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April 13, 2026

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

RE: 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

Dear Ms. Felice:

Attached for electronic filing in the above captioned matter is DTE Electric Company's Answer Opposing Michigan Environmental Council's Petition for Rehearing and to Alter, Amend, or Modify Order. Also attached is the Proof of Service.

Very truly yours,

John A. Janiszewski

JAJ/erb
Attachments
cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **DTE ELECTRIC**)
COMPANY for authority to increase its rates,) Case No. U-21860
amend its rate schedules and rules governing the)
distribution and supply of electric energy, and for)
miscellaneous accounting authority)

DTE ELECTRIC COMPANY’S
ANSWER OPPOSING MICHIGAN ENVIRONMENTAL
COUNCIL’S PETITION FOR REHEARING AND
TO ALTER, AMEND, OR MODIFY ORDER

Dated: April 13, 2026

I. INTRODUCTION

On February 19, 2026, the Michigan Public Service Commission (“MPSC” or “the Commission”) issued an order (“February 19 Order”) granting rate relief and other regulatory approvals to DTE Electric Company (“DTE Electric” or “the Company”). As relevant here, the February 19 Order modified the Company’s Infrastructure Recovery Mechanism (“IRM”) to include Pole and Poletop Maintenance and Modernization (“PTMM”), increase spending for Distribution Automation (“DA”) for 2026, and extend the IRM through 2027. (February 19 Order, pp 384-387).

Intervenor Michigan Environmental Council (“MEC”) opposed these approvals, and continues that opposition through its Petition for Rehearing and to Alter, Amend, or Modify Order (“Petition”) filed on March 23, 2026. MEC frames its Petition as asking the Commission to clarify aspects of the IRM process, particularly related to IRM reconciliation, and to rescind its extension of the IRM through 2027. (Petition, p 22).

Pursuant to Rule 437 of the Commission’s Rules of Practice and Procedure, R 792.10437, and all other applicable law, DTE Electric now files this Answer Opposing MEC’s Petition. The Company respectfully requests that the Commission deny MEC’s Petition because it fails to meet the standards for rehearing through a showing of error, newly discovered evidence, or unintended consequences. MEC’s Petition simply disagrees with the Commission and broadly seeks to relitigate issues that MEC already contested in this case, while also improperly collaterally attacking Commission Orders and a Proposal for Decision in other cases. Even if the Petition were properly before the Commission, it would fail on the merits. MEC’s Petition relies on the erroneous premise that the IRM reconciliation process is supposed to be a granular, project-level review. MEC posits that – notwithstanding IRM approval in a contested rate case, and annual IRM Plan

reviews and forums – intervenors should be able to expand the reconciliation phase to continue their disagreement with underlying investments by presenting evidence suggesting for the first time that specific, individual projects of the twice-approved program were not reasonable and prudent uses of IRM funds.

MEC neglects the basic point of an IRM, which is to provide clear visibility and certainty of the work to be executed in a specific year. MEC defies sound infrastructure planning and investment by essentially suggesting a new level of litigation designed to reach back – after the money is approved and spent – to reconsider the IRM plan and consider spending alternatives. That is not what the IRM reconciliation process is, nor what it was intended to be. Rather, the reconciliation process is a straightforward review of whether the Company spent funds in a manner consistent with its IRM Plan, which in turn was based on rate case approvals. This is the final step of a multi-step process providing additional transparency and regulatory oversight beyond rate case review. There has never been any uncertainty or need for “clarity” as MEC now suggests. Instead, MEC recasts a settled issue as uncertainty and now attempts to rely on its own disagreement with well-reasoned and well-established practice in an attempt to expand the scope of regulatory litigation and continue expressing its disagreement with the IRM that the Commission authorized and the IRM plan that the Company filed in accordance with the Commission’s directives and approvals.

For these reasons, DTE Electric respectfully requests that the Commission deny MEC’s Petition.

II. LEGAL STANDARD

Rule 437 of the Rules of Practice and Procedure Before the Commission (“Rule 437”) governs petitions for rehearing and provides:

- (1) A petition for rehearing after a decision or order of the commission shall be filed with the commission within 30 days after service of the decision or order of the commission unless otherwise specified by statute. A petition for rehearing based on a claim of error shall specify all findings of fact and conclusions of law claimed to be erroneous with a brief statement of the basis of the error. A petition for rehearing based on a claim of newly discovered evidence, or on unintended consequences resulting from compliance with the decision or order shall specifically set forth the matters relied upon. The petition shall be accompanied by proof of service on all other parties to the proceeding.

The Commission has consistently found that a petition for rehearing “is not merely another opportunity for a party to argue a position or to express disagreement with the Commission’s decision. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant rehearing.” (January 31, 2017 Order in Case No. U-17691, p 8; *see also* August 7, 2025 Order in Case No. U-21662, p 4). As provided in Rule 437, a petition for rehearing may not be granted to rehash arguments or express disagreement with the Commission’s decision. (July 22, 2016 Order in Case No. U-17990, p 4).

This is similar to the standard applied to motions for reconsideration before Michigan state courts under MCR 2.119(F)(3), which provides that “a motion for rehearing or reconsideration which merely presents the same issues ruled upon by the court, either expressly or by reasonable implication, will not be granted. The moving party must demonstrate a palpable error by which the court and the parties have been misled and show that a different disposition of the motion must result from correction of the error.” These standards are routinely applied by courts. *See, e.g., Cason v Auto Owners In Co*, 181 Mich App 600, 609-10; 450 NW2d 6 (1989); *Sargent v AM Eckhouse DO, PC*, 171 Mich App 703, 706; 430 NW2d 763 (1988).

III. HISTORY OF PROCEEDINGS

The Commission first approved the Company's IRM in Case No. U-21297, a contested DTE Electric general rate case, and later extended it through 2026. (January 23, 2025 Order in Case No. U-21534, p 303 — a subsequent DTE Electric general rate case). The Company's Application in this Case No. U-21860 sought relief including, in relevant part, extending the IRM to 2027, 2028, and 2029 with an increase in spending each year. (February 19 Order, p 373; *see also* 4 TR 1738, 1740). The Company's reason for proposing extension of the IRM was that it would provide benefits to transparency, customer protection, and long-term stability for planning. (February Order, p 374). The Company further sought to expand 2026 IRM spending levels and enhance its process for getting input on its IRM proposal. (*Id.*, p 375).

Numerous parties weighed in on the Company's IRM proposals, including MEC (February 19 Order, pp 375-378). MEC (along with Natural Resource Defense Council (NRDC), the Sierra Club (SC) and the Citizens Utility Board of Michigan (CUB), collectively referenced as "MNSC"), opposed most of the relief requested by the Company related to the IRM. Specifically, MEC opposed extending the IRM beyond 2026, opposed spending increases for PTMM, and argued that the use of the IRM had expanded without improving reliability, and that the IRM "favors shareholders over customers." (*Id.*, pp 376-377, 383).

The Commission granted some, but not all, of the relief requested by the Company. The Commission approved modifying the 2026 IRM to include \$200 million in spending for PTMM, approved incremental expenditures for DA in the 2026 IRM, extended the IRM one year (to 2027) instead of three years, and established IRM spending levels for 2027. (*Id.*, pp 384-386).

MEC's Petition suggests that there is some new and immediate need to revisit the IRM reconciliation process. But the Commission was well informed previously and addressed the issue at length. In addition to the Commission's discussions in prior cases, the Commission

comprehensively addressed workable and effective regulatory review by explaining that, while it is necessary to ensure both the efficiency and the effectiveness of the Company's IRM investments, there was no basis to modify the reconciliation process because "[e]ven with perfect information, it is likely impossible to capture the full impact of one year of spending before approving spending for the following year, or to know whether a set of investments fully achieved their intended objectives in time for the next filing . . . because the work tied to the investments does not all happen at once and the results can take some amount of time to show up." (*Id.*, p 386).

Rather, the Commission held that "periodic reviews of the effectiveness of distribution reliability investments will be more meaningful when done in concert with DSPs [Distribution System Plans] that articulate both the strategy and details of future IRM proposals." (*Id.*) The Commission's reasoning was that this approach would allow the Company to "demonstrate the relative effectiveness of different pillars of its strategy to improve reliability" and would "enable the Commission and intervening parties to identify what elements are working and should be continued or expanded, as well as any elements that have not been as effective as anticipated and should be reduced or discontinued." (*Id.*, pp 386-387). Finally, the Commission addressed concerns expressed by some intervenors that "approval of an IRM locks the Commission and the company's customers into a multi-year strategy, even if evidence shows the strategy is not working" by clarifying that the Commission "has the ability to pause or cancel all or part of an IRM at any point if there is sufficient evidence in the record to support a change in direction." (*Id.* at 387).

On March 23, 2026, MEC filed its Petition, in which it requests that the Commission:

- Clarify the standards applicable to IRM reconciliation and order the Company to update the 2026 IRM Investment Plan if an accurate plan is necessary for reconciliation;
- Clarify the scope of IRM reconciliation and, if reconciliation is not a robust proceeding to evaluate the reasonableness and prudence of *project-level* IRM decision-making, then reject the extension of the IRM to 2027;
- Reject the 2027 IRM extension because it is premature ahead of the 2026 DSP; and
- Clarify the intended IRM regulatory process in light of the February Order, recent orders in U-21305 and U-20147, and the ongoing U-21845 reconciliation proceeding. (Petition, p 22).

IV. DISCUSSION

MEC's Petition should be denied for two primary reasons: (1) it exceeds the scope of Rule 437 by seeking to re-litigate its prior positions in the underlying case and collaterally attack other Orders in other cases; and (2) even if it were within the scope of Rule 437, it would fail on the merits because it seeks a level of review beyond what is appropriate in an IRM reconciliation.

A. MEC's petition exceeds the scope of a request for rehearing under Rule 437.

MEC filed its Petition apparently to coincide with MEC's exceptions to the Proposal for Decision ("PFD") in Case No. U-21845 (2024 IRM reconciliation) dated February 1, 2026, which found that the reconciliation was a straightforward proceeding to determine whether the Company spent designated funds in a manner consistent with its 2024 IRM Plan and that the Company complied with the Commission's directives in the December 1, 2023 Order in Case No. U-21297. (U-21845 PFD, p 41). Further details and support for the U-21845 PFD are set forth in the

Company's March 18, 2026 Replies to Exceptions in Case No. U-21845, but the Company's Answer Opposing MEC's Petition otherwise focuses on this Case No. U-21860. The Commission's final order remains pending in Case No. U-21845, in which the Commission may address MEC's arguments regarding IRM reconciliations and the PFD's recommendations in that case.

MEC's Petition attempts to expand the IRM reconciliation process into something it is not, and was never intended to be: a granular, after-the-fact review of every IRM expenditure the Company made so that MEC might argue whether each project-level expenditure was reasonable and prudent. (MEC's Petition, pp 2, 8-13, 21-22). MEC's request lacks merit because it seeks an unprecedented, unjustified, and unworkable level of review of specific project-level IRM expenditures, and because it amounts to a collateral attack on the Commission's prior Orders.

1. IRM reconciliation is a review of whether expenditures are consistent with the IRM Plan; it is not an opportunity for intervenors to scrutinize IRM expenditures on a project-by-project level.

The Commission is undoubtedly familiar with IRMs and holds the authority to approve such mechanisms.¹ After establishing IRMs for Consumers Energy and DTE Gas, the Commission first established DTE Electric's IRM, finding that "the IRM reconciliation shall be filed as a contested case proceeding." (Case No. U-21297 December 1, 2023 Order, p 290, citing the July

¹ See *Attorney General v Pub Serv Comm*, 281 Mich App 545, 549; 761 NW2d 482 (2008), *lv den* 483 Mich 1017 (2009) (UETM was within the Commission's authority because the MPSC "acted within its general ratemaking powers in adopting the UETM to ensure that the portion of rates attributable to uncollectible expense would substantially match actual uncollectible expense"). See also *In re Detroit Edison Co Applications*, 296 Mich App 101, 114; 817 NW2d 630 (2012) (Court of Appeals rejected Attorney General's challenge to four mechanisms - UETM, storm and non-storm restoration normalization tracker, line clear expense tracker, and Choice Incentive Mechanism - explaining in part that "our case law confirms that the PSC correctly approved [the] use of cost tracking mechanisms through which future rates are adjusted to take account of actual past expenses"). Notably, the IRM is actually more protective of customers than the UETM because the latter was a two-way tracker through which rates could increase, but the IRM is a one-way tracker through which rates are capped at the ordered amount, subject to potential reduction in reconciliations.

31, 2017 Order in Case No. U-18124). That order notably referenced a “reconciliation of planned costs to actual costs” and “yearly spend totals for the reconciliation proceeding” without any suggestion of some higher level of hindsight and/or granular scrutiny as MEC now advocates. (July 31, 2017 Order in Case No. U-18124, p 103).

Thus, as the PFD in Case No. U-21845 accurately observed, the IRM reconciliation is “a straightforward issue relating to whether the Company spent funds in a manner consistent with its . . . IRM Plan.” (U-21845 PFD, p 41). The Commission’s prior Orders established that an IRM reconciliation consists of “reconciliation of planned costs to actual costs” for the purpose of providing an “opportunity for review of the reasonableness and prudence of the company’s expenditures.” (July 31, 2017 Order in Case No. U-18124, p 103; December 1, 2023 Order in Case No. U-21297, p 290).

There is no authority to support MEC’s position that an IRM reconciliation hearing is an opportunity for intervenors to retrospectively and exhaustively scrutinize the Company expenditures at the project level, such as whether it was reasonable and prudent to install a recloser in a specific location, or as MEC puts it here “whether the Company executed cost-effective projects that prioritized DA recloser installation to address the highest wire-down circuits and PTMM maintenance to improve the worst-performing circuits” (Petition, p 12). Such an endeavor would also elude any practical outcome, since as the Commission recognized, “[e]ven with perfect information, it is likely impossible to capture the full impact of one year of spending before approving spending for the following year, or to know whether a set of investments fully achieved their intended objectives in time for the next filing . . . because the work tied to the investments does not all happen at once and the results can take some amount of time to show up.” (February 19 Order, p 386).

MEC exaggerates the state of debate by asserting that “there is substantial disagreement over the appropriate scope and purpose of IRM reconciliation proceedings and role of the IRM investment plan.” (MEC’s Petition, p 3). But that is inaccurate, because the only “disagreement” is by MEC itself, and is hardly substantial. MEC raised these same arguments in Case No. U-21845 and now it rehashes them here.

Neither MEC nor any other party has a specific *right* to challenge project-level expenditures in a contested case to the degree argued.² As indicated above, the Commission created the IRM reconciliation proceedings as a contested case and defined the scope of those proceedings. This is an additional level of transparency and regulatory oversight, where the rate case already satisfies the requirements for a contested case under MCL 460.6a(1), which provides for contested case review where “[a] gas utility, electric utility, or steam utility” seeks to “increase its rates and charges or alter, change, or amend any rate or rate schedules, the effect of which will be to increase the cost of services to its customers [].” The administrative rules that govern proceedings before the Commission further provide that “A contested case proceeding must be held when required by statute and may be held when the commission so directs.” Mich Admin Code, R 792.10415(1).

MEC has no statutory or Due Process right to a contested case to challenge whether the Company could, for example, have derived greater benefit by choosing different utility poles for PTMM, or whether it could have chosen different circuits for which to install reclosers than the

² A contested case is “a proceeding, including rate-making, price-fixing, and licensing, in which a determination of the legal rights, duties, or privileges of a named party is *required by law* to be made by an agency after an opportunity for an evidentiary hearing.” MCL 24.203(3), emphasis added. This means that the right to a contested case exists only where it is provided by statute, except in cases where the government seeks to revoke an existing property right such that Due Process requires the opportunity for an evidentiary hearing, MCL 24.292; see also *Bois Blanc Island Twp v Natural Resources Comm’n*, 158 Mich App 239, 244-245; 404 NW2d 719 (1987); see also *Bundo v City of Walled Lake*, 395 Mich 679, 704 (1976).

ones it chose. And the Commission has not directed that a contested case be held to review such minutiae. To the contrary, the Commission has declined to order this level of review, or to identify it as necessary for IRM investments in general rate cases. (December 1, 2023 Order in Case No. U-21297, pp 287-288; *see also* Case No. U-21845 2T 26-27).

It also bears emphasis that MEC continues to rehash its position from past cases. For further example, in Case No. U-21534, AG-MN witness Alvarez opposed the Company's proposed IRM extension, admittedly echoing his anti-rider arguments from Case No. U-21297 (U-21534 Alvarez, 6T 3943). Witness Alvarez further contended, as MEC echoes here, that the preview and reconciliation ordered in Case No. U-21297 "offer little more than lip service to capital spending governance" (U-21534 Alvarez, 6T 3947). To the contrary, the Commission thoughtfully established the reconciliation process following past practice, as indicated above. The Commission more fully stated:

The filing of the IRM Investment Plan at least four months prior to the start of each plan year will allow for a more meaningful review by both the Staff and other interested stakeholders. Further, the submission of the plan to all intervening parties, along with providing a forum for interested parties to raise concerns, will allow for additional collaboration and input into the proposed investments.

* * *

In addition to plan review, a contested reconciliation process will provide additional opportunities for input from interested parties. Further, developing a record in a contested proceeding will provide even greater transparency and opportunity for review of the reasonableness and prudence of the company's expenditures, as well as accept input to address equity concerns such as those raised by the DAAOs to avoid racialized disparities in service. [December 1, 2023 Order in Case No. U-21297, pp 289-90.]

The Commission again revisited reconciliation issues in this Case No. U-21860, reconfirming established practice and emphasizing that the process is both workable and effective. (February 19 Order, pp 386-87).

In sum, MEC seeks to change the February 19 Order to depart from past practice and create out of whole cloth a new type of contested case that has never existed under Michigan law, and to clarify confusion about the IRM process that exists only to the extent MEC has created it in this case and Case No. U-21845. Simply put, there is nothing meritorious or confusing here; MEC just seeks a different result. MEC's latest attempt to disagree with the Commission is not within the scope of Rule 437, therefore the Commission should not consider it. Moreover, as set forth in the next section of this Answer, even if this were a proper request for rehearing of the February 19 Order, it should be denied on its merits.

2. MEC's Petition constitutes an improper attempt to relitigate issues already addressed in the February 19 Order and to mount a collateral attack on Commission Orders and a non-final PFD in other cases.

MEC's Petition includes repeated entreaties to the Commission to "reject the extension of the IRM to 2027." (Petition, pp 13-17, 22). This is a rehash of what MEC argued previously in this case (*see* February 19 Order, pp 376, 383), thus it is not within the proper scope of a Petition for Rehearing under Rule 437. As set forth *supra*, this Petition "is not merely another opportunity for [MEC] to argue a position or to express disagreement with the Commission's decision" and it may not be granted to rehash arguments or express disagreement with the Commission's position. (January 31, 2017 Order in Case No. U-17691 Order, p 8; *see also* August 7, 2025 Order in Case No. U-21662 Order, p 4; July 22, 2016 Order in Case No. U-17990 Order, p 4).

Additionally, MEC argues that clarification of the IRM reconciliation process is necessary based on recent Commission Orders in Case Nos. U-21305 and U-20147, and it takes issue with the PFD in Case No. U-21845. (Petition, *passim*). Specifically, MEC argues that: "The apparent effect of the February Order and U-21305 and U-20147 orders is to modify the scope of rate cases and DSPs and to reduce the opportunities for contested proceedings to assess the reasonableness

and prudence of IRM programs, IRM spending levels, and IRM effectiveness.” (*Id.*, p 2). MEC also argues that the PFD in Case No. U-21845 renders “the value of the IRM reconciliation proceeding as ratepayer protection . . . uncertain” and creates the possibility that “reconciliation is not a robust proceeding to evaluate the reasonableness and prudence of project-level IRM decision-making” which would mean that “the IRM does not adequately protect ratepayers against imprudent spending [].” (*Id.*).

These are collateral attacks on other Orders in other cases, one of which is a non-final PFD to which MEC has already filed exceptions. (March 4, 2026 Exceptions in Case No. U-21845). The Commission has repeatedly held that attempts to relitigate issues already decided in other orders and other cases constitute improper collateral attacks. (*See, e.g.*, December 18, 2025 Order Approving Settlement Agreement in Case No. U-21909, pp 37-38, citing *In re Ives*, 314 Mich 690, 696; 23 NW2d 131 (1946)).

B. Even if it were within the scope of Rule 437, MEC’s Petition should be denied on the merits.

Even if MEC’s objections to the February Order and the IRM reconciliation process were within the scope of Rule 437, they would still fail for lack of merit because they seek an unworkable and unprecedented level of review of IRM expenditures while inaccurately downplaying the robustness and efficacy of the IRM reconciliation process.

1. MEC’s concerns about the February 19 Order’s revision and extension of the 2026 IRM are unavailing and moot.

Much of MEC’s Petition focuses on the fact that the February 19 Order approved increases to the IRM for 2026 and expanded it to 2027. (Petition §§ III.A, C, and E, pp 4-8, 11-13, 14-17). In sum, MEC argues that these modifications to the IRM mean that the IRM no longer matches

the previously filed 2026 IRM Investment Plan, therefore either a rehearing or an alteration, amendment, or modification of the February 19 Order is necessary so that a proper IRM reconciliation can be conducted. (*Id.*)

MEC's argument does not provide a basis for rehearing. On April 8, 2026, the Company submitted an Amended 2026 IRM Investment Plan in Case No. U-21860 to account for the changes that were approved in the February 19 Order. Accordingly, no rehearing is necessary to "order" an update that has already occurred. As described in the "History of Proceedings" above, the timing of proceedings and the Commission's Order necessarily resulted in changes to the IRM after the IRM Investment Plan was already in place. This does not mean that the February 19 Order results in "unintended consequences" or that rehearing is necessary to account for "facts and circumstances arising subsequent to the close of the record in this proceeding." (MEC's Petition, p 3).

The Commission was undoubtedly aware that its February 19 Order would result in a distinction between the recently modified IRM and the pre-existing 2026 IRM Investment Plan, which would need to be addressed by amending the Plan. This can hardly be described as an "unintended consequence." And with the Company's filing of its Amended 2026 IRM Investment Plan on April 8, 2026, the issue is now also moot and merits no further consideration.³

And it is unclear which (if any) "facts and circumstances arising subsequent to the close of the record in this proceeding" MEC believes would warrant a rehearing or alteration of the February 19 Order. MEC does not point to any new facts or circumstances that have arisen since the Order's issuance on February 19, 2026. MEC's primary objection seems to be that the February

³ *B P 7 v Bureau of State Lottery*, 231 Mich App 356, 359; 586 NW2d 117 (1998) (dismissing appeals because issue presented became moot). *See also, International Union v Michigan*, 211 Mich App 20, 29; 535 NW2d 210 (1995) (dismissing claims that had been rendered moot by subsequent developments); *Plumbers and Pipefitters Local Union No 190 v Wolff*, 141 Mich App 815, 818; 369 NW2d 239 (1985) (declining to address moot issues).

19 Order does not match the pre-existing IRM Investment Plan, but the Plan was developed *before* the issuance of the February 19 Order, not after. Rather than allege any new facts that arose after February 19, MEC suggests vague concerns about a general uncertainty in the IRM process and attempts to leverage its own self-created and longstanding “substantial disagreement over the appropriate scope and purpose of IRM reconciliation proceedings and the role of the IRM investment plan.” (*Id.*) But that does not indicate any unintended consequences of the February 19 Order, nor does it present any new facts or circumstances.⁴ Rehearing or alteration, amendment, or modification of the February Order are thus not warranted based on sections III.A, C, or E of MEC’s Petition.

2. The IRM process includes robust review which ensures reasonable and prudent IRM spending.

In its Petition, MEC argues that, absent unprecedented project-level review, IRM reconciliations will not be sufficiently robust and will not “adequately protect ratepayers against imprudent spending [.]” (*Id.*, p 2). That is simply not accurate.

The IRM reconciliation effectively provides an annual review of the Company’s planned IRM expenditures, which originally derive from general rate cases at a programmatic level and are refined at the project level in IRM Plans, compared to the Company’s actual IRM expenditures. Thus, there is a systematic, workable, and effective three-step process: first at the programmatic level in rate cases such as this one, then in the IRM Plan review and forum processes which, to date, MEC has chosen not to participate in, and then again in the IRM reconciliation case. This

⁴ It merits mentioning that the only “substantial disagreement” or “uncertainty regarding reconciliation revealed in U-21845” arise from MEC’s efforts to expand the scope of IRM reconciliation in that case. (*See* U-21845 PFD, *passim.*) The PFD rejected those efforts, holding that “reconciliation [is] a straightforward issue relating to whether the Company spent funds in a manner consistent with its . . . IRM Plan.” (*Id.*, p 41). The Commission should do the same there, and here.

methodical approach provides multiple levels of review, and by the time the process reaches the IRM reconciliation phase, only downward adjustments may result. The Commission recognized the robustness of the IRM process in its February 19 Order, in which the Commission held that allowing the Company to recover certain expenditures under the IRM for 2026 “will ensure that these amounts are spent on DA and will be subject to the IRM’s reconciliation process.” (February Order, p 191).

MEC seeks to transform what is a straightforward reconciliation process into a proceeding in which cost recovery is improperly conditioned upon satisfying requirements not set forth in any prior Order. This effort to misuse the reconciliation process is particularly problematic because MEC wishes to apply an unduly exacting standard to the Company’s project-level decision making with the benefit of hindsight, after those project-level decisions have been made. “The reasonable utility management test for prudence is whether the costs in question are those a reasonable utility manager would have incurred, in good faith, under the same circumstances and at the relevant point in time. Under this test, the fact that a management decision turns out to have been wrong in hindsight is not relevant.” *RRC v Pub Serv Comm*, 198 Mich App 144, 151; 497 NW2d 558 (1993); *see also ABATE v Pub Serv Comm*, 208 Mich App 248, 260; 527 NW2d 533 (1995) (“utilities are compensated for prudent investments at their actual costs when made regardless of whether the investments are deemed necessary or beneficial in hindsight”).

3. MEC’s request for clarification is unauthorized and makes no valid point.

As set forth *supra*, much of MEC’s Petition is a broad protest against the IRM process itself. MEC argues that the IRM process contains insufficient safeguards against unreasonable or imprudent spending, it describes IRM reconciliation as a “perfunctory administrative exercise,”

and it asks the Commission to “clarify the IRM regulatory process.” (Petition §§ B, D, and F, pp 8-11, 13-14, 17-21). None of this disagreement with the Commission merits rehearing, and as the Commission recently observed, “the Commission’s Rules of Practice and Procedure, Mich Admin Code, R 792.10401 *et seq.*, do not provide for clarification petitions” (March 27, 2026 Order in Case No. U-21990, p 21).

As discussed above, MEC simply maintains its disagreement with the Commission’s IRM decisions and rehashes its most recent permutation of arguments from Case No. U-21845. MEC’s only valid point is that the Company needs to amend its 2026 IRM Investment Plan, which is undisputed and moot after the Company filed its 2026 Amended IRM Investment Plan on April 8, 2026. MEC’s Petition otherwise expresses continuing disagreement with the Commission, which is not a sound basis for rehearing.

V. REQUEST FOR RELIEF

DTE Electric Company respectfully requests that the Michigan Public Service Commission deny MEC’s Petition for Rehearing and to Alter, Amend, or Modify Order.

Respectfully submitted,

DTE ELECTRIC COMPANY

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Dated: April 13, 2026

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of)
DTE ELECTRIC COMPANY for)
authority to increase its rates, amend its)
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and for miscellaneous accounting authority)

Case No. U-21860

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

ESTELLA R. BRANSON states that on April 13, 2026, she served a copy of DTE Electric Company's Answer Opposing Michigan Environmental Council's Petition for Rehearing and to Alter, Amend, or Modify Order in the above captioned matter, via electronic mail upon the persons listed on the attached service list.

ESTELLA R. BRANSON

ADMINISTRATIVE LAW JUDGE

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