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February 27, 2026

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

**RE: MPSC Case No. U-21388 – In the matter, on the Commission’s own motion, to open a docket that will be used to collaboratively consider issues related to the reliability and resilience of the electric power system in Michigan in a Commission-sponsored technical conference**

Dear Ms. Felice:

Attached for electronic filing in the above-captioned matter is **Comments of the Electric Utility Members of the Michigan Electric and Gas Association.**

Very truly yours,

A handwritten signature in black ink that reads "Dan Dundas" with a stylized flourish at the end.

Dan Dundas (P82184)  
President  
Michigan Electric & Gas Association  
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STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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Case No. U-21388

**Comments of the Electric Utility Members<sup>1</sup> of the Michigan Electric and Gas Association**

**History**

On April 13, 2023, the Commission opened this docket (April 13 order) in the wake of a series of storms that began on February 22, 2023, in the lower peninsula. Further orders in this docket have detailed the Commission’s ongoing efforts to examine and improve the reliability and resilience of Michigan’s electric power system. In its June 12 order in the docket, the Commission received public testimony raising the issue of undergrounding as a solution to improved reliability. Staff previously had reviewed undergrounding in Docket U-15279, issuing a report on November 21, 2007.

The Commission in the June 12 order directed the Staff to conduct a technical workshop for discussing the costs and benefits of undergrounding and alternatives to undergrounding for reliability and resilience improvement, and to include the latest learnings from existing undergrounding pilots, no later than September 30, 2025. The Staff was further directed to provide a report to the Commission with recommended next steps for the Commission’s consideration, to be filed in this docket no later than October 31, 2025.

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<sup>1</sup> The electric members of the Association are Alpena Power Co., Indiana Michigan Power Co., Northern States Power-Wisconsin, Upper Michigan Energy Resource Corp., and Upper Peninsula Power Co.

The Staff hosted the workshops and filed the report as prescribed by the Commission. Staff made 11 recommendations (detailed below) for consideration. At its January 12, 2026 meeting, the Commission invited comments on the Undergrounding Report and Staff recommendations.

The electric members of the Michigan Electric and Gas Association offer these comments for the Commission's consideration.

### **General Comments**

MEGA notes that many recommendations ask for additional data. While members are supportive of the Commission and Staff having sufficient information to assess utility performance, MEGA notes that the incremental nature of additional data request results in added time and cost, cost which is ultimately passed onto customers. As the Commission is aware, MEGA is committed to working with the Commission and Staff in other dockets to ensure efficient use of resources for data requests and reporting.

As an example, obtaining Michigan-specific information can be a challenge for members that plan and operate as a multi-state system. Northern States Power Company-Wisconsin (NSPW), along with its sister Company, Northern States Power Company-Minnesota (NSPM), plans and operates as a 5-state system (NSP System) in which Michigan's portion is only 0.3% of the total. Although Michigan-specific information is considered, it has minimal impact on overall plans and operations. Tracking and reporting on the Michigan-specific information can add extra resources (time, cost) that would be passed on to the small jurisdictional customer base.

Regarding outreach efforts, members have often seen little to no engagement from interested parties.

MEGA respectfully requests the Commission consider a customer base threshold for a number of the requirements recommended by the Staff, or in the alternative, the opportunity for a utility to seek a waiver through informal discussions with Staff.

### **Comments on Staff Recommendations**

- 1) *Staff recommends the Commission direct utilities to identify Michigan-specific risks and provide detail in future DSPs [distribution system plans] about how the Michigan-specific risks were evaluated in weather modeling, forecasting tools, and used to inform future planning efforts.*

The Association has limited awareness of existing tools that would easily enable weather modeling capabilities. There is ongoing work that began with EPRI on its Climate READi™ initiative that provides a framework for utilities to provide climate risk assessments. However, the framework may not provide the necessary level of detail needed to support future distribution system plans (DSPs). MEGA recommends utilizing this industry framework to the extent possible, in conjunction with utilities current planning tools that would reduce the need for a potentially costly IT project that would likely increase costs and ultimately customer bills.

MEGA's members' current planning criteria and forecasting tools do not currently have weather modeling capabilities. The exception is NSPW who utilizes a forecasting tool that accounts for weather modeling with varied weather assumptions. However, the closest weather tower is in Wisconsin and approximately 75 – 100 miles from NSPW's Michigan distribution facilities. For some MEGA members, modeling does account for “peak” winter and summer loading for distribution circuits. Members also utilize outage cause codes, including weather, as part of their distribution planning process. Furthermore, MEGA would request clarity on the expectation for including Michigan-specific risks. For example, some members utilize risks from similar geography and climate to represent Michigan within multi-state analysis and planning,

but the data itself may not be specific to the Michigan territory. Further, depending on location within the state, risks, both in severity and duration, can vary greatly.

Lastly, many members have such small load profiles and small growth profiles that they do not have significant need for forecasting as our load growth is very low.

- 2) *Staff recommends the Commission consider acquiring, no sooner than 2027, annual reliability data (SAIDI [system average interruption duration index], SAIFI [system average interruption frequency index], and CAIDI [customer average interruption duration index]) from utilities through the MPSC Docket [Case] No. U-21122 reporting template broken down by both weather type (blue sky, gray sky, and catastrophic) and circuit. Utilities should utilize this data to support system improvement investment decisions. Staff and utilities should work to update the template if the Commission directs this additional reporting to allow utilities to report annual data.*

MEGA first expresses appreciation for the Staff's diligence in combining outage reporting into one docket (U-21122). This collaboration and continued dialogue are the type of process that can be modeled for other reporting.

That said, the Association is concerned with expanding the report. While this recommendation wouldn't start until 2027, that would require discussions to begin almost immediately for modifications to the already complex reporting template. At a minimum, the Association would recommend implementation of any changes no sooner than 2028 (with lookback on 2027 data) to ensure time for adequate planning (including discussion), revisions, and compliance. This additional time could also provide the opportunity to determine what, if any, other changes may be needed in the current reporting and if the recommendation's potential cost to utilities and customers is worth the value of the data being obtained.

MEGA also notes that "blue sky", "gray sky", and "catastrophic" are not IEEE 1366 defined terms. Members generally do not track SAIDI, CAIDI, and SAIFI based on these weather types. It's also worth noting for those terms the current U-21122 definitions are based in part on customer counts as well. Members are willing to explore the changes needed to report by

weather types, however, customization may cause increased costs to develop customized reporting metrics.

3) *Staff recommends the Commission direct utilities to either complete pilot projects that align with the orders in MPSC Docket [Case] No. U-20147 and MPSC Docket [Case] No. U-21305 using the objective criteria for pilots in MPSC Docket [Case] No. U-20645 or conduct a comprehensive analysis to evaluate whether an undergrounding program is a cost-effective solution to improve performance of the electric distribution system. The primary objectives of these efforts must be aimed to determine if an undergrounding program is a cost-effective solution to improve electric distribution system performance, and if so, to develop an undergrounding strategy. Utility pilot and analysis findings, lessons learned (good and bad), and undergrounding strategy should be presented in future DSP filings and rate cases (where cost recovery is requested) and leverage economies of scale.*

MEGA submits that this is an area where an exemption for smaller utilities is appropriate, or a waiver can be applied for through the Commission or an informal process with Commission Staff. MEGA members already have pursued additional undergrounding investments as part of their distribution plans. Conducting system-wide studies of the, in some cases, large geographic areas, coupled with small customer bases, would likely result in increased cost with incrementally lower benefit. Further, because of the size of the companies, much of this type of analysis and project management could not be done in-house and would need to be contracted out, exacerbating costs.

As the Commission and Staff are aware, the cost of building facilities underground is typically significantly higher than building facilities overhead, and it is generally more costly to replace overhead facilities with underground facilities. Some members currently build to a hardened standard which is often less costly than undergrounding. However, there are limited instances where it makes sense to place facilities underground to gain operational efficiencies and to benefit the impacted customers. For example, Indiana Michigan Power is currently

working on a project to convert overhead lines to underground in an area where it is extremely difficult to access and maintain its lines.

- 4) *Staff recommends the Commission direct utilities to explore the potential of cable rejuvenation practices as a way to extend the life of existing underground cables and present their findings and long-term strategy in a future DSP filing.*

As with recommendation number 3, for most MEGA members, the cost of conducting a review or study may very likely outweigh the benefits considering the customer base of members. This is an area where smaller utilities are often able to review studies and pilots conducted by other utilities that may provide insight to potential benefits and application. Further, the recommendation contemplates that utilities are not already evaluating these options as a potential avenue for reducing outages and improving reliability and resiliency.

NSPW utilized CableCure™ in the late 1990s and continued into the 2000s with mixed cost savings at that time. However, there may be cases where this or similar technology could benefit customers as technology has advanced in this area. However, it must be the right application for this technology to be beneficial. For example, if there are multiple splices in the cable, or the neutral is significantly deteriorated, the technology would not be applicable, and it would be necessary to replace the cable. MEGA members are willing to further explore cable rejuvenation technology and perform a pilot project.

- 5) *Staff recommends the Commission direct utilities to develop and implement criteria in the next DSP filing designed to explore and take advantage (if appropriate) of undergrounding opportunities that exist during system conversion and other major infrastructure upgrade projects.*

The Association believes that it makes sense to consider all alternatives when doing major system upgrades. However, placing overhead facilities underground is often significantly more costly than building overhead facilities. Because each situation and design is unique, it would be difficult to determine a “one size fits all” criteria for all projects.

As an example, underground opportunities from conversion are almost nonexistent in the upper peninsula.

- 6) *Staff recommends that transmission owners in Michigan continue to consider and evaluate the benefits of undergrounding infrastructure when a transmission line creates significant environmental and social impacts. Transmission owners should consider the appropriateness of undergrounding transmission within both PA [Public Act] 30 of 1995 applications and for existing [transmission] lines when significant maintenance or rebuilds are necessary.*

MEGA members who are transmission owners will continue to consider the potential application of undergrounding infrastructure where appropriate. In making such determinations, a range of factors are evaluated including environmental impacts, cost implications for customers, maintenance and operational considerations, public perception, community input, system capacity and reliability objectives, applicable regulatory requirements, and established good utility practices. These factors are weighed collectively to support prudent decision making and to ensure outcomes that balance system reliability, customer affordability, and long-term grid performance.

- 7) *Staff recommends the Commission issue guidance that requires utilities to appropriately consider reliability impacts when analyzing proposed or potential projects or conducting BCAs [benefit cost analyses]. As the ICE [interruption cost estimate] Calculator 2.0 is, by default, the industry standard for quantifying the economic impacts of reliability events, the Commission should strongly encourage results of the calculator be at least one way reliability benefits are calculated for consideration in these analyses. Other methods may be considered but must be properly supported if used.*

MEGA would request BCA methods be left for utilities to choose based on current practice and methods they are familiar with. Further constraints on this will not add value, and could dampen innovation.

Members do acknowledge the ICE Calculator 2.0 is an industry standard tool for estimating customer outage costs and uses it, and similar calculator tools, within the planning process to

inform of potential reliability project performance. However, it is important to note that the calculator is limited to estimating outage costs for customers that are directly impacted in a reliability event.

The Commission's BCA framework contemplates several other factors to be identified and considered, such as economic development opportunities and potential societal benefits that are assumed to broadly impact all customers. Since Staff recommends the specific use of the ICE Calculator 2.0 for reliability valuation, tools for the other factors to be considered should be identified and agreed upon to streamline utility planning.

Further, BCAs should be developed at the Category level (e.g., a 'typical' potential undergrounding project for the utility's specific service territory) as opposed to the individual project level since Category level projects can reflect similar general benefits and costs as individual projects.

Last, it is important to note there is not currently an industry standard tool available for other types of projects, such as resiliency projects.

*8) Consistent with the BCA for DERs [distributed energy resources] effort underway as part of MPSC Docket [Case] No. U-20898 and Staff's recommendation #7, Staff recommends that reliability should be considered in undergrounding BCA[s]. Staff recommends the Commission direct utilities to apply all cost tests (SCT [societal cost test], UCT [utility cost test], TRC [total resource cost test], participant cost test, etc.) to non-DER investments and offer transparency into their models through planning and outreach efforts that involve interested parties.*

MEGA is concerned that mandatory application of formal cost tests such as SCT, TRC, or UCT for non-DER investments would place a disproportionate administrative and financial burden on small utilities. These tests require specialized modeling, extensive datasets, and resource commitments that member companies may not possess.

The incremental decision-making value of these tests is minimal, as investments are already driven by clear reliability and safety needs. However, the compliance burden (both in cost and staff time) would be significant and ultimately borne by customers.

The inputs required for rigorous cost testing often do not exist at the scale of a small utility. Applying assumptions formed by the experiences of other, larger utilities will likely produce results that are less accurate, less meaningful, and potentially misleading for small utilities.

Given these concerns, MEGA suggests allowing small utilities to utilize streamlined BCA approaches, or category-level economic assessments that better match their system size, data availability, and resource capabilities while still meeting the Commission's transparency and planning objectives.

Should the Commission still choose to implement cost-test across the industry, MEGA requests that any requirement for specific cost test(s) used to evaluate the undergrounding project category, or any other reliability project category, should align with and be consistent with the Commission's BCA for DERs cost test requirement to minimize confusion, improve transparency of model assumptions and results, and promote commonality and consistency. For example, if the Commission has directed the use of a jurisdictional cost test, such as the SCT, or some combination of the other costs tests, then project category BCAs should only need to demonstrate the outcomes of these specific cost tests.

*9) Staff recommends the Commission direct utilities to identify and apply Michigan-specific risks associated with the uniqueness of the service territory for BCA and alternatives analyses. This approach will allow the utility to better understand mitigation solutions.*

MEGA members currently identify and consider unique risks according to project category and use targeted solutions for most mitigation category work. Targeted solutions directly mitigate

risks and streamline planning and project execution which help customers realize benefits sooner compared to other solutions.

Especially in terms of the Commission's BCA framework, to improve transparency and the quality of the analysis, Staff should clarify any unidentified Michigan-specific risks that each utility should also consider. For example, would an analysis be sufficient if some members utilize risks from similar geography and climate to represent Michigan within analysis and planning, but the data itself may not be specific to the Michigan territory?

*10) Staff recommends the Commission direct utilities, as part of their future DSP pre-filing outreach or other outreach efforts, to solicit coordination and cost-sharing opportunities that may improve coordination and, ultimately, reduce the costs of undergrounding projects.*

Association members are committed to reducing costs and seeking opportunities for coordination and cost-sharing. However as previously noted, members receive very limited engagement from stakeholders. Members will continue to look for cost-sharing opportunities and ways to improve coordination that may reduce the costs of underground projects for their customers.

*11) Staff recommends the Commission consider acquiring data from utilities relevant to the SIRI [sustained interruption reduction index] and REPAIR [restoration effectiveness plus area index resilience] metrics. This recommendation is based on the assumption that these metrics will be adopted by IEEE [Institute of Electrical and Electronics Engineers].*

MEGA members will work towards utilizing these metrics assuming they are adopted by IEEE as an industry standard and comparable data from a broad set of utilities is available. As with the other metrics in IEEE and EIA [Energy Information Administration] reporting, meaningful regulatory analysis requires the ability to benchmark performance across systems. The Association also notes its previous comments on adoption and timing in the relevant forum

to ensure both time to update systems and properly track the data to ensure compliance with any Commission directive.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Daniel Dundas" with a stylized flourish at the end.

Dated: February 27, 2026

Daniel Dundas

President

Michigan Electric and Gas Association