community agency; or 2. Customers who have received a Home Heating Credit in the previous 12 months; or 3. Customers that receive any of the following state assistance programs: a. Assistance from a state emergency relief program b. Food Assistance Program c. Medicaid The monthly credit for LIAC shall be applied as follows: \$30.00 per customer per month. If a credit balance occurs, the credit shall apply to the customer's future gas utility charges.

Michigan Gas Utilities Corporation

U-[20718](#) Michigan Gas Utilities Corporation General Rate Case 9/9/21

Pursuant to the 7/29/21 [settlement agreement](#):

"MGUC will also implement a new Low Income and Senior Bill Assistance program described as follows and reflected in Attachment B: Residential Income Allowance: A monthly credit equal to the residential customer charge for up to 1,245 customers. Low Income Allowance: A monthly credit equal to \$30 for up to 255 customers. Senior Assistance program: A monthly credit equal to one-half of the residential customer charge (\$6.50 per month) for up to 800 customers."

The 9/9/21 Commission [Order](#) approved the settlement agreement.

RIA and LIAC Tariff Language on seventh revised Sheet No. D-6.00 from [Canceled Rate Sheets from MPSC #2](#)

Residential Income Assistance (RIA) Service Provision: When service is supplied to a residential customer for primary residence, where the total household income does not exceed 150% of the Federal Poverty Level, a credit shall be applied during all billing months. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one or more of the following within the past 12 months: 1. A Home Heating Credit energy draft 2. State Emergency Relief 3. Assistance from a Michigan Energy Assistance Program (MEAP) 4. SNAP 5. Medicaid The monthly credit for the Income Assistance Service Provision (RIA) shall be applied as follows: Income Assistance Credit: \$(13.00) per customer per month Senior Income Assistance Credit: \$(6.50) per month per customer

Low Income Assistance Credit (LIAC): Company selected residential customers may receive the LIAC. This credit is available for up to 255 qualifying residential customers where the total household income does not exceed 150% of the Federal Poverty Level, a credit shall be applied during all billing months. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one or more of the following within the past 12 months: 1. A Home Heating Credit energy draft 2. State Emergency Relief 3. Assistance from a Michigan Energy Assistance Program (MEAP) 4. SNAP 5. Medicaid The monthly credit for the LIAC shall be applied as follows: Low Income Assistance Credit: \$(30.00) per customer per month If a credit balance occurs, the credit shall apply to the customer's future utility charges.

[U-21366](#) Michigan Gas Utilities Corporation General Rate Case 8/30/23

Pursuant to the 8/15/23 [settlement agreement](#):

MGUC will also maintain but implement revised Residential Income Allowance, Low Income Allowance, and Senior Bill Assistance programs consistent with the following understandings: Residential Income Allowance: (i) Reduce estimated customer participation level to be consistent with Staff's projection using historical data plus some anticipated growth. (ii) No customer participation cap. (iii) Revenue impacts of higher or lower participation compared to estimated participation to be given deferral treatment. (iv) Add the following to the Residential Income Allowance provision in the credit tariff directly after the income verification methods (SNAP, Medicaid, MEAP, etc.): "If the customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return."™ Low Income Allowance: Reduce customer participation cap to be consistent with Staff's projection using historical data plus some anticipated growth.

The 8/30/23 Commission [Order](#) approved the settlement agreement.

LIAC Tariff Language on Sheet No. D-6.00 from [Current Rate Book MPSC #2](#)

Low Income Assistance Credit (LIAC): Company selected residential customers may receive the LIAC. This credit is available for up to 83 qualifying residential customers where the total household income does not exceed 150% of the Federal Poverty Level, a credit shall be applied during all billing months. The total household income is verified when the customer has provided proof that they have received, or

are currently participating in, one or more of the following within the past 12 months: 1. A Home Heating Credit energy draft 2. State Emergency Relief 3. Assistance from a Michigan Energy Assistance Program (MEAP) 4. SNAP 5. Medicaid The monthly credit for the LIAC shall be applied as follows: Low Income Assistance Credit: \$(30.00) per customer per month If a credit balance occurs, the credit shall apply to the customer's future utility charges.

Upper Michigan Energy Resources Corporation

[U-21541](#) UMEREC General Rate Case 10/10/24

9/24/2024 [settlement agreement](#) includes approval of Residential Income Assistance Credit tariff language.

The 10/10/24 Commission [Order](#) approved the settlement agreement.

RIA Tariff Language on First Revised Sheet No. D-8.01 from [Current Rate Book MPSC #1](#)

Residential Income Assistance (RIA) Service Provision: When service is supplied to a residential customer for primary residence, where the total household income does not exceed 150% of the Federal Poverty Level, a credit shall be applied during all billing months. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one or more of the following within the past 12 months: 1. A Home Heating Credit energy draft 2. State Emergency Relief 3. Assistance from a Michigan Energy Assistance Program (MEAP) 4. SNAP 5. Medicaid If the customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return. The monthly credit for the Income Assistance Service Provision (RIA) shall be applied as follows: Income Assistance Credit: \$(9.60) per customer per month

Alpena Power Company

[U-21488](#) Alpena General Rate Case 7/23/24

7/3/2024 [amended settlement agreement](#) includes approval of the following:

"Alpena shall allocate costs associated with its Low-Income Assistance Service Provision among all jurisdictional customer classes." (p. 4)

The 7/23/24 Commission [Order](#) approved the settlement agreement.

RIA Tariff Language on Fifth Revised Sheet No. D-6.00 from [Current Rate Book MPSC #9](#)

Income Assistance Service Provision (RIA): When service is provided to a Residential Customer, where total household income does not exceed 150% of the Federal Poverty level, a credit shall be applied during all billing months. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one of the following in the past 12 months: 1. A Home Heating Credit energy draft 2. State Emergency Relief 3. Assistance from a Michigan Energy Assistance Program (MEAP) 4. Medicaid 5. Supplemental Nutrition Assistance Program (SNAP) If a customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return. The Company reserves the right to verify

eligibility. This provision is not available for alternate or seasonal homes. The customer must re-certify annually.

Indiana Michigan Power Company

[U-18370](#) I&M General Rate Case 4/12/18

The 4/12/18 Commission [Order](#) approved the Low Income Customer Service Charge provision, which provides qualified customers a monthly discount equal to the customer service charge. The order states:

“The ALJ stated that, “because I&M’s suggested implementation of a discounted low income service rate appears to be consistent with Act 341 . . . it should be adopted in this case.” PFD, p. 102. No exceptions were filed and, therefore, the Commission adopts the ALJ’s findings and recommendation.” (p. 79)

The original tariff is in a canceled rate book on Sheet No. D-2.00, but is detailed in Attachment B of the same Commission order. The tariff stated:

“Low Income Service Charge Provision (Tariff Codes XXX) Available to customers who qualify for Tariff RS that have a household income not to exceed 150 % of the poverty level, as published by the United States Department of Health and Human Services or who receive any of the following: (a) Assistance from a state emergency relief program. (b) Food stamps. (c) Medicaid. The Company reserves the right to verify eligibility. This provision is not available for alternate or seasonal homes. This provision is subject to the service charge as stated below.”

[U-21461](#) I&M General Rate Case 7/2/24

The 7/2/24 Commission [Order](#) approved language modifications to its Low Income Customer Service Charge provision (LICUS), which is the Company’s equivalent to the RIA credit.

“The Commission finds that the Staff’s LICUS proposal is unopposed and therefore adopted.” (p. 221)

RIA Tariff Language on Fifth Revised Sheet No. D-2.00 from [Current Rate Book MPSC #18](#)

Low Income Service Charge Provision: When service is supplied to a Principal Residence Customer, where the total household income does not exceed 150% of the Federal Poverty level, a credit shall be applied during all billing months. The total household income is verified when the customer has provided proof that they have received, or are currently participating in, one or more of the following within the past 12 months: 1) A Home Heating Credit energy draft 2) State Emergency Relief 3) Assistance from a Michigan Energy Assistance Program (MEAP) 4) Medicaid 5) Supplementary Nutrition Assistance Program (SNAP) If a customer does not meet any of the above requirements, a low-income verification form will be provided by the Company for the customer to complete and return.

Upper Peninsula Power Company

[U-21286](#) UPPCO General Rate Case 3/24/23

The 3/6/23 [settlement agreement](#) approved an RIA credit in stating:

Residential Income Assistance (RIA) provision: (1) The parties agree that UPPCO will institute an RIA tariff as shown in Attachment 1. (2) Participation in the RIA program will not be capped. The costs of this program were projected for the test year assuming RIA enrollment of 1,500. The

Company is authorized to record the difference in program costs associated with enrollments above or below the projected costs using deferred accounting, so that such costs may be considered for recovery or return during the next general rate case. (p. 4)

The 3/24/23 Commission [Order](#) approved the settlement agreement.

Northern States Power

[U-21097](#) NSP Electric General Rate Case 3/17/22

The 2/23/22 [settlement agreement](#) approved an RIA credit in stating:

NSP-W shall implement as soon as practicable in 2022 a Low-Income Assistance Service program as set forth in Attachment 3 hereto, which will be available to all qualifying customers, and it is agreed that NSP-W will apply deferred accounting and carrying costs for the expense associated with the credits above or below \$64,800 annually through December 31, 2023 The 3/17/22 Commission Order approved the settlement agreement.

The 3/17/22 Commission [Order](#) approved the settlement agreement.

[U-21226](#) NSP Gas General Rate Case 12/21/22

The 11/30/22 [settlement agreement](#) approved an RIA credit in stating:

The miscellaneous rate and non-rate changes made to the Company's tariffs are included in Attachment C and include the elimination of personal credit card convenience fees and the implementation of a Low-Income Assistance Service program. It is agreed that NSP-W will apply deferred accounting and carrying costs for the expense associated with the Low-Income Assistance Service program credits above or below \$60,480 annually through December 31, 2024. These changes are approved effective on and after January 1, 2023. (p. 4)

The 12/21/22 Commission [Order](#) approved the settlement agreement.

Appendix F – 2023 AAA Subcommittee RIA and LIA Credit Reform Proposals

2023 AAA Subcommittee RIA and LIA Credit Reform Proposals

Background information

Authorizing Legislation [MCL 460.11 \(2\)](#):

The Residential Income Assistance Credit (RIA) was the initial fulfillment of the below legislation, with the Low-Income Assistance Credit (LIA/LIAC) being a pilot to increase the credit amount.

“(2) Notwithstanding any other provision of this act, the commission may establish eligible low-income customer or eligible senior citizen customer rates. Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes. As used in this subsection, "eligible low-income customer" and "eligible senior citizen customer" mean those terms as defined in section 10t.”

[Section 10t](#):

“(6) As used in this section:

(a) "Eligible customer" means either an eligible low-income customer or an eligible senior citizen customer.

(b) "Eligible low-income customer" means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:

(i) Assistance from a state emergency relief program.

(ii) Food stamps.

(iii) Medicaid.

(c) "Eligible senior citizen customer" means a utility or supplier customer who is 65 years of age or older and who advises the utility of his or her eligibility.”

Defining the Residential Income Assistance Credit (RIA) and Low-Income Assistance Credit (LIA/LIAC) and outlining enrollment:

The RIA is a credit available to all identified income-qualified residential customers and is equal to the amount of the monthly system access charge that all customers pay to connect to the electric or natural gas grids. This credit is only available for participating investor-owned utility residential customers.

The following utilities have been approved for the RIA credits:

- Alpena Power
- Consumers Energy Gas and Electric
- DTE Energy Gas and Electric
- Indiana Michigan Power Company

- Michigan Gas Utilities
- Northern States Power (Xcel Energy) Gas and Electric
- SEMCO Energy Gas Company
- Upper Michigan Energy Resources Corporation
- Upper Peninsula Power Company

The LIA credit is a piloted credit equal to \$30-\$50 per month, depending on the utility, and is capped at a Commission-approved enrollment level. The participating utility companies currently have discretion to choose recipients from RIA rolls. See Appendix E to view the objective of the LIA credit over time, as well as tariff changes.

The following utilities have been approved for the LIA credits:

- Consumers Energy Gas and Electric
- DTE Energy Gas and Electric
- Michigan Gas Utilities
- Semco Energy Gas Company

The enrollment process for these credits is detailed below, in Appendix 1.

LIA Reform Option 1

Problem:

Currently approximately 30% of DTE LIA recipients are Michigan Energy Assistance Program (MEAP) Affordable Payment Plan (APP) recipients, with the LIA payment subsidizing the MEAP agency's portion of the customer's bill payment to qualify more customers for APPs.

The other 70% of LIA recipients have historically been composed of some senior customers and former APP recipients, to give them a form of step-down assistance before they have to return to pay their unsubsidized bill.

There were historically customers who did not qualify for APPs due to having income below 20% of FPL, exceeding a consumption cap requirement, and not having enough payment history.

Proposed Solution:

Maintain offering the current RIA and LIA credits.

The LIA could become the assistance available for those who cannot qualify for any other assistance.

Prioritize LIA enrollment for customers who:

- Are ineligible for MEAP services, SER or PIPPs
- Further Justice 40 initiatives
- Have the lowest income levels

Potentially also increase the LIA enrollment cap.

Suggestion from feedback: add APP graduates to prioritization (step-down assistance)

Goal:

Increase accessibility and equity of energy assistance by prioritizing customers who historically have not been able to access significant energy assistance.

If Justice 40 were included in this proposal, customers from disadvantaged communities could receive at least 40% of overall benefits.

Define Success:

Success could be in line with Justice 40 in that at least 40% of overall benefits flow to disadvantaged communities. This could be assessed based on zip-code analysis.

Drawbacks:

Could be difficult to determine who to prioritize or require too many resources to determine who to prioritize.

Assumption that if a customer receives this, they have a different payment behavior or ability to pay their bill.

With the APP alignment, will it still make sense to pair the LIA and APP?

Supporting Data:

- Provide a breakdown of the current types of LIA recipients. E.g. APP enrollees, recent APP graduates (broken down by how many years out of graduation they are), seniors, etc.
 - Provide a narrative of how customer enrollment is determined.
- Are RIA/LIA credits being applied to Percentage of Income Payment Plan (PIPP) recipient accounts?
 - If so, provide the quantity of PIPP recipients and the number of RIA and LIA PIPP recipients.
 - Would this impact PIPP/APP efficacy analysis?
- Need to better understand which customers are ineligible for types of assistance or have the greatest need.
 - Would this end up prioritizing customers who are not in a crisis?
 - What is the impact of that?
- How many more customers are qualifying for APPs in the current system?
 - This number is different from the number of LIA/APP recipients.
 - Quantifying the benefit of pairing the LIA and APP.
 - How many customers could we help by un-pairing the programs?
- Quantify the cost of customer service representatives or employees needed to implement RIA vs. LIA by applying the credits to the bills.
 - What increase in expense would be seen in customer service representatives through this proposal?

LIA/RIA Reform Option 2

Problem:

There are two credits (RIA + LIA) and not all utilities offer both credits. This is due to varying reasons. To list a few varying factors between utilities:

- Unique rate cases
- Issues raised in those cases
- Rate bases on which revenue is allocated
- Settlement agreements

This makes it difficult to maintain consistency among utilities.

Additionally, having multiple credits can be confusing for customers and difficult to manage from a utility operational standpoint.

By the credits not increasing proportional to rate increases, inflation, or income, customers feel less and less of the impact of this assistance as time goes on.

Proposed Solution:

Provide a single credit equal to somewhere between the RIA and LIA credit amounts and is tied to inflation or rate increases.

Regulatory assets/liabilities could offset any concern for unprecedented increases in the credit.

Discuss if enrollment would be capped—likely all who are eligible would receive the credit (similar to the RIA).

Goal:

Provide on average, more significant assistance to all eligible customers than the RIA/LIA program without significantly increasing the average cost of the RIA/LIA. As a result, increase energy security among non-LIA/LSP paired customers.

Define Success:

An increase in energy security by means of decreasing disconnect rates and late payments among non-LIA/LSP paired customers.

Drawbacks:

Larger credits could be expensive and lead to inequitable rate increases for utilities with smaller rate bases, fewer customers, and lower revenue on which to allocate the revenue offset caused by the assistance credit.

LIA recipients would also see a decrease in their credit amount.

Supporting Data:

- Need data to analyze the cost of the new program compared to the old program.
 - Provide a walkthrough of the rate design model to show the revenue impact of utility energy assistance on rates.
- Compare the impact on a customer's bill.

- Average income-qualified bill minus the different credit amounts
 - What is the average resulting energy burden/cost?
- What is the average low-income customer bill (identified through SER, HHC, RIA/LIA credits, self-attestation—150% of FPL and below)

LIA/RIA Reform Option 3

Problem:

Evidence suggests that percent of income payment plans (PIPP) are the most effective form of energy assistance/affordability.

The MPSC and utilities are awaiting results of Consumers Energy and DTE Energy's PIPP pilots. DTE indicated in discussion within the AAA subcommittee that the cost per customer could be the same as RIA+LIA costs, but the funds are distributed differently among the months in the year.

Proposed Solution:

If the PIPP pilot results indicate sufficiently beneficial outcomes:

- Eliminate the RIA and LIA
- A PIPP or percentage payment plan could be approved on a more permanent basis.
 - If costs don't significantly exceed RIA/LIA costs
 - And we can serve the same number of customers.
 - Would utilities offer arrears forgiveness?

Goal:

To promote affordability through stable bills based on a percent of income—thus leading to greater energy security among eligible customers.

Define Success:

An increase in energy security by means of decreasing disconnect rates and late payments. Also increasing affordability by determining a more affordable bill payment than the RIA and LIA credits provide.

Drawbacks:

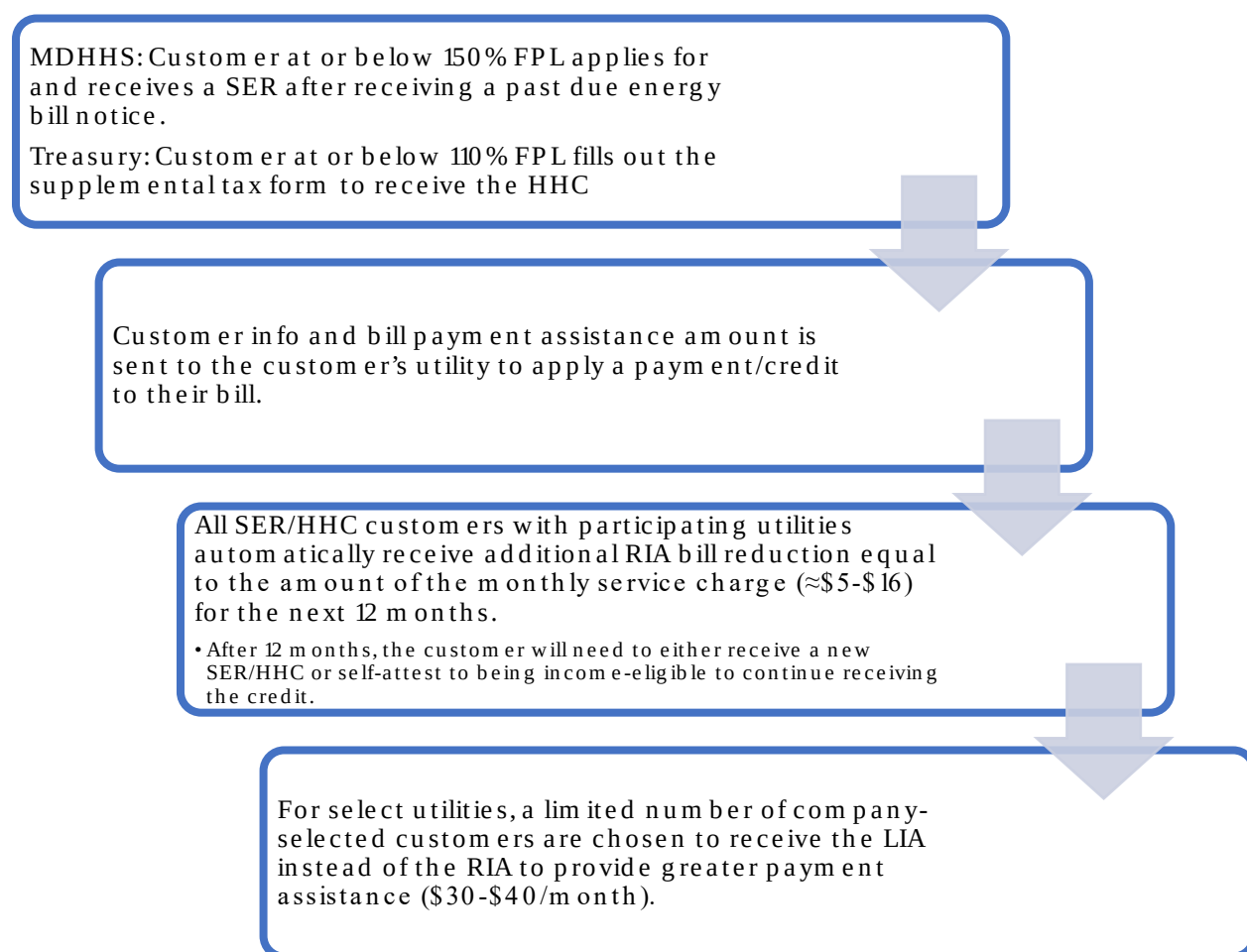
- Would utilities with smaller rate bases be able to afford this without significantly burdening other ratepayers?
- Would the same number of customers be able to be served?
- Do all customers need this option?
- Would everyone's income be verified or just do a random audit of a certain percentage of enrollees?
 - At a certain percentage of ineligible customers being enrolled, all enrollees might have to be audited.
 - Verify everyone initially, then audit a percentage annually.
- How can available funding be layered to successfully implement consistent PIPP models across utilities?

Supporting Data:

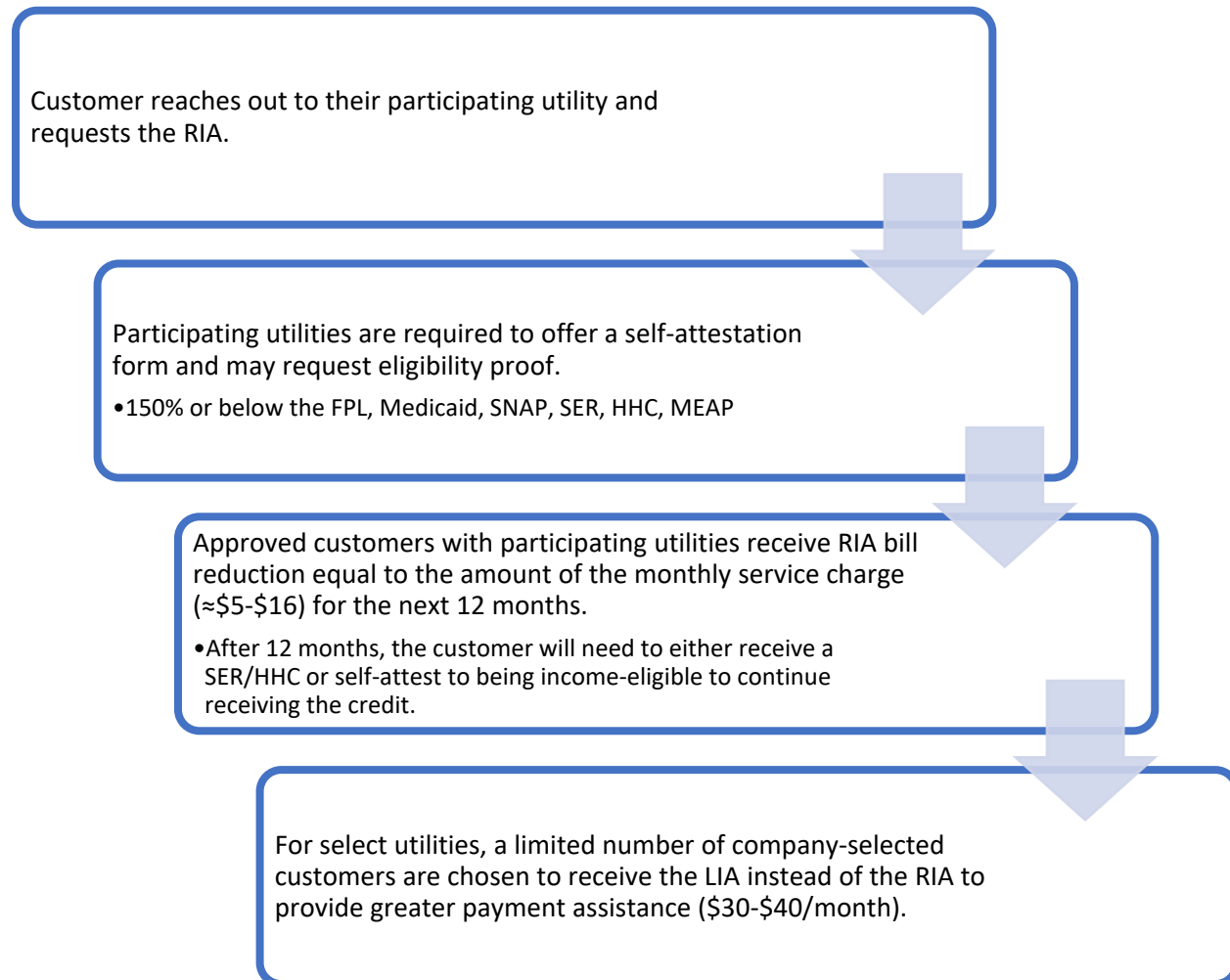
- Need significant data to prove that this would not burden other residential customers (especially Asset-Limited, Income-Constrained, Employed [ALICE] customers).
- Need data on costs of all of the above forms of assistance.
- If it's income-based, what are the costs of expanding workforce to verify income?
 - Security concerns if utilities confirm income.
 - Capacity issues if community organizations confirm.
 - Are there other alternatives to income verification?
- Quantify current percentage of fraudulent (applicants who were rejected/invalid) claims to the RIA self-attestation to provide insight on the drawbacks of self-attestation.

Appendix 1: Current RIA/LIA Enrollment Process

Automatic enrollment through State agency verification:



Self-attestation enrollment through utility verification:



Other proposals

Proposal A

LIA customers who have received significant weatherization services would receive a LIA payment reduced by the percentage the customer has saved on their bill due to EWR.

Reason for not recommending this:

Too difficult for utilities to implement.

Provides a disincentive to EWR services, i.e., reduces the reward of savings.

Proposal B

How do we serve the ALICE customers? Reform SER to be 60% AMI?

Appendix G – Consumers Energy Data Staff Analysis

Appendix G: Consumers Energy Data Staff Analysis

	PIPP				APP				Modified APP			
Enrollment Data	SUM				SUM				SUM			
Number of households enrolled	722				14,116				1,059			
Number of households who completed 12 months	573				10,287				662			
Number of households who completed 24 months	475				6,396				N/A			
Household Data	Average				Average				Average			
Average Monthly Income	\$ 1,253				N/A				N/A			
Average Household Size	\$ 2				N/A				N/A			
Average arrears at enrollment	\$ 301				\$ 217				\$ 391			
Average arrears at 12 months (households who completed a full 12 months)	\$ 126				\$ 115				\$ 8			
Average arrears at program completion (households who completed a full 24 months)	\$ 29				\$ 56				N/A			
Consumption and Energy Burden Data	Avg. Combo Electric	Avg. Combo Gas	Only Electric	Only Gas	Avg. Combo Electric	Avg. Combo Gas	Only Electric	Only Gas	Avg. Combo Electric	Avg. Combo Gas	Only Electric	Only Gas
12 month average monthly consumption before enrollment (kWh/mcf)	877	8	987	9	883	9	1,098	9	903	7	1,139	9
Average monthly consumption for months 1-12 after enrollment (households who completed a full 12	960	9	1,137	11	876	8.5	1,148	8.2	862	8.3	1,028	9
Average monthly consumption for months 13-24 after enrollment (households who completed a full 24	862	8	1,095	11	814	8.0	1,082	8.4	N/A	N/A	N/A	N/A
Average Energy Burden (%) during enrollment (before assistance applied)	23%				N/A				N/A			
Average Energy Burden (%) during active enrollment (bill with assistance applied)	7%				N/A				N/A			
Payment and Default Data	Avg. Combo	Avg. Electric	Avg. Gas		Avg. Combo	Avg. Electric	Avg. Gas		Avg. Combo	Avg. Electric	Avg. Gas	
Average monthly total bill (before assistance applied) during active enrollment	\$ 278	\$ 192	\$ 125		\$ 258	\$ 191	\$ 94		\$ 228	\$ 289	\$ 109	
Average monthly credited amount (bill subsidy) during active enrollment	\$ 166	\$ 140	\$ 90		\$ 119	\$ 88	\$ 40		\$ 64	\$ 44	\$ 25	
Average monthly bill payment due from customer during active enrollment	\$ 79	\$ 45	\$ 36		\$ 87	\$ 80	\$ 54		\$ 142	\$ 135	\$ 48	
Average monthly payment actually paid by customer during active enrollment	\$ 81	\$ 43	\$ 37		\$ 93	\$ 89	\$ 53		\$ 144	\$ 133	\$ 51	
Average monthly payment due from customer 12 months pre program	\$ 257	\$ 188	\$ 96		\$ 255	\$ 186	\$ 94		\$ 240	\$ 200	\$ 98	
Average monthly payment actually paid by customer 12 months pre program	\$ 235	\$ 191	\$ 100	Avg.	\$ 254	\$ 184	\$ 95	Avg.	\$ 243	\$ 202	\$ 96	Avg.
Percentage of on time payments 12 months before enrollment				62%				62%				58%
Percentage of on time payments for months 1-12 after enrollment				66%				63%				61%
Percentage of on time payments for months 13-24 after enrollment				69%				65%				N/A

Notes:
The modified APP (CARE MB) was a 12-month pilot at the time of data collection
Income data and household data was not collected on most analyzed customer groups
Not all data was collected or relevant to all analyzed customer groups

Enrollment Data	Average Low-Income				Average Non-Low-Income			
	SUM				SUM			
Number of households enrolled	39,336				2,739,229			
Number of households who completed 12 months								
Number of households who completed 24 months								
Household Data	Average				Average			
	N/A				N/A			
Average Monthly Income	N/A				N/A			
Average Household Size								
Average arrears at enrollment	\$ 222				\$ 260			
Average arrears at 12 months (households who completed a full 12 months)	\$ 187				\$ 245			
Average arrears at program completion (households who completed a full 24 months)	\$ 167				\$ 229			
Consumption and Energy Burden Data	Avg. Combo Electric	Avg. Combo Gas	Only Electric	Only Gas	Avg. Combo Electric	Avg. Combo Gas	Only Electric	Only Gas
12 month average monthly consumption before enrollment (kWh/mcf)	705	7	782	7	682	7	656	8
Average monthly consumption for months 1-12 after enrollment (households who completed a full 12	657	6.6	728	6.8	633	6.5	623	7.7
Average monthly consumption for months 13-24 after enrollment (households who completed a full 24	648	6.2	715	6.5	632	5.9	610	7.0
	Average				Average			
	N/A				N/A			
Average Energy Burden (%) during enrollment (before assistance applied)	N/A				N/A			
Average Energy Burden (%) during active enrollment (bill with assistance applied)	N/A				N/A			
Payment and Default Data	Avg. Combo	Avg. Electric	Avg. Gas		Avg. Combo	Avg. Electric	Avg. Gas	
Average monthly total bill (before assistance applied) during active enrollment	\$ 210	\$ 142	\$ 83		\$ 203	\$ 122	\$ 90	
Average monthly credited amount (bill subsidy) during active enrollment	\$ 187	\$ 133	\$ 69		N/A	N/A	N/A	
Average monthly bill payment due from customer during active enrollment	\$ 464	\$ 396	\$ 274		\$ 203	\$ 122	\$ 90	
Average monthly payment actually paid by customer during active enrollment	\$ 184	\$ 128	\$ 73		\$ 207	\$ 123	\$ 93	
Average monthly payment due from customer 12 months pre program	\$ 191	\$ 138	\$ 70		\$ 208	\$ 124	\$ 91	
Average monthly payment actually paid by customer 12 months pre program	\$ 189	\$ 134	\$ 71	Avg.	\$ 210	\$ 125	\$ 93	Avg.
Percentage of on time payments 12 months before enrollment				54%				83%
Percentage of on time payments for months 1-12 after enrollment				50%				83%
Percentage of on time payments for months 13-24 after enrollment				56%				83%

Notes:
The modified APP (CARE MB) was a 12-month pilot at the time of data collection
Income data and household data was not collected on most analyzed customer groups
Not all data was collected or relevant to all analyzed customer groups

Appendix G: Consumers Energy Comparison Data (Percentages) - Staff

PIPP Enrollment Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Number in income tier	331				217				174		
Percentage of total in each income tier	45.84%				30.06%				24.10%		
Percentage completing 12 months	79.89%	77.69%	68.18%		83.06%	86.05%	85.71%		84.06%	69.15%	72.73%
Percentage of income tier completing 12 months	78.25%				84.33%				75.29%		
Percentage of pilot completing 12 months					79.36%						
Percentage completing 24 months	72.07%	61.54%	40.91%		72.58%	63.95%	57.14%		71.01%	56.38%	54.55%
Percentage of income tier completing 24 months	65.86%				68.66%				62.07%		
Percentage of pilot completing 24 months					65.79%						

PIPP Household Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Average arrears at enrollment for income tier	\$376.98				\$273.51				\$188.86		
Arrearage deduction per month (1/24th)	\$18.79	\$12.71	\$8.33		\$13.08	\$9.42	\$5.83		\$8.33	\$8.08	\$3.13
Average arrears at 12 months for income tier	\$137.09				\$140.79				\$84.63		
Arrearage forgiveness total at 12 months	\$288.00	\$197.00	\$114.00		\$147.00	\$114.00	\$94.00		\$114.00	\$103.00	\$52.00
Arrearage expected balance at 12 months	\$225.50	\$152.50	\$100.00		\$157.00	\$113.00	\$70.00		\$100.00	\$97.00	\$37.50
Average arrears at 24 months for income tier	\$31.21				\$41.74				\$8.73		
Arrearage forgiveness total at 24 months	\$406.00	\$295.00	\$178.00		\$248.00	\$221.00	\$139.00		\$184.00	\$191.00	\$75.00

PIPP Payment and Default Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Energy Burden total bill before assistance	39.18%	29.70%	18.10%		17.99%	12.48%	9.19%		15.07%	8.66%	5.66%
Percent of credit	61.73%	76.19%	80.47%		57.84%	74.73%	70.07%		57.81%	64.74%	53.10%
Average credit for income tier	\$162.16				\$146.76				\$133.30		
Energy buden for bill payment	8.49%	4.53%	3.54%		5.84%	3.15%	2.75%		5.76%	3.05%	2.65%
Energy burden for actual payment amount	8.63%	4.24%	3.82%		5.97%	3.15%	2.68%		5.91%	3.00%	2.75%
Energy burden for monthly payment due pre-program	36.21%	27.02%	13.44%		17.25%	12.28%	6.44%		12.87%	9.36%	4.86%
Average monthly payment actually paid pre-program	31.26%	27.30%	14.43%		16.44%	12.75%	6.58%		12.57%	9.41%	4.91%
Percentage who defatuled for non-payment by fuel type and income tier	16.76%	23.08%	40.91%		18.55%	24.42%	28.57%		18.84%	29.79%	27.27%
Percentage who defaulted for non-payment by income tier	20.85%				21.20%				25.29%		
Percentage who defaulted for any other reason by fuel type and income tier	12.85%	16.15%	18.18%		8.87%	13.95%	14.29%		10.14%	13.83%	18.18%
Percentage who defaulted for any other reason by income tier	14.50%				11.06%				12.64%		
Percentage who received a service disconnect by fuel type and income tier	3.91%	4.62%	18.18%		4.03%	4.65%	14.29%		2.90%	5.32%	18.18%
Percentage who received a service disconnect by income tier	5.14%				4.61%				5.17%		
Percentage who were disconnected within 12 months of default by fuel type and income tier	2.79%	3.85%	9.09%		3.23%	4.65%	0.00%		2.90%	4.26%	9.09%
Percentage who were disconnected within 12 months of default by income tier	3.63%				3.69%				4.02%		

PIPP Assistance Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Percentage of fuel type receiving SER by income tier	13.41%	11.54%	4.55%		12.10%	12.79%	0.00%		13.04%	12.77%	0.00%
Percentage of income tier receiving SER	12.08%				11.98%				12.07%		
Percentage of Pilot receiving SER					12.05%						
Percentage of fuel type receiving HHC by income tier	37.99%	6.15%	27.27%		34.68%	3.49%	14.29%		26.09%	3.19%	18.18%
Percentage of income tier receiving HHC	24.77%				21.66%				13.22%		
Percentage of Pilot receiving HHC					21.05%						
Percentage of fuel type receiving MEAP by income tier	10.61%	9.23%	9.09%		8.06%	2.33%	0.00%		4.35%	11.70%	9.09%
Percentage of income tier receiving MEAP	9.97%				5.53%				8.62%		
Percentage of Pilot receiving MEAP					8.31%						
Percentage of fuel type receiving LIA by income tier	87.71%	70.77%	81.82%		88.71%	73.26%	71.43%		89.86%	76.60%	90.91%
Percentage of income tier receiving LIA	80.66%				82.03%				82.76%		
Percentage of Pilot receiving LIA					81.58%						
Percentage of fuel type receiving RIA by income tier	98.88%	94.62%	100.00%		100.00%	100.00%	100.00%		98.55%	97.87%	90.91%
Percentage of income tier receiving RIA	97.28%				100.00%				97.70%		
Percentage of Pilot receiving RIA					98.20%						

PIPP Vulnerable Household Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Percentage of senior households by fuel type and income tier	7.82%	10.00%	0.00%		11.29%	12.79%	14.29%		14.49%	12.77%	9.09%
Percentage of senior households by income tier	8.16%				11.98%				13.22%		
Percentage of senior households in pilot					10.53%						

20-75%

76-110%

111-150%

PIPP Energy Waste Reduction Data	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Percent of households referred to EWR by fuel type and income tier	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%		100.00%	100.00%	100.00%
Percent of households received EWR of referred households by fuel type and income tier	24.58%	27.69%	45.45%		32.26%	30.23%	57.14%		28.99%	28.72%	63.64%
Percent of houghseholds received EWR of referred by income tier	27.19%				32.26%				31.03%		
Percent of households received EWR of total	29.64%										

APP Enrollment Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Number in income tier	6262				4803				3051		
Percentage of total in each income tier	44.36%				34.03%				21.61%		
Percentage completing 12 months	72.96%	67.24%	64.71%		78.29%	71.31%	70.78%		79.35%	73.45%	73.86%
Percentage of income tier completing 12 months	69.67%				74.83%				76.37%		
Percentage of pilot completing 12 months	72.87%										
Percentage completing 24 months	43.03%	38.58%	33.16%		51.84%	45.13%	45.05%		54.30%	49.24%	45.75%
Percentage of income tier completing 24 months	39.96%				48.57%				51.16%		
Percentage of pilot completing 24 months	45.31%										

APP Household Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Average arrears at enrollment for income tier	\$250.98				\$221.44				\$141.97		
Arrearage deduction per month (1/24th)	\$11.40	\$10.54	\$7.16		\$11.25	\$8.48	\$3.53		\$6.08	\$174.60	\$2.10
Average arrears at 12 months for income tier	\$129.30				\$121.92				\$79.46		
Arrearage forgiveness total at 12 months	\$136.60	\$118.90	\$82.90		\$121.00	\$97.40	\$34.60		\$65.80	\$74.60	\$22.40
Arrearage expected balance at 12 months	\$136.80	\$126.45	\$85.95		\$135.00	\$101.70	\$42.30		\$72.90	\$87.30	\$25.20
Average arrears at 24 months for income tier	\$63.39				\$69.45				\$24.15		
Arrearage forgiveness total at 24 months	\$171.60	\$237.90	\$137.90		\$187.00	\$136.40	\$67.60		\$117.80	\$147.60	\$48.40

APP Payment and Default Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Percent of credit	47.71%	46.73%	47.07%		46.06%	49.16%	42.55%		42.02%	40.93%	32.97%
Average credit for income tier	\$101.52				\$96.37				\$85.67		
Energy burden range [Using high and low income from FPL tiers Y2022] - due during active enrollment (Low FPL range)	19.56%	20.32%	13.10%		6.38%	5.14%	3.70%		4.86%	4.21%	2.85%
Energy burden range [Using high and low income from FPL tiers Y2022] - due during active enrollment (High FPL range)	5.22%	5.42%	3.49%		4.40%	3.55%	2.56%		3.61%	3.13%	2.12%
Energy burden range [Using high and low income from FPL tier Y2022] - due 12 months pre-program (Low FPL range)	68.51%	50.28%	24.75%		16.80%	11.79%	6.44%		12.02%	9.03%	4.26%
Energy burden range [Using high and low income from FPL tier Y2022] - due 12 months pre-program (High FPL range)	18.27%	13.41%	6.60%		11.60%	8.15%	4.45%		8.93%	6.70%	3.16%
Percentage who defatuled for non-payment by fuel type and income tier	19.34%	23.38%	17.22%		15.69%	21.88%	13.70%		16.66%	21.70%	14.81%
Percentage who defaulted for non-payment by income tier	20.47%				17.57%				18.22%		
Percentage who defaulted for any other reason by fuel type and income tier	13.49%	13.96%	13.80%		11.32%	14.17%	15.07%		11.44%	11.66%	12.20%
Percentage who defaulted for any other reason by income tier	13.70%				12.83%				11.64%		
Percentage who received a service disconnect by fuel type and income tier	3.28%	4.67%	3.64%		2.18%	2.87%	2.44%		3.18%	3.05%	2.40%
Percentage who received a service disconnect by income tier	3.83%				2.46%				3.02%		
Percentage who were disconnected within 12 months of default by fuel type and income tier	2.92%	4.36%	3.32%		2.10%	2.45%	2.28%		3.05%	2.78%	2.18%
Percentage who were disconnected within 12 months of default by income tier	3.50%				2.25%				2.82%		

APP Assistance Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Percentage of fuel type receiving SER by income tier	10.95%	9.56%	14.65%		8.98%	8.97%	12.48%		10.29%	8.25%	15.25%
Percentage of income tier receiving SER	11.00%				9.45%				10.29%		
Percentage of Pilot receiving SER	10.32%										
Percentage of fuel type receiving HHC by income tier	23.24%	4.27%	19.14%		22.44%	3.71%	17.66%		16.72%	3.14%	13.07%
Percentage of income tier receiving HHC	15.81%				15.26%				11.21%		
Percentage of Pilot receiving HHC	14.63%										
Percentage of fuel type receiving MEAP by income tier	8.29%	7.07%	12.09%		7.08%	8.43%	10.81%		7.18%	7.80%	16.12%
Percentage of income tier receiving MEAP	8.42%				8.06%				8.75%		
Percentage of Pilot receiving MEAP	8.37%										
Percentage of fuel type receiving LIA by income tier	67.01%	45.24%	66.20%		70.20%	49.79%	71.54%		74.75%	50.22%	75.16%
Percentage of income tier receiving LIA	59.07%				63.27%				65.85%		
Percentage of Pilot receiving LIA	61.97%										
Percentage of fuel type receiving RIA by income tier	95.03%	88.84%	86.20%		95.07%	87.33%	81.89%		93.43%	86.82%	79.74%
Percentage of income tier receiving RIA	91.49%				90.57%				88.95%		
Percentage of Pilot receiving RIA	90.63%										

APP Energy Waste Reduction Data	20-75%				76-110%				111-150%		
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only
Percent of households referred to EWR by fuel type and income tier	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%		100.00%	100.00%	100.00%

Percent of households received EWR of referred households by fuel type and income tier	28.79%	7.78%	8.77%		21.03%	17.93%	4.11%		10.49%	24.84%	5.66%
Percent of houghseholds received EWR of referred by income tier	18.25%				17.63%				15.01%		
Percent of households received EWR of total	17.34%										

Modified APP Enrollment Data	20-75%				76-110%				111-150%			
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only	
Number in income tier		589				325				145		
Percentage of total in each income tier		55.62%				30.69%				13.69%		
Percentage completing 12 months	66.13%	58.80%	65.00%		65.78%	61.02%	60.00%		66.67%	59.26%	24.00%	
Percentage of income tier completing 12 months		63.33%				63.69%				56.55%		
Percentage of pilot completing 12 months		62.51%										

Modified APP Household Data	20-75%				76-110%				111-150%			
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only	
Average arrears at enrollment for income tier		\$379.41				\$420.57				\$368.96		
First 30 days up to \$600 arrears payment, up to \$600 at 12 months, and up to \$1800 at completion		Up to \$1200 arrears forgiveness between start and 12 month mark										
Average arrears at 12 months for income tier		\$4.77				\$10.09				\$21.34		

Modified APP Payment and Default Data	20-75%				76-110%				111-150%			
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only	
Percent of credit	55.56%	41.94%	50.00%		42.19%	33.67%	32.35%		28.07%	15.22%	22.94%	
Average credit for income tier		\$102.37				\$83.53				\$49.83		
Energy burden range [Using high and low income from FPL tiers Y2022] - due during active enrollment (Low FPL range)	32.58%	29.20%	10.86%		9.84%	9.02%	3.56%		6.87%	7.04%	2.61%	
Energy burden range [Using high and low income from FPL tiers Y2022] - due during active enrollment (High FPL range)	8.69%	7.79%	2.90%		6.80%	6.23%	2.46%		5.08%	5.21%	1.93%	
Energy burden range [Using high and low income from FPL tier Y2022] - due 12 months pre-program (Low FPL range)	58.17%	47.06%	22.69%		15.50%	13.08%	7.05%		9.61%	9.09%	4.17%	
Energy burden range [Using high and low income from FPL tier Y2022] - due 12 months pre-program (High FPL range)	15.51%	12.55%	6.05%		10.71%	9.04%	4.87%		7.11%	6.73%	3.09%	
Percentage who defatuled for non-payment by fuel type and income tier	23.00%	26.85%	25.00%		19.79%	26.27%	30.00%		28.79%	24.07%	40.00%	
Percentage who defaulted for non-payment by income tier		24.62%				22.77%				28.97%		
Percentage who defaulted for any other reason by fuel type and income tier	16.93%	17.13%	13.33%		12.83%	18.64%	10.00%		7.58%	27.78%	32.00%	
Percentage who defaulted for any other reason by income tier		16.64%				14.77%				19.31%		

Modified APP Assistance Data	20-75%				76-110%				111-150%			
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only	
Percentage of fuel type receiving SER by income tier	22.36%	15.28%	30.00%		21.93%	18.64%	30.00%		19.70%	16.67%	40.00%	
Percentage of income tier receiving SER		20.54%				21.23%				22.07%		
Percentage of Pilot receiving SER						20.96%						
Percentage of fuel type receiving HHC by income tier	31.95%	4.63%	23.33%		24.06%	5.93%	10.00%		22.73%	0.00%	12.00%	
Percentage of income tier receiving HHC		21.05%				16.62%				12.41%		
Percentage of Pilot receiving HHC						18.51%						
Percentage of fuel type receiving MEAP by income tier	6.71%	7.87%	3.33%		4.81%	8.47%	15.00%		9.09%	12.96%	8.00%	
Percentage of income tier receiving MEAP		6.79%				6.77%				10.34%		
Percentage of Pilot receiving MEAP						7.27%						
Percentage of fuel type receiving LIA by income tier	49.52%	11.11%	55.00%		52.41%	13.56%	40.00%		65.15%	11.11%	36.00%	
Percentage of income tier receiving LIA		35.99%				37.54%				40.00%		
Percentage of Pilot receiving LIA						37.02%						
Percentage of fuel type receiving RIA by income tier	99.68%	100.00%	100.00%		100.00%	100.00%	100.00%		100.00%	100.00%	100.00%	
Percentage of income tier receiving RIA		99.83%				100.00%				100.00%		
Percentage of Pilot receiving RIA						99.91%						

Modified APP Vulnerable Household Member Data	20-75%				76-110%				111-150%			
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only	
Percentage of senior households by fuel type and income tier	7.67%	10.19%	1.67%		10.16%	11.86%	15.00%		12.12%	20.37%	8.00%	
Percentage of senior households by income tier		7.98%				11.08%				14.48%		
Percentage of senior households in pilot						9.82%						

Modified APP Energy Waste Reduction Data	20-75%				76-110%				111-150%			
	Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only		Combo	Electric Only	Gas Only	
Percent of households referred to EWR by fuel type and income tier	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%		100.00%	100.00%	100.00%	
Percent of households received EWR of referred households by fuel type and income tier	8.95%	9.26%	8.33%		9.09%	9.32%	10.00%		9.09%	9.26%	8.00%	
Percent of houghseholds received EWR of referred by income tier		9.00%				9.23%				8.97%		
Percent of households received EWR of total						9.07%						

AVG Low-Income Enrollment Data	Combo	Electric Only	Gas Only
Percent of total (Total= 39,336)	33.82%	27.81%	38.37%

AVG Low-Income Household Data	Combo	Electric Only	Gas Only
Change in arrearage 0-12 months	\$70.20	\$28.44	\$9.42
Change in arrearage 12-24 months	\$34.45	\$6.66	\$16.18
Total change in arrearage	\$104.65	\$35.10	\$25.60
Value of estimated change per month over 24 months	\$4.36	\$1.46	\$1.07

AVG Low-Income Payment and Default Data	Combo	Electric Only	Gas Only
Percentage of households that received a service disconnection/shutoff notice	238.01%	267.09%	137.75%
Percentage of households whose service was disconnected	59.73%	72.39%	21.90%

AVG Low-Income Assistance Data	Combo	Electric Only	Gas Only
Percentage of fuel type receiving SER by income tier	226.69%	245.76%	140.95%
Percentage of income tier receiving SER		207.44%	
Percentage of fuel type receiving HHC by income tier	238.90%	80.12%	295.74%
Percentage of income tier receiving HHC		216.55%	
Percentage of fuel type receiving MEAP by income tier	53.04%	62.96%	14.97%
Percentage of income tier receiving MEAP		41.19%	
Percentage of fuel type receiving LIA by income tier	105.45%	27.59%	44.98%
Percentage of income tier receiving LIA		60.59%	
Percentage of fuel type receiving RIA	572.64%	577.36%	536.33%
Percentage of income tier receiving RIA		560.02%	

AVG Low-Income Vulnerable Household Member Data	Combo	Electric Only	Gas Only
Percentage of senior households by fuel type and income tier	15.76%	13.51%	20.74%
Percentage of senior households identified of total		17.05%	

AVG Low-Income Energy Waste Reduction Data	Combo	Electric Only	Gas Only
Percentage of households receiving EWR services	124.51%	97.89%	243.55%

AVG Non-Low-Income Enrollment Data	Combo	Electric Only	Gas Only
Percent of total (Total= 2,739,229)	20.73%	39.27%	40.00%

AVG Non-Low-Income Household Data	Combo	Electric Only	Gas Only
Change in arrearage 0-12 months	\$50.68	\$29.76	-\$18.98
Change in arrearage 12-24 months	\$40.92	-\$0.75	\$19.79
Total change in arrearage	\$91.60	\$29.01	\$0.81
Value of estimated change per month over 24 months	\$3.82	\$1.21	\$0.03

AVG Non-Low-Income Payment and Default Data	Combo	Electric Only	Gas Only
Percentage of households that received a service disconnection/shutoff notice	23.87%	14.83%	11.72%
Percentage of households whose service was disconnected	3.04%	2.16%	1.33%

AVG Non-Low-Income Vulnerable Household Member Data	Combo	Electric Only	Gas Only
Percentage of senior households by fuel type and income tier	32.37%	32.10%	29.94%
Percentage of senior households identified of total		31.29%	

AVG Non-Low-Income Energy Waste Reduction Data	Combo	Electric Only	Gas Only
Percentage of households receiving EWR services	22.86%	25.65%	51.92%

Appendix H – DTE Energy Data Staff Analysis

Appendix H: DTE Energy Data Staff Analysis

Enrollment Data					PIPP		LSP				LSPM									
SUM					SUM		SUM				SUM									
Number of households enrolled					2,141					963				1,126						
Number of households who completed 12 months					991					203				64						
Number of households who completed 24 months					398					329				N/A						
Household Data					PIPP		LSP				LSPM									
Average					Average		Average				Average									
Average Monthly Income					\$ 574					N/A				N/A						
Average Household Size										N/A				N/A						
Avg.					Avg.		Avg. Gas		Avg.		Avg. Gas		Avg.		Avg. Gas					
Average arrears at enrollment					\$ 574	\$ 458	\$ 302			\$ 1,103	\$ 531	\$ 432			\$ 989	\$ 669	\$ 388			
Average arrears at 12 months (households who completed a full 12 months) (12 months in)					\$ 577	\$ 462	\$ 347			\$ 499	\$ 283	\$ -			\$ 705	\$ 227	\$ -			
Average arrears at program completion (households who completed a full 24 months) (24 months in)					\$ 306	\$ 420	\$ 14			\$ 227	\$ 71	\$ -			N/A	N/A	N/A			
Consumption and Energy Burden Data					PIPP		LSP				LSPM									
Avg.					Avg.		Avg. Gas		Avg.		Avg. Gas		Avg.		Avg. Gas					
12 month average monthly consumption before enrollment (kWh/ccf)					663	97	787	91		700	96	565	85		795	97	869			
Average monthly consumption for months 1-12 after enrollment (households who completed a full 12 months)					700	92	781	88		745	104	627	87		825	93	969			
Average monthly consumption for months 13-24 after enrollment (households who completed a full 24 months)					583	86	767	76		724	98	593	93		N/A	N/A	N/A			
Average					Average		Average				Average									
Average Energy Burden (%) during enrollment (before assistance applied)					16%					N/A					N/A					
Average Energy Burden (%) during active enrollment (bill with assistance applied)					8%					N/A					N/A					
Payment and Default Data					PIPP		LSP				LSPM									
Avg. Comb					Avg. Electric		Avg. Gas		Avg. Comb		Avg. Electric		Avg. Gas		Avg. Comb		Avg. Electric		Avg. Gas	
Average monthly total bill (before assistance applied) during active enrollment (12-month pre-plan for LSP(M))					N/A	N/A	N/A			\$ 185	\$ 93	\$ 68			\$ 227	\$ 158	\$ 83			
Average monthly total bill (before assistance applied) during active enrollment (1-12 months)					\$ 191	\$ 138	\$ 81			\$ 170	\$ 80	\$ 58			\$ 233	\$ 167	\$ 58			
Average monthly total bill (before assistance applied) during active enrollment (13-24 months for LSP(M))					N/A	N/A	N/A			\$ 181	\$ 81	\$ 86			N/A	N/A	N/A			
Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF). Assistance amount for CG					\$ 55	\$ 67	\$ 59			\$ 111	\$ 55	\$ 40			\$ 88	\$ 58	\$ 59			
Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF+ assistance)					N/A	N/A	N/A			\$ 215	\$ 104	\$ 82			\$ 126	\$ 81	\$ 74			
Average monthly bill payment due from customer during active enrollment (plan amount)					\$ 146	\$ 97	\$ 90			\$ 111	\$ 49	\$ 60			\$ 116	\$ 84	\$ 21			
Average monthly payment actually paid by customer 12 months pre program					\$ 191	\$ 178	\$ 108			\$ 242	\$ 149	\$ 132			\$ 221	\$ 200	\$ 180			
Average monthly payment actually paid by customer during active enrollment (12 months in)					\$ 141	\$ 115	\$ 110			\$ 158	\$ 84	\$ 71			\$ 136	\$ 96	\$ 16			
Average monthly payment actually paid by customer during active enrollment (24 months in)					\$ 133	\$ 98	\$ 84			\$ 119	\$ 51	\$ 63			N/A	N/A	N/A			
Average monthly payment due from customer 12 months pre program (with assistance applied)					\$ 126	\$ 100	\$ 53			\$ 112	\$ 52	\$ 41			\$ 128	\$ 93	\$ 40			
								Average					Average					Average		
Percentage of on time payments 12 months before enrollment								88%					76%					59%		
Percentage of on time payments for months 1-12 after enrollment								91%					92%					90%		
Percentage of on time payments for months 13-24 after enrollment								75%					80%					N/A		

Enrollment Data	Control Group				Average Non-Low-Income			
	SUM				SUM			
Number of households enrolled	240				#####			
Number of households who completed 12 months	N/A				N/A			
Number of households who completed 24 months	N/A				N/A			

Household Data	Control Group				Average Non-Low-Income			
	Average				Average			
Average Monthly Income	N/A				N/A			
Average Household Size	N/A				N/A			
	Avg.	Avg.	Avg. Gas		Avg.	Avg.	Avg. Gas	
Average arrears at enrollment	\$ 504	\$ 370	\$ 215		\$ 343	\$ 188	\$ 129	
Average arrears at 12 months (households who completed a full 12 months) (12 months in)	\$ 665	\$ 395	\$ 347		\$ 364	\$ 109	\$ 139	
Average arrears at program completion (households who completed a full 24 months) (24 months in)	\$ 653	\$ 367	\$ 248		\$ 393	\$ 193	\$ 160	

Consumption and Energy Burden Data	Control Group				Average Non-Low-Income			
	Avg.	Avg.	Avg. Gas		Avg.	Avg.	Avg. Gas	
12 month average monthly consumption before enrollment (kWh/ccf)	653	97	676	81	648	84	695	82
Average monthly consumption for months 1-12 after enrollment (households who completed a full 12 months)	632	88	631	74	626	81	674	77
Average monthly consumption for months 13-24 after enrollment (households who completed a full 24 months)	591	86	584	66	589	75	642	70
	Average				Average			
Average Energy Burden (%) during enrollment (before assistance applied)	N/A				N/A			
Average Energy Burden (%) during active enrollment (bill with assistance applied)	N/A				N/A			

Payment and Default Data	Control Group				Average Non-Low-Income			
	Avg. Comb	Avg. Electric	Avg. Gas		Avg. Comb	Avg. Electric	Avg. Gas	
Average monthly total bill (before assistance applied) during active enrollment (12-month pre-plan for LSP(M))	\$ 182	\$ 114	\$ 75		\$ 191	\$ 125	\$ 73	
Average monthly total bill (before assistance applied) during active enrollment (1-12 months)	\$ 183	\$ 107	\$ 75		\$ 202	\$ 125	\$ 84	
Average monthly total bill (before assistance applied) during active enrollment (13-24 months for LSP(M))	\$ 174	\$ 110	\$ 66		\$ 196	\$ 127	\$ 75	
Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF). Assistance amount for CG	\$ 1,577	\$ 862	\$ 812		N/A	N/A	N/A	
Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF+ assistance)	N/A	N/A	N/A		N/A	N/A	N/A	
Average monthly bill payment due from customer during active enrollment (plan amount)	N/A	N/A	N/A		\$ 202	\$ 125	\$ 84	
Average monthly payment actually paid by customer 12 months pre program	\$ 187	\$ 167	\$ 134		N/A	N/A	N/A	
Average monthly payment actually paid by customer during active enrollment (12 months in)	\$ 188	\$ 147	\$ 118		\$ 163	\$ 113	\$ 55	
Average monthly payment actually paid by customer during active enrollment (24 months in)	\$ 166	\$ 153	\$ 107		\$ 218	\$ 140	\$ 88	
Average monthly payment due from customer 12 months pre program (with assistance applied)	\$ 115	\$ 83	\$ 47		\$ 220	\$ 140	\$ 91	
				Average				Average
Percentage of on time payments 12 months before enrollment				86%				90%
Percentage of on time payments for months 1-12 after enrollment				75%				89%
Percentage of on time payments for months 13-24 after enrollment				72%				89%

Notes:
LSPM was a 12-month pilot at the time of data collection
Income data and household data was not collected on most analyzed customer groups
Not all data was collected or relevant to all analyzed customer groups

Appendix H: DTE Comparison Data (Percentages) - Staff

PSP Enrollment Data	PSP Enrollment Data (cont.)												PSP Enrollment Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Number of total households enrolled in pilot per income tier	60			537			603			602			339		
Percentage of total in each income tier	2.8%			25.1%			28.2%			28.1%			15.8%		
Percentage of households completing 12 months	67.7%	32.0%	25.0%	50.1%	42.8%	46.2%	45.8%	44.1%	34.6%	45.4%	49.2%	50.0%	46.6%	43.4%	52.6%
Percentage of income tier completing 12 months	50.0%			47.7%			44.28%			47.01%			45.72%		
Percentage of pilot completing 12 months	46.3%														
Percentage of households completing 24 months	9.7%	44.0%	50.0%	24.1%	23.5%	11.5%	25.6%	23.6%	15.4%	15.0%	12.7%	10.9%	8.4%	8.5%	5.3%
Percentage of income tier completing 24 months	26.7%			23.3%			24.0%			14.0%			8.3%		
Percentage of pilot completing 24 months	18.6%														

PSP Household Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Average arrears at enrollment for income tier	\$400.56			\$542.75			\$466.27			\$492.72			\$628.40		
Arrearage deduction per month (1/24th)	\$18.00	\$16.28	\$9.11	\$25.21	\$18.53	\$14.32	\$21.55	\$17.99	\$10.29	\$23.19	\$17.97	\$10.71	\$28.28	\$23.72	\$21.81
Percent reduction in arrears (12 months in)	13.2%	37.6%	-5.8%	1.4%	2.9%	17.7%	4.0%	-1.6%	28.3%	-9.4%	7.6%	-37.4%	0.1%	-18.6%	-39.5%
Average arrears at 12 months for income tier	\$334.94			\$536.20			\$456.30			\$516.09			\$680.30		
Arrearage forgiveness total at 12 months	\$57.35	\$146.95	-\$12.73	\$8.39	\$12.70	\$60.94	\$20.68	-\$6.72	\$69.87	-\$52.41	\$32.77	-\$96.16	\$0.81	-\$105.87	-\$206.54
Arrearage expected balance at 12 months (assuming 1/24th AF per month)	\$215.98	\$195.37	\$109.34	\$302.46	\$222.37	\$171.80	\$258.59	\$215.92	\$123.48	\$278.31	\$215.67	\$128.51	\$339.35	\$284.70	\$261.76
Percent reduction in arrears (from Y1 to completion)	100.00%	-134.35%	70.26%	51.85%	16.68%	100.00%	47.72%	38.31%	91.02%	32.09%	-66.95%	100.00%	47.10%	18.67%	100.00%
Average arrears at 24 months for income tier	\$435.79			\$310.20			\$262.97			\$492.61			\$435.39		
Percent reduction in arrears (from Start to completion)	100.00%	-46.21%	68.53%	52.52%	19.06%	100.00%	49.81%	37.35%	93.56%	25.69%	-54.27%	100.00%	47.16%	3.55%	100.00%
Arrearage forgiveness total at 24 months	\$431.95	-\$180.58	\$149.85	\$317.68	\$84.76	\$343.59	\$257.62	\$161.29	\$231.04	\$143.01	-\$234.08	\$257.02	\$320.08	\$20.23	\$523.52

PSP Payment and Default Data	PSP Payment and Default Data (cont.)															PSP Payment and Default Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%					
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only			
Average monthly energy burden - before assistance (monthly bill/monthly income)	27.2%	13.1%	8.6%	20.7%	13.9%	#SPILL!	14.9%	9.5%	5.8%	10.7%	7.7%	4.8%	8.5%	5.6%	3.6%			
Average bil subsidy by income tier	\$79			\$62			\$57			\$57			\$59					
Average monthly energy burden - due during active enrollment (per plan)	10.0%	6.0%	6.0%	10.0%	6.0%	6.0%	10.0%	6.0%	6.0%	10.0%	6.0%	6.0%	10.0%	6.0%	6.0%			
Average monthly energy burden - paid during active enrollment (12 months in)	10.6%	7.2%	2.8%	13.2%	7.5%	9.1%	9.6%	7.8%	6.9%	7.6%	7.0%	7.2%	10.5%	6.2%	6.3%			
Average monthly energy burden - paid during active enrollment (24 months in)	10.6%	8.2%	10.8%	12.4%	8.2%	11.4%	10.4%	6.2%	6.0%	8.4%	7.6%	4.3%	8.1%	5.1%	3.9%			
Average monthly energy burden - due 12 months pre-program	18.3%	8.6%	7.1%	12.9%	9.6%	5.3%	9.8%	6.7%	4.1%	7.1%	5.4%	2.9%	6.0%	4.7%	2.6%			
Average monthly energy burden - paid by customer pre-program	25.2%	18.9%	9.4%	20.7%	17.2%	14.6%	13.9%	11.8%	7.0%	10.7%	10.3%	6.5%	9.3%	7.5%	5.0%			
Percentage of change between pre-program and year 1 end	2.4%	-4.4%	0.0%	3.2%	4.4%	-13.2%	0.9%	4.2%	15.2%	3.4%	4.8%	7.2%	7.8%	0.3%	-2.6%			
Percentage of change in on time bill payment between year 1 end and year 2 end	-21.2%	-8.1%	-2.2%	-17.0%	-21.8%	-11.8%	-13.9%	-15.3%	-9.0%	-16.8%	-20.0%	-19.0%	-23.5%	-25.9%	-14.8%			
Percentage of overall change in on time bill payment from pre-program to program end	-18.8%	-12.5%	-2.2%	-13.8%	-17.4%	-25.0%	-13.0%	-11.1%	6.2%	-13.4%	-15.2%	-11.8%	-15.7%	-25.6%	-17.4%			
Percentage of households who defaulted for non-payment	0.0%	8.0%	25.0%	9.3%	10.8%	11.5%	11.2%	12.8%	7.7%	32.9%	37.6%	43.5%	14.7%	14.7%	5.3%			
Percentage of households who defaulted for non-payment (income tier)	5.0%			9.9%			11.4%			35.2%			14.2%					
Percentage of households who defaulted due to failure to reverify	45.2%	20.0%	25.0%	36.8%	34.9%	34.6%	34.0%	28.7%	26.9%	12.0%	12.7%	6.5%	32.5%	27.9%	47.4%			
Percentage of households who defaulted due to failure to reverify (income tier)	33.3%			36.1%			31.7%			11.8%			31.6%					
Percentage who defaulted for any other reason	48.4%	64.0%	50.0%	24.1%	30.1%	34.6%	25.0%	33.8%	48.1%	37.9%	35.5%	41.3%	43.5%	48.8%	36.8%			
Percentage who defaulted for any other reason by income tier	55.0%			26.4%			29.9%			37.4%			45.1%					
Percentage who received a service disconnect	32.3%	36.0%	75.0%	38.6%	39.8%	26.9%	35.7%	31.8%	25.0%	47.1%	44.7%	39.1%	49.7%	50.4%	52.6%			
Percentage who received a service disconnect by income tier	36.7%			38.4%			33.5%			45.7%			50.1%					
Percentage who were disconnected within 12 months of default	9.7%	8.0%	0.0%	9.6%	9.0%	0.0%	7.9%	9.7%	1.9%	10.6%	11.7%	0.0%	13.1%	14.0%	5.3%			
Percentage who were disconnected within 12 months of default by income tier	8.3%			8.9%			8.0%			10.1%			13.0%					

LSP Payment and Default Data	LSP Payment and Default Data (cont.)															LSP Payment and Default Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%					
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only			
Energy burden range [Using high and low income from FPL tier Y2021] - due 12 months pre-program (Low FPL range)				51.6%	24.6%	20.3%		13.7%	7.1%	3.6%		9.2%	4.7%	3.4%		6.4%	3.2%	2.8%
Energy burden range [Using high and low income from FPL tier Y2021] - due 12 months pre-program (High FPL range)	47.7%	13.6%	15.3%	13.8%	6.6%	5.4%	9.5%	4.9%	2.5%	6.8%	3.5%	2.5%	4.8%	2.4%	2.1%			
Energy burden range [Using high and low income from FPL tier Y2021] - due during active enrollment (1-12 months) (Low FPL range)				50.7%	21.3%	0.0%	12.0%	6.0%	3.1%	8.4%	3.9%	6.2%	5.7%	3.0%	3.2%			
Energy burden range [Using high and low income from FPL tier Y2021] - due during active enrollment (1-12 months) (High FPL range)	46.3%	12.2%	0.0%	13.5%	5.7%	0.0%	8.3%	4.2%	2.1%	6.2%	2.9%	4.6%	4.3%	2.3%	2.4%			
Energy burden range [Using high and low income from FPL tier Y2021] - due during active enrollment (13-24 months) (Low FPL range)				53.6%	30.9%	0.0%	12.3%	6.1%	4.9%	9.0%	3.7%	4.5%	6.1%	2.8%	3.1%			
Energy burden range [Using high and low income from FPL tier Y2021] - due during active enrollment (13-24 months) (High FPL range)	67.0%	7.2%	0.0%	14.3%	8.2%	0.0%	8.5%	4.2%	3.4%	6.7%	2.7%	3.3%	4.6%	2.1%	2.4%			
Gap payment during active enrollment	\$59.52	\$8.96	\$26.38	\$78.87	\$21.18	-\$4.24	\$52.68	\$30.10	\$4.25	\$78.46	\$41.67	\$45.37	\$33.39	\$21.15	\$48.91			
Percent of gap payment	35.8%	18.9%	49.7%	41.8%	23.5%	-5.7%	27.7%	30.3%	8.5%	42.2%	43.8%	65.0%	19.0%	23.7%	63.1%			
Average credit for income tier (GAP & AF)	\$87.56			\$113.28			\$95.23			\$100.31			\$81.58					
Energy burden range [Using high and low income from FPL tier Y2021] - plan amount (Low FPL range)				28.7%	12.3%	14.5%		8.0%	3.5%	4.0%		5.6%	2.5%	3.1%		4.0%	1.8%	2.4%
Energy burden range [Using high and low income from FPL tier Y2021] - plan amount (High FPL range)	27.9%	10.1%	14.4%	7.6%	3.3%	3.9%	5.5%	2.4%	2.7%	4.1%	1.8%	2.3%	3.0%	1.4%	1.8%			
Portion of bill customer pays	60.2%	82.5%		56.5%	58.1%		66.7%	57.5%	128.4%	66.6%	63.7%	49.8%	69.7%	60.1%	73.8%			
Average monthly bill payment due during active enrollment for income tier	\$81.43			\$91.82			\$100.09			\$98.26			\$94.52					
Energy burden range [Using high and low income from FPL tier Y2021] - during active enrollment (Low FPL range)				28.7%	12.3%	14.5%		8.0%	3.5%	4.0%		5.6%	2.5%	3.1%		4.0%	1.8%	2.4%
Energy burden range [Using high and low income from FPL tier Y2021] - during active enrollment (High FPL range)	27.9%	10.1%	14.4%	7.6%	3.3%	3.9%	5.5%	2.4%	2.7%	4.1%	1.8%	2.3%	3.0%	1.4%	1.8%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment actually paid by customer 12 months pre-program (Low FPL range)				71.1%	38.9%	37.4%	15.8%	12.1%	7.9%	12.1%	7.4%	7.3%	8.7%	5.0%	4.0%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment actually paid by customer 12 months pre-program (High FPL range)	49.7%	17.8%	45.7%	18.9%	10.4%	10.0%	10.9%	8.4%	5.5%	8.9%	5.5%	5.4%	6.6%	3.8%	3.0%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment actually paid by customer during active enrollment (1-12 Months on Plan) (Low FPL range)				54.6%	25.9%	0.0%	12.5%	8.3%	6.0%	6.9%	3.5%	4.7%	5.3%	2.6%	2.5%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment actually paid by customer during active enrollment (1-12 Months on Plan) (High FPL range)	43.5%	11.2%	0.0%	14.6%	6.9%	0.0%	8.6%	5.8%	4.1%	5.1%	2.6%	3.5%	4.0%	2.0%	1.9%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment actually paid by customer during active enrollment (13-24 Months on Plan) (Low FPL range)				31.6%	12.3%	0.0%	8.0%	3.7%	4.0%	5.8%	2.5%	3.1%	4.9%	2.2%	2.7%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment actually paid by customer during active enrollment (13-24 Months on Plan) (High FPL range)	30.9%	10.1%	0.0%	8.4%	3.3%	0.0%	5.6%	2.5%	2.7%	4.3%	1.8%	2.3%	3.7%	1.6%	2.0%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment due from customer 12 months pre program (consumption with assistance) (Low FPL range)				29.6%	11.1%	13.9%	9.4%	4.4%	1.0%	5.2%	2.6%	1.9%	4.1%	1.7%	2.4%			
Energy burden range [Using high and low income from FPL tier Y2021] - Average monthly payment due from customer 12 months pre program (consumption with assistance) (High FPL range)	30.7%	11.6%	8.8%	7.9%	3.0%	3.7%	6.5%	3.0%	0.7%	3.8%	2.0%	1.4%	3.1%	1.3%	1.8%			
Average % of ontime payments 12 months before enrollment - income tier average	70.6%			74.2%			79.0%			75.9%			73.8%					
Average % of ontime payments 12 months for months 1-12 - income tier average	84.9%			91.3%			92.5%			91.6%			90.5%					
Percentage who defatuled for non-payment by fuel type and income tier	40.0%	0.0%	100.0%	5.3%	32.0%	612.5%	44.6%	38.5%	50.0%	51.0%	47.1%	70.0%	42.7%	40.0%	0.0%			
Percentage who defaulted for non-payment by income tier	42.9%			43.2%			43.8%			50.5%			41.6%					
Percentage who defaulted for any other reason by fuel type and income tier	60.0%	100.0%	0.0%	56.6%	68.0%	25.0%	55.4%	61.5%	50.0%	49.0%	52.9%	30.0%	57.3%	60.0%	100.0%			
Percentage who defaulted for any other reason by income tier	57.1%			56.8%			56.2%			49.5%			58.4%					
Percentage who received a service disconnect by fuel type and income tier	80.0%	0.0%	100.0%	59.3%	40.0%	62.5%	57.6%	46.2%	50.0%	68.5%	54.8%	70.0%	64.1%	51.1%	0.0%			
Percentage who received a service disconnect by income tier	71.4%			56.2%			55.6%			65.4%			60.1%					
Percentage who were disconnected within 12 months of default by fuel type and income tier	20.0%	0.0%	0.0%	24.8%	8.0%	25.0%	21.6%	15.4%	#SPILL!	23.8%	18.3%	10.0%	22.9%	20.0%	0.0%			
Percentage who were disconnected within 12 months of default by income tier	14.3%			21.9%			20.1%			22.2%			21.9%					

LSP Assistance Data	LSP Assistance Data (cont.)												LSP Assistance Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percentage of fuel type receiving SER by income tier	100.0%	0.0%	0.0%	58.4%	24.0%	25.0%	42.4%	19.2%	75.0%	12.0%	10.6%	20.0%	3.8%	2.2%	0.0%
Percentage of income tier receiving SER	71.4%			50.7%			39.6%			11.9%			3.4%		
Percentage of Pilot receiving SER	21.5%														
Percentage of fuel type receiving HHC by income tier	0.0%	0.0%	0.0%	22.1%	4.0%	0.0%	36.7%	7.7%	25.0%	11.2%	0.0%	20.0%	5.3%	0.0%	0.0%
Percentage of income tier receiving HHC	0.0%			17.8%			32.0%			8.9%			3.9%		
Percentage of Pilot receiving HHC	13.3%														
Percentage of fuel type receiving MEAP by income tier	20.0%	100.0%	100.0%	15.9%	20.0%	50.0%	6.5%	26.9%	25.0%	4.3%	6.7%	30.0%	0.8%	0.0%	0.0%
Percentage of income tier receiving MEAP	42.9%			18.5%			10.1%			5.4%			0.6%		
Percentage of Pilot receiving MEAP	7.6%														
Percentage of fuel type receiving LIA by income tier	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%	99.0%	100.0%	100.0%	100.0%	100.0%
Percentage of income tier receiving LIA	100.0%			100.0%			99.4%			99.8%			100.0%		
Percentage of Pilot receiving LIA	99.8%														
Percentage of fuel type receiving RIA by income tier	20.0%	0.0%	0.0%	16.8%	12.0%	25.0%	20.1%	23.1%	0.0%	18.3%	19.2%	40.0%	10.7%	13.3%	0.0%
Percentage of income tier receiving RIA	14.3%			16.4%			20.1%			19.0%			11.2%		
Percentage of Pilot receiving RIA	17.3%														

LSP Energy Waste Reduction Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percent of households received EWR of enrolled households by fuel type and income tier	0.0%	0.0%	0.0%	20.4%	44.0%	12.5%	24.5%	50.0%	0.0%	21.5%	29.8%	0.0%	16.0%	17.8%	0.0%
Percent of houghseholds received EWR of enrolled by income tier	0.0%			24.0%			27.8%			22.9%			16.3%		
Percent of households received EWR of total	22.5%														

LSPM Enrollment Data	LSPM Enrollment Data (cont.)												LSPM Enrollment Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Number of total households enrolled in LSPM per income tier	82			605			280			159					
Percent of total in each income tier	7.28%			53.73%			24.87%			14.12%					
Percentage completing 12 months	5.56%	18.52%	0.00%	3.50%	1.96%	13.04%	5.70%	7.79%	110.00%	2.83%	6.38%	0.00%			
Percentage of income tier completing 12 months	9.76%			3.47%			10.00%			3.77%					
Percentage of income tier to total completing 12 months	0.71%			1.87%			2.49%			0.53%					
Percentage of total completing 12 months	5.68%														

LSPM Household Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Average arrears at enrollment for income tier	\$1,288.88			\$790.91			\$926.56			\$933.76			\$472.26		
Arrearage deduction per month (1/24th)	\$66.87	\$27.40	\$52.83	\$35.80	\$26.37	\$23.70	\$43.12	\$31.92	\$2.97	\$46.44	\$26.47	\$3.17	\$19.68		
Average arrears at 12 months for income tier	\$509.18			\$176.35			\$844.06			\$318.71					
Arrearage forgiveness total at 12 months	\$745.24	\$358.74	\$1,267.88	\$612.29	\$632.86	\$568.72	-\$681.75	-\$25.65	\$71.16	\$477.23	\$635.29	\$75.97	\$472.26		
Arrearage expected balance at 12 months	\$802.44	\$328.83	\$633.94	\$429.59	\$316.43	\$284.36	\$517.47	\$383.01	\$35.58	\$557.33	\$317.64	\$37.99	\$236.13		

LSPM Payment and Default Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly total bill (before assistance applied) during active enrollment (previous 12 Months) (Low FPL range)				55%	39%	19%	14%	10%	7%	10%	6%	2%	7%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly total bill (before assistance applied) during active enrollment (previous 12 Months) (High FPL range)	55%	35%	11%	15%	10%	5%	10%	7%	5%	7%	5%	2%	6%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly total bill (before assistance applied) during active enrollment (1-12 Months) (Low FPL range)				58%	35%	18%	13%	12%	4%	10%	9%				
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly total bill (before assistance applied) during active enrollment (1-12 Months) (High FPL range)	65%	40%		15%	9%	5%	9%	8%	3%	8%	7%				
Gap payment during active enrollment	\$5	\$25	-\$37	\$52	\$39	\$36	\$51	\$20	\$66	\$36	\$20	\$43			
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly bill payment due from customer during active enrollment (Low FPL range)				28%	19%	5%	7%	6%	2%	6%	4%	1%	6%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly bill payment due from customer during active enrollment (High FPL range)	27%	16%	3%	7%	5%	1%	5%	4%	1%	4%	3%	1%	4%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly payment actually paid by customer during active enrollment (Low FPL range)				31%	19%	11%	8%	5%	0%	7%	7%				
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly payment actually paid by customer during active enrollment (High FPL range)	63%	20%		8%	5%	3%	5%	4%	0%	5%	5%				
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly payment due from customer 12 months pre program (Low FPL range)				29%	24%	10%	9%	6%	3%	6%	4%	1%	3%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly payment due from customer 12 months pre program (High FPL range)	31%	19%	5%	8%	6%	3%	6%	4%	2%	5%	3%	1%	2%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly payment actually paid by customer 12 months pre program (Low FPL range)				52%	47%	49%	14%	14%	12%	10%	9%	5%	8%		
Energy burden range [Using high and low income from FPL tier Y2022] - Average monthly payment actually paid by customer 12 months pre program (High FPL range)	54%	43%		14%	13%	13%	10%	9%	8%	7%	7%	4%	6%		
average % of ontime payments 12 months before enrollment - income tier average	56.60%			63.21%			62.38%			65.38%					
average % of ontime payments for months 1-12 - income tier average	85.73%			88.91%			91.64%			89.03%					
Percent who defaulted for non-payment by income tier/fuel type	31%	41%	0%	34%	24%	13%	32%	32%	10%	37%	34%	33%			
Percent who defaulted for non-payment by income tier	34%			31%			31%			36%					
Percent who defaulted for non-payment of total	32%														
Percent who defaulted for other reasons by income tier/fuel type	72%	59%	100%	66%	76%	87%	68%	68%	90%	63%	66%	67%			
Percent who defaulted for other reasons by income tier	68%			69%			69%			64%					
Percent who defaulted for other reasons of total	68%														

LSPM Assistance Data	LSPM Asssitance Data (cont.)												LSPM Asssitance Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percentage of fuel type receiving SER by income tier	44.44%	40.74%	0.00%	25.87%	28.76%	34.78%	28.50%	37.66%	30.00%	22.64%	21.28%	33.33%			
Percentage of income tier receiving SER	42.68%			26.94%			31.07%			22.64%					
Percentage of Pilot receiving SER	28.51%														
Percentage of fuel type receiving HHC by income tier	16.67%	0.00%	0.00%	17.48%	0.00%	39.13%	18.13%	0.00%	30.00%	14.15%	0.00%	0.00%			
Percentage of income tier receiving HHC	10.98%			13.88%			13.57%			9.43%					
Percentage of Pilot receiving HHC	12.97%														
Percentage of fuel type receiving MEAP by income tier	3.70%	7.41%	0.00%	4.43%	4.58%	4.35%	4.15%	9.09%	10.00%	1.89%	6.38%	0.00%			
Percentage of income tier receiving MEAP	4.88%			4.46%			5.71%			3.14%					
Percentage of Pilot receiving MEAP	4.62%														
Percentage of fuel type receiving LIA by income tier	25.93%	25.93%	100.00%	26.57%	16.99%	17.39%	30.05%	20.78%	0.00%	18.87%	14.89%	16.67%			
Percentage of income tier receiving LIA	26.83%			23.80%			26.43%			17.61%					
Percentage of Pilot receiving LIA	23.80%														
Percentage of fuel type receiving RIA by income tier	61.11%	55.56%	0.00%	74.13%	75.82%	78.26%	69.95%	71.43%	100.00%	77.36%	78.72%	83.33%			
Percentage of income tier receiving RIA	58.54%			74.71%			71.43%			77.99%					
Percentage of Pilot receiving RIA	73.18%														

LSPM Vulnerable Household Member Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percent of seniors enrolled of total	2%	0%	0%	9%	5%	13%	16%	17%	10%	17%	26%	0%			

LSPM Energy Waste Reduction Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percent of households received EWR of enrolled households by fuel type and income tier	14.81%	3.70%	0.00%	19.58%	2.61%	0.00%	22.80%	3.90%	10.00%	17.92%	4.26%	0.00%			
Percent of houthseholds received EWR of enrolled by income tier	10.98%			14.55%			17.14%			13.21%					
Percent of households received EWR of total	14.83%														

Control Enrollment Data	Control Enrollment Data (cont.)												Control Enrollment Data (cont.)		
	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Total in tier	9			48			65			79			39		
Percent of tier to total	3.75%			20.00%			27.08%			32.92%			16.25%		

Control Household Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Average start arrearss for income tier	\$170.27			\$337.98			\$436.63			\$492.45			\$490.45		
Average arrearss at 12 months for income tier	\$454			\$463			\$546			\$607			\$596		
Average arrearss at program completion for income tier	\$370.99			\$447.80			\$337.21			\$846.47			\$334.22		

Control Payment and Default Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percentage who received a service disconnect by fuel type and income tier	66.67%	33.33%		65.38%	71.43%	50.00%	42.50%	55.56%	28.57%	64.15%	55.00%	83.33%	85.71%	50.00%	66.67%
Percentage who received a service disconnect by income tier	55.56%			64.58%			44.62%			63.29%			71.79%		
Percentage who were disconnected within 12 months of default by fuel type and income tier	33.33%			19.23%	14.29%	0.00%	5.00%	22.22%	0.00%	18.87%	5.00%	16.67%	19.05%	16.67%	0.00%
Percentage who were disconnected within 12 months of default by income tier	22.22%			14.58%			9.23%			15.19%			15.38%		

Control Assistance Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percentage of fuel type receiving SER by income tier	66.67%	66.67%		53.85%	50.00%	50.00%	42.50%	50.00%	14.29%	62.26%	20.00%	100.00%	38.10%	16.67%	50.00%
Percentage of income tier receiving SER	66.67%			52.08%			41.54%			54.43%			33.33%		
Percentage of Pilot receiving SER							47.50%								
Percentage of fuel type receiving HHC by income tier	16.67%			26.92%	0.00%	25.00%	32.50%	0.00%	42.86%	20.75%	0.00%	33.33%	9.52%	0.00%	16.67%
Percentage of income tier receiving HHC	11.11%			18.75%			24.62%			16.46%			7.69%		
Percentage of Pilot receiving HHC							17.50%								
Percentage of fuel type receiving MEAP by income tier	16.67%			19.23%	7.14%	12.50%	7.50%	5.56%	0.00%	7.55%	10.00%	16.67%	9.52%	8.33%	16.67%
Percentage of income tier receiving MEAP	11.11%			14.58%			6.15%			8.86%			10.26%		
Percentage of Pilot receiving MEAP							9.58%								
Percentage of fuel type receiving LIA by income tier	50.00%			53.85%	21.43%	37.50%	0.00%	16.67%	28.57%	52.83%	20.00%	0.00%	33.33%	16.67%	0.00%
Percentage of income tier receiving LIA	33.33%			41.67%			7.69%			40.51%			23.08%		
Percentage of Pilot receiving LIA							28.75%								
Percentage of fuel type receiving RIA by income tier	66.67%	66.67%		57.69%	42.86%	62.50%	55.00%	50.00%	71.43%	60.38%	60.00%	100.00%	71.43%	8.33%	66.67%
Percentage of income tier receiving RIA	66.67%			54.17%			55.38%			63.29%			51.28%		
Percentage of Pilot receiving RIA							57.50%								

Vulnerable Household Member Data	0-19%			20-75%			76-110%			111-150%			151-200%		
	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only	Combo	Electric Only	Gas Only
Percent of seniors enrolled of total	0%	67%	0%	8%	7%	13%	20%	39%	29%	17%	5%	17%	14%	25%	17%

AVG Non-Low Income Household Data	Combo	Electric Only	Gas Only
Change in arrearage 0-12 months	-\$21.18	\$79.24	-\$10.06
Change in arrearage 12-24 months	-\$29.29	-\$84.43	-\$20.94
Total change in arrearage	-\$50.47	-\$5.19	-\$31.00
Change per month over 24 months	-\$2.10	-\$0.22	-\$1.29

AVG Non-Low Income Payment and Default Data	Combo	Electric Only	Gas Only
Percentage of households that received a service disconnection/shutoff n	26.12%	16.09%	12.88%
Percentage of households whose service was disconnected	0.51%	0.19%	0.06%

AVG Non-Low Income Vulnerable Household Member Data	Combo	Electric Only	Gas Only
Percentage of senior households by fuel type	37%	40%	41%
Percentage of senior households identified of total	39.52%		

Appendix I – RIA/LIA Revenue Allocation

DTE Electric RIA&LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	\$2,814,774,800	\$2,097,975,297	\$729,929,371	\$69,204,574	\$5,711,884,042
Customer Count	2,055,911	208,790	715	1,044	2,266,460
Cost of energy assistance					\$20,096,000
Annual cost of RIA&LIA per customer allocated on % of total customer count	\$8.87	\$8.87	\$8.87	\$8.87	
Annual cost of RIA&LIA per customer allocated on % of the Total Revenue Requirement	\$4.82	\$35.35	\$3,591.74	\$233.22	
Annual Average Bill	\$1,369.11	\$10,048.26	\$1,020,880.24	\$66,287.91	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.35%	0.35%	0.35%	0.35%	

Revenue and customer count numbers from 2023 Staff Sales Data

Cost of energy assistance from p. 99 of DTE PSP report (RIA+LIA)

DTE Gas RIA&LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	\$998,576,964	\$294,749,687	\$7,031,383	\$54,182	\$5,711,884,042
Customer Count	1,148,660	79,193	354	0	2,266,460
Cost of energy assistance					\$28,020,000
Annual cost of RIA&LIA per customer allocated on % of total customer count	\$12.36	\$12.36	\$12.36	#DIV/0!	
Annual cost of RIA&LIA per customer allocated on % of the Total Revenue Requirement	\$4.26	\$18.26	\$97.44	#DIV/0!	
Annual Average Bill	\$869.34	\$3,721.92	\$19,862.66	#DIV/0!	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.49%	0.49%	0.49%	#DIV/0!	

Revenue and customer count numbers from 2023 Staff Sales Data

Cost of energy assistance from p. 99 of DTE PSP report (RIA+LIA)

Consumers Electric RIA&LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	\$2,297,684,905	\$1,623,457,424	\$712,480,629	\$37,346,540	\$4,670,969,498
Customer Count	1,652,141	225,756	1,238	5,155	1,884,290
Cost of energy assistance					\$7,000,000
Annual cost of RIA&LIA per customer allocated on % of total customer count	\$3.71	\$3.71	\$3.71	\$3.71	
Annual cost of RIA&LIA per customer allocated on % of the Total Revenue Requirement	\$2.08	\$10.78	\$862.47	\$10.86	
Annual Average Bill	\$1,390.73	\$7,191.20	\$575,509.39	\$7,244.72	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.15%	0.15%	0.15%	0.15%	

Revenue and customer count numbers from 2023 Staff Sales Data

Cost of energy assistance from p. 62 of CE PIPP report (RIA+LIA)

Consumers Gas RIA&LIA Credit Revenue Shortfall Allocation Methods

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	\$1,619,682,334	\$488,700,897	\$59,825,629	\$949,327	\$2,169,158,187
Customer Count	1,683,982	128,943	3,731	57	1,816,713
Cost of energy assistance					\$16,800,000
Annual cost of RIA&LIA per customer allocated on % of total customer count	\$9.25	\$9.25	\$9.25	\$9.25	
Annual cost of RIA&LIA per customer allocated on % of the Total Revenue Requirement	\$7.45	\$29.35	\$124.19	\$128.99	
Annual Average Bill	\$961.82	\$3,790.05	\$16,034.74	\$16,654.86	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.77%	0.77%	0.77%	0.77%	

Revenue and customer count numbers from 2023 Staff Sales Data

Cost of energy assistance from p. 62 of CE PIPP report (RIA+LIA)

Consumers Electric PIPP Estimate

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	\$2,297,684,905	\$1,623,457,424	\$712,480,629	\$37,346,540	\$4,670,969,498
Customer Count	1,652,141	225,756	1,238	5,155	1,884,290
Low Income Customer Count					66,396
Cost of energy assistance (without MEAP or other assistance)					80,014,616
Annual cost of PIPP per customer allocated on % of total customer count	\$42.46	\$42.46	\$42.46	\$42.46	
Annual cost of PIPP per customer allocated on % of the Total Revenue Requirement	\$23.82	\$123.19	\$9,858.59	\$124.10	
Annual Average Bill	\$1,390.73	\$7,191.20	\$575,509.39	\$7,244.72	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	1.71%	1.71%	1.71%	1.71%	
Annual per customer cost of LIEAF FY 2026	\$15.00	\$15.00	\$15.00	\$15.00	
Annual per customer cost of LIEAF 2029	\$24.00	\$24.00	\$24.00	\$24.00	

Revenue and customer count numbers from 2023 Staff Sales Data

Cost of energy assistance from p. 62 of CE PIPP report (RIA+LIA)

For Average Bills/Usage by Customer Class. Cost per Customer Changes from Customer to Customer Based on Usage

Consumers Gas PIPP Estimate

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	\$1,619,682,334	\$488,700,897	\$59,825,629	\$949,327	\$2,169,158,187
Customer Count	1,683,982	128,943	3,731	57	1,816,713
Low Income Customer Count					80,434
Cost of energy assistance (without MEAP or other assistance)					46,884,013
Annual cost of PIPP per customer allocated on % of total customer count	\$25.81	\$25.81	\$25.81	\$25.81	
Annual cost of PIPP per customer allocated on % of the Total Revenue Requirement	\$20.79	\$81.92	\$346.57	\$359.98	
Annual Average Bill	\$961.82	\$3,790.05	\$16,034.74	\$16,654.86	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	2.16%	2.16%	2.16%	2.16%	

Revenue and customer count numbers from 2023 Staff Sales Data

Cost of energy assistance from p. 62 of CE PIPP report (RIA+LIA)

Consumers Electric CARE Estimate

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	\$2,297,684,905	\$1,623,457,424	\$712,480,629	\$37,346,540	\$4,670,969,498
Customer Count	1,652,141	225,756	1,238	5,155	1,884,290
Low Income Customer Count					66,396
Cost of energy assistance (without MEAP or other assistance)					37,098,499
Annual cost of CARE-type program per customer allocated on % of total customer count	\$19.69	\$19.69	\$19.69	\$19.69	
Annual cost of CARE-type program per customer allocated on % of the Total Revenue Requirement	\$11.05	\$57.12	\$4,570.90	\$57.54	
Annual Average Bill	\$1,390.73	\$7,191.20	\$575,509.39	\$7,244.72	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.79%	0.79%	0.79%	0.79%	
Annual per customer cost of LIEAF FY 2026	\$15.00	\$15.00	\$15.00	\$15.00	
Annual per customer cost of LIEAF 2029	\$24.00	\$24.00	\$24.00	\$24.00	

Consumers Gas CARE Estimate

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	\$1,619,682,334	\$488,700,897	\$59,825,629	\$949,327	\$2,169,158,187
Customer Count	1,683,982	128,943	3,731	57	1,816,713
Low Income Customer Count					80,434
Cost of energy assistance (without MEAP or other assistance)					21,737,610
Annual cost of CARE-type program per customer allocated on % of total customer count	\$11.97	\$11.97	\$11.97	\$11.97	
Annual cost of CARE-type program per customer allocated on % of the Total Revenue Requirement	\$7.64	\$30.10	\$127.35	\$132.28	
Annual Average Bill	\$961.82	\$3,790.05	\$16,034.74	\$16,654.86	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.79%	0.79%	0.79%	0.79%	

Consumers Electric CARE MB Estimate

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	\$2,297,684,905	\$1,623,457,424	\$712,480,629	\$37,346,540	\$4,670,969,498
Customer Count	1,652,141	225,756	1,238	5,155	1,884,290
Low Income Customer Count					66,396
Cost of energy assistance (without MEAP or other assistance)					53,701,085
Annual cost of CARE MB-type program per customer allocated on % of total customer count	\$28.50	\$28.50	\$28.50	\$28.50	
Annual cost of CARE MB-type program per customer allocated on % of the Total Revenue Requirement	\$15.99	\$82.68	\$6,616.50	\$83.29	
Annual Average Bill	\$1,390.73	\$7,191.20	\$575,509.39	\$7,244.72	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	1.15%	1.15%	1.15%	1.15%	
Annual per customer cost of LIEAF FY 2026	\$15.00	\$15.00	\$15.00	\$15.00	
Annual per customer cost of LIEAF 2029	\$24.00	\$24.00	\$24.00	\$24.00	

Consumers Gas CARE MB Estimate

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	\$1,619,682,334	\$488,700,897	\$59,825,629	\$949,327	\$2,169,158,187
Customer Count	1,683,982	128,943	3,731	57	1,816,713
Low Income Customer Count					80,434
Cost of energy assistance (without MEAP or other assistance)					31,465,781
Annual cost of CARE MB-type program per customer allocated on % of total customer count	\$17.32	\$17.32	\$17.32	\$17.32	
Annual cost of CARE MB-type program per customer allocated on % of the Total Revenue Requirement	\$13.95	\$54.98	\$232.60	\$241.60	
Annual Average Bill	\$961.82	\$3,790.05	\$16,034.74	\$16,654.86	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	1.45%	1.45%	1.45%	1.45%	

DTE Electric PIPP Estimate

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	2,814,774,800	2,097,975,297	729,929,371	69,204,574	5,711,884,042
Customer Count	2,055,911	208,790	715	1,044	2,266,460
Low Income Customer Count					100,086
Cost of energy assistance (without MEAP or other assistance)					46,413,688
Annual cost of PIPP per customer allocated on % of total customer count	\$20.48	\$20.48	\$20.48	\$20.48	
Annual cost of PIPP per customer allocated on % of the Total Revenue Requirement	\$11.13	\$81.65	\$8,295.48	\$538.64	
Annual Average Bill	\$1,369.11	\$10,048.26	\$1,020,880.24	\$66,287.91	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.81%	0.81%	0.81%	0.81%	
Annual per customer cost of LIEAF FY 2026	\$15.00	\$15.00	\$15.00	\$15.00	
Annual per customer cost of LIEAF 2029	\$24.00	\$24.00	\$24.00	\$24.00	

Revenue and customer count numbers from 2023 Staff Sales Data

For Average Bills/Usage by Customer Class. Cost per Customer Changes from Customer to Customer Based on Usage

DTE Gas PIPP Estimate

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	998,576,964	294,749,687	7,031,383	54,182	5,711,884,042
Customer Count	1,148,660	79,193	354	0	2,266,460
Low Income Customer Count					103,000
Cost of energy assistance (without MEAP or other assistance)					25,085,856
Annual cost of PIPP per customer allocated on % of total customer count	\$11.07	\$11.07	\$11.07	#DIV/0!	
Annual cost of PIPP per customer allocated on % of the Total Revenue Requirement	\$3.82	\$16.35	\$87.23	#DIV/0!	
Annual Average Bill	\$869.34	\$3,721.92	\$19,862.66	#DIV/0!	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.44%	0.44%	0.44%	#DIV/0!	

Revenue and customer count numbers from 2023 Staff Sales Data

For Average Bills/Usage by Customer Class. Cost per Customer Changes from Customer to Customer Based on Usage

DTE Electric LSP Estimate

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	2,814,774,800	2,097,975,297	729,929,371	69,204,574	5,711,884,042
Customer Count	2,055,911	208,790	715	1,044	2,266,460
Low Income Customer Count					100,086
Cost of energy assistance (without MEAP or other assistance)					77,093,923
Annual cost of CARE-type program per customer allocated on % of total customer count	\$34.02	\$34.02	\$34.02	\$34.02	
Annual cost of CARE-type program per customer allocated on % of the Total Revenue Requirement	\$18.48	\$135.62	\$13,778.93	\$894.70	
Annual Average Bill	\$1,369.11	\$10,048.26	\$1,020,880.24	\$66,287.91	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	1.35%	1.35%	1.35%	1.35%	
Annual per customer cost of LIEAF FY 2026	\$15.00	\$15.00	\$15.00	\$15.00	
Annual per customer cost of LIEAF 2029	\$24.00	\$24.00	\$24.00	\$24.00	

DTE Gas LSP Estimate

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	998,576,964	294,749,687	7,031,383	54,182	5,711,884,042
Customer Count	1,148,660	79,193	354	0	2,266,460
Low Income Customer Count					103,000
Cost of energy assistance (without MEAP or other assistance)					41,668,032
Annual cost of CARE-type program per customer allocated on % of total customer count	\$18.38	\$18.38	\$18.38	#DIV/0!	
Annual cost of CARE-type program per customer allocated on % of the Total Revenue Requirement	\$11.73	\$50.24	\$268.09	#DIV/0!	
Annual Average Bill	\$869.34	\$3,721.92	\$19,862.66	#DIV/0!	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	1.35%	1.35%	1.35%	#DIV/0!	

DTE Electric LSPM Estimate

	Residential	Commercial	Industrial	Other	Total (excluding resale)
Sales Revenue generated	2,814,774,800	2,097,975,297	729,929,371	69,204,574	5,711,884,042
Customer Count	2,055,911	208,790	715	1,044	2,266,460
Low Income Customer Count					100,086
Cost of energy assistance (without MEAP or other assistance)					62,147,142
Annual cost of LSPM-type program per customer allocated on % of total customer count	\$27.42	\$27.42	\$27.42	\$27.42	
Annual cost of LSPM-type program per customer allocated on % of the Total Revenue Requirement	\$14.90	\$109.33	\$11,107.51	\$721.23	
Annual Average Bill	\$1,369.11	\$10,048.26	\$1,020,880.24	\$66,287.91	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	1.09%	1.09%	1.09%	1.09%	
Annual per customer cost of LIEAF FY 2026	\$15.00	\$15.00	\$15.00	\$15.00	
Annual per customer cost of LIEAF 2029	\$24.00	\$24.00	\$24.00	\$24.00	

DTE Gas LSPM Estimate

	Residential	Commercial	Industrial	Other	Total (excluding transportation)
Sales Revenue generated	998,576,964	294,749,687	7,031,383	54,182	5,711,884,042
Customer Count	1,148,660	79,193	354	0	2,266,460
Low Income Customer Count					103,000
Cost of energy assistance (without MEAP or other assistance)					33,589,536
Annual cost of LSPM-type program per customer allocated on % of total customer count	\$14.82	\$14.82	\$14.82	#DIV/0!	
Annual cost of LSPM-type program per customer allocated on % of the Total Revenue Requirement	\$5.11	\$21.89	\$116.81	#DIV/0!	
Annual Average Bill	\$869.34	\$3,721.92	\$19,862.66	#DIV/0!	
Energy Assistance Cost % of Annual Bill (Based on the Total Revenue Requirement Allocator)	0.59%	0.59%	0.59%	#DIV/0!	

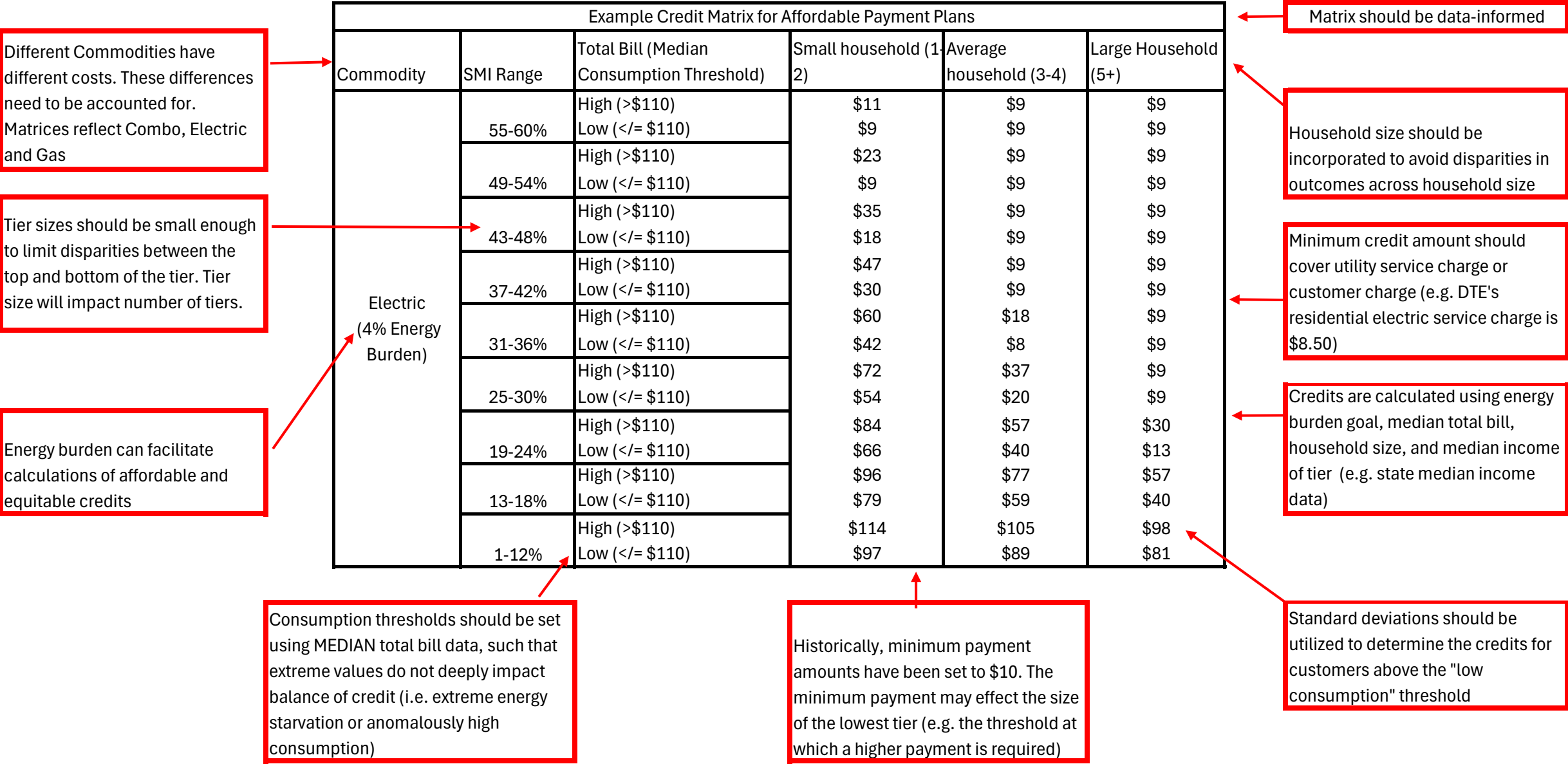
DTE Electric Cost Allocation Examples

	Residential Secondary	Commercial Secondary	Primary	Sub-transmission	Transmission	D-9 OPL Residential	D-9 OPL Commercial	E-1 St Light	E-2 Signals	Total
Total Billed Revenue (402)	52%	26%	20%	0.18%	0.22%	0.04%	0.18%	1%	0.10%	
Distribution Number of Customers (800)	91%	9%	0.13%	0.004%	0.003%	-	-	0.05%	-	
Current RIA/LIA cost										20,096,000
Allocation on Billed Revenue	\$ 10,517,121	\$ 5,253,215	\$ 3,944,764	\$ 35,932	\$ 43,468	\$ 7,717	\$ 35,550	\$ 238,218	\$ 20,036	
Allocation on Customer Count	\$ 18,196,426	\$ 1,863,804	\$ 25,261	\$ 784	\$ 603	\$ -	\$ -	\$ 9,103	\$ -	

Consumers Energy Electric Cost Allocation Examples

	Total Residential	Total Commercial Secondary	Total Primary	Total Lighting and Unmetered	GSG	Total
Total Cost of Service	53%	25%	22%	1%	0%	
Number of Customers (160)	88%	12%	0.22%	0.29%	0.001%	
Current RIA/LIA cost						7,000,000
Allocation on COS	\$ 3,675,000	\$ 1,736,000	\$ 1,519,000	\$ 63,000	\$ -	
Allocation on Customer Count	\$ 6,145,146	\$ 819,168	\$ 15,211	\$ 20,391	\$ 84	

Appendix J – Example Credit Matrix Data Analysis



Notes: Utilized Pilot data to inform calculations Threshold is set using median sample bill (before assistance) - this should represent total bill due by customer (inclusive of surcharges, riders, and fees) Household size is set to account for income differences across size, using smallest household income Set energy burden goal at 6% (Combo), 4% Electric, and 2% Gas Credits determined using information above (one standard deviation from median bill was utilized to set upper bill estimates) Minimums are set to \$10 payment and \$5 credit

Appendix J: Example Credit Matrix Data Analysis

DTE							
FPL		0-19	20-75	76-110	111-150	151-200	Program Threshold
PSP Data	Combo	201	190	189	192	195	
	Electric	131	141	127	141	145	
	Gas	92	83	73	81	96	
LSP Data	Combo	166	189	191	186	176	208
	Electric	47	90	99	95	89	83
	Gas	53	74	50	70	78	125
	Combo	161	185	167	171	158	
	Electric	42	78	84	79	83	
	Gas			43	126	88	
	Combo	233	196	171	183	168	
	Electric	25	113	85	75	77	
	Gas			69	91	87	
LPSM Data	Combo	218	227	225	231	234	175
	Electric	137	163	163	146		115
	Gas	43	81	107	56		60
	Combo	258	240	207	238		
	Electric	159	146	189	204		
Control Data	Gas			73	65		
	Combo	184	190	172	181	194	
	Electric	137	116	117	107	115	
	Gas			78	68	69	
	Combo	195	179	172	183	205	
	Electric	126	105	107	107	105	
	Gas			77	61	72	
	Combo	195	175	153	179	193	
	Electric	115	110	119	101	109	
	Gas			64	54	67	

Exact Median of LSP

Appendix J: Example Credit Matrix Data Analysis

CE					
FPL		20-75	76-110	111-150	Program Threshold
PIPP Data	Combo	256	257	257	
	Electric	191	183	187	
	Gas	95	96	97	
	Combo	277	268	301	
	Electric	210	186	173	
CARE Data	Gas	128	137	113	
	Combo	263	245	257	
	Electric	193	172	193	
	Gas	95	94	91	
	Combo	262	254	257	
CARE MB Data	Electric	199	179	193	
	Gas	95	94	91	
	Combo	241	244	221	
	Electric	195	206	209	
	Gas	94	111	96	
AVG LI Data	Combo	234	237	228	
	Electric	186	196	289	
	Gas	92	102	109	
	Combo			191	
	Electric			138	
AVG LI Data	Gas			70	
	Combo			210	
	Electric			142	
	Gas			83	
	Gas				

Appendix J: Example Credit Matrix Data Analysis

DTE			0-19	20-75	76-110	111-150	151-200
Analysis	Average Bill	Combo	\$201.22	\$196.78	\$183.00	\$193.78	\$190.38
		Electric	\$102.11	\$118.00	\$121.11	\$117.22	\$103.29
		Gas	\$62.67	\$75.71	\$65.56	\$85.50	\$79.57
	Median Bill	Combo	\$195.00	\$190.00	\$172.00	\$183.00	\$193.50
		Electric	\$126.00	\$113.00	\$117.00	\$107.00	\$105.00
		Gas	\$53.00	\$77.00	\$65.00	\$85.00	\$78.00
	General Average Bill	Combo	\$193.09				
		Electric	\$112.77				
		Gas	\$74.97				
	General Median Bill	Combo	\$189.50				
		Electric	\$110.00				
		Gas	\$73.50				
	Standard Deviation	Combo	\$24.47				
		Electric	\$17.51				
		Gas	\$27.41				
	Range of Bills	Combo	Max	\$258.00			
			Min	\$153.00			
		Electric	Max	\$204.00			
			Min	\$25.00			
		Gas	Max	\$126.00			
			Min	\$43.00			

Threshold Selected

Appendix J: Example Credit Matrix Data Analysis

CE			20-75	76-110	111-150
Analysis	Average Bill	Combo	\$255.50	\$250.83	\$253.50
		Electric	\$195.67	\$187.00	\$207.33
		Gas	\$99.83	\$105.67	\$99.50
	Median Bill	Combo	\$256.00	\$245.00	\$257.00
		Electric	\$193.00	\$183.00	\$193.00
		Gas	\$95.00	\$96.00	\$96.00
	General Average Bill	Combo	\$248.00		
		Electric	\$191.00		
		Gas	\$99.15		
	General Median Bill	Combo	\$255.00		
		Electric	\$192.00		
		Gas	\$95.00		
	Standard Deviation	Combo	\$24.18		
		Electric	\$29.74		
		Gas	\$14.78		
Range of Bills	Combo	Max	\$301.00		
		Min	\$191.00		
	Electric	Max	\$289.00		
		Min	\$138.00		
	Gas	Max	\$137.00		
		Min	\$70.00		

Appendix K – Utility Questions and Responses

Staff submitted questions to investor-owned utilities to seek clarification on the Consumers Energy PIPP Report and DTE Energy PSP Report and current energy assistance offerings.

The responses are organized by the date the request for information was sent to the utility(ies).

1. 3/17/2025: MPSC Staff Questions for DTE Energy on its PSP Report
2. 5/1/2025: MPSC Staff Questions for Consumers Energy on its PIPP Report
3. 5/1/2025: MPSC Staff Questions for Investor-Owned Utilities that offer Affordable Payment Plans through MEAP
 - a. Consumers Energy
 - b. DTE Energy
 - c. SEMCO Energy
 - d. UPPCO
4. 6/13/2025: MPSC Staff Questions for Consumers Energy on its PIPP Report
5. 6/13/2025: MPSC Staff Questions for DTE Energy on its PSP Report

33/17/2025 MPSC Staff Questions for DTE Energy on its PSP Report

1. On page 20 of the report, DTE states that it reached out to 700 of its PIPP customers to offer EWR services and performed 70 EWR assessments. When looking at DTE's PSP data from Staff's data request, 2,141 customers were enrolled at the start of the PSP pilot; at 12 months of the pilot, 991; and at 24 months of the pilot, 398. Why does it seem like all PSP enrollees were not offered EWR services and/or how were the 700 customer chosen for outreach?

RESPONSE: EWR focused on reaching out to single-family households as part of the EWR communication plan. Multi-family housing units were not a focus of the EWR outreach for the PSP pilot.

2. Figure 6: 2022-2024 EWR Services Provided to PSP (on page 21 of DTE's PSP report) indicates as many as 518 PSP customers received EWR services (for lighting), when DTE's data response claims that 433 PSP customers received EWR services during active enrollment. Can DTE explain the difference in these reported values and why they don't align with the claim that only 70 PSP customers received energy assessments in the PSP report?

RESPONSE: The language on page 21 describes the count of EWR services provided, not the count of customers. In our report, we state that "over" 70 PSP customers received energy assessments. Energy assessments are the intake process and are not one-for-one with energy services provided. The EWR services provided are not unique contract accounts. Example: the 518 count indicates the number of times lighting services were provided. A customer could receive multiple types of "lighting" and, therefore, appear more than once in the count. Additionally, a customer could receive multiple types of EWR services and appear more than once in the overall tally.

3. On page 30 of DTE's PSP report, they claim that the "LSP's success has been measured by the household's ability to complete a twelve-month fiscal year without being removed for nonpayment." For 2022, this equated to an 81% success rate. Perhaps the difference is due to phrasing of data requests, however, in the data provided by DTE, on the LSP tab, DTE reported 963 Traditional LSP enrollees in the 2021-2023 timeframe with 448 households defaulting for nonpayment and 515 defaulting for other reasons. This would equal a 53% success rate.¹ Do you have any explanation for this difference?

RESPONSE: The data set provided for the PIPP report was aligned with the enrollment during the PSP pilot. The 81% success includes the entirety of LSP for that FY.

4. On pages 49-50, DTE describes its outreach approach to invite customers to the PSP program. DTE did not say how outreach was performed (phone, email, mail). Can DTE clarify which forms of outreach they employed (email, mail, phone, in-person).

¹ =1-(448/963)

Note: Staff's comments clarifying questions were removed from the document for formatting purposes. No questions or responses were changed.

RESPONSE: On page 23, we describe the methods of communication to potential PSP enrollees, including “letters, emails, and calls”. The letter sent to customers is in Appendix D. The report states that we did not track the number of customer outreach attempts or types per customer.

5. Staff would think that the number of “no de-enrollment” PIPP customers on page 59 of the report would equal the “number of households who completed 24 months” of the pilot in the data response, but the data response states that number as 398 and that number is 392 in Figure 25 on page 59 of the report.

RESPONSE: A customer may have had a de-enrollment and re-enrolled.

Similarly, the LSPM data in Figure 25 indicates that 358 customers defaulted due to a missed payment, which aligns with the data reported in the data response, however, in total, only 112 other customers were removed from the program according to Figure 25², whereas in the data response, DTE reported the number of households who defaulted for any other reason as 770 in total.

RESPONSE: In the datasheet, the “no de-enrollment” numbers were also included in the totals.

LSP data is also similar. For the number of customers who defaulted due to missed payments, the Figure 25 number is 464 versus 448 in the data response and defaulting for other reasons is 173³ versus 515 for those same sources, respectively. Can DTE help explain these differences?

RESPONSE: In the datasheet, the “no de-enrollment” numbers were also included in some of the totals.

6. Staff is trying to show a cost comparison for the different payment plans but does not have all the necessary inputs. Do you mind helping us to fill all of the blanks in the table below?

RESPONSE: DTE will connect with Staff to discuss.

	Number of customers (start of program→end of program) ⁴	Information Technology (IT) costs ⁵	Gap Payments and arrears forgiveness ⁶	Average cost per customer

² 8+11+5+88 (for reasons agency request, bankruptcy, customer request, and move-out, respectively)

³ 6+16+6+142+2+1 (for reasons agency request, bankruptcy, customer request, move-out, exceeded annual consumption, and exceeded assistance cap, respectively)

⁴ Data source: DTE data response (supporting data file attachment to their U-20929 PIPP report)

⁵ Page 74 of the DTE PSP report

⁶ Page 75 of the DTE PSP report

				(gap + AF) ⁷
PSP (as administered. With funding layered)	2,141→398	Capital expenditure = \$1.3 million O&M expense = \$0.29 million	\$2,630,767	\$59
PSP without other funding sources layered			\$3,154,850 ⁸	
LSP as administered	963→329			\$189
LSP without other funding sources layered				
LSPM as administered	1,126→64			\$112
LSPM without other funding sources layered				

7. In that same vein, Staff is starting to accumulate some comparison charts for the Commission on different payment plan protocols and design. See the tables below for the start of this process and let us know if you're able to fill in any gaps for DTE's protocols/information. Footnotes show the source of the information. Thanks!

RESPONSE: DTE will connect with Staff to discuss annual program costs.

ANNUAL COST OF PROGRAMS PER PARTICIPANT (customer benefit only. Without layered funding):

Utility	PIPP	LSP	LSPM	LIA	RIA
DTE Electric				\$600 ⁹	\$102 ¹⁰

⁷ Data source: DTE data response (supporting data file attachment to their U-20929 PIPP report), data request "Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF+ assistance)"
These amounts may be slightly different than what DTE has since I used the starting enrollment number as the "weight" in the weighted averages.

⁸ = 2630767 + 289870 + 116382 + 7360 + 77795 + 32676

⁹ \$50*12

¹⁰ \$8.50*12

CE Electric				\$360 ¹¹	\$96 ¹²
DTE Gas				\$480 ¹³	\$174 ¹⁴
CE Gas				\$363.24 ¹⁵	\$180 ¹⁶
Ohio	\$1,546 ¹⁷			NA	NA

De-enrollment Protocol:

Utility	PIPP	LSP	LSPM	LIA	RIA
DTE	Customers who were three or more payments behind were removed from the PSP plan ¹⁸	Removed from plan after two missed months (figure 16)	Removed from plan after two missed months	De-enrollment after 12 months on the credit without income revalidation	De-enrollment after 12 months on the credit without income revalidation
CE				De-enrollment after 12 months on the credit without income revalidation	De-enrollment after 12 months on the credit without income revalidation
Ohio				NA	NA

Post-enrollment/Graduation Protocol:

Utility	PIPP	LSP	LSPM	LIA	RIA
DTE	No post-enrollment protocol	Put on budget-wise-billing post-	Follows LSP protocol	No post-enrollment protocol	No post-enrollment protocol

¹¹ \$30*12¹² \$8*12 (as of 3/5/25)¹³ \$40*12¹⁴ \$14.50*12¹⁵ \$30.27*12¹⁶ \$15*12¹⁷ After LIHEAP benefit is applied. According to 2023 numbers¹⁸ Page 19 of the DTE PSP report

		grad— sometimes put on LIA ¹⁹ (page 38 references the graduation process)			
CE					
Ohio	No “graduation” but if no longer eligible, put on graduated payment plan to return to full bills.			NA	Na

Monthly customer credit handling:

Utility	PIPP	LSP	LSPM	LIA	RIA
DTE²⁰	Gap payments are applied to a customer’s balance when the customer’s bill is generated, resulting in a consistent customer payment amount	Gap payments are applied to a customer’s balance when the customer’s bill is generated, resulting in a consistent customer payment amount	A flat monthly program credit(gap) is provided to subsidize the customer’s plan amount to make it more affordable than a traditional budget billing plan.	A monthly credit for qualifying Low-Income Customers: \$40 per month on the DTE Gas Account \$50 per month on the DTE Electric Account. Typically associated with currently enrolled or graduating LSP customers.	A monthly credit for qualifying Low- Income Customers equal to the monthly service charge: · \$14.50 per month on the DTE Gas Account · \$ 8.50 per month on the DTE Electric Account. The RIA credit will remain on the account for 12 months, requiring

¹⁹ Page 38 of the DTE PSP report

²⁰ Page 70 of DTE report

					customers to re-apply every year by submitting low-income documentation for verification.
CE					
Ohio				NA	Na

Arrears Forgiveness Handling:

Utility	PIPP	LSP	LSPM	LIA	RIA
DTE²¹	Each month, a 1/24th arrears forgiveness amount is applied to a customer's balance when an on-time payment is made, which can drive increased customer accountability.	When a customer's bill is generated each month, a 1/24th arrears forgiveness is applied to the balance.	Arrears Forgiveness is applied in three installments upfront (up to \$600 within 30 days of enrollment, up to \$600 at the one-year anniversary, and up to \$1,800 at the completion of the plan for a maximum of \$3,000)	No arrears forgiveness	No arrears forgiveness
CE				No arrears forgiveness	No arrears forgiveness
Ohio				NA	NA

²¹ Page 70 of DTE report

5/1/2025 MPSC Staff Questions for Consumers Energy on its PIPP Report

1. On page 12, CE states “The Company provides training for caseworkers, call center staff, and organizational leadership on the available client assistance programs and offers a direct Company contact to resolve issues that fall outside the traditional scope.” Staff would like to know if this specialized line applies to customers calling in expressing payment trouble or if it is only for service providers, like community organizations and MEAP grantees.

The Company offers two email addresses for inquiries regarding the CARE program or general energy assistance. These inboxes are monitored daily by Consumers Energy employees who respond to inquiries promptly. [REDACTED]

Customers can also reach Consumers Energy by calling 1-800-477-5050 to speak with a live customer service agent who will guide them to the appropriate assistance channels based on their individual needs.

2. On page 13, CE states that its customer experience team developed low-income customer profiles but that “Customer accounts in the Company’s system do not have any indicators such as notes, comments or tags, which associate the account holder with any of the customer profiles we have established.” How is the customer profile used then if seemingly a customer service rep cannot look up a customer they’re assisting and see how they should “engage more thoughtfully with vulnerable customers”? Mainly, I do not understand how these profiles appear in the CE IT/software systems and how staffers are trained to behave differently based on the profile.

The profiles are exclusively used for internal problem-solving and as a design tool in workshops. They are not currently integrated with any internal or external systems. These personas were created to enhance awareness and empathy for the diverse customer segments we serve. The experience design team uses these profiles to facilitate discussions on which programs may best meet the needs of different customer profiles. Future applications of these profiles are under evaluation. The design team provided an overview of these personas to MPSC Staff on 05/29/25.

3. (still page 13) Additionally, how does CE identify if a customer is a certain profile?

To develop these personas, the XD team utilized qualitative insights focused on low and moderate-income customers, gathered from surveys, customer calls, user testing, and behavioral studies. These insights provided a clear understanding of their demographics, motivations, goals, and behaviors. Fictional characters were created to represent the most common scenarios.

4. On page 14, ideally, I would like to see this Service Now Advocate portal. Staff has heard from customers of various utilities that they aren't being offered assistance when calling into the utility expressing bill payment difficulties and I'm wondering what we can learn from this portal.

The portal serves as a resource for contact center representatives to identify programs tailored to customers experiencing payment difficulties. It includes a search function for detailed information and job aids, allowing customer service representatives (CSRs) to troubleshoot effectively in real-time and guide customers to the appropriate assistance channels. The contact center policy team provided an overview of this tool to MPSC Staff on 05/29/25.

5. On page 25, TrueNorth alludes to the policy that customers with more ability to make stable payments are directed toward APPs and PIPP. Can you clarify what that means? Staff is interested in more concrete examples of what that may look like in their training policy manuals etc. Is it in the Appendices (like a customer program placement decision matrix)?

TrueNorth Community Services is dedicated to ensuring customers are set up for success. By reviewing a customer's comprehensive payment history, including any late or missed payments, TrueNorth identifies those who have missed three or more payments in the past year. In such cases, they encourage one-time assistance to help customers develop better financial habits. This proactive approach prevents customers from falling into a worse financial situation due to defaults on affordable payment or PIPP plans.

Alternatively, if a customer demonstrates good financial habits, TrueNorth acknowledges that affordable payment plans, and percentage-of-income plans are the best options for long-term self-sufficiency. Therefore, TrueNorth encourages participation in these programs. Staff are trained with the resources below to assist customers in evaluating the best options for their specific situations, allowing each household to make informed decisions based on what works best for them.

When United Way of South-Central Michigan (UWSCMI) assesses whether an APP or PIPP is appropriate for a customer, they consider factors such as the client's income, payment history, and success rate if they have been previously enrolled. Additionally, they reference the Arizona Decision Matrix.

Agency Resources:

- [PIPP Report Appendix D: Arizona Self-Sufficiency Matrix](#)
- [Meaningful APPs \(1\).pptx](#)
- [Enrollment Specialist Process \(TN\).pdf](#)

This information was provided by TrueNorth and UWSCMI; please contact these agencies if additional clarification is needed.

6. Page 141 PIPP Agency Needs Assessment Decision Matrix: can you provide that matrix document (in its source format) and walk Staff through how it works?

This is detailed on page 28 of the PIPP report. (matrix is on page 141). This matrix is not used by Consumers Energy and would be best demonstrated by WSCMI. [APP Decision Matrix \(UWSCMI\).xlsx](#)

This information was provided by UWSCMI; please contact UWSCMI if additional clarification is needed.

7. On page 39 of the report, CE states that it “actively communicates at-risk customer segments regarding assistance programs through bill messages, website updates, and direct emails.” Can you clarify what an “at-risk” customer is and how they’re identified?

The Company identifies "at-risk" customers through a low-income operand system flag, which is set if the customer receives energy assistance at or below 150% of the Federal Poverty Level (FPL) or if a qualified customer submits an RIA self-attestation form on the Company's website. This operand remains active for 12 months from the date of the last qualifying interaction. The Company proactively educates and encourages customers to utilize additional assistance if needed, provided they have not received such support in the past 12 months. For example, an SER customer who has not enrolled in CARE, or an RIA self-attest customer who has not received an HHC or other similar scenarios would receive communications. Communications are typically broad and educational, directing customers to resources such as the Consumers Energy website or 211 for further information on available assistance.

8. (still page 39) Also, can you clarify if the emails and bill messages are an email separate from the bill, or if it's one of the many messages shown when you scroll down the bill email?

Outreach is typically supplemental and delivered via separate emails or mailers to customers. Website information may be showcased through banners, rotational carousels, or featured web pages. Bill messages are generally included on paper bills, directing customers to 211, and are presented during selected winter and summer months. The Company does not use electronic e-billing reminder emails for this type of communication. Additionally, the Payment Assistance Brochure is mailed with paper bills and included as an insert link for e-bill customers at least annually.

9. (still page 39) Also, CE states that “This outreach targets those who have not received SER, HHC, or one-time agency assistance in the last fiscal year.” However, I doubt all residential customers are targeted for communication, unless it's just one of the messages at the bottom of the email with their bill. I know I've never received an email to this nature, or if I did, it was one time.

As mentioned in the response to question 7, outreach for energy assistance targets known eligible customers through categorical eligibility. This is based on records indicating whether a customer has received another form of assistance within the past 12 months.

10. On page 56, CE shows the customers enrolled in different EWR services. Staff noticed that CE's enrollment numbers were significantly less than DTE in many areas and seemed to offer or report less services (page 21 of the DTE PSP report for comparison). Staff is wondering if any context can be provided perhaps for which entity offered the EWR services (for example, are the services reported only from WAP funds, CE EWR program funds etc.) and why does it seem CE either offered or reported less EWR services? Any insight would be helpful.

Consumers Energy did not require participation in EWR but encouraged it during enrollment and through ongoing interactions. The Company had fewer customers enrolled in PIPP compared to DTE PSP, which explains why DTE had higher enrollment numbers. About 30% of Consumers Energy's PIPP customers utilized EWR services.

The primary measure targeted by Consumers Energy was the Home Energy Audit (HEA), both at enrollment and throughout the program. If other measures were identified during the audit, referrals were made to those products and services. The HEA includes services like lighting, power strips, and duct sealing, which are tracked under the HEA category. Additional services provided were categorized accordingly. Residential Marketplace Rebates and Discounts cover items such as thermostats, dehumidifiers, and other products available to customers. All EWR services that PIPP customers participated in utilized EWR surcharge dollars.

Vendor partnerships with associated products:

- CLEAResult: Managed HEA and Appliance Recycling
- ICF: Managed Marketplace, Home Solutions (HVAC, Water Heating, Insulation, and Windows), and Energy Star Appliances
- Uplight: Managed Home Energy Reports (HER)

11. (still page 56) Also please provide some information on the difference between a home energy report and home energy assessment and if those two offerings would have any customer overlap (do customers frequently receive both or is it usually an either/or)?

Home Energy Report (HER) Electric, Gas, and Combo Description: Consumers Energy provides an annual report with additional information about a customer's energy usage. Currently, the report comparisons include a group of similar, nearby, occupied homes that are similar in size and type to the customers. The goal is to provide the customer with a comparison that is valid and meaningful.

- Provides more information about energy use to make informed choices and save money.
- Research shows that for almost all residents; this provides a good indication of typical usage.
- Doesn't account for the number of occupants in the home and special loads like hot tubs and swimming pools.

Contact: Uplight (844-254-6959)

Website: <https://cms.opower.com/ei/x/help#msp-faq>

Home Energy Analysis (HEA) Electric, Gas, and Combo Description: A trained analyst performs a thorough evaluation of a home's essential systems and current energy use. The analyst will then install high-efficiency products that may include interior and exterior LED light bulbs, Wi-Fi thermostats, high-efficiency shower heads, high-efficiency faucet aerators, and water heating pipe wrap. If the customer has an existing inefficient dehumidifier or air purifier, the Company may swap it out with an efficient one. Customers will receive a report with findings and recommendations.

- Assessments are available for separately metered single-family homes or multi-family dwellings that contain up to three separately metered households.
- An adult 18 years or older must be present at the time the HEA is conducted.
- Installed products will vary depending on customer type (electric, gas, or combo).

Contact: CLEAResult (877-448-9433)

Website:

<https://www.consumersenergy.com/residential/savings-and-clean-energy/assessments/home-energy-analysis>

12. On page 65, CE states “Any additional assistance received while enrolled in the program will be applied to the oldest arrears. If no arrears exist, the payment is applied to consumption charges, which could change the gap payment.”—What is a consumption charge?

If no arrears are present, the extra assistance would post to the account as a credit. The credit remains on the account throughout the duration of the program and will then be applied to consumption or usage charges that are due after the completion of the program.

13. On page 65, in figure 29, CE depicts the various types of assistance applied to customer bills up to 90 days before enrolling in different programs and throughout the duration of the programs. Staff’s question is: does CE consider the 90-day pre-program payments as subsidizing the programs? Did those payments lower the APP and PIPP program costs?

Yes, payments that were received up to 90 days before program enrollment would have reduced the overall arrears obligation that is carried into the program, reducing overall program costs due to lower arrears payments.

14. On page 69, CE states “The PIPP survey targeted 411 customers nearing graduation who had valid email addresses [...] The CARE MB survey was sent to 1,000 customers currently enrolled in the program to compare with the PIPP survey results.”

- a. First, how far into the CARE MB program were most of the surveyed customers?
 - i. Were they also nearing graduation like PIPP customers?

During the polling period, no customers had graduated from the MB program. All CARE MB customers surveyed had reached the one-year mark, as they were part of the CARE MB pilot program. A total of 1,059 customers

were polled during this "snapshot in time" to obtain a more current perspective based on their recent interactions with the programs. The timeframe for polling was consistent across both the PIPP and CARE MB programs. Notably, the CARE MB program had a larger number of customers polled during this specific snapshot due to higher enrollment rates in the CARE MB program.

- b. Please describe why CE chose to only survey customers who were presumably going to successfully complete the program and how it determined that surveying that subset of PIPP participants was advantageous to survey instead of all who participated or a wider variety of those who participated (by including those who defaulted from or left the program).

The customers that were surveyed were nearing graduation but had not yet graduated. These customers were selected to obtain the most valid and current responses. This approach allowed meaningful comparisons with those who had recent knowledge or interactions with the Company's programs, rather than those who may have de-enrolled some time ago.

- c. Additionally, please explain how/why you only surveyed 411 PIPP customers and 1,000 CARE MB customers.

The selection was based on the same timeframe, focusing on those nearing graduation who had most recently interacted with Company programs.

- d. Why were only CARE MB and PIPP customers surveyed?

PIPP and CARE MB were pilot programs, whereas CARE FR has been discontinued. The Company focused on active programs for the survey.

- e. Has the Company surveyed CARE flat rate as well and why did they not choose to this time?

The Company aimed to gather relevant feedback from customers who had recently interacted with its programs. Since the CARE Flat Rate direct survey history was not available and the program had ended, the Company focused on active pilots and ongoing programs.

15. On page 79, CE states "The Company also recommends retaining the exiting RIA credit to satisfy the requirements of MCL 460.11(2) and encourages key stakeholders to consider how the credit strategy could evolve in the future to serve and engage a broader subset of customers to address the identified unmet need as reflected previously in Figure 40." Can CE clarify what this means? Is "exiting" supposed to say "existing"?

This is a typo, and the word "exiting" was not intended to be used. The correct word is "existing." The correct sentence should read: "The Company also recommends retaining the existing RIA credit to satisfy the requirements of MCL 460.11(2) and encourages key

stakeholders to consider how the credit strategy could evolve in the future to serve and engage a broader subset of customers to address the identified unmet need as reflected previously in Figure 40."

DTE Energy Response: 5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer Affordable Payment Plans through MEAP

*The aim of these questions is to evaluate the current gap payment matrix and determine how to make adjustments for the revised MEAP legislation and PIPP/APP analysis. Your responses might be quoted in the Staff PIPP response report to the Commission.

Some of these questions have been answered by CE and DTE in their PIPP reports for their utilities. If you provided the information in the report, please cite the page number.

1. For each of the past three program years, what is the average bill (before any assistance is applied) for each commodity for your enrolled customers?
 - a. Please split response into the traditional APP and modified APP
 - b. Assistance includes HHC, SER, MEAP, utility credits like LIA, etc.

Table Average LSP & LSPM Bill Before Assistance

	Source "DTE PIPP Response Data – January 29 submittal_v.Final"
LSP	LSP Data tab, Line 30, 31,32
LSPM	LSPM Data tab, Line 30, 31, 32

2. For each of the past three program years, how many customers were low consumption and how many were high consumption and what is the average high- and low-consumption bill (before any assistance is applied) for each commodity for your enrolled customers?
 - a. Assistance includes HHC, SER, MEAP, utility credits like LIA, etc.
 - b. Please split response into the traditional APP and modified APP.

Table Consumption

	Source "DTE PIPP Response Data – January 29 submittal_v.Final"
LSP	LSP Data tab, Line 21,22,23
LSPM	LSP Data tab, Line 21,22,23

3. For each of the past three program years, please provide the average bill (before any assistance is applied) for all identified low-income customers (those at or below 150% FPL).

Table Average Low-Income Bill before Assistance

	Source "DTE PIPP Response Data – January 29 submittal_v.Final"
Low Income	Control Data (DTE) tab, Line 22,23,24

DTE Energy Response:
5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer
Affordable Payment Plans through MEAP

4. For each of the past three program years, what is the average monthly bill subsidy (gap payment) provided by MEAP?
- Please split response into the traditional APP and modified APP
 - Include the breakdown of different subsidies that may be supporting the MEAP agency's portion of the bill (like LIA, SER, HHC)

Table Average Bill Subsidy

	Assistance Type	Source "DTE PIPP Response Data – January 29 submittal_v.Final"
LSP	Gap + Arrears Forgiveness	LSP Data tab, Line 33
LSP	Gap + AF+ Assistance	LSP Data tab, line 34
LSPM	Gap + Arrears Forgiveness	LSPM Data tab, line 33
LSPM	Gap + AF+ Assistance	LSPM Data tab, line 34

5. What is the average cost of the program with funding layered (break out by funding layer)? e.g. if a customer receives an HHC during the program year and it's applied to the MEAP agency's cost of the APP (like a customer's arrearage balance), state that the average amount separately. Same as if your utility has used the LIA to offset the MEAP agency's portion of the bill subsidy. Include gap payments and arrears forgiveness.

[DTE does not have this data readily available. We will connect with Staff to further discuss the requested data.](#)

6. What is the average starting arrearage balance for the modified budget customers?

Table Average LSPM Starting Arrears

	Source "DTE PIPP Response Data – January 29 submittal_v.Final"
LSPM	LSPM Data tab, Line 15

DTE Energy Response:
5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer
Affordable Payment Plans through MEAP

7. Please provide the traditional/flat-rate and modified APP bill subsidy matrices (include FY 2025 and FY 2026 if you have them) that your utility used for the past three program years to determine the customer's credited amount.

Service	Consumption	FPL	Payment Plan Amount	Arrears Cap
Both Electric & Gas	<= \$2500/ year	*20- 75%	\$90	\$3,000
		76- 110%	\$95	
		111- 150%	\$130	
	\$2501- 3750/ year	20- 75%	\$125	
		76- 110%	\$130	
		111- 150%	\$130	
Electric Only	<= \$1000/ year	*20- 75%	\$35	\$3,000
		76- 110%	\$40	
		111- 150%	\$55	
	\$1001- 1600/ year	*20- 75%	\$50	
		76- 110%	\$55	
		111- 150%	\$55	
Gas Only	<= \$1500/ year	*20- 75%	\$50	\$3,000
		76- 110%	\$55	
		111- 150%	\$75	
	\$1501- 2150/ year	*20- 75%	\$70	
		76- 110%	\$75	
		111- 150%	\$75	

* Denotes new tier

LSPM 2023 – 2024 Monthly Credits					
Commodity	FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June – October)	Average Monthly Credit
Combo	Between 1% - 75%	High Usage (> \$175)	\$175	\$95	\$142
		Low Usage (<= \$175)	\$75	\$40	\$60
	Between 76% – 110%	High Usage (> \$175)	\$175	\$81	\$136
		Low Usage (<= \$175)	\$60	\$35	\$50
	Between 111% – 150%	High Usage (> \$175)	\$154	\$85	\$125
		Low Usage (<= \$175)	\$30	\$18	\$25
Electric Only	Between 1% - 75%	High Usage (> \$115)	\$125	\$70	\$102
		Low Usage (<= \$115)	\$32	\$20	\$27
	Between 76% – 110%	High Usage (> \$115)	\$115	\$55	\$90
		Low Usage (<= \$115)	\$22	\$12	\$18
	Between 111% – 150%	High Usage (> \$115)	\$100	\$56	\$82
		Low Usage (<= \$115)	\$10	\$5	\$8
Gas Only	Between 1% - 75%	High Usage (> \$60)	\$120	\$35	\$85
		Low Usage (<= \$60)	\$38	\$10	\$26
	Between 76% – 110%	High Usage (> \$60)	\$120	\$25	\$80
		Low Usage (<= \$60)	\$18	\$5	\$13
	Between 111% – 150%	High Usage (> \$60)	\$115	\$25	\$78
		Low Usage (<= \$60)	\$7	\$2	\$5

DTE Energy Response:
5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer
Affordable Payment Plans through MEAP

LSPM 2024 – 2025 Monthly Credits					
Commodity	FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June - October)	LSP Budget Reduction Amount
Combo	Between 1% - 75%	High Usage (> \$175)	\$95	\$35	\$70
		Low Usage (<= \$175)	\$28	\$9	\$20
	Between 76% – 110%	High Usage (> \$175)	\$80	\$32	\$60
		Low Usage (<= \$175)	\$14	\$5	\$10
	Between 111% – 150%	High Usage (> \$175)	\$68	\$25	\$50
		Low Usage (<= \$175)	\$7	\$3	\$5
Electric Only	Between 1% - 75%	High Usage (> \$115)	\$85	\$30	\$62
		Low Usage (<= \$115)	\$14	\$5	\$10
	Between 76% – 110%	High Usage (> \$115)	\$28	\$9	\$20
		Low Usage (<= \$115)	\$10	\$5	\$8
	Between 111% – 150%	High Usage (> \$115)	\$20	\$8	\$15
		Low Usage (<= \$115)	\$7	\$3	\$5
Gas Only	Between 1% - 75%	High Usage (> \$60)	\$68	\$25	\$50
		Low Usage (<= \$60)	\$14	\$5	\$10
	Between 76% – 110%	High Usage (> \$60)	\$40	\$16	\$30
		Low Usage (<= \$60)	\$10	\$5	\$8
	Between 111% – 150%	High Usage (> \$60)	\$14	\$5	\$10
		Low Usage (<= \$60)	\$7	\$3	\$5

8. Please describe how your utility determined all aspects of the bill subsidy matrix. This means including how the number of tiers were decided upon, what FPL household size underpins the matrix (if any), how high and low “consumption” was determined as well as how the credited amounts were chosen/calculated and how different matrices for different commodities [gas, vs. electric vs. combo] were chosen, if your utility is a dual commodity utility. Please also speak to how the heating/cooling season bill subsidy quantities were determined. Include all relevant calculations.

For traditional APP see below:

- DTE participated in alignment discussions with other utilities and state agencies along with the MPSC Staff that commenced in 2019 which resulted in 3 tiers; subsequently, a fourth tier (1-19%FPL) was added to allow the most vulnerable households to participate in APP.
- Historically the household size used is 3, which is in alignment with census data.
- The average monthly usage of customers profiled as income-eligible was used to categorize consumption tiers. Households whose consumption exceeded the average were considered high and those below the average were categorized as low.

DTE Energy Response:
5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer
Affordable Payment Plans through MEAP

- For all commodities, a credit is provided to offset the difference between the actual billed usage and the customer's plan amount.

For modified APP:

- DTE participated in alignment discussions with other utilities and state agencies along with the MPSC Staff that led to the modified soft launch in FY 2024
- Historically the household size used is 3, which is in alignment with census data.
- The average monthly usage of customers profiled as income-eligible was used to categorize consumption tiers. Households whose consumption exceeded the average were considered high and those below the average were categorized as low.
- For all commodities, a credit is provided to offset the difference between the actual billed usage and the customer's plan amount. DTE uses the average monthly usage of customers enrolled in traditional LSP and the LSPM pilot to determine what the flat monthly gap amount needs to be to get the customer at or near the 8% energy burden.

9. In the traditional/flat-rate APPs, how were consumption caps determined? What calculation did the Company use to determine the cap, if a calculation was used.

For traditional APP see below:

Consumption caps were permitted as part of the alignment plan; DTE determined the cap limit based on the desire to maximize MEAP funding and enrollments. The original LSP matrix was introduced with both consumption and arrears caps that worked in tandem to minimize MEAP cost per customer, allowing more vulnerable customers to be assisted.

For modified APP:

Consumption caps were eliminated because gap credits were changed to a flat rate; customers bear the burden of higher usage, which would result in a plan increase at the budget review.

10. For SEMCO, how do you determine if a customer is a heating vs. non-heating customer for the APP?

N/A

- a. If it's based on asking the customer, how often is the APP customer asked if they are a heating vs. non-heating customer?
11. UPPCO also has a similar heating vs. non-heating credit matrix, but it is based on a rate schedule distinction (A-1 vs. AH-1). Is that heating rate schedule elective? If not, how does UPPCO determine if/direct customers to that rate schedule?
- a. If it's based on asking customers, how often are APP and non-APP residential customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)?

DTE Energy Response:
5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer
Affordable Payment Plans through MEAP

- b. It doesn't look like CE Electric has a rate schedule for heating vs. non-heating customers and it does not appear to be in their modified budget matrix. DTE Electric seems to have a heating rate in schedule D2, but it does not appear in its modified budget matrix. Correct this and answer the above questions if wrong. DTE, explain why an electric heating customer is not factored into the modified budget matrix.
 - i. If rate schedule D2 is based on customers self-reporting heating source or being asked if they're an electric-heating household, how often are customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)?
- c. In the P522 annual reports, CE gas, DTE gas, and Semco gas all report on customer count, deliveries, and revenue data broken down by space heating vs. non-space-heating residential customers. What are the companies' processes for tracking this if they do not have space-heating and non-space-heating rate schedules? Why don't CE and DTE use that (or other) home heating information to factor into the APP matrix?

N/A

12. How does each MEAP grantee determine which customers are directed to which assistance programs—specifically who is placed on the APPs. Include any training materials that customer service representatives/case coordinators utilize and/or provide a citation from your PIPP report if your utility submitted a report and included this information.

While DTE is not a grantee and therefore cannot provide pathways in which customers are directed to assistance programs, included in DTE's PIPP report on pages 41-44 which was based on inputs from our grantee partners and the MEAP manual; these processes may vary across grantees.

13. The Commission requested recommendations regarding the fulfillment of MCL 460.11(2) and with it, an analysis of Consumers Energy and DTE Energy's PIPP pilots compared to the current MEAP affordable payment plans. The Commission requested utilities to provide any necessary data to that end. CE and DTE were able to accomplish most of this by means of their PIPP pilot reports, however, Staff wanted to also provide utilities that offer MEAP APPs the opportunity to provide any relevant data or statements/recommendations that they would like considered included in Staff's report. We are actively recording input that we hear at the AAA meetings for the report, but this is your chance to ensure any differences in your APPs vs. the CE and DTE ones are noted. Other ways to provide this information more officially are if the Commission opens comment periods on either CE/DTE report and the likelihood that they will open a comment period on Staff's report, however, I want to ensure that you have any analysis either ready to present to the Commission in a comment or in the Staff report if you wish to do so.

N/A

DTE Energy Response (part 2):
5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that
offer Affordable Payment Plans through MEAP

LSPM 2024 – 2025 Monthly Credits							
Commodity	FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June - October)	LSP Budget Reduction Amount	Customer Counts	Avg Monthly Usage
Combo	Between	High Usage (> \$175)	\$95	\$35	\$70	4,433	\$ 283
	1% - 75%	Low Usage (<= \$175)	\$28	\$9	\$20	701	\$ 141
	Between	High Usage (> \$175)	\$80	\$32	\$60	1,387	\$ 280
	76% – 110%	Low Usage (<= \$175)	\$14	\$5	\$10	216	\$ 140
	Between	High Usage (> \$175)	\$68	\$25	\$50	636	\$ 280
	111% – 150%	Low Usage (<= \$175)	\$7	\$3	\$5	99	\$ 141
Electric Only	Between	High Usage (> \$115)	\$85	\$30	\$62	1,096	\$ 195
	1% - 75%	Low Usage (<= \$115)	\$14	\$5	\$10	397	\$ 82
	Between	High Usage (> \$115)	\$28	\$9	\$20	407	\$ 194
	76% – 110%	Low Usage (<= \$115)	\$10	\$5	\$8	127	\$ 84
	Between	High Usage (> \$115)	\$20	\$8	\$15	189	\$ 205
	111% – 150%	Low Usage (<= \$115)	\$7	\$3	\$5	58	\$ 83
Gas Only	Between	High Usage (> \$60)	\$68	\$25	\$50	157	\$ 106
	1% - 75%	Low Usage (<= \$60)	\$14	\$5	\$10	74	\$ 76
	Between	High Usage (> \$60)	\$40	\$16	\$30	64	\$ 114
	76% – 110%	Low Usage (<= \$60)	\$10	\$5	\$8	10	\$ 48
	Between	High Usage (> \$60)	\$14	\$5	\$10	29	\$ 107
	111% – 150%	Low Usage (<= \$60)	\$7	\$3	\$5	6	\$ 43

Consumers Energy Response:

5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer Affordable Payment Plans through MEAP

*The aim of these questions is to evaluate the current gap payment matrix and determine how to make adjustments for the revised MEAP legislation and PIPP/APP analysis. Your responses might be quoted in the Staff PIPP response report to the Commission.

Some of these questions have been answered by CE and DTE in their PIPP reports for their utilities. If you provided the information in the report, please cite the page number.

1. For each of the past three program years, what is the average bill (before any assistance is applied) for each commodity for your enrolled customers?
 - a. Please split response into the traditional APP and modified APP
 - b. Assistance includes HHC, SER, MEAP, utility credits like the LIA, etc.

*CARE MB did not start until FY24

	CARE			CARE MB*		
	Combo	Electric	Gas	Combo	Electric	Gas
FY 2022	\$258	\$190	\$94	N/A	N/A	N/A
FY 2023	\$267	\$200	\$93	\$240	\$200	\$98
FY 2024	\$248	\$189	\$92	\$234	\$189	\$98

2. For each of the past three program years, how many customers were low consumption and how many were high consumption and what is the average high- and low-consumption bill (before any assistance is applied) for each commodity for your enrolled customers?
 - a. Assistance includes HHC, SER, MEAP, utility credits like the LIA credit, etc.
 - b. Please split response into the traditional APP and modified APP.

*CARE MB did not start until FY24

	CARE						CARE MB*					
	Combo		Electric		Gas		Combo		Electric		Gas	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
FY22	2714	2843	1884	2192	715	278	N/A	N/A	N/A	N/A	N/A	N/A
FY23	3319	2942	2034	2266	724	816	N/A	N/A	N/A	N/A	N/A	N/A
FY24	2917	1999	1680	1606	745	814	346	220	118	270	74	31

*CARE MB did not start until FY24

	CARE						CARE MB*					
	Combo		Electric		Gas		Combo		Electric		Gas	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
FY22	\$320	\$204	\$278	\$134	\$99	\$86	N/A	N/A	N/A	N/A	N/A	N/A
FY23	\$325	\$226	\$280	\$149	\$105	\$93	N/A	N/A	N/A	N/A	N/A	N/A
FY24	\$279	\$193	\$210	\$141	\$104	\$65	\$283	\$173	\$283	\$173	\$124	\$68

3. For each of the past three program years, please provide the average bill (before any assistance is applied) for all identified low-income customers (those at or below 150% FPL).

	Low-Income		
	Combo	Electric	Gas
FY 22	\$191	\$138	\$70
FY 23	\$212	\$145	\$87
FY 24	\$204	\$140	\$81

- a.
4. For each of the past three program years, what is the average monthly bill subsidy (gap payment) provided by MEAP?
- a. Please split response into the traditional APP and modified APP

*CARE MB did not start until FY24

	CARE	CARE MB
FY 2022	\$125	N/A
FY 2023	\$137	N/A
FY 2024	\$117	\$114

- b. Include the breakdown of different subsidies that may be supporting the MEAP agency's portion of the bill (like LIA, SER, HHC)

*CARE MB did not start until FY24

Program	Fiscal Year	SER	HHC	MEAP OTA	LIA	RIA
CARE	2022	\$532	\$317	\$261	\$30	\$10
	2023	\$538	\$344	\$403	\$31	\$10
	2024	\$626	\$228	\$244	\$32	\$10
CARE MB	2022	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A
	2024	\$635	\$234	\$304	\$30	\$10

5. What is the average cost of the program with funding layered (break out by funding layer)? E.g. if a customer receives an HHC during the program year and it's applied to the MEAP agency's cost of the APP (like a customer's arrearage balance), state that average amount separately. Same as if your utility has used the LIA to offset the MEAP agency's portion of the bill subsidy. Include gap payments and arrears forgiveness.

*CARE MB did not start until FY24

Program	Fiscal Year	GAP/AF	SER	HHC	MEAP OTA	LIA	RIA
CARE	2022	\$10,751,723	\$582,128	\$490,716	\$272,137	\$627,903	\$256,787
	2023	\$10,408,596	\$435,818	\$494,343	\$245,651	\$2,386,306	\$363,484
	2024	\$7,633,490	\$500,249	\$268,529	\$240,534	\$2,399,956	\$282,376
CARE MB*	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2024	\$1,222,070	\$144,987	\$48,511	\$32,907	\$44,830	\$118,733

6. What is the average starting arrearage balance for the modified budget customers?
The average starting arrearage balance for modified budget customers is \$387.

7. Please provide the traditional/flat-rate and modified APP bill subsidy matrices (include FY 2025 and FY 2026 if you have them) that your utility used for the past three program years to determine the customer's credited amount.

Please find the subsidy matrices for FY24 and FY25 below for your reference. The matrix for FY26 is currently unavailable.

CARE Flat Rate				
Service	Consumption (cons)	FPL	Customer Monthly Payment Plan Amount	Arrears Cap
Combo	Low Consumption Elec & Gas Elec ≤ \$2000/yr & Gas ≤ \$1000/yr	20-75%	\$90	≤ \$4000
		76-110%	\$105	
		111-150%	\$120	
	High Consumption Elec & Low Consumption Gas Elec ≥ \$2001/yr & Gas ≤ \$1000/yr	20-75%	\$120	
		76-110%	\$135	
		111-150%	\$150	
	Low Consumption Elec & High Consumption Gas Elec ≤ \$2000/yr & Gas ≥ \$1001/yr	20-75%	\$100	
		76-110%	\$115	
		111-150%	\$130	
	High Consumption Elec & Gas Elec ≥ \$2001/yr & Gas ≥ \$1001/yr	20-75%	\$130	
		76-110%	\$145	
		111-150%	\$160	
Electric Only	Low Consumption: ≤ 2000/yr	20-75%	\$60	≤ \$4000
		76-110%	\$70	
		111-150%	\$80	
	High Consumption: ≥ 2001/yr	20-75%	\$90	
		76-110%	\$100	
		111-150%	\$110	
Gas Only	Low Consumption: ≤ 1000/yr	20-75%	\$30	≤ \$4000
		76-110%	\$35	
		111-150%	\$40	
	High Consumption: ≥ 1001/yr	20-75%	\$40	
		76-110%	\$45	
		111-150%	\$50	

CARE MB FY25 Monthly Credits					
Commodity	FPL Tiers	Usage (average consumption)	Heating Season (November-May)	Non-Heating Season (June-October)	Average Monthly Credit
Combo	Between 0%-75%	High Usage (>\$220)	\$153.00	\$69.00	\$118.00
		Low Usage (≤\$220)	\$30.00	\$5.00	\$19.58
	Between 76%-110%	High Usage (>\$220)	\$111.00	\$42.00	\$82.25
		Low Usage (≤\$220)	\$12.00	\$5.00	\$9.08
	Between 111%-150%	High Usage (>\$220)	\$68.00	\$17.00	\$46.75
		Low Usage (≤\$220)	\$5.00	\$5.00	\$5.00
Electric Only	Between 0%-75%	High Usage (>\$140)	\$111.00	\$55.00	\$87.67
		Low Usage (≤\$140)	\$24.00	\$5.00	\$16.08
	Between 76%-110%	High Usage (>\$140)	\$83.00	\$37.00	\$63.83
		Low Usage (≤\$140)	\$13.00	\$5.00	\$9.67
	Between 111%-150%	High Usage (>\$140)	\$55.00	\$21.00	\$40.83
		Low Usage (≤\$140)	\$5.00	\$5.00	\$5.00
Gas Only	Between 0%-75%	High Usage (>\$80)	\$70.00	\$5.00	\$42.92
		Low Usage (≤\$80)	\$5.00	\$5.00	\$5.00
	Between 76%-110%	High Usage (>\$80)	\$50.00	\$5.00	\$31.25
		Low Usage (≤\$80)	\$5.00	\$5.00	\$5.00
	Between 111%-150%	High Usage (>\$80)	\$30.00	\$5.00	\$19.58
		Low Usage (≤\$80)	\$5.00	\$5.00	\$5.00

8. Please describe how your utility determined all aspects of the bill subsidy matrix. This means including how the number of tiers were decided upon, what FPL household size underpins the matrix (if any), how high and low “consumption” was determined as well as how the credited amounts were chosen/calculated and how different matrices for different commodities [gas, vs. electric vs. combo] were chosen, if your utility is a dual commodity utility. Please also speak to how the heating/cooling season bill subsidy quantities were determined. Include all relevant calculations.

CARE Flat Rate (FR)

The subsidy matrix for the CARE FR program was developed internally at Consumers Energy. The Energy Assistance team analyzed historical customer usage data, breaking it down by both commodity and month. They adjusted the figures to ensure agency payments remained close to the 30%, 40%, and 50% discount of the total monthly bill that

CARE customers were accustomed to prior to the switch to Flat Rate. The customer flat rates were developed from that. Actual credit amounts from the agencies on CARE FR are variable.

The 30/40/50% bill reduction was used to determine the gas and electric cost. For the combo customer, the Company used the sum of the gas and electric to determine the cost based on high or low usage for each commodity.

No household size underpins the matrix. High and low consumption were determined through analysis of previous years' APP enrollments. As shown in the above graphic, \$1k was gas annual usage cost high/low threshold and \$2k was electric annual usage cost high/low threshold.

On average, usage is higher in the heating season for gas and combo customers because the customer has a flat rate commitment throughout the year and the agency/MEAP commitment would be higher in the heating season than the non-heating season. The agency is responsible for a higher portion of a customer's bill, and the Company knows the bill would be higher in the heating season, which was taken into account in forecasting.

CARE Modified Budget (MB)

The subsidy matrix for CARE MB was developed through a collaborative effort involving Michigan utilities, participating MEAP agency partners, and the MPSC within the MEAP subcommittee established by the MPSC.

The Consumers Energy Team determined the average high and low customer consumption costs for each commodity. The median value for each commodity was used as a breakpoint to set customers in either the high or low consumption category.

Consumers Energy used a 30%, 40% and 50% bill subsidy model to determine the agency payment for each commodity and FPL. The aim of this model is to reduce the customer average bill by 30% for customers that fall between 111-150% FPL, 40% for customers that fall between 76-110% FPL, and 50% for customers that fall between 0-75% FPL.

In the definition of CARE MB, Consumers Energy has a heating and non-heating season payment. The Company built the 70/30 split into the credit amounts through the year. There are 7 months in the heating season and 5 months in the non-heating season. To determine the heating season payments for each commodity and FPL, the Company used ~70% of the annual credit. The remaining 30% would be the credits during the non-heating season. For gas-only customers, the Company used a more aggressive 85/15 split based on the customers' need for assistance being almost entirely in the heating season.

9. In the traditional/flat-rate APPs, how were consumption caps determined? What calculation did the Company use to determine the cap, if a calculation was used.

The Company did not apply consumption caps for enrollment into CARE FR or CARE MB.

10. For SEMCO, how do you determine if a customer is a heating vs. non-heating customer for the APP?
- a. If it's based on asking the customer, how often is the APP customer asked if they are a heating vs. non-heating customer?
[Not Applicable to Consumers Energy](#)
11. UPPCO also has a similar heating vs. non-heating credit matrix, but it is based on a rate schedule distinction (A-1 vs. AH-1). Is that heating rate schedule elective? If not, how does UPPCO determine if/direct customers to that rate schedule?
- a. If it's based on asking customers, how often are APP and non-APP residential customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)?
[Not Applicable to Consumers Energy](#)
 - b. It doesn't look like CE Electric has a rate schedule for heating vs. non-heating customers and it does not appear to be in their modified budget matrix. DTE Electric seems to have a heating rate in schedule D2, but it does not appear in its modified budget matrix. Correct this and answer the above questions if wrong. DTE, explain why an electric heating customer is not factored into the modified budget matrix.
[Not Applicable to Consumers Energy](#)
 - i. If rate schedule D2 is based on customers self-reporting heating source or being asked if they're an electric-heating household, how often are customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)?
[Not Applicable to Consumers Energy](#)
 - c. In the P522 annual reports, CE gas, DTE gas, and Semco gas all report on customer count, deliveries, and revenue data broken down by space heating vs. non-space-heating residential customers. What are the companies' processes for tracking this if they do not have space-heating and non-space-heating rate schedules? Why don't CE and DTE use that (or other) home heating information to factor into the APP matrix?
[Not Applicable to Consumers Energy](#)
12. How does each MEAP grantee determine which customers are directed to which assistance programs—specifically who is placed on the APPs. Include any training materials that customer service representatives/case coordinators utilize and/or provide a citation from your PIPP report if your utility submitted a report and included this information.

[Cited in the PIPP Report:](#)

- a. [Arizona Self-Sufficiency Matrix, Appendix Pg. 100](#)

Arizona Self-Sufficiency Matrix

	1 - In Crisis	2 - Vulnerable	3 - Safe	4 - Building Capacity	5 - Empowered
Income	No income	Irregular income and/or sporadic or irregularly paying	Can meet basic needs with existing appropriate spending money; requests additional income needs	Can meet basic needs and manage debt with assistance from financial budget and advisors	Member is self-reliant and manages debt independently; income and expenses are in balance
Employment	No job	Temporary, part-time or seasonal; inadequate pay, few or no benefits	Employed full-time, moderate pay, few or no benefits	Employed full-time with adequate pay and benefits	Members perceived employment with adequate safe positive and healthy - 1 year or more stability
Housing	Homeless or threatened with eviction	In threatened, temporary or substandard housing, and/or limited access to utilities; overcrowded; poor maintenance	In stable housing that is safe but only marginally adequate	Housing is in safe, adequate, unthreatened housing	Housing is safe, adequate, unthreatened housing
Food	No food or means to prepare it; may be skipping meals and/or suffering significant nutritional deficits	Food and cooking facilities are available but inadequate to meet nutritional needs or may be hazardous to health	Can meet basic food needs, but ongoing assistance necessary to meet needs or may be hazardous to health	Can meet basic food needs without assistance	Can choose to purchase any food (nutritional needs)
Health Care	No medical coverage with immediate need	No medical coverage and great difficulty accessing medical care when needed. Some household members may be in poor health	Some members in health assistance for children or elderly	All members can get medical care when needed, but may strain the budget	All members are covered by affordable, adequate health insurance
Mental Health	Urgent to self and others; increasing mental health, experiencing great difficulty to day to day life due to psychological problems	Recent mental health concerns that may also increase risk of danger to themselves or others; problems with functioning due to mental health concerns	Mental symptoms may be present but do not create any immediate safety or functioning due to mental health concerns	Mental symptoms that are manageable with assistance and support	Members are aware of and able to manage mental health concerns, or more than one member has mental health concerns
Adult Education	Literacy problems and/or low high school diploma/GED; no further progress in employment	Literacy problems and/or low high school diploma/GED; no further progress in employment	Literacy problems and/or low high school diploma/GED; no further progress in employment	Needs additional education or training to improve employment situation and/or to resolve literacy problems to where they are able to function effectively in society	Has completed education/training needed to become employed; no literacy concerns
Childcare	No childcare; no means to access or afford childcare; no childcare	Childcare is available or affordable, but not accessible or affordable; no childcare	Childcare is available or affordable, but not accessible or affordable; no childcare	Childcare is available or affordable, but not accessible or affordable; no childcare	Childcare is available or affordable, but not accessible or affordable; no childcare
Children's Education	One or more eligible children is not enrolled in school	One or more eligible children is not enrolled in school, but not attending classes	Enrolled in school, but one or more children only attend sporadically	Enrolled in school and attending classes most of the time	All eligible children enrolled and attending classes regularly

b. PIPP Agency Needs Assessment Decision Matrix, Appendix Pg. 144

PIPP Agency Needs Assessment Decision Matrix

Agency Needs Approved SEP Limited SEP - due to no documented support case (minimum) Approved SEP or Denied SEP for available money under CSRS FS Approved SEP - 100% FS (100% FS)		Agency Needs Approved SEP - 100% FS (100% FS) Approved SEP - 100% FS (100% FS)		Agency Needs Approved SEP - 100% FS (100% FS) Approved SEP - 100% FS (100% FS)	
Comments for PIPP PIPP - 100% FS CSRS - 100% FS (100% FS)		Comments for PIPP PIPP - 100% FS CSRS - 100% FS (100% FS)		Comments for PIPP PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Income PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Income PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Income PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Expenses PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Expenses PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Expenses PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Savings PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Savings PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Savings PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Debt PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Debt PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Debt PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Income PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Income PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Income PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Expenses PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Expenses PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Expenses PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Savings PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Savings PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Savings PIPP - 100% FS CSRS - 100% FS (100% FS)	
Monthly Debt PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Debt PIPP - 100% FS CSRS - 100% FS (100% FS)		Monthly Debt PIPP - 100% FS CSRS - 100% FS (100% FS)	

13. The Commission requested recommended recommendations regarding the fulfillment of MCL 460.11(2) and with it, an analysis of Consumers Energy and DTE Energy's PIPP pilots compared to the current MEAP affordable payment plans. The Commission requested utilities to provide any necessary data to that end. CE and DTE were able to accomplish most of this by means of their PIPP pilot reports, however, Staff wanted to also provide utilities that offer MEAP APPs the opportunity to provide any relevant data or statements/recommendations that they would like considered included in Staff's report. We are actively recording input that we hear at the AAA meetings for the report, but this is your chance to ensure any differences in your APPs vs. the CE and DTE ones are noted. Other ways to provide this information more officially are if the Commission opens comment periods on either CE/DTE report and the likelihood that they will open a comment period on Staff's report, however, I want to ensure that you have any analysis either ready to present to the Commission in a comment or in the Staff report if you wish to do so.

Not Applicable to Consumers Energy

Semco Energy Response:

5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer Affordable Payment Plans through MEAP

*The aim of these questions is to evaluate the current gap payment matrix and determine how to make adjustments for the revised MEAP legislation and PIPP/APP analysis. Your responses might be quoted in the Staff PIPP response report to the Commission.

Some of these questions have been answered by CE and DTE in their PIPP reports for their utilities. If you provided the information in the report, please cite the page number.

1. For each of the past three program years, what is the average bill (before any assistance is applied) for each commodity for your enrolled customers?
 - a. Please split response into the traditional APP and modified APP
 - b. Assistance includes HHC, SER, MEAP, utility credits like the LIA, etc.

	Oct 21 - Sep 22 MEAP 2022	Oct 22 - Sep 23 MEAP 2023	Oct 23 - Sep 24 MEAP 2024
Average Bill Before Assistance	\$64	\$115	\$79

2. For each of the past three program years, how many customers were low consumption and how many were high consumption and what is the average high- and low-consumption bill (before any assistance is applied) for each commodity for your enrolled customers?
 - a. Assistance includes HHC, SER, MEAP, utility credits like the LIA, etc.
 - b. Please split response into the traditional APP and modified APP.

	Oct 21 - Sep 22 MEAP 2022	Oct 22 - Sep 23 MEAP 2023	Oct 23 - Sep 24 MEAP 2024
Low Consumption Customer Count	974	1,141	1,269
High Consumption Customer Count	965	1,121	1,235
Low Consumption Bill	<= \$60	<= \$110	<= \$76
High Consumption Bill	> \$60	> \$110	> \$76

3. For each of the past three program years, please provide the average bill (before any assistance is applied) for all identified low-income customers (those at or below 150% FPL).

	Oct 21 - Sep 22 MEAP 2022	Oct 22 - Sep 23 MEAP 2023	Oct 23 - Sep 24 MEAP 2024
Average Bill Before Assistance for Low Income Customers Only	\$75	\$75	\$55

4. For each of the past three program years, what is the average monthly bill subsidy (gap payment) provided by MEAP?
- Please split response into the traditional APP and modified APP
 - Include the breakdown of different subsidies that may be supporting the MEAP agency's portion of the bill (like LIA, SER, HHC)

	Oct 21 - Sep 22 MEAP 2022	Oct 22 - Sep 23 MEAP 2023	Oct 23 - Sep 24 MEAP 2024
Average Monthly Bill Subsidy (Gap Payment)	\$45	\$60	\$42

5. What is the average cost of the program with funding layered (break out by funding layer)? E.g. if a customer receives an HHC during the program year and it's applied to the MEAP agency's cost of the APP (like a customer's arrearage balance), state that average amount separately. Same as if your utility has used the LIA to offset the MEAP agency's portion of the bill subsidy. Include gap payments and arrears forgiveness.

	Oct 21 - Sep 22 MEAP 2022	Oct 22 - Sep 23 MEAP 2023	Oct 23 - Sep 24 MEAP 2024
Average Cost of the Program by Funding Layer:	\$727	\$714	\$517
Arrears	\$217	\$217	\$49
Gap	\$369	\$483	\$463
Reconciliation	\$141	\$14	\$5

6. What is the average starting arrearage balance for the modified budget customers?

	Oct 21 - Sep 22 MEAP 2022	Oct 22 - Sep 23 MEAP 2023	Oct 23 - Sep 24 MEAP 2024
Average Starting Arrearage Balance	\$105	\$122	\$24

7. Please provide the traditional/flat-rate and modified APP bill subsidy matrices (include FY 2025 and FY 2026 if you have them) that your utility used for the past three program years to determine the customer's credited amount.

MAP 2021 - 2022 Enrolled Customers

FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June - October)
Between 20% - 75%	High Usage (>60)	\$70.00	\$15.00
	Low Usage (<=60)	\$45.00	\$10.00
Between 76% - 110%	High Usage (>60)	\$60.00	\$11.00
	Low Usage (<=60)	\$40.00	\$7.00
Between 111% - 150%	High Usage (>60)	\$50.00	\$9.00
	Low Usage (<=60)	\$30.00	\$5.00

MAP 2022 – 2023 Monthly Credits (New & Rollover)				
FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June – October)	Average Monthly Credit
Between 0% - 75%	High Usage (> \$110)	\$130	\$30	\$88
	Low Usage (<= \$110)	\$70	\$15	\$47
Between 76% – 110%	High Usage (> \$110)	\$110	\$20	\$73
	Low Usage (<= \$110)	\$60	\$10	\$39
Between 111% – 150%	High Usage (> \$110)	\$90	\$16	\$59
	Low Usage (<= \$110)	\$50	\$8	\$33

MAP 2024 Monthly Credits (New & Rollover)				
FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June – October)	Average Monthly Credit
Between 0% – 19%	High Usage (> \$76)	\$95	\$20	\$64
	Low Usage (<= \$76)	\$55	\$10	\$36
Between 20% - 75%	High Usage (> \$76)	\$95	\$20	\$64
	Low Usage (<= \$76)	\$55	\$10	\$36
Between 76% – 110%	High Usage (> \$76)	\$85	\$15	\$56
	Low Usage (<= \$76)	\$45	\$8	\$30
Between 111% – 150%	High Usage (> \$76)	\$70	\$12	\$46
	Low Usage (<= \$76)	\$40	\$5	\$25

MAP 2025 Monthly Credits (New & Rollover)				
FPL Tiers	Usage (Avg Consumption)	Heating Season (November - May)	Non-Heating Season (June – October)	Average Monthly Credit
Between 0% – 19%	High Usage (> \$76)	\$95	\$20	\$64
	Low Usage (<= \$76)	\$55	\$10	\$36
Between 20% - 75%	High Usage (> \$76)	\$95	\$20	\$64
	Low Usage (<= \$76)	\$55	\$10	\$36
Between 76% – 110%	High Usage (> \$76)	\$85	\$15	\$56
	Low Usage (<= \$76)	\$45	\$8	\$30
Between 111% – 150%	High Usage (> \$76)	\$70	\$12	\$46
	Low Usage (<= \$76)	\$40	\$5	\$25

8. Please describe how your utility determined all aspects of the bill subsidy matrix. This means including how the number of tiers were decided upon, what FPL household size underpins the matrix (if any), how high and low “consumption” was determined as well as how the credited amounts were chosen/calculated and how different matrices for different commodities [gas, vs. electric vs. combo] were chosen, if your utility is a dual commodity utility. Please also speak to how the heating/cooling season bill subsidy quantities were determined. Include all relevant calculations.

Summary of process:

- a. Identify high/low average bill breakpoint that divides enrollment population in half (50/50 high/low average bill).
- b. Allocate monthly credits so high bill tier receives more assistance than low bill tier.
- c. Allocate monthly credits so income tiers meet the following criteria:

0-75% (On average, approx. 60% of bill is paid by MEAP)

76-110% (On average, approx. 50% of bill is paid by MEAP)

111%-150% (On average, approx. 40% of bill is paid by MEAP)

The heating bill subsidy amounts were originally set up to primarily support the 70% crisis season distribution requirement. Over the years, the weight of the monthly credits has been further evaluated and adjusted to more closely align with customer bills in the crisis and non-crisis seasons.

9. In the traditional/flat-rate APPs, how were consumption caps determined? What calculation did the Company use to determine the cap, if a calculation was used.

SEMCO's MAP has always provided a customer specific budget amount and does not have consumption caps.

10. For SEMCO, how do you determine if a customer is a heating vs. non-heating customer for the APP?

- a. If it's based on asking the customer, how often is the APP customer asked if they are a heating vs. non-heating customer?

SEMCO leverages the information gathered from the grantees and utilizes the MEAP applications to determine a customer's heating source.

11. UPPCO also has a similar heating vs. non-heating credit matrix, but it is based on a rate schedule distinction (A-1 vs. AH-1). Is that heating rate schedule elective? If not, how does UPPCO determine if/direct customers to that rate schedule?

- a. If it's based on asking customers, how often are APP and non-APP residential customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)?
- b. It doesn't look like CE Electric has a rate schedule for heating vs. non-heating customers and it does not appear to be in their modified budget matrix. DTE Electric seems to have a heating rate in schedule D2, but it does not appear in its modified

budget matrix. Correct this and answer the above questions if wrong. DTE, explain why an electric heating customer is not factored into the modified budget matrix.

- i. If rate schedule D2 is based on customers self-reporting heating source or being asked if they're an electric-heating household, how often are customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)?
 - c. In the P522 annual reports, CE gas, DTE gas, and Semco gas all report on customer count, deliveries, and revenue data broken down by space heating vs. non-space-heating residential customers. What are the companies' processes for tracking this if they do not have space-heating and non-space-heating rate schedules? Why don't CE and DTE use that (or other) home heating information to factor into the APP matrix?
- 12. How does each MEAP grantee determine which customers are directed to which assistance programs—specifically who is placed on the APPs. Include any training materials that customer service representatives/case coordinators utilize and/or provide a citation from your PIPP report if your utility submitted a report and included this information.
- 13. The Commission requested recommendations regarding the fulfillment of MCL 460.11(2) and with it, an analysis of Consumers Energy and DTE Energy's PIPP pilots compared to the current MEAP affordable payment plans. The Commission requested utilities to provide any necessary data to that end. CE and DTE were able to accomplish most of this by means of their PIPP pilot reports, however, Staff wanted to also provide utilities that offer MEAP APPs the opportunity to provide any relevant data or statements/recommendations that they would like considered included in Staff's report. We are actively recording input that we hear at the AAA meetings for the report, but this is your chance to ensure any differences in your APPs vs. the CE and DTE ones are noted. Other ways to provide this information more officially are if the Commission opens comment periods on either CE/DTE report and the likelihood that they will open a comment period on Staff's report, however, I want to ensure that you have any analysis either ready to present to the Commission in a comment or in the Staff report if you wish to do so.

Based on information shared with the previous pilots, the PIPP models are projecting to be more costly compared to the Modified APP. Consumer Energy recently shared the average annual cost per customer was \$588 more than the Modified Budget plan.

UPPCO Response:

5/1/2025 MPSC Staff Questions for Investor-Owned Utilities that offer Affordable Payment Plans through MEAP

*The aim of these questions is to evaluate the current gap payment matrix and determine how to make adjustments for the revised MEAP legislation and PIPP/APP analysis. Your responses might be quoted in the Staff PIPP response report to the Commission.

Some of these questions have been answered by CE and DTE in their PIPP reports for their utilities. If you provided the information in the report, please cite the page number.

1. For each of the past three program years, what is the average bill (before any assistance is applied) for each commodity for your enrolled customers? *In FY2021/2022, our customers averaged \$115/mo. In FY2023/2024, our A-1 rated customers averaged \$150.69/mo; and our AH-1 rated customers averaged \$178.16/mo. See response to question 8 for FY2025.*
 - a. Please split response into the traditional APP and modified APP
 - b. Assistance includes HHC, SER, MEAP, utility credits like the LIA, etc.
2. For each of the past three program years, how many customers were low consumption and how many were high consumption and what is the average high- and low-consumption bill (before any assistance is applied) for each commodity for your enrolled customers? *A-1 averaged \$168 2024-2025; above average is \$295 for 2024-2025; below average is \$121 for 2024-2025; AH-1 average bill is \$201 for 2024-2025; above average is \$312 for 2024-2025; below average is \$157 for 2024-2025.*
 - a. Assistance includes HHC, SER, MEAP, utility credits like the LIA, etc.
 - b. Please split response into the traditional APP and modified APP.
3. For each of the past three program years, please provide the average bill (before any assistance is applied) for all identified low-income customers (those at or below 150% FPL). *This data will be more difficult for us to get with a short-time frame request.*
4. For each of the past three program years, what is the average monthly bill subsidy (gap payment) provided by MEAP? *For FY2023, the average gap payment was \$77/mo. For FY2024, the average gap payment was \$71/mo. For FY2025, the average gap payment was \$93/mo.*
 - a. Please split response into the traditional APP and modified APP
 - b. Include the breakdown of different subsidies that may be supporting the MEAP agency's portion of the bill (like LIA, SER, HHC) *RIA goes against the customer's payment owed and doesn't impact the MEAP portion.*
5. What is the average cost of the program with funding layered (break out by funding layer)? E.g. if a customer receives an HHC during the program year and it's applied to the MEAP agency's cost of the APP (like a customer's arrearage balance), state that average amount separately. Same as if your utility has used the LIA to offset the MEAP agency's portion of the bill subsidy. *This data will take us much more time to analyze. At UPPCO, HHC & RIA go towards the customer's payment with no impact on MEAP.*
6. What is the average starting arrearage balance for the modified budget customers? *Average starting arrearage balance was \$574.24.*
7. Please provide the traditional/flat-rate and modified APP bill subsidy matrices (include FY 2025 and FY 2026 if you have them) that your utility used for the past three program years to

determine the customer's credited amount. [Tier charts attached.](#) [We owe you FY2023.](#)



EASE_APP_Calculator EASE credits and
r_FY2025_unprotectedcalculator FY2024.xls

8. Please describe how your utility determined all aspects of the bill subsidy matrix. This means including how the number of tiers were decided upon, what FPL household size underpins the matrix (if any), how high and low "consumption" was determined as well as how the credited amounts were chosen/calculated and how different matrices for different commodities [gas, vs. electric vs. combo] were chosen, if your utility is a dual commodity utility. Please also speak to how the heating/cooling season bill subsidy quantities were determined. Include all relevant calculations. The attached spreadsheet shares calculations.



EASE_APP_Calculator
r_FY2025_unprotected

9. In the traditional/flat-rate APPs, how were consumption caps determined? What calculation did the Company use to determine the cap, if a calculation was used. [N/A](#)
10. For SEMCO, how do you determine if a customer is a heating vs. non-heating customer for the APP? [N/A](#)
 - a. If it's based on asking the customer, how often is the APP customer asked if they are a heating vs. non-heating customer? [N/A](#)
11. UPPCO also has a similar heating vs. non-heating credit matrix, but it is based on a rate schedule distinction (A-1 vs. AH-1). Is that heating rate schedule elective? If not, how does UPPCO determine if/direct customers to that rate schedule? [The electric heating rate \(AH-1\) is elective, however requires the primary heating source to be permanently installed. The use of plugged-in space heaters do not make a customer eligible for this rate per our tariff. A customer requesting to be on the electric heating rate, we require a visual inspection from our metering team to validate the heating source.](#)
 - a. If it's based on asking customers, how often are APP and non-APP residential customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)? [Customers may request this rate, rather than being asked by UPPCO.](#)
 - b. It doesn't look like CE Electric has a rate schedule for heating vs. non-heating customers and it does not appear to be in their modified budget matrix. DTE Electric seems to have a heating rate in schedule D2, but it does not appear in its modified budget matrix. Correct this and answer the above questions if wrong. DTE, explain why an electric heating customer is not factored into the modified budget matrix.
 - i. If rate schedule D2 is based on customers self-reporting heating source or being asked if they're an electric-heating household, how often are customers asked if they are a heating vs. non-heating customer (or what triggers them being asked)? [N/A](#)
 - c. In the P522 annual reports, CE gas, DTE gas, and Semco gas all report on customer count, deliveries, and revenue data broken down by space heating vs. non-space-

heating residential customers. What are the companies' processes for tracking this if they do not have space-heating and non-space-heating rate schedules? Why don't CE and DTE use that (or other) home heating information to factor into the APP matrix? [N/A](#)

12. How does each MEAP grantee determine which customers are directed to which assistance programs—specifically who is placed on the APPs. Include any training materials that customer service representatives/case coordinators utilize and/or provide a citation from your PIPP report if your utility submitted a report and included this information. [This would be better asked of the MEAP grantees on how they determine which customers are directed to certain programs. UPPCO does offer annual training to MEAP grantee staff members. See attached power point.](#)



UPPCO EASE APP
Overview FY 2025_FI

13. The Commission requested recommendations regarding the fulfillment of MCL 460.11(2) and with it, an analysis of Consumers Energy and DTE Energy's PIPP pilots compared to the current MEAP affordable payment plans. The Commission requested utilities to provide any necessary data to that end. CE and DTE were able to accomplish most of this by means of their PIPP pilot reports, however, Staff wanted to also provide utilities that offer MEAP APPs the opportunity to provide any relevant data or statements/recommendations that they would like considered included in Staff's report. We are actively recording input that we hear at the AAA meetings for the report, but this is your chance to ensure any differences in your APPs vs. the CE and DTE ones are noted. Other ways to provide this information more officially are if the Commission opens comment periods on either CE/DTE report and the likelihood that they will open a comment period on Staff's report, however, I want to ensure that you have any analysis either ready to present to the Commission in a comment or in the Staff report if you wish to do so. [UPPCO has no comment at this time.](#)

6/13/2025 MPSC Staff Questions for Consumers Energy on its PIPP Report

PIPP Data File Questions for Consumers Energy:

1. Based on the values reported in “number of households receiving LIA during active enrollment” and “number of households receiving RIA during active enrollment,” why does it seem like almost all PIPP pilot and CARE customers receive both the RIA and the LIA credits during active enrollment?

The customer count provided covers the entire program span. While no customers receive RIA and LIA for the same service simultaneously, they can receive LIA and RIA for different services at the same time. Additionally, a customer might be enrolled in RIA earlier in the year and then switch to LIA later (de-enrolling from RIA before enrolling in LIA). In these scenarios, the customer would be counted in both RIA and LIA figures.

2. How did customers in the 111-150% FPL bucket receive an HHC during active enrollment when income criteria for HHC is at or below 110% FPL (this applies to the PIPP, APP, and MB APP sheets)?

The customer counts were provided for customers in each subset that received an HHC payment at any time during the program. The 111-150% FPL category contains customers that received an HHC payment when their FPL was eligible (under 110% FPL) but had a change in their FPL later during the program. Their enrollment was only counted once in each of these counts.

3. Energy burdens seem to exceed 6% for combo customers at the lowest income tier. Can you explain how that is when energy burden was set at 6%?

The energy burden calculation is based on average monthly income data provided by agencies. This average tends to be on the lower end of each income range, which might not accurately reflect the entire population. As a result, the calculated energy burden can exceed 6% for some customers, even though the target was set at 6%.

4. PIPP and CARE MB Data Sheet: One would expect that higher monthly bill during active enrollment would reflect higher consumption averages, but this isn't always the case. For example, the gas consumption average for lowest tier in the PIPP sheet is 9.1 mcf (\$128 monthly total bill during active enrollment), while the gas consumption for mid-tier is 8.4 mcf (\$137 monthly total bill during active enrollment). Why is that?

The amounts mentioned in the question relate to different line items in the datasheet. For example, the average gas usage for the lowest tier on the PIPP sheet is 9.1 mcf (row 21), which reflects usage before enrollment and corresponds to the average monthly payment shown in row 34 (12 months before joining the program). In contrast, the average monthly bill during enrollment is shown in row 30, which is the figure referenced in the question. The same applies to the mid-tier consumption figures. In general, higher monthly bills do indicate higher average usage. However, actual averages may vary slightly depending on the customer group and considerations as noted in question 11 below.

5. In relation to CARE data, the average monthly bill payment due from customer during active enrollment is representative of the flat rate, correct? Can you explain why this differs from the benefit matrix provided in the report? For example, the flat rate in the benefit matrix in

the report for a CARE gas customer at 20-75% FPL is \$30-\$40 (Low and high consumption respectively), but the data shows an average bill payment of \$50.

Upon review, the average monthly bill payment due for the customer in row 32 of the APP dataset was entered incorrectly. This value should reflect the average flat rate amount based on the CARE Flat Rate chart. The data has been corrected, and the corresponding row in the other datasets has been reviewed and confirmed to be accurate. The APP dataset was the only one affected by this input error.

6. The number of households receiving EWR in the AVG Low-Income sheet far exceeds the identified customers in Row 7 of the same sheet. Can you elaborate on this discrepancy?
 - a. Same discrepancy exists for RIA, HHC, SER, and LIA Combo. Please elaborate.
 - b. Same discrepancy exists for disconnection/shutoff notice. Does this number represent households receiving multiple disconnection/shutoff notices? Please elaborate and indicate if the response is true for other sheets as well.

This response addresses both 6a and 6b. Row 7 in the AVG Low – Income (CE) data tab requested the average monthly number of customers; however, in the other fields, a total overall number of customers for the timeframe was provided as requested. Row 7 for Sheet AVG Non-Low income was also provided similarly. In all other sheets, row 7 was provided as a unique customer count over the entire program span.

PIPP Report Questions for CE:

7. Do MEAP grantees ask CE for a shutoff lock on customer accounts while customers apply for assistance or do customers just get the SER one and is it only given if it is requested by the customer? Or under what conditions would CE institute a shutoff lock on a customer account in relation to energy assistance/bill payment struggles?
 - a. **Dunning Lock A:** Also known as an “eligibility hold” is applied automatically when a customer applies for SER. It could also be manually applied by the Company’s Energy Assistance team, a general customer service representative, or agency partners with access to CEPASS as they review customer documentation.
 - b. **Dunning Lock B:** Also known as a “commitment hold” is applied when a customer has been deemed eligible for funds, and an agency has committed funds to their account. It can be manually placed by an agency partner in CEPASS or the Energy Assistance team or a general customer service representative.
8. Is a paper application currently offered for customers to apply for the RIA or LIA credits?

RIA credits are available through a self-attestation form on our website, which customers can print and complete. If printing is an issue, Consumers Energy call center representatives can mail the form to the customer. LIA is applied by the Company based on eligibility.
9. What percentage of residential customers receive their bill by mail/what percentage of residential customers pay their bill by non-internet means?

As of 06/16/25, 50% of Consumers Energy residential accounts have opted to **receive** their bill electronically. Additionally, approximately 25% of overall **payments** received annually

are from non-internet means. This would include: Mail Payments of 17%, In-Person Payments of 2%, and Phone Payments of 6%.

Follow-up APP Questions for CE:

10. In response to question 4b, it once again seems like CARE customers are receiving both the RIA and LIA credits. Can CE confirm that?

The following response is the same as #1. The customer count provided covers the entire program span. While no customers receive RIA and LIA for the same service simultaneously, they can receive LIA and RIA for different services at the same time. Additionally, a customer might be enrolled in RIA earlier in the year and then switch to LIA later (de-enrolling from RIA before enrolling in LIA). In these scenarios, the customer would be counted in both RIA and LIA figures.

11. In the CARE and CARE MB credit matrices, does CE calculate average consumption/usage by only including a customer's base rates or does the usage also include surcharges, riders, GCR/PSCR etc.?

The CARE and CARE MB matrix consumption analysis includes all key components of a customer's energy bill—such as GCR, PSCR, surcharges, and riders. This analysis aims to reflect the actual monthly bill as closely as possible, so cost reduction designs are based on what customers truly experience. A similar approach was used for the PIPP report. However, in the PIPP analysis, LIAC and RIA credits were added back in, while in the CARE and CARE MB analyses (prior to fiscal year 2025), those credits were already applied to consumption costs reducing the bill. Some variation may exist in totals from the customer groups based on differences in surcharges applicable, rate changes in the time period and utility credits being included/excluded from analysis.

12. Similarly, when determining the 30%, 40%, 50% bill discount on the total bill, please confirm or clarify if that bill includes surcharges, riders, GCR/PSCR or not.

The bill discount analysis includes GCR, PSCR, surcharges, and riders. It calculates savings by applying the discount percentage to the average bill in each customer segment, using totals that reflect actual monthly bills.

13. CE's response to 11c was that it doesn't apply to CE, but that was asked about CE gas's annual reports. Please provide a response.

Although we don't charge different rates for space heating and non-space heating customers, we do have distinct rate categories for each. The call center and digital move-in processes assign customers to Rate Category 250 if they select that they heat their home other than gas at the time of move-in. Despite this categorization, both groups are billed under Residential Rate A.

In our CARE MB break point designs, we categorize by FPL, usage, and commodity. This complexity ensures we accurately represent the entire customer population eligible for assistance. Currently, the number of non-gas heating customers on CARE is less than 1%. Therefore, adding a separate break point table has not been considered at this time.

PIPP Questions for Consumers Energy:

- 3. Energy burdens seem to exceed 6% for combo customers at the lowest income tier. Can you explain how that is when energy burden was set at 6%?**

The energy burden calculation is based on average monthly income data provided by agencies. This average tends to be on the lower end of each income range, which might not accurately reflect the entire population. As a result, the calculated energy burden can exceed 6% for some customers, even though the target was set at 6%.

Related to question and response #3: Please provide further clarification on the energy burden calculation. The response provided generated additional questions. For example, when you indicate that the “calculated energy burden can exceed 6% for some customers, even though the target was set at 6%”, are you suggesting that not everyone participating in the pilot received a benefit to match the target level?

The calculation used in the report was based on the average monthly income data per FPL range provided by the agencies. The program design had 3% (single commodity) and 6% (dual commodity) payment amounts set for the customers’ energy burden. Every customer enrolled in PIPP did have the 3% or 6% payment parameters set.

The calculation provided in the report was: Average monthly total bill (before assistance applied) during active enrollment minus Average monthly credited amount (bill subsidy) during active enrollment divided by the average monthly income amount determined as the weighted average of the amounts provided by both agencies.

The customer income data that the agencies provided had a lower income range, which impacted the data outside of the 3-6% range. The Company received weighted averages from the agencies that are at the lower end of the spectrum for the FPL ranges. The divisor can cause the energy burden calculation to be out of range only for reporting purposes but not on the individual customer base.

- 6. The number of households receiving EWR in the AVG Low-Income sheet far exceeds the identified customers in Row 7 of the same sheet. Can you elaborate on this discrepancy?**
- a. Same discrepancy exists for RIA, HHC, SER, and LIA Combo. Please elaborate.**
 - b. Same discrepancy exists for disconnection/shutoff notice. Does this number represent households receiving multiple disconnection/shutoff notices? Please elaborate and indicate if the response is true for other sheets as well.**

This response addresses both 6a and 6b. Row 7 in the AVG Low – Income (CE) data tab requested the average monthly number of customers; however, in the other fields, a total overall number of customers for the timeframe was provided as requested. Row 7 for Sheet

AVG Non-Low income was also provided similarly. In all other sheets, row 7 was provided as a unique customer count over the entire program span.

Related to question and response #6: We understand the response provided, but our confusion remains. We believe our confusion may stem from how low the average monthly number of customers is. For example, the number of gas *households* that received EWR during the period is over 200% of the monthly number of gas customers – which seems like a large a deviation from monthly average, but may be partially explained by EWR being reported as total households and the average monthly number of gas customers being an average and not total in that timeframe. We also note that the number of customers identified as LIA and RIA eligible seem higher in rate cases than the average monthly we see within the reported PIPP Pilot data in the AVG Low-Income sheet (even when adding in the APP and PIPP customers). Can you elaborate on the low-income indicator used to identify the average monthly customer, and further explain why there would be such a large difference between the identified population and the EWR services provided?

Customers are flagged with a low-income indicator based on when they receive the RIA or LIA credit. Regarding the identified population, this data was pulled using a large range of dates over multiple years, provided in the data sheet. During this timeframe, considering customers moving in and out, ~251k gas customers were identified. Out of that population, 36,759, or ~15% EWR participants were identified. Most of these participants received the Home Energy Report (HER). We excluded APP or PIPP customers from this data pull as requested in the data set.

6/13/2025 MPSC Staff Questions for DTE Energy on its PIPP Report

Questions for DTE on its PIPP Data File:

1. How is the monthly credited amount during active enrollment for PIPP combo customers less than that of PIPP electric or gas customers when their starting bill is higher than that of the single commodity customers? We don't see that trend in the LSP/LSPM data.

(Per for the follow up meeting, the explanation may be that the single commodity customer's payment plan amount are 6% of annual income and therefore the gap payment would be more than someone who's plan amount is at 10% of their annual income. LSP and LSPM do not have that variation in payment plan amounts.)

2. In the questions asked about arrears starting balance, and 12 and 24 months, did DTE include arrears that were not included in arrears forgiveness (past-due fees etc.)?

(Yes, arrears that were included in the starting balances may have included late fees and non-energy charges)

3. How did customers in the 111-150% FPL bucket receive an HHC during active enrollment when income criteria for HHC is at or below 110% FPL (this applies to the PIPP, LSP, and LSPM sheets)? There are even some LSP and PIPP customers in the 151-200% FPL bucket.

Here are the possible reasons:

- DTE validation process may not always align with DHHS levels for establishing FPL
- Timing (application and receiving of HHC funds)
- HHC is based on prior years' income therefore change in FPL from one year to the next can occur.

4. PIPP Data: For the 0-19% income tier, electric and gas customers who completed 24 months is more than the number who completed 12 months. Can you explain why this occurs? *Staff may have asked a similar question previously and DTE might have said that it is due to customers income changing in year 2. Please confirm.

- a. The same is true for LSP data.
- b. The LSPM data shows that no one was enrolled in the 151-200% tier but also shows 1 person completing 12 months of the program. See also Gas customers at 76-110%, enrolled vs. completing 12 months. Is this data accurate? If so, please elaborate on what this discrepancy reflects.

(The 12 month and 24-month customer counts are not subsets of one another; they are subsets of the Total. In other words, those that completed 24 months of the program are not included in the 12-month completion count)

5. DTE designed the PIPP pilot program to achieve a 6% (single commodity) and 10% energy burden (dual commodity). However, in reporting the average energy burden during active enrollment (with assistance applied), these targets seem rarely achieved for the 0-19% and 20-75% income tiers, and only sometimes achieved for the higher income tiers. Can you clarify this?

- a. Staff passed along a question about this previously from Rick Bunch through the AAA feedback loop and DTE said that in the 0-19% FPL tier it was mainly due to the \$10 per month minimum payment kicking in for customers with zero income.
- b. It doesn't seem like that would be a similar situation with customers in the 20-75% FPL. For example, DTE's reported energy burden shows the group in 20-75% tier at 14% (electric) and 9% (gas) energy burden when the program was supposed to be 6% for single commodities and likewise with higher income tiers for electric-only customers

The energy burden represented in line 26 represents the customer's energy burden irrespective of being on the PSP plan. It is the income calculation based on consumption with assistance applied outside of PSP. All PSP payment plan amounts are based on the 10% or 6% energy burden applications.

6. Please provide or explain why there is missing data in payment and default data for gas customers in LSPM sheet – see photo for example).

Payment and Default Data	U-21870		
	Combo	Electric Only	Gas Only
Average monthly total bill (before assistance applied) during active enrollment (previous 12 Months)	\$ 218	\$ 137	\$ 43
Average monthly total bill (before assistance applied) during active enrollment (1-12 Months)	\$ 258	\$ 159	
Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF)	\$ 72	\$ 53	\$ 16
Average monthly credited amount (bill subsidy) during active enrollment (Gap & AF+ assistance)	\$ 120	\$ 77	\$ 20
Average monthly bill payment due from customer during active enrollment	\$ 108	\$ 64	\$ 10
Average monthly payment actually paid by customer during active enrollment	\$ 249	\$ 81	
Average monthly payment due from customer 12 months pre program	\$ 122	\$ 73	\$ 22
Average monthly payment actually paid by customer 12 months pre program	\$ 214	\$ 171	
Percentage of on time payments 12 months before enrollment	61%	49%	17%
Percentage of on time payments for months 1-12 after enrollment	84%	87%	100%
Percentage of on time payments for months 13-24 after enrollment			
Number of households who defaulted for non-payment	17	11	
Number of households who defaulted due to failure to reverify for year 2			
Number of households who defaulted for any other reason (cite reasons in report narrative)	39	16	1
Number of households that received a service disconnection/shutoff notice within 12 months of default			
Number of households whose service was disconnected within 12 months of default			

- Avg Monthly bill – Customer has to be on plan for 12 months, that is why the entry is blank
- Payment Actually Paid – Has be on plan for 12 months, this customer defaulted 5 months in. That is why it is blank.
- Ontime bill payment doesn't look at payments, or time on plan, it looks for Late Payment Charges (LPC) given during the time on plan. This customer should read as N/A instead of the "100%" as listed.

Questions for DTE on its PIPP Report:

7. DTE and Consumers both provided the number of EWR services (p. 56 of the CE PIPP report and p. 21 of the DTE PSP report). It seems like a lot more services were provided, tracked, or accepted for DTE PSP customers than CE PIPP customers. Is there any additional context that could be helpful to explain these differences?

(DTE can only provide insight into its program. Enrollees were handed off to our internal EWR team as part of the pilot program.)

8. Do MEAP grantees ask DTE for a shutoff lock on customer accounts while customers apply for assistance or do customers just get the SER one and is it only given if it is requested by the customer? Or under what conditions would DTE institute a shutoff lock on a customer account in relation to energy assistance/bill payment struggles?

DTE customers who apply for State Emergency Relief (SER) through MI Bridges are automatically provided with a 30-day hold with a maximum of three per fiscal year. This provides customers with relief while their application is being processed. MEAP grantees can utilize DTE's Energy Assistance Portal to apply for the same 30-day hold when they deem a hold is needed. Customers who are active on a payment plan are not eligible for a 30-day hold. In addition, any grantee or MDHHS can request a fourth hold from our agency team on a case-by-case basis.

9. On page 77 of the PSP report, DTE details the number of surveys sent to PSP, LSPM, and LSP customers. The number of surveys sent does not equal the number of customers who participated in the payment plans. Can you describe how customers were chosen to receive the survey if not all of them?

(The survey was sent to PSP customers that were currently enrolled at the time or those who were de-enrolled because they did not verify by their anniversary date)

10. Is a paper application currently offered for customers to apply for the RIA or LIA credits?

Customers can submit requests for RIA through our website or when in person at our community pop ups, with an Energy Assistance Group team member. LIA is prioritized with our LSP program. There is no online application process for LIA.

11. What percentage of residential customers receive their bill by mail/what percentage of residential customers pay their bill by non-internet means?

- DTE's residential customers receive their bill by mail: 46%
- Percentage of residential customers that pay their bill by non-internet means: 42%

Primary Payment Channel	
Mail/ Check	42%
Bank (ACH)	32%
Card	27%
Total	100%

12. On page 14 of the report, DTE states that it provides channels to disseminate information, including “• Automated calls, email blasts, and letter campaigns are widely used to share information on the availability of energy assistance. • Annual energy assistance brochure that outlines all available DTE programs offered, with Arabic, Bengali, Mandarin, and

Spanish translations available. • Referrals to Michigan 2-1-1 (a free service that connects Michigan residents with resources for utility assistance, food, shelter, health, and more).”

Can you provide a bit more information regarding these practices, specifically what company policies and protocols are in place for providing automated calls, email blasts, brochures and referrals to 211. For example, are these resources only provided when a customer calls in with bill payment struggles and would calls, emails, and brochures only be provided to customers with missed payments for example, or do all customers receive that outreach?

Each year at the start of heating season, DTE Energy distributes energy assistance brochures to all customers—regardless of income level—to ensure broad awareness of available support programs. These brochures include updated information, which is also available on the DTE Energy website for easy access. Additionally, during key seasonal periods such as the Home Heating Credits season, DTE initiates targeted outreach through Methods of Delivery (MODs) to notify customers who may be eligible for assistance programs.

Follow up questions for DTE on the APP questions:

13. DTE’s response to 11c was that it doesn’t apply to DTE, but that was asked about DTE gas’s annual reports. Please provide a response.

“In the P522 annual reports, CE gas, DTE gas, and Semco gas all report on customer count, deliveries, and revenue data broken down by space heating vs. non-space-heating residential customers. What are the companies’ processes for tracking this if they do not have space-heating and non-space-heating rate schedules? Why don’t CE and DTE use that (or other) home heating information to factor into the APP matrix?”

N/A

DTE currently does not have an electric heating rate. Customers who wanted to be enrolled into traditional LSP with an annual energy consumption that exceeded the \$1,600 cap would be asked more detailed questions about their home from the MEAP grantees. If the customer indicated they also heat their home with electricity, then the customer would be escalated to DTE to be enrolled as a dual commodity customer. In the new modified version of LSP (LSPM), there are no annual consumption caps, so these customers are eligible by default.

14. Please provide the APP example bills that we discussed at our meeting in May 2025.

	Plan Start							Budget Review							Budget Review							Budget Review				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19							
Bill Date	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May							
Electric Charges	\$247	\$286	\$296	\$271	\$229	\$247	\$284	\$296	\$308	\$332	\$288	\$182	\$221	\$263	\$246	\$281	\$233	\$273	\$247							
Gas Charges	\$105	\$217	\$256	\$243	\$166	\$135	\$52	\$20	\$17	\$17	\$11	\$31	\$75	\$220	\$282	\$361	\$190	\$166	\$59							
Customer Plan	-\$242	-\$242	-\$242	-\$242	-\$242	-\$242	-\$230	-\$230	-\$230	-\$230	-\$230	-\$230	-\$239	-\$239	-\$239	-\$239	-\$239	-\$239	-\$255							
Gap Credit	-\$154	-\$154	-\$154	-\$154	-\$154	-\$154	-\$154	-\$85	-\$85	-\$85	-\$85	-\$85	-\$154	-\$154	-\$154	-\$154	-\$154	-\$154	-\$154							
Subtotal	-\$44	\$106	\$156	\$117	-\$1	-\$14	-\$48	\$1	\$10	\$34	-\$16	-\$101	-\$97	\$90	\$135	\$250	\$31	\$47	-\$103							
Budget Accum.	-\$44	\$62	\$218	\$335	\$334	\$320	\$272	\$273	\$283	\$317	\$301	\$200	\$103	\$82	\$217	\$467	\$497	\$544	\$441							
Reconciliation Credit Applied																										

Reconciliation Credit Applied

Staff Note: DTE Energy provided example bills including the summary above. Due to formatting constraints, Staff inserted the summary and not all example bills.

MICHIGAN PUBLIC SERVICE COMMISSIONConsumers Energy Company

Net Operating Income - Adjustments & Disallowances

Dues, Donations & Lobbying Expenses - Electric Utility

For the Historical Year Ended December 31, 2024

Case No.: U-21870

WP-PDD-18

	(a)		(b)		(c)		(d)	(e)	(f)	(g)
Line No.	Regulatory Account		Receiving Cost Center		Sending Cost Center		Description	Total Spending	Non-Deduct Lobbying %	Non-Deduct Lobbying
1	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150512	Corp Giving Dues - Electric	Detroit Reg Chamber of Commerce	\$ 5,653	6.00%	\$ 339
2	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150512	Corp Giving Dues - Electric	Jackson Co Chamber of Commerce	3,150	0.00%	-
3	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150512	Corp Giving Dues - Electric	Keystone Policy Center	12,600	0.00%	-
4	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150512	Corp Giving Dues - Electric	Michigan Chamber of Commerce	69,300	30.00%	20,790
5	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150512	Corp Giving Dues - Electric	Michigan Electric and Gas Assoc	15,750	0.00%	-
6	99302010	Misc Gen Exp - Electric	140380	Utility Dues Elec	140380	Utility Dues Elec	EEL	1,185,085	16.00%	189,614
7	99302010	Misc Gen Exp - Electric	140380	Utility Dues Elec	140380	Utility Dues Elec	EEL Industry Issues	118,508	27.00%	31,997
8	99302010	Misc Gen Exp - Electric	140380	Utility Dues Elec	140380	Utility Dues Elec	EEL Restoration, Operations, Crisis	15,000	0.00%	-
9	99302010	Misc Gen Exp - Electric	Various	Utility Dues Elec	110651	Utility Dues Elec	AEIC	5,975	0.00%	-
10	Total Corporate & Organization Dues & Lobbying Expenses							1,431,021		242,740
11	Less: Disallowed Lobbying Expenses							242,740		
12	Net Corporate & Organization Dues & Lobbying Expenses							1,188,281		
13	% Disallowed Per MPSC Order in Case No. U-15245							33.33%		
14	Disallowed Corporate & Organizational Dues Expenses							396,054		
15	Disallowed Lobbying Expenses							242,740		
16	Total Disallowed Corporate & Organizational Dues and Lobbying Expenses							638,794		
17	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150781	Public Affairs Due/Fee	Chamber of Commerce	24,656		
18	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150781	Public Affairs Due/Fee	Civic Dues / Other	8,803		
19	99302010	Misc Gen Exp - Electric	180025	Corp Gen'l Exp - Elec	150781	Public Affairs Due/Fee	Economic Development	1,599		
20	Total Disallowed Dues, Donations & Lobbying Expenses							\$ 673,852		

MICHIGAN PUBLIC SERVICE COMMISSIONConsumers Energy Company

Net Operating Income - Adjustments & Disallowances

Dues, Donations & Lobbying Expenses - Gas Utility

For the Historical Year Ended December 31, 2024

Case No.: U-2xxxx

WP-xxx-xx

(a)		(b)		(c)		(d)	(e)	(f)	(g)
Line No.	Regulatory Account	Receiving Cost Center		Sending Cost Center		Description	Total Spending	Non-Deduct Lobbying %	Non-Deduct Lobbying
1	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150978	Corp Giving Dues - Gas	\$ 3,320	6.00%	\$ 199
2	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150978	Corp Giving Dues - Gas	1,850	0.00%	-
3	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150978	Corp Giving Dues - Gas	7,400	0.00%	-
4	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150978	Corp Giving Dues - Gas	40,700	30.00%	12,210
5	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150978	Corp Giving Dues - Gas	9,250	0.00%	-
6	99302020	Misc Gen Exp - Gas	140447	Utility Dues & Access - Gas	140447	Utility Dues & Access - Gas	841,822	4.30%	36,198
7	Total Corporate & Organization Dues & Lobbying Expenses						904,342		48,608
8	Less: Disallowed Lobbying Expenses						48,608		
9	Net Corporate & Organization Dues & Lobbying Expenses						855,735		
10	% Disallowed Per MPSC Order in Case No. U-15506						33%		
11	Disallowed Corporate & Organizational Dues Expenses						285,216		
12	Disallowed Lobbying Expenses						48,608		
13	Total Disallowed Corporate & Organizational Dues and Lobbying Expenses						333,824		
14	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150781	Public Affairs Due/Fee	14,480		
15	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150781	Public Affairs Due/Fee	5,170		
16	99302020	Misc Gen Exp - Gas	180027	Corp Gen'l Exp - Gas	150781	Public Affairs Due/Fee	939		
17	Total Disallowed Dues, Donations & Lobbying Expenses						\$ 354,413		

MICHIGAN PUBLIC SERVICE COMMISSIONConsumers Energy CompanyCorporate & Organization Dues & Lobbying Report
For the Historical Year Ended December 31, 2024

Red - Do Not Include (Below)

Green - Include (Above)

SOURCE: Dana Johnson, Corporate Giving & Education

Line No.	Description	Total Spending	5215000 150512 Elec Corp	5215000 150978 Gas Corp	5215000 140380 Elec	5215000 140447 Gas	5503500 110007 Elec	5208000 110651 Elec	Non-Deduct Lobbying %	Non-Deduct Lobbying	Government Agency or 501(c)(3)	Receipt
1	Detroit Reg Chamber of Commerce	8,973.25	5,653.15	3,320.10					6%	\$538.40	No	No
2	Jackson Co Chamber of Commerce	5,000.00	3,150.00	1,850.00					0%	\$0.00	No	No
3	Keystone Policy Center	20,000.00	12,600.00	7,400.00					0%	\$0.00	Yes	No
4	Michigan Chamber of Commerce	110,000.00	69,300.00	40,700.00					30%	\$33,000.00	No	No
5	Michigan Electric and Gas Assoc	25,000.00	15,750.00	9,250.00					0%	\$0.00	No	No
6	AEIC	5,975.00						5,975.00	0%	\$0.00	No	No
7	AGA	841,822.00				841,822.00			4.3%	\$36,198.35	No	No
8	EEl	1,185,085.00			1,185,085.00				16%	\$189,613.60	No	No
9	EEl Industry Issues	118,508.00			118,508.00				27%	\$31,997.16	No	No
10	EEl Restoration, Operations, Crisis	15,000.00			15,000.00				0%	\$0.00	No	No
11	Total Dues & Lobbying	\$ 2,335,363	\$ 106,453	\$ 62,520	\$ 1,318,593	\$ 841,822	\$ -	\$ 5,975				

RECONCILIATION

Electric Corp Dues Tab	\$ 1,431,021
Gas Corp Dues Tab	904,342
Total Per Tabs	2,335,363
Total Per Corporate Dues Report	2,335,363
Difference	-
<u>Items Recorded Below the Line:</u>	
NONE	-
Remaining Difference	-
Total Allowable Corporate/Organization Dues	\$ 2,335,363

Receiving cost centers for sending cost center 110651:

MJF CCmjf cost posting
110651Foss Plt Struc & Imp
USDUS Dollar

5555

Doc. Date	Cost Center	Cost Elem.	Cost element name	Val.in rep.cur.	Offst.acct	Name of offsetting account	Partner object	CO partner object name
				5,975.00				
				1,490.06-			110011	JHC 1&2 Eng Steam Ex
				1,490.06-			110016	JHC3 Adm Steam Exp
				1,490.06-			110020	DEK1-2 Adm Steam Exp
				1,490.08-			110790	DEK3-4 Adm Steam Exp
				14.74-			6509931	DEPRECIATION CASE - DEMO
				0.00				

MICHIGAN PUBLIC SERVICE COMMISSIONConsumers Energy Company

Total Dues & Donations

For the Historical Year Ended December 31, 2024

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
						GAS			ELECTRIC		
Line				Gas %	Electric %	Chamber of		Economic	Chamber of	Civic Dues &	Economic
No.	Description	JE/Voucher	Total	Split	Split	Commerce	Civic Dues & Other	Development	Commerce	Other	Development
	CHAMBER OF COMMERCE - MEMBER DUES - COST CENTER 150781										
1	Michigan West Coast Chamber	901511138	1,680.00	37%	63%	\$	621.60		\$	1,058.40	
2	Hudsonville Area Chamber	901517143	370.00	37%	63%		136.90			233.10	
3	Charlevoix Area Chamber of Commerce	901516142	325.00	37%	63%		120.25			204.75	
4	East Jordan Area Chamber	901516146	250.00	37%	63%		92.50			157.50	
5	River Country Chamber of Commerce	901509116	250.00	37%	63%		92.50			157.50	
6	Plymouth Community Chamber	901513138	405.00	37%	63%		149.85			255.15	
7	The Chamber Grand Haven	901509139	670.00	37%	63%		247.90			422.10	
8	Livonia-Westland Chamber	901518209	1,200.00	37%	63%		444.00			756.00	
9	Caro Chamber of Commerce	901515276	270.00	37%	63%		99.90			170.10	
10	Alpena Area Chamber of Commerce	901517234	500.00	37%	63%		185.00			315.00	
11	Lakewood Area Chamber of Commerce	901516249	175.00	37%	63%		64.75			110.25	
12	Hartland Area Chamber of Commerce	901509193	415.00	37%	63%		153.55			261.45	
13	Northville Chamber of Commerce	901517276	490.00	37%	63%		181.30			308.70	
14	White Lake Area Chamber	901509220	688.00	37%	63%		254.56			433.44	
15	Fenton & Linden Regional Chamber	901514396	568.00	37%	63%		210.16			357.84	
16	Mason Area Chamber of Commerce	901511402	250.00	37%	63%		92.50			157.50	
17	Fremont Area Chamber of Commerce	901510419	335.00	37%	63%		123.95			211.05	
18	Bay Area Chamber of Commerce	901515430	2,376.11	37%	63%		879.16			1,496.95	
19	Grand Ledge Chamber of Commerce	901509342	250.00	37%	63%		92.50			157.50	
20	Wayland Area Chamber of Commerce	901509348	195.00	37%	63%		72.15			122.85	
21	Coldwater Chamber of Commerce	901511411	295.00	37%	63%		109.15			185.85	
22	Davison Area Chamber of Commerce	901511440	225.00	37%	63%		83.25			141.75	
23	Bellaire Chamber of Commerce	901524022	200.00	37%	63%		74.00			126.00	
24	Barry County Chamber of Commerce	901528066	575.00	37%	63%		212.75			362.25	
25	Mancelona Regional Chamber	901530042	100.00	37%	63%		37.00			63.00	
26	Manistee Area Chamber of Commerce	901530045	350.00	37%	63%		129.50			220.50	
27	Sparta Chamber of Commerce	901525034	550.00	37%	63%		203.50			346.50	
28	Chamber Alliance of Mason County	901532019	1,500.00	37%	63%		555.00			945.00	
29	Mt. Pleasant Area Chamber	901525047	560.00	37%	63%		207.20			352.80	
30	Clare Area Chamber of Commerce	901531054	500.00	37%	63%		185.00			315.00	
31	West Branch Area Chamber	901530057	600.00	37%	63%		222.00			378.00	
32	Chamber of Commerce	901528187	132.00	37%	63%		48.84			83.16	
33	Grand Blanc Chamber of Commerce	901524206	1,000.00	37%	63%		370.00			630.00	
34	Petoskey Regional Chamber	901524269	380.00	37%	63%		140.60			239.40	
35	South Haven Area Chamber	901528462	305.00	37%	63%		112.85			192.15	
36	Muskegon Lakeshore Chamber	901528570	1,500.00	37%	63%		555.00			945.00	
37	Ionia Area Chamber of Commerce	901525485	440.00	37%	63%		162.80			277.20	
38	Ravenna Area Chamber of Commerce	901533426	85.00	37%	63%		31.45			53.55	
39	Birmingham Bloomfield Chamber	901529572	750.00	37%	63%		277.50			472.50	
40	Greater Royal Oak Chamber	901532448	800.00	37%	63%		296.00			504.00	
41	Howell Area Chamber of Commerce	901528655	675.00	37%	63%		249.75			425.25	
42	Lapeer Area Chamber of Commerce	901524632	365.00	37%	63%		135.05			229.95	
43	Greater Lenawee Chamber	901545069	500.00	37%	63%		185.00			315.00	
44	Otsego Plainwell Area Chamber	901558227	770.00	37%	63%		284.90			485.10	
45	Houghton Lake Chamber of Commerce	901575006	200.00	37%	63%		74.00			126.00	
46	Southfield Area Chamber of Commerce	901571006	500.00	37%	63%		185.00			315.00	

MICHIGAN PUBLIC SERVICE COMMISSIONConsumers Energy Company

Total Dues & Donations

For the Historical Year Ended December 31, 2024

Line No.	(a) Description	(b) JE/Voucher	(c) Total	(d) Gas % Split	(e) Electric % Split	(f) GAS		(h) Economic Development	(i) ELECTRIC		(k) Economic Development
						Chamber of Commerce	Civic Dues & Other		Chamber of Commerce	Civic Dues & Other	
47	Greenville Area Chamber of Commerce	901574011	535.00	37%	63%	197.95			337.05		
48	Shiawassee Regional Chamber	901580036	1,000.00	37%	63%	370.00			630.00		
49	Battle Creek Area Chamber	901586016	910.00	37%	63%	336.70			573.30		
50	Boyne Area Chamber of Commerce	901591034	350.00	37%	63%	129.50			220.50		
51	Gaylord Area Chamber of Commerce	901593033	300.00	37%	63%	111.00			189.00		
52	Eastpointe-Roseville Chamber	901594109	300.00	37%	63%	111.00			189.00		
53	South Kent Area Chamber	901604025	825.00	37%	63%	305.25			519.75		
54	Elk Rapids Area Chamber of Commerce	901608082	335.00	37%	63%	123.95			211.05		
55	Greater Albion Chamber of Commerce	901608119	500.00	37%	63%	185.00			315.00		
56	Tawas Area Chamber of Commerce	901628063	500.00	37%	63%	185.00			315.00		
57	St. Johns Area Chamber of Commerce	901631074	91.66	37%	63%	33.91			57.75		
58	Greater Mackinaw City Chamber	901632070	350.00	37%	63%	129.50			220.50		
59	Chaldean American Chamber	901643021	1,500.00	37%	63%	555.00			945.00		
60	Grayling Regional Chamber	901642038	300.00	37%	63%	111.00			189.00		
61	Three Rivers Area Chamber	901643126	500.00	37%	63%	185.00			315.00		
62	Ionia Area Chamber of Commerce	901645136	440.00	37%	63%	162.80			277.20		
63	Troy Chamber of Commerce	901665006	750.00	37%	63%	277.50			472.50		
64	Cadillac Area Chamber of Commerce	901659049	890.00	37%	63%	329.30			560.70		
65	Lakes Area Chamber of Commerce	901658088	375.00	37%	63%	138.75			236.25		
66	Orion Area Chamber of Commerce	901660107	930.00	37%	63%	344.10			585.90		
67	West Bloomfield Chamber of Commerce	901665101	560.00	37%	63%	207.20			352.80		
68	Grand Ledge Chamber of Commerce	901666086	250.00	37%	63%	92.50			157.50		
69	Gratiot Area Chamber of Commerce	901660138	675.00	37%	63%	249.75			425.25		
70	Greater Farmington Area Chamber	901664111	450.00	37%	63%	166.50			283.50		
71				37%	63%	-			-		
72				37%	63%	-			-		
73	Subtotal		39,135.77			14,480.23			24,655.54		
<u>CHAMBER OF COMMERCE - CORP GIVING DUES - COST CENTERS 150512 & 150978</u>											
74	Michigan Electric and Gas Assoc	901510427	15,750.00	0%	100%	-			15,750.00		
75	Detroit Regional Chamber	901515499	5,653.15	0%	100%	-			5,653.15		
76	Keystone Center	901651297	12,600.00	0%	100%	-			12,600.00		
77	Michigan Chamber of Commerce	901662008	69,300.00	0%	100%	-			69,300.00		
78	Jackson County Chamber of Commerce	901660162	3,150.00	0%	100%	-			3,150.00		
79	Michigan Electric and Gas Assoc	901510427	9,250.00	100%	0%	9,250.00			-		
80	Detroit Regional Chamber	901515499	3,320.10	100%	0%	3,320.10			-		
81	Keystone Center	901651297	7,400.00	100%	0%	7,400.00			-		
82	Michigan Chamber of Commerce	901662008	40,700.00	100%	0%	40,700.00			-		
83	Jackson County Chamber of Commerce	901660162	1,850.00	100%	0%	1,850.00			-		
84	Remove Amounts Included in Corporate Dues Report		168,973.25			62,520.10			106,453.15		
85	Subtotal		-			-			-		
86	Total Chamber of Commerce		\$ 39,135.77			\$ 14,480.23			\$ 24,655.54		

CIVIC DUES & OTHER - COST CENTER 150781

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Total Dues & Donations
For the Historical Year Ended December 31, 2024

(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
						GAS			ELECTRIC		
Line				Gas %	Electric %	Chamber of		Economic	Chamber of	Civic Dues &	Economic
No.	Description	JE/Voucher	Total	Split	Split	Commerce	Civic Dues & Other	Development	Commerce	Other	Development
87	Little Traverse Conservancy	901516144	250.00	37%	63%		92.50			157.50	
88	Rotary Club of Flint	901517235	730.00	37%	63%		270.10			459.90	
89	The Fordney Club	901526236	125.00	37%	63%		46.25			78.75	
90		901512165	4,000.00	37%	63%		1,480.00			2,520.00	
91		901515233	2,750.00	37%	63%		1,017.50			1,732.50	
92		901516358	675.00	37%	63%		249.75			425.25	
93		901524228	1,000.00	37%	63%		370.00			630.00	
94		901546225	4,260.00	37%	63%		1,576.20			2,683.80	
95		455372	183.00	37%	63%		67.71			115.29	
96	Total Civic Dues & Other		<u>\$ 13,973.00</u>				<u>\$ 5,170.01</u>			<u>\$ 8,802.99</u>	

INPUT DATE >>> 12/31/24

Dues Memberships

Cost Center 150781 - Public Affairs & Dues/Fee

Cost Element	Vendor Name	Reference Document Number	Value in Current Report
50300000	Michigan West Coast Chamber	901511138	1,880.000
50300000	Hutchinson Area Chamber of Commerce	901511743	371.000
50300000	Charlevoix Area Chamber of Commerce	901516142	325.000
50300000	Life Treasures Conservancy	901511644	1,500.000
50300000	East Jordan Area Chamber	901516146	250.000
50300000	River County Chamber of Commerce	901509116	450.000
50300000	Plymouth Community Chamber	901511165	4,000.000
50300000	Chamber Grand Haven	901509139	875.000
50300000		901515233	2,750.000
50300000	Monroe County Business Alliance	901516230	1,000.000
50300000	Livonia Westland Chamber	901516209	2,500.000
50300000	Canter Chamber of Commerce	901515276	70.000
50300000	Alpena Area Chamber of Commerce	901511234	100.000
50300000	Rotary Club of Flint	901517235	270.000
50300000	Lakeview Area Chamber of Commerce	901516249	175.000
50300000	Grassroots Business & Professional	901511138	1,500.000
50300000	Hartland Area Chamber of Commerce	901509193	180.000
50300000	Northville Chamber of Commerce	901511276	485.000
50300000	White Lake Area Chamber	901509220	688.000
50300000	Fenton & Linden Regional Chamber	901514396	98.000
50300000	Masson Area Chamber of Commerce	901511402	675.000
50300000	Farmington Area Chamber of Commerce	901511419	250.000
50300000	Bay Area Chamber of Commerce	901515430	2,376.110
50300000	H&M of Western Michigan (Business)	901511449	95.000
50300000	Grand Lodge Chamber of Commerce	901515342	40.000
50300000	Wayland Area Chamber of Commerce	901509348	18.000
50300000	Calderwell Chamber of Commerce	901511449	18.000
50300000	Davison Area Chamber of Commerce	901511440	225.000
50300000	Bellevue Chamber of Commerce	901524222	200.000
50300000	Berry County Chamber of Commerce	901510066	575.000
50300000	Manitoulin Regional Chamber	901530342	100.000
50300000	Manistee Area Chamber of Commerce	901520345	350.000
50300000	Sparta Chamber of Commerce	901520334	550.000
50300000	Chamber Alliance of Mason County	901520347	550.000
50300000	Mc Pleasant Area Chamber	901520354	560.000
50300000	Care Area Chamber of Commerce	901531054	50.000
50300000	West Branch Area Chamber	901530057	50.000
50300000	Midland Business Alliance	901526081	655.000
50300000	Lakeshore Home Builders Association (Business)	901551147	132.000
50300000	Chamber of Commerce	901528187	1,000.000
50300000	Grand Blanc Chamber of Commerce	901524206	1,000.000
50300000		901512228	1,000.000
50300000	Petiokey Regional Chamber	901524269	380.000
50300000	The Foddy Club	901526236	200.000
50300000	South Haven Area Chamber	901524845	305.000
50300000	Muskegon Lakeshore Chamber	901526870	440.000
50300000	Ironia Area Chamber of Commerce	901525485	400.000
50300000	Ravenna Area Chamber of Commerce	901533426	750.000
50300000	Northwestern Bioethical Chamber	901505272	800.000
50300000	Greater Royal Oak Chamber	901532448	800.000
50300000	Howell Area Chamber of Commerce	901526855	675.000
50300000	Lower Area Chamber of Commerce	901516832	365.000
50300000	Greater Lenawee Chamber	901540569	200.000
50300000	Economic Club of Leapey County	901524134	4,260.000
50300000		901546225	770.000
50300000	Oshtego Palisades Area Chamber	901558227	770.000
50300000	Houghton Lake Chamber of Commerce	901510006	300.000
50300000	Southfield Area Chamber of Commerce	901571006	500.000
50300000	Annville Area Chamber of Commerce	901510011	530.000
50300000	Shawansing Regional Chamber	901580036	1,000.000
50300000	Battle Creek Area Chamber	901586016	910.000
50300000	Bozette Area Chamber of Commerce	901510334	300.000
50300000	Gaylord Area Chamber of Commerce	901599033	300.000
50300000	Southport-Rosville Chamber	901580109	300.000
50300000	South Kent Area Chamber	901604025	825.000
50300000	Elk Rapids Area Chamber of Commerce	901608082	300.000
50300000	Marshall Area Economic Development	901603073	300.000
50300000	Greater Albion Chamber of Commerce	901608119	300.000
50300000	Seas Area Chamber of Commerce	901605063	300.000
50300000	St. Johns Area Chamber of Commerce	901631074	91.660
50300000	Greater Mackinac City Chamber	901632070	180.000
50300000	Chickadee American Chamber	901641321	300.000
50300000		453372	35.000

Total Dues Membership - Cost Center 150781	60,726

Corporate Giving Dues - Electric

Cost Center 150512

Cost Element	Vendor Name	Reference Document Number	Value In Current Report
5215000	Michigan Electric and Gas Assoc	901510427	15,750.00
5215000	Detroit Regional Chamber	901515499	5,853.15
5215000	Keystone Center	901651297	12,800.00
5215000	Michigan Chamber of Commerce	901682008	69,300.00
5215000	Jackson County Chamber of Commerce	901680162	3,150.00

Total Corporate Giving Dues - Elec - Cost Center 150512	106,453

Use this function to find Chamber of Commerce items
Search using "Commerce" "CHAMBER" "Chamber"

Search using "Commerce", "CHAMBER", "Chamber", etc.

```
=IFERROR(IF(FIND("Commerce",B5:B5)>0,+B5,"NO"), "-" -")
```

Commerce Search	Chamber Search				
	Michigan West Coast Chamber		Chamber		
	Midcove Area Chamber		Chamber		
Charlevoix Area Chamber of Commerce	Charlevoix Area Chamber of Commerce	Commerce	Chamber		
	East Jordan Area Chamber		Chamber		
River County Chamber of Commerce	River County Chamber of Commerce	Commerce	Chamber		
	Plymouth Community Chamber		Chamber		Other
	The Chamber Grand Haven		Chamber		
					Other
				Business	
	Leonia-Westland Chamber		Chamber		
Caro Chamber of Commerce	Caro Chamber of Commerce	Commerce	Chamber		
Alpena Area Chamber of Commerce	Alpena Area Chamber of Commerce	Commerce	Chamber		
				Club	
Lakewood Area Chamber of Commerce	Lakewood Area Chamber of Commerce	Commerce	Chamber		Business
Harland Area Chamber of Commerce	Harland Area Chamber of Commerce	Commerce	Chamber		
Northville Chamber of Commerce	Northville Chamber of Commerce	Commerce	Chamber		
White Lake Area Chamber	White Lake Area Chamber		Chamber		
	Fenton & Linden Regional Chamber		Chamber		
					Other
Mason Area Chamber of Commerce	Mason Area Chamber of Commerce	Commerce	Chamber		
Fremont Area Chamber of Commerce	Fremont Area Chamber of Commerce	Commerce	Chamber		
Bay Area Chamber of Commerce	Bay Area Chamber of Commerce			Business	
Grand Lodge Chamber of Commerce	Grand Lodge Chamber of Commerce	Commerce	Chamber		
Wayland Area Chamber of Commerce	Wayland Area Chamber of Commerce	Commerce	Chamber		
Goldwater Chamber of Commerce	Goldwater Chamber of Commerce	Commerce	Chamber		
Devision Area Chamber of Commerce	Devision Area Chamber of Commerce	Commerce	Chamber		
Bellvue Chamber of Commerce	Bellvue Chamber of Commerce	Commerce	Chamber		
Barry County Chamber of Commerce	Barry County Chamber of Commerce	Commerce	Chamber		
	Manistota Regional Chamber		Chamber		
Manistota Area Chamber of Commerce	Manistota Area Chamber of Commerce	Commerce	Chamber		
Sparta Chamber of Commerce	Sparta Chamber of Commerce	Commerce	Chamber		
	Chamber Alliance of Mason County		Chamber		
	Mt. Pleasant Area Chamber		Chamber		
Clare Area Chamber of Commerce	Clare Area Chamber of Commerce	Commerce	Chamber		
	West Branch Area Chamber		Chamber		Business
				Business	
Chamber of Commerce	Chamber of Commerce	Commerce	Chamber		
Grand Blanc Chamber of Commerce	Grand Blanc Chamber of Commerce	Commerce	Chamber		
					Other
	Petoskey Regional Chamber		Chamber		
				Club	
	South Haven Area Chamber		Chamber		
Muskegon Lakeshore Chamber	Muskegon Lakeshore Chamber	Commerce	Chamber		
Ionla Area Chamber of Commerce	Ionla Area Chamber of Commerce	Commerce	Chamber		
Ravenna Area Chamber of Commerce	Ravenna Area Chamber of Commerce	Commerce	Chamber		
	Birmingham Bloomfield Chamber		Chamber		
	Greater Royal Oak Chamber		Chamber		
Howell Area Chamber of Commerce	Howell Area Chamber of Commerce	Commerce	Chamber		
Upper Area Chamber of Commerce	Upper Area Chamber of Commerce	Commerce	Chamber		
	Greater Lenawee Chamber		Chamber		Economic
				Club	
					Other
	Ottawa Plainwell Area Chamber		Chamber		
Houghton Lake Chamber of Commerce	Houghton Lake Chamber of Commerce	Commerce	Chamber		
Southfield Area Chamber of Commerce	Southfield Area Chamber of Commerce	Commerce	Chamber		
Greenville Area Chamber of Commerce	Greenville Area Chamber of Commerce	Commerce	Chamber		
	Shiawassee Regional Chamber		Chamber		
	Battle Creek Area Chamber		Chamber		
Boyne Area Chamber of Commerce	Boyne Area Chamber of Commerce	Commerce	Chamber		
Gaylord Area Chamber of Commerce	Gaylord Area Chamber of Commerce	Commerce	Chamber		
	Eastpointe-Roseville Chamber		Chamber		
	South Kent Area Chamber		Chamber		
Elk Rapids Area Chamber of Commerce	Elk Rapids Area Chamber of Commerce	Commerce	Chamber		
				Economic	
Greater Albion Chamber of Commerce	Greater Albion Chamber of Commerce	Commerce	Chamber		
Tawas Area Chamber of Commerce	Tawas Area Chamber of Commerce	Commerce	Chamber		
St. Johns Area Chamber of Commerce	St. Johns Area Chamber of Commerce	Commerce	Chamber		
Greater Mackinaw City Chamber	Greater Mackinaw City Chamber		Chamber		
Chadron American Chamber	Chadron American Chamber		Chamber		Other
	Grayling Regional Chamber		Chamber		
Three Rivers Area Chamber	Three Rivers Area Chamber		Chamber		
Ionla Area Chamber of Commerce	Ionla Area Chamber of Commerce	Commerce	Chamber		
				Business	Business
Troy Chamber of Commerce	Troy Chamber of Commerce	Commerce	Chamber		
Cadillac Area Chamber of Commerce	Cadillac Area Chamber of Commerce	Commerce	Chamber		
Lakes Area Chamber of Commerce	Lakes Area Chamber of Commerce	Commerce	Chamber		
Orion Area Chamber of Commerce	Orion Area Chamber of Commerce	Commerce	Chamber		
West Bloomfield Chamber of Commerce	West Bloomfield Chamber of Commerce	Commerce	Chamber		
Grand Lodge Chamber of Commerce	Grand Lodge Chamber of Commerce	Commerce	Chamber		
Gratiot Area Chamber of Commerce	Gratiot Area Chamber of Commerce	Commerce	Chamber		Business
	Greater Farmington Area Chamber		Chamber		

	168,973
Total SAP	229,699
Net SAP	60,726
Remains in SAP detail	-

MICHIGAN PUBLIC SERVICE COMMISSION										Red - Do Not Include (Below)	
Consumers Energy Company										Green - Include (Above)	
Corporate & Organization Dues & Lobbying Report											
For the Historical Year Ended December 31, 2024											
SOURCE: Dana Johnson, Corporate Giving & Education											
Line		Total	\$215000	\$215000	\$215000	\$215000	\$593300	3208000			Government
Item	Description	Spending	150512	105778	140380	144447	110057	110401	Non-Deduct	Non-Deduct	Agency or
			Exec Corp	Corp Exec	Exec	Corp	Exec	Exec	Lobbying %	Lobbying	501(c)(3)
1	Detroit Reg Chamber of Commerce	\$8,779.25	\$1,803.13	\$3,320.10					0%	\$138.40	No
2	Michigan Chamber of Commerce	\$1,000.00	\$1,150.00	\$1,250.00					0%	\$0.00	No
3	Keystone Policy Center	\$20,000.00	\$12,600.00	\$1,400.00					0%	\$0.00	Yes
4	Michigan Chamber of Commerce	\$10,000.00	\$69,300.00	\$45,700.00					10%	\$13,000.00	No
5	Michigan Electric and Gas Assoc	\$1,000.00	\$1,170.00	\$9,750.00					0%	\$0.00	No
6	ADFC	\$21,500.00						\$21,500.00		\$0.00	No
7	AGA	\$841,822.00				\$841,822.00			4.3%	\$36,199.37	No
8	EEI	\$1,185,000.00			\$1,185,000.00				10%	\$189,613.00	No
9	EEI Industry Issues	\$115,000.00			\$115,000.00				2.7%	\$31,097.18	No
10	EEI Restoration/Operations, Crisis	\$115,000.00			\$115,000.00				10%	\$0.00	No
11	Total Dues & Lobbying	\$ 2,256,262	\$ 106,452	\$ 62,520	\$ 1,218,592	\$ 841,822	\$ -				

Chamber of Commerce SAP Detail
Cost Element 5208000
Cost Center 150781 - Dues/Membership

<u>Vendor Name</u>	<u>Reference Document Number</u>	<u>Value In Current Report</u>
Michigan West Coast Chamber	901511138	1,680.00
Hudsonville Area Chamber	901517143	370.00
Charlevoix Area Chamber of Commerce	901516142	325.00
East Jordan Area Chamber	901516146	250.00
River Country Chamber of Commerce	901509116	250.00
Plymouth Community Chamber	901513138	405.00
The Chamber Grand Haven	901509139	670.00
Livonia-Westland Chamber	901518209	1,200.00
Caro Chamber of Commerce	901515276	270.00
Alpena Area Chamber of Commerce	901517234	500.00
Lakewood Area Chamber of Commerce	901516249	175.00
Hartland Area Chamber of Commerce	901509193	415.00
Northville Chamber of Commerce	901517276	490.00
White Lake Area Chamber	901509220	688.00
Fenton & Linden Regional Chamber	901514396	568.00
Mason Area Chamber of Commerce	901511402	250.00
Fremont Area Chamber of Commerce	901510419	335.00
Bay Area Chamber of Commerce	901515430	2,376.11
Grand Ledge Chamber of Commerce	901509342	250.00
Wayland Area Chamber of Commerce	901509348	195.00
Coldwater Chamber of Commerce	901511411	295.00
Davison Area Chamber of Commerce	901511440	225.00
Bellaire Chamber of Commerce	901524022	200.00
Barry County Chamber of Commerce	901528066	575.00
Mancelona Regional Chamber	901530042	100.00
Manistee Area Chamber of Commerce	901530045	350.00
Sparta Chamber of Commerce	901525034	550.00
Chamber Alliance of Mason County	901532019	1,500.00
Mt. Pleasant Area Chamber	901525047	560.00
Clare Area Chamber of Commerce	901531054	500.00
West Branch Area Chamber	901530057	600.00
Chamber of Commerce	901528187	132.00
Grand Blanc Chamber of Commerce	901524206	1,000.00
Petoskey Regional Chamber	901524269	380.00

<u>Vendor Name</u>	<u>Reference Document Number</u>	<u>Value In Current Report</u>
South Haven Area Chamber	901528462	305.00
Muskegon Lakeshore Chamber	901528570	1,500.00
Ionia Area Chamber of Commerce	901525485	440.00
Ravenna Area Chamber of Commerce	901533426	85.00
Birmingham Bloomfield Chamber	901529572	750.00
Greater Royal Oak Chamber	901532448	800.00
Howell Area Chamber of Commerce	901528655	675.00
Lapeer Area Chamber of Commerce	901524632	365.00
Greater Lenawee Chamber	901545069	500.00
Otsego Plainwell Area Chamber	901558227	770.00
Houghton Lake Chamber of Commerce	901575006	200.00
Southfield Area Chamber of Commerce	901571006	500.00
Greenville Area Chamber of Commerce	901574011	535.00
Shiawassee Regional Chamber	901580036	1,000.00
Battle Creek Area Chamber	901586016	910.00
Boyne Area Chamber of Commerce	901591034	350.00
Gaylord Area Chamber of Commerce	901593033	300.00
Eastpointe-Roseville Chamber	901594109	300.00
South Kent Area Chamber	901604025	825.00
Elk Rapids Area Chamber of Commerce	901608082	335.00
Greater Albion Chamber of Commerce	901608119	500.00
Tawas Area Chamber of Commerce	901628063	500.00
St. Johns Area Chamber of Commerce	901631074	91.66
Greater Mackinaw City Chamber	901632070	350.00
Chaldean American Chamber	901643021	1,500.00
Grayling Regional Chamber	901642038	300.00
Three Rivers Area Chamber	901643126	500.00
Ionia Area Chamber of Commerce	901645136	440.00
Troy Chamber of Commerce	901665006	750.00
Cadillac Area Chamber of Commerce	901659049	890.00
Lakes Area Chamber of Commerce	901658088	375.00
Orion Area Chamber of Commerce	901660107	930.00
West Bloomfield Chamber of Commerce	901665101	560.00
Grand Ledge Chamber of Commerce	901666086	250.00
Gratiot Area Chamber of Commerce	901660138	675.00
Greater Farmington Area Chamber	901664111	450.00
Chamber of Commerce Total		<u>\$ 39,135.77</u>

Hand sort Economic Development and Other Dues once Chamber of Commerce is identified

Economic Development SAP Detail
Cost Element 5208000
Cost Center 150781 - Comm Svcs/Econ

<u>Vendor Name</u>	<u>Reference Document Number</u>	<u>Value In Current Report</u>
Monroe County Business Alliance	901510250	1,000.00
Gladwin Business & Professional	901513198	100.00
HBA of Western Michigan	901518409	95.00
Midland Business Alliance	901528081	1,500.00
Lakeshore Home Builders Association	901531147	655.00
Economic Club of Lapeer County	901543134	200.00
Marshall Area Economic Development	901604073	330.00
Clinton County Catalyst	901643155	2,400.00
Connect Macomb	901665005	700.00
HBA of Western Michigan	901658117	637.00

Economic Development Total

\$ 7,617.00

Other Dues & Donations SAP Detail
Cost Element 5208000
Cost Center 150781 - Dues/Membership

<u>Vendor Name</u>	<u>Reference Document Number</u>	<u>Value In Current Report</u>
Little Traverse Conservancy	901516144	250.00
Rotary Club of Flint	901517235	730.00
The Fordney Club	901526236	125.00
	901512165	4,000.00
	901515233	2,750.00
	901516358	675.00
	901524228	1,000.00
	901546225	4,260.00
	455372	183.00

Other Total

\$ 13,973.00

MICHIGAN PUBLIC SERVICE COMMISSIONConsumers Energy Company

Reconciliation of Disallowed Dues, Donations & Lobbying

For the Historical Year Ended December 31, 2024

Line No.	(a) Description	(b) Amount
1	Chamber of Commerce	\$ 39,136
2	Economic Development	7,617
3	Civic Dues / Other	13,973
4	Corp/Org Dues & Lobbying (Per SAP)	-
5	Dues & Lobbying (Per Corp Giving Dept)	2,335,363
6	Total Dues, Donations & Lobbying Per Study	<u>2,396,089</u>
	Less:	
7	Allowable Corporate & Organization Dues	1,362,745
8	Allowable Economic Development Dues & Donations	5,078
	Items Recorded Below the Line Included in Corp Giving Dept Report	
9	NONE	<u>-</u>
10	Total Disallowed Dues, Donations & Lobbying	<u><u>\$ 1,028,265</u></u>
11	Total Disallowed Dues, Donations & Lobbying - Per Exhibits	<u>1,028,265</u>
12	Difference	<u><u>\$ -</u></u>



Corporate Political Engagement

Advocating For Safe, Reliable and Affordable Energy

At Consumers Energy, we are committed to providing safe, reliable, clean, and competitively priced energy. Our advocacy activities are directed toward fulfilling that promise, without regard to the personal political affiliations or views of any individual at any level across the organization. In engaging in the political process, the company complies with all federal and state laws governing corporate political participation and is committed to upholding its core values and adhering to the highest standards of ethical conduct.

We engage in advocacy through regular, constructive, and transparent interactions with government officials, policymakers, and stakeholder groups. Policy decisions of lawmakers and regulators at the federal, state, and local levels can significantly impact the business environment in which we operate, especially because our core utility business is highly regulated.

Additional information can be found on the following webpages: CMS Energy: [Corporate Governance/Political Engagement](https://www.cmsenergy.com/corporate-governance/Political-Engagement/default.aspx) (<https://www.cmsenergy.com/corporate-governance/Political-Engagement/default.aspx>).

[f \(https://www.facebook.com/consumersenergymichigan/\)](https://www.facebook.com/consumersenergymichigan/) [in \(https://www.linkedin.com/company/consumersenergy/\)](https://www.linkedin.com/company/consumersenergy/) [@ \(https://www.instagram.com/consumersenergy/\)](https://www.instagram.com/consumersenergy/) [w \(http://www.force4michigan.com/\)](http://www.force4michigan.com/)

GENERAL/RESIDENTIAL

M-F: 7 a.m. - 6 p.m.

BUSINESS

M-F: 8 a.m. - 4:30 p.m.

ADDITIONAL CONTACTS > (<https://www.consumersenergy.com/contact-us>)

ABOUT US

[Who We Are \(/About-Us/Who-We-Are\)](#)

[Reliability \(/About-Us/Reliable-Energy\)](#)

[Hometown Service \(/About-Us/Hometown-Service\)](#)
[Energy Supply Plan \(/About-Us/Clean-Energy-Plan\)](#)
[Sustainability \(/About-Us/Sustainability\)](#)
[Real Estate & Utility Land Use \(/About-Us/Real-Estate\)](#)
[Natural Gas Operations \(/About-Us/Natural-Gas-Operations\)](#)
[Electric Generation \(/About-Us/Electric-Generation\)](#)
[Appliance Service Plan \(/About-Us/Appliance-Service-Plan\)](#)

COMMUNITY

[Community Engagement \(/Community/Community-Engagement\)](#)
[Foundation \(/Community/Foundation\)](#)
[Corporate Giving \(/Community/Corporate-Giving\)](#)
[Education Resources \(/Community/Education\)](#)

NEWS

[Media Resources \(/News/Media\)](#)
[Blog \(/News/Blog\)](#)

WORK WITH US

[Careers \(/Work-With-Us/Careers\)](#)
[Diversity & Inclusion \(/Work-With-Us/Diversity-Equity-Inclusion\)](#)
[Economic Development \(/Work-With-Us/Economic-Development\)](#)
[Pole Attachments \(/Work-With-Us/Pole-Attachments\)](#)
[Become A Supplier \(/Work-With-Us/Become-A-Supplier\)](#)
[Become A Trade Ally \(/Work-With-Us/Become-A-Trade-Ally\)](#)
[Surplus Sales \(/Work-With-Us/Investment-Recovery\)](#)
[Lab Services \(/Work-With-Us/Lab-Services\)](#)



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| [Security \(https://www.consumersenergy.com/security\)](https://www.consumersenergy.com/security) | [Social Media Guidelines \(/Social-Media-Guidelines\)](#)

*Appliance Service Plan Is Not Regulated By The Michigan Public Service Commission. Appliance Service Plan Does Not Affect Your Regulated Utility Service.





CMS Energy Stock Price | \$72.71 ▼ 0.23 | 11.05.25 02:53 ET

Home > Corporate Governance > [Political Engagement](#)

Corporate Political Engagement

CMS Energy Corporation and its wholly owned [subsidiaries](#), (collectively, the "Corporation"), consider it an imperative to fulfill our commitment to our Triple Bottom Line – People, Planet and Profit, through regular, constructive, and transparent engagement with government officials, policymakers and stakeholder groups. We recognize the policy decisions of lawmakers and regulators at federal, state and local levels significantly impact our business environment, especially because our investor-owned utility business is highly regulated.

Our advocacy activities aim to fulfill our primary corporate goals – to meet our customers’ energy needs and help our communities thrive by providing safe, reliable and competitively priced energy-related services. We conduct corporate political engagement without regard to individual views at any level across the organization. In participating in the political process, the Corporation upholds its core values and adheres to the highest standards of ethical conduct.

Lobbying and Advocacy

We engage with government and elected officials, regulators, and environmental, community and business leaders, among others, to inform, educate and collaborate. These engagements help us build trust, form lasting partnerships and find mutually beneficial solutions. Through these interactions, we ensure they are informed of the impact of pending decisions on our Corporation, customers, employees and shareholders. We follow strict federal, state and local lobby registration and disclosure laws, which provide transparency regarding the Corporation’s lobby expenditures.

We have policies and procedures in place that govern our interactions and regularly consult counsel to confirm compliance with applicable laws, regulations and corporate policy. This process is also audited periodically to ensure compliance with laws, regulations and best industry practices.

CMS Energy and its subsidiaries file all required state and federal lobbying and contribution reports as required.

View the federal reports or search disclosures by state in the table below.

Lobby Disclosures and Expenditures			
Federal Filing (LD-2 Report)	Federal Filing (LD-203 Report)	Michigan Financial Report	North Carolina Financial Report
Q2 2025	2025 Mid-Year	Michigan Lobbying Disclosures	North Carolina Lobbying Disclosures
Q1 2025			
Q4 2024	2024 Year-End		
Q3 2024			

Corporate Political Contributions, Governance and Disclosure

The Corporation may contribute to political parties, ballot measures and other organizations in the U.S., as permitted by law, only from corporate shareholder funds and not reflected in customer rates. The Corporation does not make contributions to federal Super PACS, nor do we contribute directly to, or make independent expenditures to expressly advocate for, the election or defeat of a federal, state or local candidate.

As part of their oversight functions, the Boards of Directors of CMS Energy Corporation and Consumers Energy Company (collectively, the Board) oversee our political engagement policies, programs and practices. The Governance, Sustainability and Public Responsibility Committee (the Committee), which is comprised of independent directors of the Board, is responsible for advising and assisting the Board with respect to our political engagement.

The Committee’s key functions are to:

- Review the Corporation’s strategies to help develop public policy supporting the business.
- Review, revise and approve the Corporation’s political and charitable contributions policy.
- Review and approve political and charitable contributions made on the Corporation’s behalf, including payments to tax-exempt organizations.
- Report to the Board and recommend the Board’s approval of political contributions as required.

Annually, the senior vice president for governmental, regulatory and public affairs (SVP GRPA) reports to the Committee the prior year’s expenditures for political purposes.

Governmental Affairs initiates all political contribution recommendations, which are then reviewed by the legal department before being sent for review and approval by the general counsel, the SVP GRPA, and the vice president and corporate secretary. Any contribution of \$2,500 or less requires no further approval. A contribution greater than \$2,500 and up to \$10,000 requires additional approval by the president and chief executive officer. Contribution requests over \$10,000 require prior approval of the president and chief executive officer and the Board.

To promote transparency, the Corporation goes above what is required by law and annually publishes on its website the previous year’s political contributions at all levels of government in March of each year as noted below:

- Expenditures made to influence the outcome of ballot initiatives.
- Direct corporate contributions to an entity organized under Sections 527 and Section 501(c)(4) of the Internal Revenue Code when annual contributions exceed \$25,000.
- Non-deductible portions of trade association and other organization dues when annual mandatory membership dues exceed \$25,000.

Contributions Reports

Download	Download / View
2025 BIENNIAL REPORT OF CONTRIBUTIONS (JAN. 1 – JUNE 30)	
2024 BIENNIAL REPORT OF CONTRIBUTIONS (JULY 1 – DEC. 31)	

2024 BIENNIAL REPORT OF CONTRIBUTIONS (JAN. 1 – JUNE 30)	
2023 BIENNIAL REPORT OF CONTRIBUTIONS (JULY 1 – DEC. 31)	
2023 BIENNIAL REPORT OF CONTRIBUTIONS (JAN. 1 – JUNE 30)	
2022 ANNUAL REPORT OF CONTRIBUTIONS	
2021 ANNUAL REPORT OF CONTRIBUTIONS	

Trade Associations and Business Memberships

Our Corporation holds memberships in industry, trade and business associations representing the energy/utility industry, the business community, our customers and communities. The Corporation and our customers enjoy myriad benefits from engaging with these associations, including benchmarking and best practices among peer utilities and Fortune 500 companies. Topics include reliability and storm response, clean energy technology integration, human resources, diversity, equity and inclusion, employee and public safety measures and cyber and physical security. Our engagement with these stakeholders also provides perspective and views on public policy issues that affect our Corporation, customers, employees and shareholders. We believe participation in associations and stakeholder groups expands the Corporation's perspective on public policy issues. It also allows us the ability to build coalitions in support of policies toward our Triple Bottom Line – People, Planet and Profit.

The Corporation does not agree with all positions of every industry, trade or policy organization with which it participates. We further recognize positions taken by such organizations result from compromises among their members. The Corporation bases our involvement and support on the value of engaging in dialogue to hear varying perspectives as well as build consensus around our priorities and find areas of mutual agreement. Our participation provides us a voice at the table and an opportunity to influence positions on public policy that align with the long-term objectives of our Corporation. If the organization is working against the Corporation's values and objectives, the Corporation could abstain or withdraw membership.

We make reasonable efforts to track membership dues made to trade associations, chambers of commerce and other tax-exempt organizations. We disclose the non-deductible portion of trade association and other organization dues yearly when annual mandatory membership dues to an organization exceed \$25,000. The non-deductible portion as determined by the organization is generally the percentage of dues that is defined under Section 162(e)(1) of the Internal Revenue Code as dollars used for lobbying a legislative body.

Please see the "Contributions Reports" section above for the lobby portion of trade association and other organizations' membership dues.

Employee Political Activity and CMS Energy Employees for Better Government

Our Corporation maintains separate segregated funds and corporate political action committees (PACs), which are registered with the Federal Election Commission, and a state PAC, which is registered in Michigan. CMS Energy Corporation Employees for Better Government (EBG) is nonprofit, nonpartisan and governed by an employee-run steering committee that is independent of the Corporation's officers and Board. Participation in the PAC is voluntary and gives employees a voice in the political process. Coercing or pressuring any employee to participate in or contribute to EBG is strictly prohibited.

The PAC bylaws can be found here: [CMS Energy's Employees for Better Government bylaws](#).

The elected members of EBG's Steering Committee review contribution requests and allocate qualified employee contributions to political and campaign committees and to specific candidate campaigns. Those decisions are based on the following considerations:

- Representation of a state or district where our Corporation has service territory, key facilities or a large concentration of employees.
- Voting record and announced positions on issues important to the Corporation, including cultural values.
- Leadership, demonstrated on key committees of importance to the Corporation, including potential for legislative leadership.
- Pragmatic and collaborative engagement with the Corporation and in our communities; displays civility and good judgement.

All EBG PAC contributions accepted or made by our federal or state PACs are reported, consistent with applicable requirements, to the federal election commission and Michigan Secretary of State can be found here:

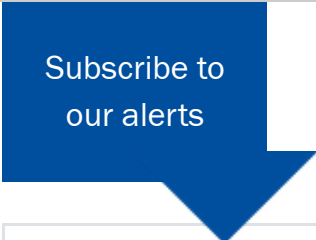
[Michigan Campaign Finance Searchable Database](#)

[Federal Elections Commission Searchable Database](#)

The communities we serve are the backbone of our business. We are committed to help them succeed - not just with energy-related services, but also with personal and corporate commitments. Each day, our co-workers offer their time, talents and finances to support the places they live and work.

The Corporation encourages employees to take part in the political process consistent with good citizenship, including exercising their right to vote. However, employees must comply with all applicable legal, ethical and corporate requirements. The Corporation prohibits the use of company time and resources for political efforts like helping elect a public official. Such efforts must be made on a purely personal basis and do not reflect the position or endorsement of the Corporation or the Employees for Better Government PAC.

Employees who become a candidate, receive an appointment and/or win public office are required to recuse themselves from conflicts of interest.



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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 generation and distribution of electricity and for other relief.

Case No. U-21870

ALJ Jonathan F. Thoits

PROOF OF SERVICE

I, Mark N. Templeton, certify that an electronic copy of the Hearing Room Exhibits of Urban Core Collective, UCC-201 through UCC-205, was served on the following on November 13, 2025.

Name/Party	E-mail Address
Administrative Law Judge Jonathan F. Thoits	thoitsj@michigan.gov
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The statements above are true to the best of my knowledge, information, and belief.

Date: November 13, 2025

Counsel for Urban Core Collective

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