

March 12, 2026

Ms. Lisa Felice
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48909

Via E-File

RE: MPSC Case No. U-21973

Dear Ms. Felice:

Attached please find the enclosed documents for filing:

- Direct Testimony and Exhibits of Ram Veerapaneni on behalf of Citizens Utility Board of Michigan (CUB-12 through CUB-13); and
- Proof of Service.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me.

Sincerely,

Christopher M. Bzdok
chris@tropospherelegal.com

CC: Parties to Case No. U-21973

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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.

Case No. U-21973

DIRECT TESTIMONY OF RAM VEERAPANENI
ON BEHALF OF
CITIZENS UTILITY BOARD OF MICHIGAN

March 12, 2026

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I. INTRODUCTION & QUALIFICATIONS

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Q. Please state for the record your name, position, and business address.

A. My name is Ram Veerapaneni. I am a Senior Consultant for 5 Lakes Energy. My business address is PO Box 869, Northport, MI 49670.

Q. Please briefly describe your educational background.

A. I have a Master of Science degree in Mechanical Engineering from Wayne State University, Detroit, Michigan. I have a bachelor's degree in mechanical engineering from Andhra University, Vishakhapatnam, India. I completed twenty credits for a Master of Business Administration degree at Wayne State University.

Q. Please summarize your employment and professional experience.

A. I retired as a Principal Engineer at the DTE Gas Company after working for 23 years in various positions. Before joining DTE, I worked for the Michigan Public Service Commission (MPSC or Commission) for 22 years. I have worked for 5 Lakes Energy as a Senior Consultant since September 2019. Details of my experience are summarized in my resume, Exhibit CUB-12 to this testimony.

Q. Please give us some examples of utility cases in which you have provided testimony or participated in settlement negotiations on behalf of the MPSC Staff.

A. I testified or otherwise participated in the following cases:

- Case No. U-3665 Revision of Michigan Gas Safety Code
- Case No. U-4717 Consumers Power Company Rate Case
- Case No. U-5304 Michigan Consolidated Gas Company to revise its Purchased Gas Adjustment Clause - Rule 30

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- 1 • Case No. U-5365 Michigan Consolidated Gas Company Rate Case
- 2 • Case No. U-5732 Consumers Power Company Rate Case
- 3 • Case No. U-5748 Michigan Gas Utilities Company for approval of a 60-day
- 4 emergency gas service agreement with Michigan Consolidated Gas Company
- 5 • Case No. U-5759 Consumers Power Company for authority to amend its Purchased
- 6 Gas Adjustment Clause
- 7 • Case No. U- 5955 Michigan Consolidated Gas Company Rate Case
- 8 • Case No. U-6486 Great Lakes Steel / Michigan Consolidated Gas Company
- 9 • Case No. U- 6839 Great Lakes Steel / Michigan Consolidated Gas Company
- 10 • Case No. U-8409 Rate charges for gas service by Michigan Consolidated Gas
- 11 Company
- 12 • Case No. U-8565 Michigan Consolidated Gas Company GCR Plan
- 13 • Case No. U-8565-R Michigan Consolidated Gas Company GCR Reconciliation
- 14 • Case No. U-8635, U-8812, U-8854 Special Contract Michigan Consolidated Gas
- 15 Company
- 16 • Case No. U-8779 Michigan Gas Processors Company for authority to construct and
- 17 operate the Oceana/Mason Pipeline
- 18 • Case No. U-8847 Michigan Consolidated Gas Company/Panhandle Eastern
- 19 Pipeline Company
- 20 • Case No. U-8870 Michigan Consolidated Gas Company GCR Plan
- 21 • Case No. U-8870-R Michigan Consolidated Gas Company GCR Reconciliation
- 22 • Case No. U-8954 Northern States Power Company GCR Plan
- 23 • Case No. U- 8955 Wisconsin Public Service Corporation GCR Plan

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- 1 • Case No. U-9175 Peninsular Gas Company GCR Plan
- 2 • Case No. U-9257 Consumers Power Company - Rule Expansion
- 3 • Case No. U-9263 Consumers Power Company Rule Building Meter
- 4 • Case No. U-9297 Northern States Power Company GCR Plan
- 5 • Case No. U-9298 Wisconsin Public Service Corporation GCR Plan
- 6 • Case No. U-9323 Michigan Gas Company Rate Case
- 7 • Case No. U-9475 Michigan Consolidated Gas Company Rate Case
- 8 • Case No. U-9650 Michigan Consolidated Gas Company GCR Plan

9 **Q. What are the cases in which you filed testimony as a consultant for 5 Lakes Energy?**

10 A. I filed testimony in the following cases:

- 11 • U-21806 Consumers Energy Company Gas Rate Case
- 12 • U-20479 SEMCO Energy Gas Company Rate Case.
- 13 • U-20642 DTE Gas Company Rate Case.
- 14 • U-20650 Consumers Energy Company Gas Rate Case.
- 15 • U-21226 Northern States Power Company Gas Rate Case.
- 16 • U-21490 Consumers Energy Company Gas Rate Case.

17 **Q. What topics are you addressing in your testimony?**

18 A. I am addressing the following topics in this case:

19 Operations & Maintenance Expenditures:

- 20 a. Natural Gas Storage
- 21 b. Natural Gas Transmission

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1 c. Natural Gas Distribution

2 **Q. Do you agree with all other aspects of the company proposals?**

3 A. No. The absence of discussion on other matters in my testimony does not indicate
4 agreement with the other items contained in the rate filing.

5 **Q. Are you sponsoring any exhibits?**

6 A. Yes. I am sponsoring the following Exhibit:

7 Exhibit CUB-12: Resume of Ram Veerapaneni

8 Exhibit CUB-13: Projected O&M Expenditures & Summary of Expenditures

9 **Q. Please provide a summary of your findings and conclusions.**

10 A. DTE Energy Gas Company (DTE) filed for a rate increase of \$162.7 million based on a
11 test year ending September 30, 2027. DTE filed testimony and exhibits proposing
12 \$279,206,000 for Gas storage, Transmission and Distribution categories. My adjustments
13 resulted in total proposed disallowances of \$49,709,000. The proposed reductions are
14 shown in column (e) of Exhibit CUB-13.¹

15 **Q. Please provide the history of actual gas operations O&M expenses in comparison to
16 the levels approved in the last three cases U-21291, U-20940, and U-20642?**

17 A. CUB Witness Moksha Menghaney shows that from 2020 through the 2024 historical test
18 year, DTE's spending on natural gas storage declined at an average annual rate of -3.8%;
19 transmission spending declined by -1.4% per year; and distribution spending dropped an

¹ Exhibit CUB-13, Projected O&M Expenditures & Summary of Expenditures.

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1 average of -0.6% per year.² These declines include known and measurable changes
2 approved in the Company's rate cases over that period and not only increases determined
3 by application of an inflation factor. The historical data suggests that DTE did not increase
4 O&M amounts nearly as fast as inflation. The historical data better supports the concept of
5 using Productivity Adjusted Inflation (PAI) rates instead of projected inflation rates used
6 by DTE in this case. In my testimony, I evaluate the reasonableness and necessity of
7 inflation adjustments and known and measurable changes to gas operations O&M costs. I
8 demonstrate that the Company can constrain cost growth close to PAI projected rates while
9 delivering safe and reliable service without unduly exacerbating the already high energy
10 burden many of its customers shoulder.

II. O&M EXPENSE ADJUSTMENTS

11
12 **Q. What are your recommendations for O&M expenses for gas storage, gas**
13 **transmission, and gas distribution areas?**

14 A. I showed the O&M expenses in the above-mentioned categories in Exhibit CUB-13.³ I am
15 supporting \$10,746,000 for Natural Gas Storage; \$100,747,000 for Transmission and
16 \$118,003,000 for Distribution areas, respectively.

17 **Q. Please describe the O&M expenses DTE is proposing for gas storage for the test year**
18 **ending on September 30, 2027?**

19 A. DTE Witness Scott N. Kehoe, Director of Greater Michigan Gas Operations, proposed
20 O&M expenses of \$11,638,000 for gas storage. These expenses relate to six compressor

² See Workpaper MM-4.

³ Exhibit CUB-13, Projected O&M Expenditures & Summary of Expenditures.

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1 stations with 177,325 horsepower and 139 Bcf of storage capacity operated by DTE to
2 provide reliable gas service for its customers. Witness Kehoe's exhibits A-13, Schedule
3 C5.1 and C5-2 describe in detail the calculation of gas storage operations and maintenance
4 expenses. He starts with 2024 historical amount of \$10,747,000 and makes adjustments to
5 account for inflation increases of 3% for 2025, 2.9% for 2026 and 2.9% for 9 months
6 ending in September 2027. He proposes \$11,638,000 as the projected amount for the test
7 year.

8 **Q. What is your recommendation for O&M expense for Gas storage?**

9 A. I reviewed DTE testimony and exhibits and related discovery responses and concluded to
10 support O&M levels of \$10,747,000 for the test year.

11 **Q. How did DTE project its gas storage O&M levels for the projected Test Year?**

12 A. Mr. Kehoe, on page 6 of his testimony, describes the method used to project test year
13 O&M levels. He used adjusted historical 2024 O&M and increased it using inflation
14 percentages supported by DTE Witness Uzenski. He states that storage O&M expenses are
15 routine in nature, recurring annually at consistent levels subject to inflation. His testimony
16 does not provide any support to conclude that storage O&M expenses follow inflation
17 levels. He does not propose any known and measurable changes to gas storage.

18 **Q. Do you find any historical basis for projecting storage costs using an inflation factor**

19 A. No, I find no basis for this adjustment. CUB Witness Moksha Menghaney provides
20 testimony suggesting that the actual storage O&M expenses from 2020 to 2024 have
21 **decreased** at an average rate of 3.8% annually including known and measurable changes
22 that were allowed for those years. There is no support for increasing storage O&M

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1 expenses at the inflation levels when the history shows that the expenses have reduced at
2 an average rate of 3.8%. The history of gas storage O&M costs demonstrates nicely that
3 the Company is able to realize steady productivity gains in programs that are routine,
4 ongoing and operating in a steady state without known and measurable changes.

5 **Q. Do you support use of Productivity Adjusted Inflation to project gas storage costs?**

6 A. No, I do not. PAI is a useful starting point to ensure that the Company is achieving
7 productivity gains to offset inflation and that those improvements roll through to rates. As
8 Witness Menghaney puts it, PAI is a useful guardrail for spending. However, when history
9 shows that costs do not increase at a PAI pace even when including known and measurable
10 changes over the years it is unreasonable to project that they will suddenly start increasing
11 at a significantly faster pace. That is the case here: gas storage O&M costs have not even
12 increased at the rate of Productivity Adjusted Inflation, but have shrunk in nominal terms
13 an average of 3.8% per year since 2020.

14 **Q. What is your recommendation for gas storage O&M expenses for the test year?**

15 A. I reviewed DTE testimony and exhibits related to storage and concluded that use of
16 historical amount of \$10,747,000 for 2024 is the appropriate amount for the test year
17 ending on September 30, 2027. I stress that this recommendation is generous in that it
18 allows the Company more cost growth for storage than it has demonstrated historically
19 since 2020.

20 **Q. How did DTE project the O&M expenses for Transmission?**

21 A. The transmission O&M expenses are related to Compression, Transmission, Gas Control,
22 Gas Supply and Geology and Reservoir Engineering areas. DTE used the same method as

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1 the one used for Gas Storage to project the test year's numbers. In addition to the inflation
2 increases to the historical 2024 amount, DTE projected \$55.3 million known and
3 measurable adjustments (See Pages 17-60 of Witness Kehoe's testimony; Exhibit a-13,
4 Schedule C 5.2, Column j).

5 **Q. Do you believe DTE's approach of proposing O&M expense increases using projected**
6 **inflation rates in addition to projecting multiple "known and measurable" changes is**
7 **reasonable?**

8 A. No. I believe DTE's proposal of increasing Transmission O&M to add selective known
9 and measurable changes to expenses that are already increasing based on projected
10 inflation rates results in increased costs with unreasonable rate impacts. Rates that rise
11 faster than inflation create unsustainable burdens on customers and allow the Company to
12 capture the financial benefits of productivity improvements without sharing them with its
13 customers.

14 In general, it is reasonable to allow the Company to increase its costs at PAI rates, but this
15 convention should also be tested against history. As Witness Menghaney shows, from 2020
16 through the historical test year transmission O&M costs declined at an average rate of -
17 1.4% per year, even including whatever known and measurable changes were approved
18 over that period. It is not reasonable to assume that ongoing transmission O&M costs need
19 to increase faster than they have in the recent past. Therefore, I recommend the
20 Commission approve costs for ongoing transmission activities at the 2024 level without
21 any adjusted or unadjusted inflation factor. This recommendation results in a proposed
22 disallowance of inflation adjustments of \$4.486 million.

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1 Next, I examine known and measurable changes in transmission O&M costs. Witness
2 Kehoe's proposed changes are both extensive and expensive. To mitigate rate impacts, I
3 recommend that the Commission approve only new costs that have been approved in
4 previous proceedings, that are required by law or regulation or that have compelling cost-
5 benefit justifications. Upon review, as detailed below, I recommend that the Commission
6 disallow \$10.5 million in proposed known and measurable changes. I include below my
7 reasoning for disallowance of several items proposed by DTE Witness Kehoe.

8 **Q. DTE proposes a \$5.0 million increase for transmission Right of Way (ROW)**
9 **maintenance. Did Witness Kehoe provide enough reasoning for the increase as**
10 **compared to the previous years?**

11 A. No. ROW maintenance does not depend on any other operating conditions experienced by
12 the company from year to year. There have been no changes in ROW maintenance
13 requirements and the Company should be able to meet those requirements with existing
14 cost recovery. There is no justification for special increases for this type of activity in
15 projected test year. The additional expense of \$5 million should be removed from test year
16 O&M expenses.

17 **Q. DTE proposes \$1.5 million increase for installation of pipeline markers. Do you**
18 **believe DTE provided valid reasons for this increase?**

19 A. No. Pipeline markers should be placed when new pipelines are constructed and be
20 maintained if employees find missing ones during pipeline surveys. This additional
21 expense should be rejected because the company should not have backlog. There have been
22 no changes to marking requirements and the Company should have adequate revenue from
23 existing recovery to meet ongoing requirements. Allowing increased recovery with no

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1 known and measurable change in regulatory requirements unjustifiably increases burden
2 on current customers.

3 **Q. DTE proposes a \$4 million additional expense for painting. Is this addition justified?**

4 A. No. The company receives enough funds through existing rates for this activity.
5 Maintaining integrity of pipeline systems using painting best practices is a good business
6 practice, but there has been no change in regulatory requirements. Past neglect of this
7 ongoing maintenance practice is not a justification to increase rates for future customers.
8 While Witness Kehoe testifies that painting will increase the service life of assets and
9 reduce risks, he provides no financial analysis of these assertions; against the backdrop of
10 very large other known and measurable changes that have either regulatory drivers or
11 stronger cost-benefit support, it is not reasonable or prudent to allow other expenses that
12 lack strong, quantified justification. This additional \$4 million should not be allowed as a
13 known and measurable change when there has been no change to regulatory requirements
14 and no cost-benefit analysis provided.

15 **Q. What is your recommendation for Transmission O&M expenses.?**

16 A. I recommend the Commission disallow \$4,486,000 in inflation adjustment and
17 \$10,500,000 in known and measurable changes, leaving a total allowed spend of
18 \$100,747,000 in the test year.

19 **Q. What is DTE's proposal for O&M for Distribution Operations?**

20 A. The Distribution O&M expenses are shown in three categories; 1) Field Services, 2)
21 Distribution Operations and 3) Enterprise Performance Management. Field Service
22 Operations contain seventeen distribution Stations providing emergency gas leak response;

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1 meter orders; meter and regulator maintenance; Standby Time and meter reading.

2 O&M expenses for the Distribution Operations are divided into four processes: 1) Pressure,
3 2) Leak Survey, 3) Leak Repair and 4) Damage Prevention. DTE proposed increases for
4 inflation for 2025, 2026, and 9 months ended September 30, 2027. In addition, DTE
5 proposed \$26,050,000 O&M increases for other adjustments (See Exhibit A-13, Schedule
6 C 5.3, Column j).

7 **Q. Do you believe it would be reasonable for the Commission to include selective**
8 **additional increases?**

9 A. No, I do not. I recommend the Commission disallow Witness Kehoe's proposed inflation
10 increases and several proposed known and measurable changes. History shows the
11 Company has increased its distribution spending at a rate much lower than inflation and is
12 performing well without incurring the new O&M costs. Distribution O&M costs have
13 decreased at an average rate of -0.6% annually since from 2020 through the historical test
14 year. Workpaper MM-4 shows a rate of growth that includes known and measurable
15 changes allowed during that period. Witness Kehoe, with few exceptions, fails to make the
16 case that his spending increases are necessary to comply with laws, regulations or increase
17 in sales or customers, and likewise fails to make the case that spending so much more
18 money is more important to customers than keeping a lid on rate hikes.

19 Witness Kehoe describes fourteen "Other Projected Adjustments," which to varying
20 degrees appear to be reasonable ideas but few of which are unavoidable. Witness Kehoe's
21 proposals would take costs for distribution O&M from \$116,153,000 in the historic test
22 year to \$151,835 in the projected test year— a 31% increase when sales and customers are
23 scarcely changing at all. It is simply not reasonable on its face to increase costs that much

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1 in a steady state program. The Company needs to make harder choices about what it wants
2 to spend money on, and the Commission should enforce that discipline.

3 **Q. DTE proposes inflation adjustments of 3% for 2025, 2.9% for 2026 and 2.2% for 9**
4 **months ended 9/30/2027. Are these adjustments reasonable?**

5 A. No, they are not. In general, it is reasonable to allow the Company to increase its costs at
6 PAI rates, but this convention should also be tested against history. As Witness Menghaney
7 shows, from 2020 through the historical test year distribution O&M costs declined slightly,
8 even including known and measurable changes that were approved over that period⁴. It is
9 not reasonable to assume that ongoing distribution O&M costs need to increase faster than
10 they have in the past; otherwise, the Company reaps all the benefits of productivity
11 improvements and passes none on to its customers through rates. Thus, I recommend the
12 Commission approve the same level of ongoing costs as were incurred in the historical test
13 year of 2024, that is, \$116,153,000 and disallow the entire proposed inflation increase of
14 \$9,632,000.

15 Next, I examine known and measurable changes in distribution O&M costs. To mitigate
16 rate impacts, similar to my approach with transmission O&M costs, I recommend that the
17 Commission approve only changes that have been approved in previous proceedings, that
18 are required by law or regulation or that have compelling cost-benefit justifications. Upon
19 review, as detailed below, I recommend that the Commission disallow **\$24,200,000** in
20 proposed known and measurable changes. I include below reasoning for disallowance of
21 several items proposed by DTE Witness Kehoe.

⁴ See Workpaper MM-4.

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1 **Q. DTE proposes a \$3.1 million known and measurable increase for Regulator Station**
2 **Replacement Program (RSRP). Is this additional expense reasonable?**

3 A. No. DTE has been a member of American Gas Association (AGA) for a long time and has
4 company employees familiar with gas industry Best Practices in the past. DTE should have
5 been practicing industry best practices all along. DTE is one of the largest utilities in the
6 country and should be a leader in best practices. This RSRP practice is nothing new and its
7 costs should already be included in existing rate recovery. This \$3.1 million should not be
8 treated as a selected additional expense.

9 **Q. DTE proposed a \$1.5 million increase to the historical amount of \$1.5 million for**
10 **increase in Miss Dig Ticket Volume. Do you believe this item qualifies as a known and**
11 **measurable change that should be approved?**

12 A. No. There are no new requirements in the Miss Dig law and there are no valid reasons for
13 special consideration here. Witness Kehoe provides unpersuasive evidence that Miss Dig
14 ticket volume will increase through the test year. In the first place, he shows a historic
15 increase in ticket volume from 2023 (348,248) to 2024 (405,085)⁵ The rate of increase
16 slowed in 2024 (427,543), roughly 5% growth, then reversed direction in 2025 to total
17 volume of 425,356, a roughly -0.5% reduction. The trend of growing ticket volume appears
18 to have stopped.

19 Witness Kehoe also states, “As the number of construction projects in the State of Michigan
20 requiring excavations increases, so does the MISS DIG ticket volume. Specifically, the
21 increased volume of large-scale projects to install fiber high-speed internet infrastructure

⁵ Direct Testimony of Scotty N. Kehoe, p 74, Table 29.

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1 to communities has driven significantly higher MISS DIG ticket requests.”⁶ He provides
2 no evidence for these claims of generally increasing construction volume or specifically
3 for high-speed internet fiber installations. He also provides no evidence or methodology
4 for projecting the volume of those projects into the future.

5 It is important for the Company to respond to MISS DIG staking requests, but Witness
6 Kehoe has not presented evidence that volumes will increase from the historical test year
7 to the projected test year. MISS DIG staking expense does not qualify for special treatment
8 and the additional \$1.5 million should be removed from consideration.

9 **Q. Do you support the Company's known and measurable change in distribution O&M**
10 **of \$2.0 million to recover increased labor expense?**

11 A. No, I do not. While I do not begrudge DTE employees earning more, whether and how
12 those costs should be recovered from ratepayers is a separate question. Costs incurred to
13 pay employees more must be justified the same as any other kind of cost increase: what is
14 the benefit to DTE’s customers? Witness Kehoe makes no such showing. Witness Kehoe
15 merely describes why the increased costs were incurred without describing what benefit
16 ratepayers will receive (SNK-71, lines 4-20).

17 Furthermore, this increase is in addition to the inflationary increase in labor costs the
18 Company also proposes, which itself appears to lack support in the record, as I noted in my
19 discussion of historic cost trends above.

20 To approve a known and measurable increase, the Commission should expect to see
21 evidence that the cost is required by legal or regulatory requirements or growth in the

⁶ Kehoe Direct, p 74, lines 9-13.

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1 business; or justified by a Cost-Benefit Analysis that persuasively demonstrates net
2 savings. The Company offers no such evidence or justification here, and in fact makes no
3 effort to address the matter at all. I recommend that the Commission disallow this
4 additional \$2 million in labor negotiations cost recovery.

5 **Q. DTE proposes a \$2.7 million additional expense for Damage Prevention. Do you**
6 **agree?**

7 A. No. Damage prevention activities have a long history and gas utilities, DTE included, have
8 a good record of preventing incidents. Regulatory requirements have not changed, nor has
9 the Company presented evidence that damage rates have increased. This expense does not
10 qualify as a known and measurable increase. I recommend that the Commission disallow
11 this \$2.7 million increase.

12 **Q. DTE proposes a \$1.9 million increase for Gas Refresher Training. What is your**
13 **recommendation for this item?**

14 A. DTE trains its employees to do their jobs to comply with Operator Qualification
15 requirements of federal gas safety requirements. This type of expense is included in ongoing
16 O&M expenses and training requirements have not changed. This incremental cost should
17 not be allowed when it is part of normal employee training practices of the company. I
18 recommend the Commission disallow this \$1.9 million increase.

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1 **Q. Witness Kehoe proposes an increase for Training for Leak Survey (Kloudgin) and**
2 **Mobile Workforce Management (IFS) O&M of \$3.3 million. Do you support this**
3 **change?**

4 A. No, I do not. DTE continuously trains its employees to have the ability to use new
5 instruments and to improve their capabilities to improve performance. This item does not
6 meet the criteria for additional known and measurable expense when Operator
7 Qualifications (OQ) requirements are met with current training work force and current
8 facilities to conduct the training. I recommend that the \$3.3 million additional O&M
9 increase request be rejected.

10 **Q. DTE proposes an additional expense of \$2.7 million for Damage Prevention activities.**
11 **Do you believe this item qualifies as a known and measurable additional item?**

12 A. No.⁷ As I showed above, Witness Kehoe fails to establish that MISS DIG ticket volumes
13 have continued increasing nor has he provided a credible forecast of future volumes. By
14 the same reasoning I used in evaluating the MISS DIG items above, there is no justification
15 to increase damage prevention costs above historical test-year levels. I recommend that the
16 Commission disallow the proposed \$2.7 million increase.

17 **Q. Witness Kehoe proposes to increase spending for Staking Leadership Program by**
18 **\$0.7 million. Do you support this change?**

19 A. No, I do not. Witness Kehoe justifies this program as necessary to provide support for
20 growing ticket trends.⁸ As I have already established, Witness Kehoe has not shown that

⁷ Kehoe Direct, p 85, lines 20-22.

⁸ Kehoe Direct, p 87, lines 4-5.

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1 ticket volumes are increasing nor that they will continue to increase. Witness Kehoe
2 describes specially assigned staff for Staking Leadership but does not establish that they
3 represent incremental staffing levels or that their work load will increase through the
4 projected test year. Accordingly, I recommend that the Commission disallow this \$0.7
5 million increase.

6 **Q. Do you support Witness Kehoe's proposed \$9.0 million known and measurable**
7 **change for Advanced Leak Detection?**

8 A. No, I do not support this change. DTE Witness Kehoe proposes \$9 million known and
9 measurable change in addition to \$15 million historical amount for Advanced Leak
10 Detection Technology Program. Federal Gas safety Regulatory Agency, PHMSA issued a
11 Notice of Proposed Rule Making (NPRM) on May 18, 2023 for advanced leak detection
12 program for use by the gas industry. The NPRM is in the initial stages of the rulemaking
13 process and could take years to reach the status of final rule requiring compliance by the
14 regulated utilities. DTE is requesting a rate increase of \$9 million anticipating enhanced
15 requirements. Gas safety is important, but I believe waiting for the final rule fully
16 specifying requirements before committing another \$9 million would be prudent. I urge the
17 Commission not to increase costs for additional \$9 million at this time considering the
18 ability of ratepayers to pay for multiple rate increases caused by other increases.

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1 **Q. What is your recommendation for the O&M expenses for Gas Storage, Gas**
2 **Transmission and Gas Distribution presented in this case?**

3 A. Exhibit CUB-12 shows recommended O&M expenses of \$10,746,000 for Gas Storage;
4 \$100,747,000 for Gas Transmission and \$118,003,000 for gas Distribution.⁹ My proposal
5 is to reduce DTE requested increase by \$892,000 for gas storage, \$14,986,000 for
6 Transmission and \$33,832,000 for Distribution, respectively.

7 **III. CONCLUSION**

8 **Q. Please summarize your conclusions for the Commission.**

9 A. The proposed rate increase is significant and is extremely burdensome for residential
10 ratepayers considering current economic conditions. I urge the Commission to consider the
11 current economic disruptions experienced by ratepayers in weighing the significant rate
12 increase proposed by DTE. We are in March of 2026, and I expect that DTE is preparing
13 testimony and exhibits for the next rate case filing with projections of future projects
14 containing larger capital and O&M expenses. The cycle never ends if the MPSC approves
15 the requested increase. DTE has the responsibility to provide safe and reliable utility
16 service because they have long-term franchises to provide gas service. No other gas utility
17 can provide service in competition because DTE is the only one who has mains and services
18 connected to customer piping. I urge the commission to consider the franchise limitations
19 and loyal customers' inability to look for other sources of gas.

20 I urge the commission to use the O&M expenses proposed by me in setting rates in this

⁹ Exhibit CUB-13, Projected O&M Expenditures & Summary of Expenditures.

**DIRECT TESTIMONY OF RAM VEERAPANENI FOR CUB
CASE NO. U-21973**

1 case.

2 **Q. Does that complete your testimony?**

3 A. Yes.



Ram Veerapaneni
He | Him | His
Senior Consultant
Ram@5lakesenergy.com

Expertise

Ram Veerapaneni is highly skilled in natural gas utility operations, focusing on the safe and reliable delivery of gas to utility customers. He provides expert witness testimony in rate cases before the Michigan Public Service Commission (MPSC) and advocates for residential ratepayer interests by analyzing the testimony and exhibits submitted by utility representatives.

Selected Projects

- **Expert Witness Testimony.** Mr. Veerapaneni delivers testimony on projected capital expenditures and Operations and Maintenance expense levels for the test year outlined in rate cases. Additionally, he is involved in Gas Cost Recovery (GCR) Plan and Reconciliation Cases, offering input to the MPSC regarding the approval of gas cost-related matters. His testimony addresses the reasonableness of utility gas purchases made on behalf of ratepayers.

Past Employment

- **Principal Engineer, Transmission Engineering | DTE Gas Company | Detroit, MI | 2007 – 2018**
- **Facilities and Asset Management (FAM) team member | DTE Energy | Detroit, MI | 2004 – 2007**
- **Manager, Codes and Standards | MPSC Liaison representing MichCon | 2002 – 2004**
- **Director, International Project Operations | MCNIC/MCN Energy Inc. | Detroit, MI | 1996 – 1998**
- **Supervisor, Gas Operations | MPSC | Lansing, MI | 1974 – 1995**
- **Mechanical Systems Engineer | Novatronics, Inc. | Pompano Beach, FL | 1973 – 1974**
- **Graduate Engineer | Singareni Collieries Company Ltd. | Andhra Pradesh, India | 1969 – 1970**

Education

- **MS in Mechanical Engineering | Wayne State University | 1971**
- **BS in Mechanical Engineering | Andhra University, Vishakhapatnam, India | 1969**
- **Completed 20 credits toward MBA | Wayne State University | 1972**

Awards, Affiliations, and Service

- **Chair | IMP/Corrosion Task Group, Gas Piping Technology Committee (GPTC) | 2013–2018**
- **Member | Gas Piping Technology Committee (GPTC) – ANSI Z-380.1 | 1995–Present**
- **Life Member | American Society of Mechanical Engineers (ASME) | 1972–Present**
- **Life Member | National Association of Corrosion Engineers (NACE) | 1983–Present**
- **Member | National Association of Pipeline Safety Representatives (NAPSR) | 1981–1995**
- **Member | NARUC Pipeline Safety Subcommittee | 1981–1995**
- **Registered Professional Engineer | State of Michigan | Registration No. 25395 (1980)**

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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

Case No. U-21973

Proof of Service

On the date below, an electronic copy of **Direct Testimony and Exhibits of Ram Veerapaneni on behalf of Citizens Utility Board of Michigan (CUB-12 through CUB-13)** was served on the following:

Name/Party	E-mail Address
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<p>City of Ann Arbor Valerie Jackson</p>	<p>vjackson@a2gov.org</p>
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<p>Utility Workers Union of America, Local 223 Richard Mack, Jr. Jacob S. Porcarelli</p>	<p>richardmack@millercohen.com jporcarelli@millercohen.com</p>
<p>Michigan Environmental Council and Citizens Utility Board of Michigan Christopher M. Bzdok Holly L. Hillyer Sean C. Clark Natasha Fowles Sue Fruchey Julielyn Gibbons Rick Bunch Sophie Schadler Alice Napoleon Matt Bandyk</p>	<p>chris@tropospherelegal.com holly@tropospherelegal.com sean@tropospherelegal.com natasha@tropospherelegal.com sue@tropospherelegal.com jgibbons@5lakesenergy.com rbunch@5lakesenergy.com sschadler@synapse-energy.com anapoleon@synapse-energy.com mbandyk@5lakesenergy.com</p>

[signature page below]

The statements above are true to the best of my knowledge, information and belief.

Troposphere Legal
Counsel for CUB

Date: March 12, 2026

By: _____
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