

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

MPSC Case No. U-22058

In the matter of the application of)
DTE ELECTRIC COMPANY)
for Approval of Special Contracts)
and for other relief)

PUBLIC

Direct Testimony

And Exhibits

of

Sebastian Coppola

On behalf of

Attorney General Dana Nessel

June 5, 2026

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1 **I. Introduction**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND ADDRESS.**

3 A. My name is Sebastian Coppola. I am an independent business consultant. My office is
4 at 5928 Southgate Rd., Rochester, Michigan 48306.

5 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL QUALIFICATIONS.**

6 A. I am a business consultant specializing in financial and strategic business issues in the
7 fields of energy and utility regulation. I have more than forty years of experience in public
8 utility and related energy work, both as a consultant and utility company executive. I have
9 testified in several regulatory proceedings before the Michigan Public Service
10 Commission (“MPSC” or “Commission”) and other regulatory jurisdictions. I have
11 prepared and/or filed testimony in rate case proceedings, revenue decoupling
12 reconciliations, gas conservation programs, Gas Cost Recovery (GCR) cases and Power
13 Supply Cost Recovery (PSCR) cases, and other proceedings. As accounting manager and
14 later financial executive for two regulated gas utilities with operations in Michigan and
15 Alaska, I have been intricately involved in regulatory proceedings related to gas cost
16 recovery cases, gas purchase strategies, rate case filings and power plant cost analysis.

17 **Q. WHAT EXPERIENCE DO YOU HAVE WITH ELECTRIC UTILITIES?**

18 A. I have performed rate case analyses and filed testimony in several electric general rate
19 cases addressing issues on revenue requirement, sales level determination, operations and
20 maintenance expenses, cost allocations, cost of capital, cost of service and rate design,
21 various cost tracking mechanisms and integrated resource plans. In addition, I have

1 performed analyses of power costs and filed testimony in power supply cost recovery
2 mechanisms, including reconciliation of annual power supply costs.

3 In my position as Senior Vice President of Finance at MCN Energy Group, I had
4 responsibility for project financing of independent power generation plants in which MCN
5 was an owner. In this regard, I was intricately involved and became knowledgeable of
6 PURPA qualified cogeneration plants in Michigan and other states. In addition, I was
7 involved in negotiating the development and financing of power generation and electricity
8 distribution plants in other countries, such as India.

9 **Q. PLEASE LIST SOME OF THE MORE RECENT CASES YOU HAVE**
10 **PARTICIPATED IN BEFORE THE MPSC AND OTHER REGULATORY**
11 **AGENCIES.**

12 A. Here is a partial list of the most recent regulatory cases in which I have participated in the
13 last two years:

- 14 ○ Filed testimony on behalf of the Michigan Attorney General in Consumers
15 Energy Company (CECo) 2025 gas rate case U-21981 on several issues,
16 including operation and maintenance expenses, capital expenditures, cost of
17 capital, and other items.
- 18 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas
19 Company (DTE Gas) 2024-2025 GCR reconciliation in case No. U-21440.
- 20 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2025
21 gas rate case U-21973 on several issues, including revenues, operation and
22 maintenance expenses, capital expenditures, cost of capital, and other items.
- 23 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Electric
24 (DTEE) 2024 PSCR reconciliation in Case No. U-21426.
- 25 ○ Filed testimony on behalf of the Michigan Attorney General in CECo proposed
26 sale of hydroelectric power generating assets in Case No. U-21985.
- 27 ○ Filed testimony on behalf of the Michigan Attorney General in SEMCO Energy
28 Gas Company (SEMCO) 2024-2025 GCR plan reconciliation in Case No. U-
29 21446.

- 1 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2024 PS CR
2 reconciliation in Case N0. U-21424.
- 3 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2025
4 electric rate case U-21870 on several issues, including operation and maintenance
5 expenses, capital expenditures, cost of capital, and other items.
- 6 ○ Filed testimony on behalf of the Michigan Attorney General in DTEE 2025
7 electric rate case U-21860 on several issues, including operation and maintenance
8 expenses, capital expenditures, cost of capital, and other items.
- 9 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas
10 Company (DTE Gas) 2025-2026 GCR plan case No. U-21608.
- 11 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2023-
12 2024 GCR reconciliation in case No. U-21272.
- 13 ○ Filed testimony on behalf of the Michigan Attorney General in DTEE 2023 PS CR
14 Plan Case No. U-21594.
- 15 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2024 gas
16 rate case U-21806 on several issues, including sales, operation and maintenance
17 expenses, capital expenditures, cost of capital, and other items.
- 18 ○ Filed testimony on behalf of the Michigan Attorney General in Michigan Gas
19 Utilities Corporation (MGUC) 2023-2024 GCR reconciliation in case No. U-
20 21274.
- 21 ○ Filed testimony on behalf of the Michigan Attorney General in DTEE 2023 PS CR
22 reconciliation in case No. U-21260.
- 23 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2023-2024
24 GCR reconciliation in case No. U-21270.
- 25 ○ Filed testimony on behalf of the Michigan Attorney General in SEMCO 2023-
26 2024 GCR plan reconciliation in case No. U-21278.
- 27 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2023 PS CR
28 reconciliation in case No. U-21258.
- 29 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2024
30 electric rate case U-21585 on several issues, including operation and maintenance
31 expenses, capital expenditures, cost of capital, and other items.
- 32 ○ Filed testimony on behalf of the Michigan Attorney General in DTEE 2024
33 electric rate case U-21534 on several issues, including operation and maintenance
34 expenses, capital expenditures, cost of capital, and other items.
- 35 ○ Filed testimony on behalf of the Michigan Attorney General in the Upper
36 Peninsula Power Company (UPPCO) 2024 gas rate case U-21555 on several
37 issues, including operation and maintenance expenses, capital expenditures, cost
38 of capital, and other items.

- 1 ○ Filed testimony on behalf of the Michigan Attorney General in MGUC 2024 gas
2 rate case U-21540 on several issues, including operation and maintenance
3 expenses, capital expenditures, cost of capital, and other items.
- 4 ○ Filed testimony on behalf of the Michigan Attorney General in SEMCO 2023-
5 2024 GCR plan in case No. U-21277.
- 6 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2024
7 gas rate case U-21291 on several issues, including sales, operation and
8 maintenance expenses, capital expenditures, cost of capital, and other items.
- 9 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2022-
10 2023 GCR reconciliation in case No. U-21065.
- 11 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2023 gas
12 rate case U-21490 on several issues, including sales, operation and maintenance
13 expenses, capital expenditures, cost of capital, and other items.
- 14 ○ Filed testimony on behalf of the Michigan Attorney General in DTM Michigan
15 Lateral Company (DMLC) 2023 Act 9 Transportation Service rate update in case
16 No. U-21525.
- 17 ○ Filed testimony on behalf of the Michigan Attorney General in DTEE 2022 PSCR
18 reconciliation in case No. U-21051.
- 19 ○ Filed testimony on behalf of the Michigan Attorney General in Michigan Gas
20 Utilities Corporation (MGUC) 2022-2023 GCR plan in case No. U-21067.
- 21 ○ Filed testimony on behalf of the Michigan Attorney General in CEC0 2023 PSCR
22 reconciliation in case No. U-21049.
- 23 ○ Filed testimony on behalf of the Michigan Attorney General in Indiana Power
24 Company 2023 electric rate case No. U-21461 on several issues, including sales,
25 operation and maintenance expenses, capital expenditures, cost of capital, and
26 other items.
- 27 ○ Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2023-
28 2024 GCR plan in case No. U-21271.

29 Appendix A elaborates further on my qualifications in the regulated energy field.

30 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

31 A. I have been asked by the Attorney General to perform an independent analysis of DTE
32 Electric Company's ("Company" or "DTEE") filing in Case No. U-22058 requesting
33 approval of special contracts with Google LLC, a subsidiary of Alphabet, Inc. to serve a

1 large scale data center with electric demand of 1,000 MW in Van Buren Township,
2 Michigan. This testimony presents a report of that analysis with related recommendations.

3 **Q. WHAT TOPICS ARE YOU ADDRESSING IN YOUR TESTIMONY?**

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

- 5 1. The Minimum Billing Demand threshold
- 6 2. The Termination Payment to be paid by Google
- 7 3. The parent company guaranty limitations
- 8 4. The uncertainty of the actual energy storage and renewable energy projects to be
- 9 selected and related costs
- 10 5. The large Demand Response Program reduction chosen by Google
- 11 6. The need to track transmission cost
- 12 7. The need for a tracking mechanism for net benefits accruing to other customers
- 13 from the Google and other data centers

14 The absence of discussion on other matters in my testimony should not be taken as an
15 indication that I agree with those aspects of DTEE's filing. The narrow focus of my
16 testimony is, instead, a consequence of focusing on certain issues within the available
17 resources.

18 **Q. IS YOUR TESTIMONY ON THESE TOPICS ACCOMPANIED BY EXHIBITS?**

19 A. Yes. I am sponsoring the following exhibits, which were either prepared by me or under
20 my direct supervision:

- 21 1. Exhibit AG-1 CONF Calculation of Residual Termination Payment
- 22 2. Exhibit AG-2 Programs.com Article on Data Center Boom
- 23 3. Exhibit AG-3 IEEFA Article on Risk of AI-driven Overbuilt Infrastructure
- 24 4. Exhibit AG-4 Google Substations, DTE Line Extension, and ITC Lines
- 25 5. Exhibit AG-5 DTEE Tracking of Data Center Related Transmission costs

2 **II. SUMMARY CONCLUSIONS & RECOMMENDATIONS**

3 **Q. PLEASE PROVIDE A SUMMARY OF YOUR CONCLUSIONS AND**
4 **RECOMMENDATIONS PERTAINING TO THE SPECIAL CONTRACTS AND**
5 **GOOGLE DATA CENTER.**

6 A. Based on my analysis of the Company's application, testimony, exhibits, and responses to
7 discovery, I have reached the following summary conclusions and recommendations:

- 8 1. The 80% Minimum Billing Demand threshold could negatively impact other
9 customers. In preparing various cost scenarios supporting its testimony, the
10 Company assumed an average load factor of 90% of contracted maximum
11 capacity. I recommend that the Commission reject the 80% Minimum Billing
12 Demand and order the Company to set the threshold at no lower than 90%.
- 13 2. The contract Termination Payment amount payable by Google is based on
14 the 80% Minimum Monthly Charge for the remaining years of the PSA with
15 no further obligation by Google after 17 years. The remaining 20% would be
16 absorbed by other customers if the Company is not able to find a replacement
17 customer to take the capacity. I recommend that the Commission order the
18 Company to modify the Primary Supply Agreement to include the
19 Termination Payment at 100% of total demand costs for the full 20-year term
20 of the agreement.
- 21 3. Google's payment obligations for the Termination Payment far exceed the
22 parent company guaranty. Other customers should not be at risk of absorbing
23 any shortfall in costs for which Google and its parent are responsible.
24 Therefore, I recommend that the Commission reject any limitations on the
25 parent guaranty and the bank letter of credit from the Primary Supply
26 Agreement and Clean Capacity Accelerator Agreement.

- 1 4. The 250 MW load reduction commitment under the DR program seems
2 extremely aggressive for a data center that must run 24 hours per day, 365
3 days of the year, nearly unimpeded. I recommend that any penalties assessed
4 to Google for non-performance under the DR program should be accounted
5 for separately, disclosed in DR proceedings and general rate cases, and
6 credited to other customers' rates.
- 7 5. I recommend that the Commission direct the Company to implement
8 appropriate cost accounting tracking procedures to allow complete and
9 accurate reporting of all transmission-related incremental costs for Google
10 and each new data center for presentation of the aggregate costs and benefits
11 that are impacting other customers.
- 12 6. I recommend that the Commission order the Company to establish a
13 regulatory liability account to capture the annual financial benefits from the
14 Google data center, and other data centers, for inclusion in future rate cases
15 as a reduction to future base rate increases or as a direct passthrough of the
16 financial benefits to customers through a separate credit refund. This
17 tracking mechanism will ensure that financial benefits are passed through to
18 customers and do not accrue to the benefit of the utility.
- 19 7. I recommend that, similar to the December 18, 2025 order in Case No. U-
20 21990, the Commission make clear to the Company that any and all
21 unrecovered costs from Google shall not be borne by other customers and
22 that DTE Electric bears responsibility for any remaining liability and that all
23 risk associated with the sufficiency of the collateral shall be borne by DTE
24 Electric.

25 The remainder of my testimony provides further details and support for these summary
26 conclusions and recommendations.

1 **III. SUMMARY OF CONTRACT TERMS AND CONCERNS**

2 **A. PRIMARY SUPPLY AGREEMENT**

3 **Q. PLEASE PROVIDE A SUMMARY OF THE KEY TERMS OF THE PRIMARY**
4 **SUPPLY AGREEMENT (PSA) FOR WHICH THE COMPANY REQUESTS**
5 **APPROVAL.**

6 A. According to the direct testimony of Company witness Neal Foley, beginning on page 3,
7 the PSA allows Google LLC (Customer) to take service under the Company's Primary
8 Supply Rate Schedule D11 with modified terms and conditions, including provisions in
9 other contracts, such as the Clean Capacity Accelerator Agreement (CCAA), the Rider 12
10 Demand Response Agreement, and the Line Extension Agreement (LEA). The Company
11 seeks approval of the contracts from the Commission by September 10, 2026.

12 The PSA has a term of 20 years with expected start of electric service in December 2027
13 and includes the following key terms and conditions:

14 1. *Rate Schedule Change* - The Customer can request a rate schedule change, but it
15 cannot take effect prior to 24 months after completion of load ramp-up and 24
16 months prior to the requested rate schedule change taking effect. Any new rate
17 schedule request cannot be cross subsidized by any other customer group. In
18 response to discovery, the Company stated that, for the Customer to switch rates,
19 the rate must be approved by the Commission after the PSA Contract Date. As such,
20 the Commission maintains appropriate oversight of the availability of future rate
21 schedules the Customer could switch to.¹

22 2. *Minimum Billing Demand* - Under the PSA, the Customer has agreed to a Minimum
23 Billing Demand (MBD) payment of 80% of the contract capacity of 1,000 MW, or

¹ Exhibit AG-6 includes Discovery Responses (DR) AGDE-1.5a-b.

1 800 MW once the load ramp-up is achieved. This means that the Customer will be
2 responsible for a Minimum Monthly Charge (MMC) of 80% of contract demand if
3 actual energy use falls below the 80% threshold. Under Rate Schedule D11, the
4 MBD and MMC will be applied to the Power Supply Capacity Demand Charge,
5 the Power Supply Non-Capacity Demand Charge, and the Distribution Demand
6 Charge. Based on the D11 rates approved in Case No. U-21860, the MMC will be
7 \$13.8 million monthly or \$165.1 million annually.

8 3. *Load Ramp-up Flexibility* - The PSA anticipates a load ramp-up for the data center
9 to be reached by December 2028. However, there is flexibility for the Customer to
10 delay the ramp-up by up to 18 months with no change in contract capacity allowed.

11 4. *Contract Capacity Reduction* - The contract capacity can be reduced under certain
12 circumstances if the Company is not able to meet the Customer's load ramp-up or
13 the maximum load requirements. The Company and the Customer will negotiate
14 and agree on a solution or accept the Company's proposed capacity adjustment.
15 The Customer can accept the Company's proposed capacity adjustment or
16 terminate the agreement and pay the applicable termination payments.

17 5. *Termination Payment* – If a termination payment is triggered under Section 7.0 of
18 the PSA, the Company will recover between 15 and 17 years of Minimum Monthly
19 Charges (MMC) depending on the date of termination. As stated above, the MMC
20 is based on the 80% MBD. Based on the provisions in the PSA and the D11 rates
21 approved in Case No. U-21860, the Termination Payment at the completion of the
22 load ramp-up would be \$2.48 billion.²

23 6. *Energy Waste Reduction (EWR)* – The Customer has committed to a self-directed
24 EWR program with an annual target reduction of 1.5% of peak load.

25 7. *Affordability Backstop* – According to the Company the PSA ensures that the
26 aggregate benefits, including revenues received from the Customer and avoided
27 costs, outweigh the costs of serving the Customer's load. PSA Exhibit A-16 states

² Neal Foley direct testimony at page 18.

1 that the Company and the Customer acknowledge that the goal of the PSA and
2 Related Agreements is to protect other customers, other customers classes, and the
3 Company from funding the costs to serve the Customer. The Company proposes
4 to present information on incremental costs and cost recovery from the Customer
5 in applicable future proceedings, such as PSCR reconciliation cases, renewable
6 generation plans, and rate cases with an overall and comprehensive reconciliation
7 of net benefits accruing to other customers. If at any time during the term of the
8 PSA, the Commission makes a determination that costs to serve the Customer
9 exceed the revenues received and orders a cost disallowance, the Customer has
10 agreed to reimburse the Company for any such disallowance.

- 11 8. *Credit and Collateral Requirements* – Upon approval of the PSA, [Begin Conf]
12 [REDACTED] [End Conf] will provide a guaranty for a portion of the Customer's
13 financial obligations. The guaranty [Begin Conf] [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]. [End Conf]

18 **Q. WHAT CONCERNS DO YOU HAVE WITH THE PSA?**

19 A. I have concerns in three major areas: the Minimum Billing Demand threshold, the
20 Termination Payment amount and end date, and the Parent Company Guaranty cap.

21 **Q. PLEASE DISCUSS YOUR CONCERNS WITH THE MINIMUM BILLING**
22 **DEMAND.**

23 A. The Minimum Billing Demand threshold has been set at 80% of maximum contract
24 capacity of 1,000 MW, or 800 MW. If the Customer power usage falls below 800 MW,
25 the Company will bill the Customer at the 800 MW level. However, the Company is

1 obligated to provide up to 1,000 MW of power at any point in time and must have full
2 generating and energy storage resources in place to serve that full load. If the Customer is
3 not taking the full load, then the Company must sell the 200 MW of excess capacity at a
4 value potentially lower than the cost of acquiring the capacity. The cost differential could
5 negatively impact other customers. In preparing various cost scenarios supporting its
6 testimony, the Company assumed an average load factor of 90% of contracted maximum
7 capacity. This is a more reasonable level that reduces any potential negative impact on
8 other customers.

9 Therefore, I recommend that the Commission reject the 80% Minimum Billing Demand
10 and order the Company set a threshold no lower than 90%.

11 **Q. PLEASE DISCUSS YOUR CONCERNS WITH THE TERMINATION PAYMENT**
12 **AMOUNT AND THE END DATE FOR ANY PAYMENT DUE.**

13 A. The Termination Payment amount is based on the 80% Minimum Monthly Charge for the
14 remaining years of the PSA with no further obligation by the Customer after 17 years.
15 There are two problems here. First, under the Minimum Monthly Charge calculation the
16 Company does not get to recover 100% of the demand costs billable to the Customer, but
17 only 80% of the total costs. The remaining 20% would be absorbed by other customers if
18 the Company is not able to find a replacement customer to take the capacity. Based on the
19 sample calculations provided in Exhibit E to the PSA, the remaining charges for the 20%
20 not included in the Termination Payment could be as much as [Begin Conf] [REDACTED]
21 [End Conf] at the beginning of the contract in December 2027 and declining in future
22 months as a portion of the costs are billed. Exhibit AG-1 Confidential includes the

1 calculation of the remaining 20% of the total termination costs based on the Company's
2 model.

3 Second, Section 7.3 of the PSA sets certain limitations that basically end any termination
4 payments after the 17th anniversary of the Commencement Date of the agreement, which
5 is the date that the data center begins to take electric service. There is no sound reason why
6 the Termination Payment should stop three years short of the end of the 20-year contract
7 term.

8 Therefore, I recommend that the Commission order the Company to modify the PSA to
9 include the Termination Payment at 100% of total demand costs for the full 20-year term
10 of the agreement.

11 **Q. PLEASE DISCUSS YOUR CONCERNS WITH THE LIMITATION ON THE**
12 **PARENT GUARANTY.**

13 A. Section 8 of the PSA addresses the general requirements for Customer Collateral and parent
14 company guaranty. Exhibit C Confidential specifies a parent company [Begin Conf]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]⁴ [End Conf]

³ Exhibit E to the PSA in Exhibit A-16 Confidential for December 2027.

⁴ Exhibit E amount plus Exhibit AG-1 for December 2027.

1 Should the data center fail to start operations or significantly underperform, triggering a
2 Termination Payment, the parent company guaranty needs to be at the level that ensures
3 full payment of the Customer's total obligations. The Company and other customers
4 should not be at risk to absorb any shortfall in costs for which the Customer and its parent
5 are responsible. Therefore, I recommend that the Commission reject the [Begin Conf]

6 [REDACTED]
7 [REDACTED] [End Conf].

8 **Q. IN HIS TESTIMONY AND RESPONSE TO DISCOVERY, MR. FOLEY STATES**
9 **THAT SOME OF THE PSA TERMS AND PROVISIONS IN THIS CASE ARE**
10 **SIMILAR OR SUPERIOR TO THOSE APPROVED BY THE COMMISSION IN**
11 **CASE NOS. U-21859 AND U-21990. HOW DO YOU RESPOND?**

12 A. The similar or superior terms and conditions to which Mr. Foley refers primarily pertain to
13 the 80% MBD, the termination payment period, and the parent company guaranty. The
14 Google case is the first time that an actual data center project has been presented to the
15 Commission and intervening parties where specific terms have been disclosed and the
16 extent of cost impacts on other customers has been quantified and visible. Case No. U-
17 21859 involved the setting of a Large Load Tariff without the details of a specific of a large
18 data center presented that would have allowed the Commission and other parties to that
19 case to more fully assess what the potential dollar impact of an 80% MBD would be for
20 non-data center customers, in contrast to a higher MBD. Similarly, there was no context
21 regarding the impact of partial termination payments for limited periods of time and limited
22 parent guarantees that do not cover full cost obligations of the data center customers.

1 Case No. U-21990, pertaining to the Oracle data center, was a secretive process with
2 basically no public disclosure of key terms or financial impacts on other customers. The
3 Google data center case has brought to light the large potential financial implications of
4 limiting MBD, termination payments, and collateral guarantees to less than 100% of the
5 financial obligations of the data center customer. The risk exposure for other customers
6 and the utility is often hundreds of millions of dollars.

7 Therefore, I recommend that the Commission use this case and my recommendations to
8 re-evaluate the prior financial limitations set in Case Nos. U-21859 and U-21990 and
9 provide broader protections to non-data center customers of the utility and even the utility
10 itself, in the event it must backstop residual payments not made by the data center customer.

11 **B. CLEAN CAPACITY ACCELERATOR AGREEMENT**

12 **Q. PLEASE PROVIDE A SUMMARY OF THE KEY TERMS OF THE CLEAN**
13 **CAPACITY ACCELERATOR AGREEMENT (CCAA) FOR WHICH THE**
14 **COMPANY REQUESTS APPROVAL.**

15 **A.** According to the direct testimony of Mr. Foley beginning on page 23, the CCAA initial
16 contract term is also 20 years and mirrors the PSA. The contract provides for the
17 deployment of up to 480 MW of energy storage projects and up to 1,600 MW of renewable
18 energy projects. In his testimony, Mr. Foley states that the Company has designed the
19 CCAA with provisions for the Customer to pay the full cost or revenue requirements
20 associated with each project. Additionally, the Customer will procure 300 Zonal Resource

1 Credits (ZRCs) for a five-year period from June 1, 2028 to May 31, 2033 and transfer those
2 ZRCs to the Company to assist in meeting the Customer's capacity needs.

3 The key terms and conditions of the CCAA are:

- 4 1. *Energy Storage Portfolio* – The CCAA includes up to 480 MW of energy storage
5 projects with 55 MW of 8-hour duration and 425 MW of 4-hour duration. The
6 Company states that this storage capacity will be sourced through requests for
7 proposal and may entail a combination of projects, including self-build, build-
8 transfer agreements, and third-party tolling agreements.
- 9 2. *Renewable Energy Portfolio* – Under the CCAA, the Company contemplates
10 developing 1,600 MW of renewable energy projects in compliance with the
11 Company's Renewable Portfolio Standard (RPS). At the request of the Customer,
12 40% of the renewable capacity will be under the Voluntary Green Pricing (VGP)
13 program. No projects have been identified to date, and the Company plans to
14 include those projects in the Integrated Resources Plan (IRP) to be filed later in
15 2026.
- 16 3. *Project Pricing* – For both the energy storage and renewable energy projects, the
17 Customer will pay the full cost of each project for the respective depreciable life.
18 For projects with depreciable life past the term of the CCAA, the Company will
19 calculate the residual amount and accelerate cost recovery within the 20-year term
20 of the CCAA. The annual costs to be billed to the Customer will be based on the
21 traditional revenue requirement model, including depreciation expense, AFUDC,
22 return on investment, investment tax credits, O&M expenses, property taxes, and
23 insurance. The Company will perform an annual reconciliation of costs billed in
24 the prior year to actual costs incurred to ensure that any estimated costs are
25 reconciled to actual costs and the Customer pays the total actual costs incurred by
26 the Company. The Company intends to provide information on the annual cost
27 reconciliation to parties in future general rate cases and other pertinent proceedings,
28 such as the REP reconciliation cases.

- 1 4. *ZRC Transfer* – The Customer has agreed to purchase 300 MW of ZRCs for the
2 five years from June 1, 2028 to May 31, 2033, which it will transfer to the
3 Company, to assist with meeting the generating capacity accreditation requirements
4 with MISO. The Customer has agreed to pay a Financial Compensation
5 Mechanism amount to the Company based on the MISO Cost of New Entry applied
6 to the 300 ZRCs. This is an arrangement between the Company and the Customer
7 and other customers will not be responsible for this cost.
- 8 5. *Capacity Credits* – Pages 32 through 39 of Mr. Foley’s direct testimony describe
9 various capacity credits that the Customer will receive from MISO based on the
10 accredited capacity from the energy storage projects, renewable energy projects,
11 and the ZRCs.
- 12 6. *Contract Termination and Termination Payment* – The Customer cannot
13 voluntarily terminate the CCAA. If the contract is terminated through Customer
14 default, the Customer will be obligated to make a termination payment. The
15 termination payment will be equal to the unrecovered portion of the revenue
16 requirement for the remaining life of each project included under the CCAA.
17 Exhibit E beginning on page 47 of the CCAA in Exhibit A-18 Confidential shows
18 the declining potential termination payment starting at [Begin Conf] [REDACTED]
19 [REDACTED] [End Conf].
- 20 7. *Credit and Collateral Requirements* – Similar to the PSA, the CCAA includes a
21 parent guaranty from [Begin Conf] [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED] [End Conf] Schedule 1 on page 26 of Exhibit A-18
27 Confidential shows the annual guaranty amount.

⁵ Exhibit C to CCAA on page 41 of Exhibit A-18 Confidential.

1 **Q. WHAT CONCERNS DO YOU HAVE WITH THE CCAA?**

2 A. I have concerns in two major areas: the uncertainty of energy storage and renewable energy
3 projects to be developed and the related cost, and the parent company guaranty cap.

4 **Q. PLEASE DISCUSS YOUR CONCERNS WITH THE PLANNED ENERGY**
5 **STORAGE AND RENEWABLE ENERGY PROJECTS.**

6 A. The Company has not identified and selected the energy storage and renewable projects
7 that will be included in the portfolio of resources to supplement its current resources and
8 provide the necessary total capacity to serve the Customer. To provide an indication of
9 potential costs for those resources, it used historical costs from energy storage and
10 renewable energy projects previously installed as a proxy for actual costs. The Company
11 plans to solicit bids for energy storage projects in July 2026 and incorporate the renewable
12 energy projects with the upcoming filing of the IRP later in 2026.

13 The lack of actual information makes it difficult to truly assess the reasonableness of the
14 historical proxy costs, the indicative termination payments, or the parent guaranty cap.
15 Therefore, in this regard, I recommend that the Commission take a cautious approach to
16 ensure protection of other customers from shortfalls in Termination Payment cost recovery
17 from the Customer and under the parent guaranty.

18 **Q. PLEASE DISCUSS YOUR CONCERNS WITH THE LIMITATION ON THE**
19 **PARENT GUARANTY.**

1 A. Section 11 of the CCAA addresses the general requirements for Customer Collateral and
2 the parent company guaranty. Exhibit C Confidential specifies a parent company [Begin
3 Conf] [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [End Conf]

9 As stated earlier, should the data center fail to start operations or significantly
10 underperform, triggering a Termination Payment, the parent company guaranty needs to
11 be at the level that ensures full payment of the Customer's total obligations. This is even
12 more important under the CCAA given the fact that the actual full cost of the energy storage
13 and renewable generation resources is unknown. The Company and other customers
14 should not be at risk of absorbing any shortfall in costs for which the Customer and its
15 parent are responsible. Therefore, I recommend that the Commission reject the parent
16 guaranty cap [Begin Conf] [REDACTED]
17 [REDACTED] [End Conf]

18 **Q. IS THERE A GENERAL CONCERN WITH OVERCAPACITY OF DATA**
19 **CENTERS BEING BUILT AROUND THE COUNTRY?**

⁶ Schedule 1 on page 26 of the CCAA in Exhibit A-18 Confidential.

1 A. Yes. A recent article by Programs.com, an IT security publication, reported that demand
2 for data centers is projected to nearly triple by 2030, driven primarily by expected increases
3 in Artificial Intelligence (AI), demand for data processing, and storage. New data centers
4 are proliferating in nearby states, such as Indiana and Ohio, as well as in other states. The
5 U.S. had a total of 4,280 data centers as of May 2026, with several more hyperscale centers
6 in various stages of development.⁷ Most of the hyperscale projects, similar to the Google
7 and Oracle projects, rely on anticipated demand for computing power from AI.

8 Should that demand fizzle, the resulting overcapacity could result in project cancellations,
9 failures, or data centers underutilization. The result could be that data centers, such as
10 those backed by Google and Oracle, will not require the anticipated level of electric
11 capacity and energy consumption, triggering defaults and termination payments. The same
12 sentiment is echoed by utility and other industry executives in a 2025 article published by
13 the Institute for Energy Economics and Financial Analysis (IEEFA).⁸

14 Therefore, to protect other customers it is critical to ensure that payments for electric
15 service, generation and storage resources, termination payments, and collateral guarantees
16 cover 100% of the costs attributable to the data center customer.

⁷ Exhibit AG-2.

⁸ Exhibit AG-3.

1 **C. OTHER CONTRACTS AND SERVICES**

2 **Q. PLEASE DISCUSS THE OTHER CONTRACTS THAT SUPPORT THE PSA AND**
3 **CCAA.**

4 A. Company witness Shawn Burgdorf discusses the Rider 12 Demand Response (DR)
5 Agreement beginning on page 22 of his direct testimony. According to Mr. Burgdorf, the
6 Customer has requested to participate in the Demand Response program for up to 250 MW,
7 or 25% of its peak load of 1,000 MW. The DR contract begins on June 1, 2027 and ends
8 May 31, 2033 with a required firm service level of 650 MW, which allows for an
9 interruption or reduction in energy delivery for up to 250 MW during a MISO-called
10 demand response or emergency event.

11 In his direct testimony, Mr. Burgdorf states that MISO can assess penalties to the Customer
12 for non-performance in reducing power usage to the level called upon, including losing
13 accreditation of resources and other damages for lost auction price revenues in future MISO
14 plan years.

15 Regarding the Line Extension Agreement (LEA), Company witness Steven Beynard
16 discusses this agreement beginning on page 6 of his direct testimony. According to his
17 testimony and the LEA, the Company will provide the required interconnections between
18 the ITC transmission lines switchyard and the two substations to be built and owned by the
19 Customer. The Company will also review and approve selected equipment at the
20 Customer's substations, which will be operated by the Customer. Additionally, DTEE will
21 install metering equipment and deploy load shedding controls at the Customer's substations.

1 Exhibit AG-4 includes DR AGDE-2.45a-b and 2.47a-b with a site schematic describing the
2 distribution, transmission, and substation interconnections.

3 In his direct testimony, Mr. Beynard states that the costs to be incurred under the LEA are
4 projected at between \$29.1 million and \$44.3 million. The Customer has agreed to cover
5 up to \$50 million for the DTEE line extension work. In the eventuality that actual costs
6 exceed \$50 million, those additional costs would be added to the Company's rate base.

7 On page 5 of his testimony, Mr. Beynard also discusses the work to be performed by the
8 transmission service provider, ITC, at the Google data center site at an estimated cost of
9 \$308 million to install two 345 kV transmission lines, a switchyard substation, and related
10 equipment. This cost will be added to ITC's rate base and included in ITC Schedule 9
11 charges billed to all its customers, including DTEE.⁹ The Schedule 9 charges flow through
12 the PSCR.

13 **Q. WHAT CONCERNS DO YOU HAVE WITH THE RIDER 12 DR AGREEMENT?**

14 A. The 250 MW load reduction commitment under the DR program seems extremely
15 aggressive for a data center that must run 24 hours per day for 365 days of the year, nearly
16 unimpeded. Other customers will pay the costs for the Customer participating in the DR
17 program. To the extent that the Customer is not able to meet its commitment to shed load
18 when called upon by MISO under the DR program, it is necessary for the Company to

⁹ Exhibit AG-4 includes DR AGDE-2.46a.

1 ensure that other customers are made whole for any payments made to the Customer for
2 participation in the DR program.

3 Therefore, I recommend that any penalties assessed to the Customer for non-performance
4 under the DR program should be accounted for separately, disclosed in DR proceedings and
5 general rate cases, and credited to other customers' rates.

6 **Q. WHAT CONCERNS DO YOU HAVE WITH THE ITC TRANSMISSION COSTS?**

7 A. There are two distinct ITC transmission cost areas. First, there is the installation of
8 transmission lines and the switchyard substation at the Google data center site. As discussed
9 above, the cost for those installations will be included in ITC's rate base and billed to its
10 customers, including DTEE. In response to discovery, the Company stated that it plans to
11 track the capital-related costs for the Google ITC installation and will be able to identify
12 how much it contributes to the overall Schedule 9 costs billed by ITC to DTEE after the
13 start of service to the Customer.¹⁰

14 Second, ITC will likely be involved in connecting the energy storage locations and new
15 renewable energy projects to transmit power generation from those projects to DTEE. For
16 the energy storage resources, ITC will most likely also be involved in delivering power to
17 recharge the batteries after they are discharged. The Company did not address those
18 transmission interconnection installations in filed direct testimony in this case, probably due

¹⁰ Exhibit AG-5 includes DR MNSDE-2.21aiv.

1 to the fact that it is still uncertain where those storage and renewable resources will be
2 located.

3 However, the transmission capital costs related to those incremental resources need to be
4 tracked and reported separately, along with the ITC O&M costs related to all of the new
5 transmission facilities installed to supply power to the Google data center from resource
6 origin to the data center delivery point. Additionally, there may be incremental MISO
7 transmission-related oversight and system management costs pertaining to the new data
8 centers, which are billed through other transmission schedules. These additional
9 incremental costs and ITC costs related to the Google, Oracle, and other data centers that
10 may occur in future years need to be separately identified to ensure that other customers are
11 not subsidizing data center customers.

12 Therefore, I recommend that the Commission direct the Company to implement appropriate
13 cost accounting tracking procedures to allow complete and accurate reporting of all
14 transmission-related incremental costs for each new data center for presentation of the
15 aggregate costs and benefits that are impacting other customers.

16 **IV. DATA CENTER COSTS AND BENEFITS**

17 **Q. PLEASE SUMMARIZE THE COMPANY'S PLANS TO REPORT THE**
18 **INCREMENTAL COSTS OF THE GOOGLE DATA CENTER, PRESENT**
19 **ACTUAL COST RECONCILIATIONS, AND IDENTIFY BENEFITS ACCRUING**
20 **TO OTHER CUSTOMERS.**

1 A. As discussed above under the CCAA, the Company plans to present the additional costs
2 incurred for renewable energy projects in its annual REP reconciliations. The Company
3 also plans to present in future rate cases the annual reconciliation of costs incurred from
4 CCAA resources against the amounts billed to the Customer to demonstrate that the
5 Customer is paying the total cost of those resources. Additionally, as I recommended
6 earlier, the Company needs to show in the PSCR reconciliation cases the actual incremental
7 transmission costs caused by each of the Google and Oracle data centers, and any other data
8 centers that may come along.

9 Furthermore, as discussed by Mr. Foley and detailed in the direct testimony of witness
10 Aaron Willis, the Company plans to calculate and present a periodic aggregate
11 reconciliation of net benefits accruing to other customers from the Google data center. In
12 Exhibit A-19, the Company presented an illustration of potential net benefits by year from
13 2028 to 2047 that total to \$1.7 billion. The costs and financial benefits shown in Exhibit A-
14 19 are based on certain assumptions about future cost increases and resource additions that
15 will likely vary from actual costs in future years. However, the concept has merit, and this
16 reconciliation should be completed annually based on actual costs, including costs and
17 revenues under the CCAA.

18 **Q. SHOULD THE COMMISSION ORDER THE COMPANY TO GO FURTHER**
19 **THAN SIMPLY PRESENTING THE RECONCILIATION OF NET BENEFITS?**

20 A. Yes. The Commission should order that the Company establish a regulatory liability
21 account to capture the annual financial benefits from the Google data center, and any other

1 data centers, for inclusion in future rate cases as a reduction to future base rate increases or
2 as a direct passthrough of the financial benefits to customers through a separate credit
3 refund. This tracking mechanism will ensure that financial benefits are actually passed
4 through to customers and do not accrue to the benefit of the utility.

5 In recent news releases, the Company has stated that due to additional data center revenues
6 it may defer filing a new rate case for a couple of years. That announcement assumes that
7 the Company will retain any financial benefits from additional revenues billed to the data
8 center customers. Such an approach obscures the claim that new large data centers will
9 provide incremental benefits to customers and reduce rates. The better approach is to
10 capture the financial benefits in a regulatory liability account and for the utility to take those
11 benefits into consideration when deciding whether or not to file a rate case. Such a
12 mechanism will provide a more sound and transparent approach to show that other
13 customers are actually benefiting and are not being financially disadvantaged by the new
14 large data centers served by the Company.

15 **Q. IF THE DATA CENTER AGGREGATE COSTS EXCEED THE BENEFITS,**
16 **SHOULD OTHER CUSTOMERS BE RESPONSIBLE FOR THE INCREMENTAL**
17 **COSTS?**

18 A. No. If at any time during the term of the PSA, CCAA, and other agreements with the
19 Customer or after the expiration of those agreements, costs related to the Customer exceed
20 any benefits, or there are no longer any offsetting benefits, the Company and not the other
21 customers should be responsible for such costs. This requirement is similar to the

1 Commission pronouncements for the Oracle data center in Case U-21990, where the

2 Commission stated:

3 Moreover, the approval in the instant case is conditioned upon the assumption, as
4 represented by DTE Electric in its application, testimony, and subsequent filings,
5 and in the materials provided pursuant to the Staff's audit, that the Customer's
6 obligations under Rate D11 and the special contracts will at least cover the costs to
7 serve the Customer (including generation, transmission, distribution, or other
8 costs)... In addition, in the event of a failure to pay the MBD under the PSA, or in
9 the event of a termination, default, or other event whereby DTE Electric is required
10 to draw on the letter of credit or parental guaranty, if the company determines that
11 the specified collateral is not sufficient to cover the full amount of the remaining
12 financial exposure associated with the ESA or the PSA (minus the value to
13 customers), the Commission specifically cautions DTE Electric that any
14 unrecovered costs shall not be borne by ratepayers and that DTE Electric bears
15 responsibility for any remaining liability. All risk associated with the sufficiency of
16 the collateral shall be borne by DTE Electric.¹¹

17 **Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

18 A. Yes, it does. However, I reserve the right to amend, revise and supplement my testimony
19 to incorporate new information that may become available.

¹¹ Case U-21990, December 18, 2025, Order at 40 – 41.

Experience and Qualifications of Sebastian Coppola

Mr. Sebastian Coppola is an independent energy business consultant and president of Corporate Analytics, Inc., whose place of business is located at 5928 Southgate Rd., Rochester, Michigan 48306.

EMPLOYMENT BACKGROUND

Mr. Coppola has been an independent consultant for 22 years. Before that, he spent three years as Senior Vice President and Chief Financial Officer of SEMCO Energy, Inc. with responsibility for all financial operations, corporate development and strategic planning for the company's Michigan and Alaska regulated and non-regulated operations. During the period at SEMCO Energy, he had also responsibility for certain storage and pipeline operations as President and COO of SEMCO Energy Ventures, Inc. Prior to SEMCO, Mr. Coppola was Senior Vice President of Finance for MCN Energy Group, Inc., the parent company of Michigan Consolidated Gas Company (now DTE Gas Company).

ENERGY INDUSTRY EXPERTISE

During his 27-year career at SEMCO Energy, MCN Energy, and MichCon, Mr. Coppola held various analytical, accounting, managerial and executive positions, including Manager of Gas Accounting with responsibility for maintaining the accounting records and preparing financial reports for gas purchases and gas production. In this role, he had also responsibility for preparing Gas Cost Recovery (GCR) reconciliation analysis and reports and supporting preparation of testimony for the cost of gas reconciliation proceedings before the MPSC. Over the years, Mr. Coppola also held the positions of Treasurer, Director of Investor Relations, Director of Accounting Services, Manager of Corporate Finance, Manager of Customer Billing, and Manager of Materials Inventory and Warehousing Accounting. In many

Experience and Qualifications of Sebastian Coppola

of these positions he interacted with various operating areas of the company and was intricately involved in construction and operating programs, defining gas purchasing strategies, rate case analysis, cost of capital studies and other regulatory proceedings.

Mr. Coppola is intricately knowledgeable of capital markets and financial institutions. As Treasurer and Vice President of Finance, he directed the issuance of more than \$2 billion in securities, including common stock, corporate bonds, tax-deductible preferred stock and high-equity value convertible securities. He established bank lines of credit, commercial paper and asset acquisition facilities. He has had extensive interactions with equity and debt investors, financial analysts, rating agencies and other members of the financial community.

ENERGY INDUSTRY AND REGULATORY EXPERIENCE

As a business consultant, Mr. Coppola specializes in financial and strategic business issues in the fields of energy and utility regulation. He has more than forty years of experience in public utility and related energy work, both as a consultant and utility company executive. He has testified in several regulatory proceedings before State Public Service Commissions. He has prepared and/or filed testimony in electric and gas general rate case proceedings, power supply and gas cost recovery mechanisms, revenue and cost tracking mechanisms/riders, multi-year rate plans and incentive ratemaking, and other regulatory matters.

Mr. Coppola has extensive experience with gas and electric utilities in the areas of operations, supply and regulatory proceedings. He has led or participated in the financial operations, gas supply planning and/or gas cost recovery arrangements of two major gas utilities in Michigan and in Alaska. He has prepared

**Experience and Qualifications
of Sebastian Coppola**

testimony in multiple electric and gas general rate cases, Power Supply Cost Recovery (PSCR) and Gas Cost Recovery reconciliation proceedings, Cast Iron and Pipeline Replacement Programs and other regulatory cases on behalf of the Michigan Attorney General, Citizens Against Rate Excess (CARE), the Public Counsel Division of the Washington Attorney General, the Illinois Attorney General, the Maryland Office of Public Counsel, and the Ohio Office of Consumers Counsel in electric and gas utility rate cases, including AEP Ohio, Ameren-Illinois Utilities, Avista, Consumers Energy, DTE Electric Company, MichCon (DTE Gas Company), Michigan Gas Utilities Corp, Nicor Gas, PacifiCorp, Peoples Gas, Puget Sound Energy, SEMCO, Upper Peninsula Power Company, Washington Gas, and Wisconsin Public Service Company.

Mr. Coppola has also provided assistance and proposals to the Maryland Office of Peoples Counsel on Multi-Year Rate Plans and Performance-Based Ratemaking. Additionally, he prepared a report on the financial condition and risks of AltaGas and Washington Gas Light Company which was filed with the Maryland Public Service Commission in July 2019 in Case No. 9449.

As accounting manager and later financial executive for two regulated gas utilities, he has been intricately involved in construction materials procurement, gas purchase strategies and CGR reconciliation cases. He has had direct responsibility for preparing GCR reconciliation analysis and reports and supporting preparation of testimony for the cost of gas reconciliation proceedings before the Michigan Public Service Commission (MPSC). He is intricately familiar with construction projects, the power supply and gas cost recovery mechanisms, gas supply and pricing issues, and regulatory issues faced by utilities.

Experience and Qualifications of Sebastian Coppola

During his long career at DTE Gas, among other responsibilities, Mr. Coppola was responsible for overseeing the operation of the MichCon Wet Header System, a pipeline that transported natural gas and gas liquids from Michigan gas producing fields in the Niagara Reef in the northern area of the lower peninsula of Michigan to processing plants in Kalkaska, MI. His responsibility included ensuring the day-to-day flow of gas and liquids, and identifying operating issues requiring corrective action.

He was also responsible for the study to assess the feasibility of building the Saginaw Bay Pipeline, a transmission line to move Praire Du Chein natural gas reserves in the eastern area of Michigan to processing plants. Prior to the construction of the pipeline, Mr. Coppola worked with operating management to prepare requests for proposal for the construction project and the selection of qualified bids. During and subsequent to the construction of the pipeline, Mr. Coppola assisted in the management and oversight of the pipeline, including review of operating performance and profitability.

Additionally, as Manager of Materials Inventory, Warehousing and Procurement at DTE Gas, Mr. Coppola worked closely with suppliers of pipe, control valves, flanges, meters, fittings, equipment and thousands of other parts and materials used in the construction, repair and maintenance of DTE Gas's transmission, distribution and storage facilities, including repairs and upgrades to compressor stations, and replacement of cast iron mains, bare and wrapped steel pipelines and service lines. His responsibilities included the review of design and construction blueprints and plans with frequent visits to construction sites during excavation of new pipeline trenches, and during replacement of defective or leaky

Experience and Qualifications of Sebastian Coppola

pipes, and replacement of control valves. Mr. Coppola also made frequent visits and inspection to storage facilities owned by DTE Gas to understand materials requirements during planned construction projects. Mr. Coppola was also responsible for ensuring that materials and equipment were ordered to meet material standards and safety codes.

Through these responsibilities, Mr. Coppola gained knowledge and expertise with field construction project procedures, pipeline trenching problems, installation inspections, operation and maintenance cycles, and the material procurement of pipe, valves, flanges, meters and thousands of other parts and equipment used in the construction of natural gas transmission, distribution and storage facilities.

During his career with MCN Energy Group, Mr. Coppola was responsible for the evaluation of investments in interstate pipelines, new gas storage facilities, gas cogeneration plants, and construction of new power plants in the U.S. and India. Mr. Coppola was a key member of the negotiating team with contractors and suppliers tasked to build the power facilities, including the evaluation of Engineering, Procurement and Construction (EPC) bids and contracts.

After his move to SEMCO Energy Corporation in 1999, Mr. Coppola was responsible for the acquisition and integration of pipeline construction companies providing services to gas utilities and interstate pipelines. In addition to its gas utility business in Michigan and Alaska, serving approximately 350,000 customers, SEMCO Energy owned SEMCO Pipeline Construction, a non-regulated business providing gas pipeline and natural gas facilities construction services to gas utilities and interstate pipelines in the Midwest and Eastern regions of the U.S. SEMCO

Experience and Qualifications of Sebastian Coppola

Pipeline Construction provided construction services similar to KS Energy, Northern Pipeline and other contractors used by the Company. During his tenure at SEMCO Energy, Mr. Coppola reviewed dozens of pipeline construction companies and acquired six companies. Mr. Coppola's responsibilities included management of the performance and profitability of the pipeline construction services business requiring field visits to construction projects and quality reviews. In this process, Mr. Coppola learned firsthand how pipeline construction companies operate, construction project challenges, their bidding practices and the bidding of construction projects, including pricing, bidding procedures and policies both from the contractor's side and the gas utility side.

Mr. Coppola has testified extensively on gas utility pipeline, service lines and inside meters replacement programs related to at-risk pipes that provide safety issues to customers and the general public.

In his role as Treasurer and Chairman of the MCN/MichCon Risk Committee from 1996 through 1998, Mr. Coppola was involved in reviewing and deciding on the appropriate gas purchase price hedging strategies, including the use of gas future contracts, over the counter swaps, fixed price purchases, and index price purchases.

In March 2001, Mr. Coppola testified before the Michigan House Energy and Technology Subcommittee on Natural Gas Fixed Pricing Mechanisms. Mr. Coppola frequently participates in natural gas issue forums sponsored by the American Gas Association and stays current on various energy supply issues through review of industry analyst reports and other publications issued by various trade groups.

Experience and Qualifications of Sebastian Coppola

Mr. Coppola performed rate case analyses and filed testimony in several electric general rate cases addressing issues on revenue requirement, sales level determination, operation and maintenance expenses, capital expenditures, cost allocations, cost of capital, cost of service and rate design, and various cost tracking mechanisms. In addition, he has performed analysis of power costs and filed testimony in power supply cost recovery cases, including reconciliation of annual power supply costs.

In his position as Senior Vice President of Finance at MCN, Mr. Coppola also had responsibility for project financing of independent power generation plants in which MCN was an owner. In this regard, he was intricately involved and became knowledgeable of PURPA qualified cogeneration plants in Michigan and other states. In addition, he was involved in negotiating the development and financing of power generation and electricity distribution plants in other countries, such as India.

➤ Specific Regulatory Proceedings and Related Experience:

- Filed testimony on behalf of the Michigan Attorney General in Consumers Energy Company (CECo) 2025 gas rate case U-21981 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas Company (DTE Gas) 2024-2025 GCR reconciliation in case No. U-21440.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2025 gas rate case U-21973 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Electric Company (DTEE) 2024 PSCR reconciliation in Case No. U-21426.

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of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in CEC Co proposed sale of hydroelectric power generating assets in Case No. U-21985.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO Energy Gas Company (SEMCO) 2024-2025 GCR plan reconciliation in Case No. U-21446.
- Filed testimony on behalf of the Michigan Attorney General in Consumers Energy Company (CECo) 2024 PSCR reconciliation in Case No. U-21424.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2025 electric rate case U-21870 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE 2025 electric rate case U-21860 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2025-2026 GCR plan case No. U-21608.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2023-2024 GCR reconciliation in case No. U-21272.
- Filed testimony on behalf of the Michigan Attorney General in DTE 2023 PSCR Plan Case No. U-21594.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2024 electric rate case U-21806 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in Michigan Gas Utilities Corporation (MGUC) 2023-2024 GCR reconciliation in case No. U-21274.
- Filed testimony on behalf of the Michigan Attorney General in DTE 2023 PSCR reconciliation in case No. U-21260.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2023-2024 GCR reconciliation in case No. U-21270.

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of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2023-2024 GCR plan reconciliation in case No. U-21278.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2023 PSCR reconciliation in case No. U-21258.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2024 electric rate case U-21585 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2024 electric rate case U-21534 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in the Upper Peninsula Power Company (UPPCO) 2024 gas rate case U-21555 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2024 gas rate case U-21540 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2023-2024 GCR plan in case No. U-21277.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2024 gas rate case U-21291 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2022-2023 GCR reconciliation in case No. U-21065.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2023 gas rate case U-21490 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in DTM Michigan Lateral Company (DMLC) 2023 Act 9 Transportation Service rate update in case No. U-21525.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2022 PSCR reconciliation in case No. U-21051.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2022-2023 GCR plan in case No. U-21067.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2023 PSCR reconciliation in case No. U-21049.
- Filed testimony on behalf of the Michigan Attorney General in Indiana Power Company 2023 electric rate Case U-21461 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE 2023-2024 GCR plan in case No. U-21271.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2023-2024 GCR plan in case No. U-21269.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2023 electric rate Case U-21389 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2023-2024 GCR plan in case No. U-21277.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2023 rate Case U-21297 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2023-2024 GCR plan in case No. U-21273.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2022 gas rate Case U-21308 on several issues, including sales revenues, operation and maintenance expenses, capital expenditures, cost of capital, and other items.

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of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2021-2022 GCR plan reconciliation case No. U-20817.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2021 PSCR plan reconciliation case No. U-20827.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2021-2022 GCR plan reconciliation case No. U-20819.
- Filed testimony on behalf of the Michigan Attorney General in Upper Peninsula Power Company 2022 general rate case No. U-21286.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2021-2022 GCR plan reconciliation case No. U-20823.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2022-2023 GCR plan case No. U-21062.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2022-2023 GCR plan case No. U-21070.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2022 electric rate Case U-21224 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Public Counsel Division of Washington Attorney General in the Avista 2022 electric and gas rate cases on several issues, including operation and maintenance expenses, capital expenditures, and other items.
- Filed testimony on behalf of the Michigan Attorney General in the Act 9 application in Case No. U-20993 by Saginaw Bay Pipeline Company to set transportation rates for services to DTE Gas Company.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2022 electric rate Case U-20836 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed rebuttal testimony on behalf the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure Program (Rider QIP) of the Peoples Gaslight & Coke Company (Peoples Gas) in Docket 17-0137.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in CECO 2021 gas rate Case U-21148 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2020-2021 GCR plan reconciliation case No. U-20554.
- Filed rebuttal testimony on behalf of the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure Program (Rider QIP) of the Northern Illinois Gas Company (Nicor Gas) in Docket 20-0330.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2020-2021 GCR plan reconciliation case No. U-20552.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2020-2021 GCR plan reconciliation case No. U-20546.
- Filed testimony on behalf of the Michigan Attorney General in CECO 2020 PSCR plan reconciliation case No. U-20526.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2020 PSCR plan reconciliation case No. U-20528.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2019-2020 GCR plan reconciliation case No. U-20236.
- Filed rebuttal testimony on behalf of the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure Program (Rider QIP) of the Ameren Illinois Company (Ameren) in Docket 20-0323.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2021-2022 GCR plan case No. U-20816.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2021-2022 GCR plan case No. U-20822.
- Filed testimony on behalf of the Michigan Attorney General in CECO 2021 electric rate Case U-20963 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.

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of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2021 gas rate Case U-20940 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Michigan Lateral Company (DMCL) 2021 Act 9 filing to convert a pipeline and build two interconnections for transportation services to DTE Gas Company in case No. U-20894.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2021 power plant and tree trimming securitization costs in case No. U-21015
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2021 PSCR plan case No. U-20802.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2019-2020 GCR reconciliation case No. U-20234.
- Filed testimony on behalf of the Maryland Office of Public Counsel in Washington Gas Light Company's 2020 rate Case 9651 on several issues, including operation and maintenance expenses, capital expenditures, and other items.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2020 Karn 1 & 2 Retirement Cost and Bond Securitization Case U-20889.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2019 PSCR Reconciliation in case U-20222.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2020-2021 GCR plan case No. U-20543.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO Gas Company (SEMCO) 2020-2021 GCR plan case No. U-20551.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2020 electric rate Case U-20697 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, and other items.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in in the complaint against Upper Peninsula Power Company's (UPPCO) Revenue Decoupling Mechanism (RDM) in Case No. U-20150.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2019 gas rate Case U-20650 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas Company 2019 gas rate Case U-20642 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2018-2019 GCR reconciliation Case U-20210.
- Prepared a report on the financial condition and risks of AltaGas and Washington Gas Light Company on behalf of the Maryland Office of People's Counsel filed with the Maryland Public Service Commission in July 2019 in Case No. 9449.
- Filed rebuttal testimony on behalf of the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure Program (Rider QIP) of the Northern Illinois Gas Company (Nicor Gas) in Docket 19-0294.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2018-2019 GCR reconciliation case U-20209.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2018-2019 GCR reconciliation case U-20215.
- Provided assistance and proposals to the Maryland Office of Peoples Counsel on Multi-Year Rate Plans and Performance-Based Ratemaking.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2018 PSCR Reconciliation in case U-20203.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2018 PSCR Reconciliation in case U-20202.
- Filed direct testimony on behalf of the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure

Experience and Qualifications of Sebastian Coppola

Program (Rider QIP) of the Northern Illinois Gas Company (Nicor Gas) in Docket 19-0294.

- Filed testimony on behalf of the Michigan Attorney General in DTEE 2019 electric rate Case U-20561 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, and other items.
- Filed testimony on behalf of the Michigan Attorney General in Indiana Michigan Power Company (I&M) 2019 electric rate Case U-20239 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2019 gas rate Case U-20479 on several issues, including sales, operation and maintenance expenses, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2019-2020 GCR Plan case U-20245.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2019-2020 GCR Plan case U-20233.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2019 PSCR Plan case U-20221.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2019-2020 GCR Plan case U-20235.
- Filed testimony on behalf of the Michigan Attorney General in Michigan Gas Utilities Corporation (MGUC) 2019-2020 GCR plan case U-20239.
- Filed rebuttal testimony on behalf of the Illinois Attorney General in Nicor Gas 2018 rate case on capital expenditures and rate base additions in Docket 18-1775.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2017-2018 GCR reconciliation case U-20076.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2017-2018 GCR reconciliation case U-20075.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 gas rate Case U-20322 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in I&M Tax Credit C Calculation in case U-20317.
- Filed direct testimony on behalf of the Illinois Attorney General in Nicor Gas 2018 rate case on capital expenditures and rate base additions in Docket 18-1775.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas Tax Credit C Calculation in case U-20298.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2017-2018 GCR Reconciliation case U-20078.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co Tax Credit C Calculation for the Gas and Electric Divisions in case U-20309.
- Filed testimony on behalf of the Michigan Attorney General in Upper Peninsula Power Company 2018 electric rate Case U-20276 on several issues, including excess deferred taxes, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2017 PS CR Reconciliation in case U-20068.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2018 rate Case U-20162 on several issues, including operation and maintenance expenses, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 Tax Credit B refund for the Electric Division in case U-20286.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 Integrated Resource Plan in case U-20165.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 Tax Credit B refund case U-20287 for the natural gas business.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2018 Tax Credit B refund case U-20189.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 electric rate Case U-20134 on several issues, including capital expenditures, cost of capital, rate design and other items.
- Filed direct testimony on behalf of the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure Program (Rider QIP) of the Peoples Gas and Coke Company's (Peoples Gas) in Docket 16-0197.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2016-2017 GCR reconciliation case U-17941-R.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2018-2019 GCR Plan case U-18417.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 Tax Credit A refund case U-20102.
- Filed testimony on behalf of the Michigan Attorney General in I&M 2018 PSCR Plan case U-18404.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2018-2019 GCR Plan case U-18412.
- Filed testimony on behalf of the Michigan Attorney General in Upper Peninsula Power Company (UPPCO) 2018 Tax Credit A refund case U-20111.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2018 Tax Credit A refund case U-20106.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2018 PSCR Plan case U-18403.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2018 PSCR Plan case U-18402.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2017 gas rate Case U-18999 on several issues, including revenue, operations and maintenance costs, capital expenditures, cost of capital, rate design and other items.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in CEC0 2017 gas rate Case U-18424 on several issues, including revenue, operations and maintenance costs, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2016 PSCR reconciliation case U-17918-R.
- Assisted the Michigan Attorney General in the review of several GCR and PSCR cases during 2017 and 2018, and proposed terms for settlement of those cases.
- Assisted the Michigan Attorney General in the filing of comments with the Michigan Public Service Commission relating to rate case filing requirements in case U-18238, refunds of tax savings from the lower federal tax rate in case U-18494 and Performance Based Regulation.
- Filed direct and rebuttal testimony on behalf of the Illinois Attorney General for the reconciliation of the rate surcharge for the Qualified Infrastructure Program (Rider QIP) of the Peoples Gas and Coke Company's (Peoples Gas) in Docket 15-0209.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2017 electric Rate Case U-18255 on a several issues, including revenue, operations and maintenance costs, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2017 electric rate Case U-18322 on a several issues, including revenue, operations and maintenance costs, capital expenditure programs, cost of capital and other items.
- Filed direct and rebuttal testimony on behalf of the Illinois Attorney General for the re-opening of proceedings in the restructuring of the Peoples Gas's main replacement program and gas system modernization plan in Docket 16-0376.
- Filed testimony on behalf of the Michigan Attorney General in the Upper Michigan Energy Resources Corporation (UMERC) application for a certificate of public necessity and convenience to build two power plants in the Upper Peninsula of Michigan in case U-18202.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in SEMCO application for a certificate of public necessity and convenience to build a pipeline in the Upper Peninsula of Michigan in case U-18202.
- Filed testimony on behalf of the Public Counsel Division of the Washington Attorney General in Puget Sound Energy's 2016 Complaint for Violation of Gas Safety Rules in Docket No. UE-160924.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2017 PSCR Plan case U-18143.
- Filed testimony on behalf of the Michigan Attorney General in CECO 2015 Power Supply Cost Recovery (PSCR) reconciliation case U-17678-R.
- Filed testimony on behalf of the Michigan Attorney General in CECO 2016 gas general rate case U-18124 on a several issues, including revenue, operations and maintenance costs, capital expenditures, working capital, cost of capital and other items.
- Filed testimony on behalf of the Illinois Attorney General for the restructuring of the Peoples Gas's main replacement program in Docket 16-0376.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2014-2015 GCR Plan reconciliation case U-17332-R.
- Filed testimony on behalf of the Michigan Attorney General in the formation of UMERL and the transfer of Michigan assets of Wisconsin Public Service Corporation and Wisconsin Electric Company to UMERL in Case U-18061.
- Filed testimony on behalf of the Michigan Attorney General in CECO Court of Appeals Remand Case U-17087 for review of the Automated Meter Infrastructure (AMI) opt-out fees.
- Filed testimony on behalf of the Michigan Attorney General in CECO 2016 electric Rate Case U-17990 on a several issues, including revenue, operations and maintenance costs, capital expenditure programs, cost of capital, rate design and other items.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in Michigan Gas Utilities Corporation (MGUC) 2016-2017 GCR Plan case U-17940.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2016 electric Rate Case U-18014 on a several issues, including revenue, revenue decoupling, operations and maintenance costs, capital expenditures, cost of capital, rate design and other items.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2016-2017 GCR Plan case U-17942.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2016-2017 GCR Plan case U-17941.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2015 gas general rate case U-17999 on a several issues, including revenue, operations and maintenance costs, capital expenditures, main replacement program, Revenue Decoupling Mechanism (RDM) program, cost of capital and other items.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2016-2017 GCR Plan case U-17943.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2016 PSCR Plan case U-17918.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2014-2015 GCR Plan reconciliation case U-17334-R.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2016 PSCR Plan case U-17920.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2014-2015 GCR Plan reconciliation case U-17333-R.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2015 gas general rate case U-17882 on a several issues, including revenue, operations and maintenance costs, capital expenditures, main replacement program, infrastructure cost recovery mechanism, cost of capital and other items..
- Filed testimony on behalf of the Michigan Attorney General in CEC Co Gas Choice and End-User Transportation tariff changes case U-17900.

**Experience and Qualifications
of Sebastian Coppola**

- Analyzed the gas rate case filings of MGUC in Case U-17880 and assisted the Michigan Attorney General in settlement of the case.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2014 PSCR reconciliation case U-17317-R.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2013-2014 GCR Plan reconciliation case U-17131-R.
- Filed testimony on behalf of the Michigan Attorney General in DTEE 2014 electric Rate Case U-17767 on a several issues, including operations and maintenance costs, capital expenditures, AMI program, cost of capital and other items.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas 2015-2016 GCR Plan case U-17691.
- Filed testimony on behalf of the Illinois Attorney General in Ameren Illinois Company's 2015 general rate case on operation and maintenance costs in Docket 15-0142.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2014 electric Rate Case U-17735 on a several issues, including sales, operations and maintenance costs, capital expenditures, cost of capital, AMI program, revenue decoupling and infrastructure cost recovery mechanisms.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2015-2016 GCR Plan case U-17693.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2015-2016 GCR Plan case U-17690.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2015 PSCR Plan case U-17678.
- Analyzed the electric rate case filings of Northern States Power in Case U-17710 and Wisconsin Public Service Company U-17669, and assisted the Michigan Attorney General in settlement of these cases.
- Filed testimony on behalf of the Michigan Attorney General in CEC0 2013-2014 GCR Plan reconciliation case U-17133-R.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2013-2014 GCR Plan reconciliation cases U-17130-R.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2013-2014 GCR Plan reconciliation case U-17132-R.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2014 gas general rate case U-17643 on a several issues, including revenue, operations and maintenance costs, capital expenditures, main replacement program, cost of capital and other items..
- Filed testimony on behalf of the Illinois Attorney General in Wisconsin Energy merger with Integrys on the Peoples Gas and Coke Company's Accelerated Main Replacement Program Docket 14-0496.
- Filed testimony on behalf of Citizens Against Rate Excess in Wisconsin Public Service Company's 2013 PSCR plan reconciliation case U-17092-R.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2014 PSCR plan case U-17317.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2014 OPEB Funding case U-17620.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2014-2015 GCR Plan case U-17333.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2014-2015 GCR Plan case U-17331.
- Filed testimony on behalf of the Michigan Attorney General in CEC Co 2014-2015 GCR Plan case U-17334.
- Filed testimony for Citizens Against Rate Excess in Wisconsin Public Service Company's 2014 PSCR plan case U-17299.
- Filed testimony in March 2013 on behalf of the Michigan Attorney General in CEC Co's electric Rate Case U-15645 on remand from the Michigan Court of Appeals for review of the AMI program.
- Filed testimony for Citizens Against Rate Excess in Upper Peninsula Power Company's 2012 PSCR plan case U-17298.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2012-2013 GCR Reconciliation case U-16920-R.
- Filed testimony on behalf of the Michigan Attorney General in DTE Gas Company 2012-2013 GCR Reconciliation case U-16921-R.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in CEC0 2012-2013 GCR Reconciliation case U-16924-R.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2012-2013 GCR Reconciliation case U-16922-R.
- Filed testimony for Citizens Against Rate Excess in Upper Peninsula Power Company's 2012 Power Supply Cost Recovery (PSCR) reconciliation case U-16881-R.
- Filed testimony in Puget Sound Energy's 2013 Power Cost Only Rate Case on behalf of the Public Counsel Division of the Washington Attorney General in Docket No. UE-130167 on the power costs adjustment mechanism.
- Filed testimony in PacifiCorp's 2013 General Rate Case on behalf of the Public Counsel Division of the Washington Attorney General in Docket No. UE-130043 on power costs, cost allocation factors, O&M expenses and power cost adjustment mechanisms.
- Filed testimony on behalf of the Michigan Attorney General in SEMCO 2013-2014 GCR Plan case U-17132.
- Filed testimony on behalf of the Michigan Attorney General in MGUC 2013-2014 GCR Plan case U-17130.
- Filed testimony on behalf of the Michigan Attorney General in CEC0's 2012 electric Rate Case U-17087 on a several issues, including cost of service methodology, rate design, operations and maintenance costs, capital expenditures and infrastructure cost recovery mechanism and other revenue/cost trackers.
- Filed reports on gas procurement and hedging strategies of four gas utilities before the Washington Utilities and Transportation Commission on behalf of the Washington Attorney General – Office of Public Counsel in April 2013.
- Filed testimony on behalf of the Michigan Attorney General in MGUC and SEMCO 2011-2012 GCR Plan reconciliation cases U-16481-R and U-16483-R.
- Filed testimony for Citizens Against Rate Excess in Upper Peninsula Power Company's 2012 Power Supply Cost Recovery (PSCR) plan case U-17091.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony in MichCon’s 2012 gas Rate Case U-16999 on a several issues, including sales volumes, revenue decoupling mechanism, operations and maintenance costs, capital expenditures and infrastructure cost recovery mechanism.
- Filed testimony on behalf of the Washington Attorney General – Office of Public Counsel on executive and board of directors’ compensation in the 2012 Avista general rate case.
- Filed testimony for Citizens Against Rate Excess in Upper Peninsula Power Company’s 2011 Power Supply Cost Recovery (PSCR) reconciliation case U-16421-R.
- Filed testimony on behalf of the Ohio Office of Consumers Counsel in AEP Ohio’s power supply restructuring case in June 2012.
- Filed testimony on behalf of the Michigan Attorney General in MGUC and SEMCO 2012-2013 GCR Plan cases U-16920 and U-16922.
- Filed testimony for Citizens Against Rate Excess in Upper Peninsula Power Company’s 2012 PSCR plan case U-16881.
- Filed testimony for Citizens Against Rate Excess in Wisconsin Public Service Corporation’s 2012 PSCR plan case U-16882.
- Filed testimony for the Michigan Attorney General in CEC’s gas business Pilot Revenue Decoupling Mechanism in case U-16860.
- Filed testimony for the Michigan Attorney General in Consumers Energy Gas 2011 Rate Case U-16855 on several issues, including sales volumes, operations and maintenance cost, employee benefits, capital expenditures and cost of capital.
- Filed testimony for the Michigan Attorney General in SEMCO and MGUC 2010-2011 GCR Plan reconciliation cases U-16147-R and U-16145-R.
- Filed testimony for the Michigan Attorney General in Consumers Energy 2011 electric Rate Case U-16794 on several issues, including electric sales forecast, revenue decoupling mechanism, operations and maintenance cost, employee benefits, capital expenditures and cost of capital.
- Filed testimony for the Michigan Attorney General in CEC’s electric business Pilot Revenue Decoupling Mechanism in case U-16566.

**Experience and Qualifications
of Sebastian Coppola**

- Filed testimony on behalf of the Michigan Attorney General in SEMCO and MGUC 2011-2012 GCR Plan cases U-16483 and U-16481.
- Filed testimony for the Michigan Attorney General in Detroit Edison 2010 electric Rate Case U-16472 on several issues, including revenue decoupling mechanism, operations and maintenance cost, executive compensation and benefits, capital expenditures and cost of capital.
- Filed testimony for the Michigan Attorney General in SEMCO 2009-2010 GCR reconciliation case U-15702-R.
- Filed testimony for Michigan Attorney General in MGUC 2009-2010 GCR reconciliation case U-15700-R.
- Filed testimony for Michigan Attorney General, in Consumers Energy Gas 2010 Rate Case U-16418 on several issues, including sales volumes, operations and maintenance costs, capital expenditures and cost of capital.
- Filed testimony for Michigan Attorney General, in SEMCO 2010 Rate Case U-16169 on several issues, including sales volumes, rate design, operations and maintenance cost, executive compensation and benefits, capital expenditures and cost of capital.
- Filed testimony, for Michigan Attorney General in Consumers Energy 2009 electric Rate Case U-16191 on several issues, including sales volumes, revenue decoupling mechanism, operations and maintenance cost and capital expenditures.
- Filed testimony for Michigan Attorney General, in MichCon 2009 gas Rate Case U-15985 on several issues, including sales volumes, revenue decoupling mechanism, operations and maintenance cost, capital expenditures and cost of capital.
- Filed testimony for Michigan Attorney General and was cross-examined in Consumers Energy 2009 gas Rate Case U-15986 on several issues, including sales volumes, revenue decoupling mechanism, operations and maintenance cost, capital expenditures and cost of capital.
- Prepared testimony and assisted the Michigan Attorney General in discussions and settlement of SEMCO and MGUC 2010-2011 GCR Plan cases U-16147 and U-16145.

**Experience and Qualifications
of Sebastian Coppola**

- Prepared testimony and assisted Michigan Attorney General in settlement of SEMCO 2009-2010 GCR case U-15702.
- Prepared testimony and assisted Michigan Attorney General in settlement of MGUC 2009-2010 GCR case U-15700.
- Prepared testimony and assisted the Michigan Attorney General in discussions and settlement of SEMCO 2008-2009 GCR case U-15452 and reconciliation case U-15452-R.
- Prepared testimony and assisted Michigan Attorney General in discussions and settlement of MGUC 2008-2009 GCR reconciliation case U-15450-R.
- Prepared testimony for Michigan Attorney General in SEMCO GCR 2007-2008 Reconciliation Case U-15043-R.
- Prepared testimony for Michigan Attorney General filed in MGUC 2007-2008 GCR Reconciliation Case U-15040-R.
- Participated in drafting of testimony for all aspects of SEMCO rate case filing with the Regulatory Commission of Alaska (RCA) in 2001.
- Filed testimony in 2001 before the (RCA) and was cross-examined on the financing plans for the acquisition of Enstar Corporation and the capital structure of SEMCO.
- Developed a cost of capital study in support of testimony by company witness in the Saginaw Bay Pipeline Company rate request proceeding in 1989.
- Prepared testimony for company witness on cost of capital and capital structure in MichCon 1988 gas rate case.
- Filed testimony in MichCon gas conservation surcharge case in 1986-87.
- Testified before MPSC ALJ in MichCon customer bill collection complaints in 1983.
- Participated in analysis of uncollectible gas accounts expense for inclusion in rate filings between 1975 and 1988.
- Participated in analysis of allocation of corporate overhead to subsidiaries and use of the “Massachusetts Formula” at MichCon and at SEMCO in 1975 and 2000.

Experience and Qualifications of Sebastian Coppola

- Prepared support information on GCR and rate case-O&M testimony at MichCon from 1975 to 1988.
- Filed testimony in MichCon financing orders in 1987 and 1988.
- Participated in rate case filing strategy sessions at MichCon and SEMCO from 1975 to 2001.
- Provided Hearing Room assistance and guidance to counsel on financial and policy issues in various cases from 1975 to 2001.

EDUCATIONAL BACKGROUND

Mr. Coppola did his undergraduate work at Wayne State University, where he received the Bachelor of Science degree in Accounting in 1974. He later returned to Wayne State University to obtain his Master of Business Administration degree with major in Finance in 1980.



Exhibit AG-1

(Calculation of Residual Termination Payment)

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Measuring the Data Center Boom: Facts and Statistics (2026) - Programs.com



Measuring the Data Center Boom: Facts and Statistics (2026)

LAST UPDATED: MAY 11, 2026

Rapid adoption of AI among enterprises and consumers is fueling the growth of data centers, the massive structures that provide the necessary computing power.

The data center boom impacts nearly everyone, from the tech and real estate sectors to policymakers and the environmentally conscious, who respectively view these data centers as a geopolitical asset and a drain on natural resources.

This report covers the most critical statistics and trends regarding data centers in 2026.

Editor's Picks

- There are currently 11,426 data centers globally located in 179 countries.
- Demand for data centers is predicted to nearly **triple** by 2030.
- Between now and 2030, companies worldwide are expected to invest nearly **\$7 trillion** in building and upgrading data centers.
- Global data center power usage is expected to increase to **219 GW** over the next five years, enough to power roughly 180 million US homes.
- On average, data centers cover **100,000 square feet**, but hyperscale data centers are as large as **10 million square feet**.
- Data centers are present in **more than 170 countries**, and nearly 40% are located in the US.

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Measuring the Data Center Boom: Facts and Statistics (2026) - Programs.com

- Large data centers use **up to 5 million gallons of water** per day for cooling purposes.
- US states with multiple data centers create **more than \$30 billion** in additional economic output annually.

Current State & Future Growth of Data Centers

The scale, capacity, and market value of data centers are growing exponentially.

Much of this is due to the increasing demand for AI among enterprises and consumers. But countless other business operations, like processing data from IoT devices, depend on data centers too.

Increasing consumer demand is just as powerful. Streaming services, ecommerce apps, and social media are creating massive workloads to be processed in data centers.

There are over 11,000 live data centers around the world ([Data Center Map](#))

As of May 2026, there are 11,426 active data centers around the globe.

Programs.com May 11, 2026 Article on Proliferation of Data Centers

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Measuring the Data Center Boom: Facts and Statistics (2026) - Programs.com



Not all of these data centers are used for AI, but many are.

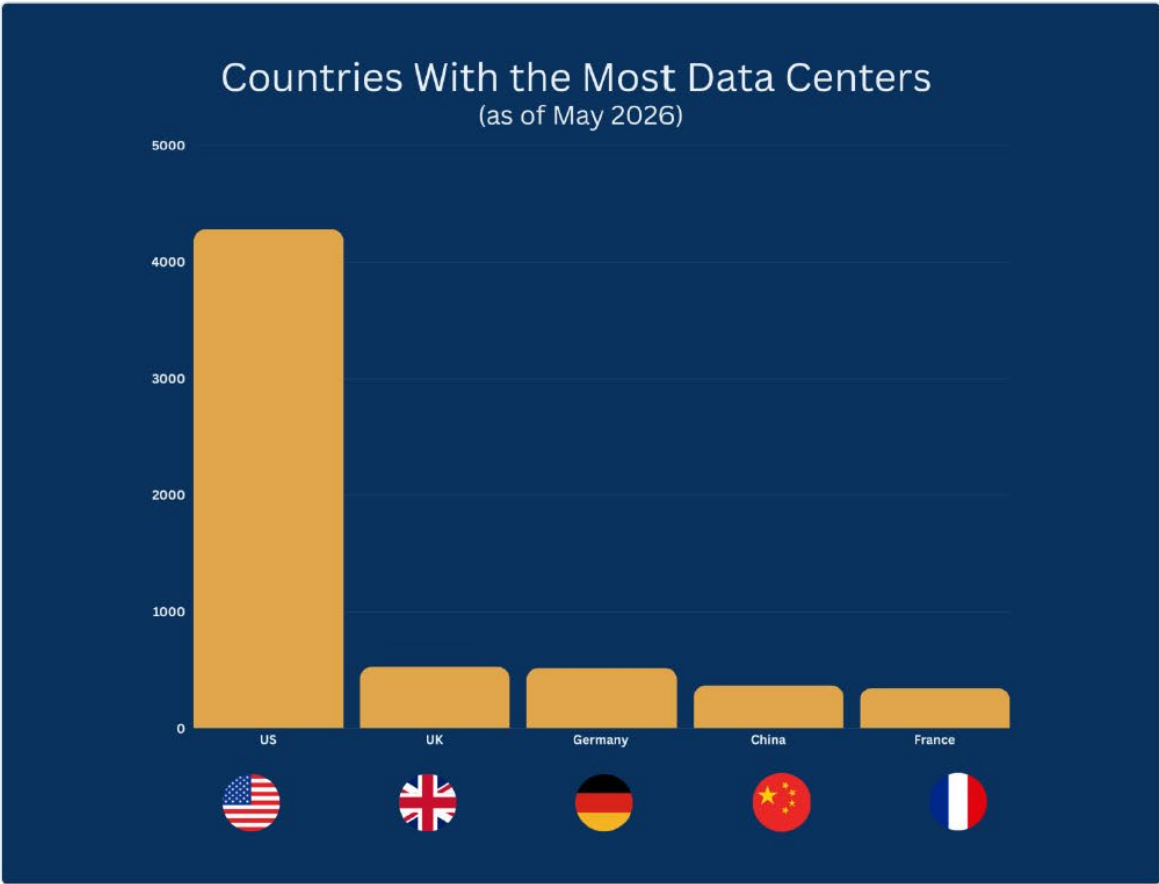
**The US has almost 8x more data centers than any other country
(Data Center Map)**

With 4,280 data centers as of May 2026, the US has by far the most globally. The UK ranks #2 with 527, followed by Germany with 517, China with 369, and France with 346.

Programs.com May 11, 2026 Article on Proliferation of Data Centers

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Measuring the Data Center Boom: Facts and Statistics (2026) - Programs.com



Demand for data centers is predicted to nearly triple by 2030
(McKinsey)



Programs.com May 11, 2026 Article on Proliferation of Data Centers

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This year, non-AI workloads are predicted to total 38 GW, while AI workloads are expected to hit 44 GW.

By the end of next year, estimates show 18 additional GW will be added. Growth between 2027 and 2029 is expected to reach about 20 GW each year.

However, mega growth is projected between 2029 and 2030, with 31 GW of data center capacity expected to be added.

This estimate shows a total of 219 GW in data center capacity by 2030.

The data center sector is set to grow by 14% CAGR through to 2030 (JLL)

AI and cloud computing are expected to fuel a 14% CAGR in the data center industry through 2030. The sector is forecast to add around 97 GW of capacity between 2025 and 2030, nearly doubling its size within five years.

By the end of the decade, global data center capacity could hit approximately 200 GW, driven primarily by continued hyperscale cloud expansion and accelerating demand for AI infrastructure.

Over the next five years, nearly \$7 trillion will be spent on building and upgrading data centers (McKinsey)

This investment is expected to be spread across three main groups. About 15% will go to land and building requirements, about 25% will be spent on power generation and cooling, and about 60% will be invested in the tech and hardware required to run the data centers.

Demand for AI-specific data center usage is predicted to be responsible for more than \$5 trillion of this investment.

This estimate is based on the current momentum of the data center market. If momentum significantly accelerates, total data center investments could reach

Programs.com May 11, 2026 Article on Proliferation of Data Centers

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nearly \$8 trillion over the next five years. Alternatively, if demand drops, spending could level off at about \$3.7 trillion.

US companies are expected to account for more than 40% of data center spending over the next five years (McKinsey)

US spending on data centers was predicted to top \$425B in 2025. The vast majority of data center spending, about 70%, is expected to come from hyperscalers.

Leading hyperscalers, including Amazon, Microsoft, Google, Meta, and others, are already building in the US and have plans to invest even more in the coming years.

The capital spending of each hyperscaler is already trending toward \$100B annually.

Although other countries are seeing an uptick in data center investment, most face restrictive regulations, higher energy costs, and fewer financial incentives than the US.

Total spending of US companies on data center construction was estimated to surpass \$52B in 2025 (ConstructConnect)

YTD spending through October showed that data center construction spending has more than doubled YoY and more than tripled since 2023.

In January 2026 alone, US companies spent over \$25B across 20 data center construction sites (ConstructConnect)

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US companies spent
over \$25B across 20 data
center construction sites
in January 2026

That's compared to just \$2.9B in 2024.

The rapid growth in data center construction demand has pushed costs per square foot sharply upward over the past five years.

Mid-point construction costs increased from \$183 per square foot in 2020 to \$415 per square foot in 2025, representing a compound annual growth rate of nearly 18%.

If this pace continues, the mid-point estimate is projected to rise to approximately \$488 per square foot in 2026.

AI will be responsible for 50% to 70% of total data center computing by 2030 (Bain & Company, McKinsey)

Last year, AI training workloads used 5 GW of data center capacity, and AI inference (the process of generating outputs) used 2 GW.

By 2030, those numbers are expected to grow exponentially. AI training could require 23 GW, and AI inference could require 54 GW.

Several factors could lead to variations in these predictions, though. If businesses can unlock valuable AI solutions, demand could grow even more than current predictions.

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On the other hand, increased efficiency in AI solutions could decrease the required capacity.

In North America, total data center capacity hit a record 8,155 MW in the first half of 2025 (CBRE)

North American data center capacity has increased more than 43% YoY.

In addition, nearly 75% of under-construction capacity is already leased.

Capacity increases would be even greater if not for two factors: land availability and power access. Since power grids are already stretched thin in existing locations, look for the bulk of future capacity gains to happen in new markets. And, look for new capacity to come from large sites. Owners and developers are prioritizing sites between 200 MW and 750 MW.

Prime Locations for Data Centers

There are over 4,000 data centers in the US and more than 2,000 across Europe.

Every US state has at least one data center, with Vermont having the least (3) and Virginia having the most (601).

There are around 500 data centers in Northern Virginia (Data Center Map)

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There are **around 500**
data centers in
Northern Virginia

This area, often referred to as NoVA, covers 13 counties and about 4,400 square miles.

As of May 2026, Ashburn, Virginia, alone is home to 133 data centers.

Why Virginia?

One reason is the location's interconnectivity. There's a superior fiber network that enables low latency, and many critical submarine cables land on the coast of Virginia. It's also close to several major cities, like New York and Washington, D.C.

Currently, Virginia's data center computing capacity could increase by approximately 1,000% if all planned projects go ahead.

Aside from northern Virginia, the top data center markets are Atlanta, Dallas–Fort Worth, and Chicago (CBRE)

Atlanta is one of the largest data center markets in the US. The city has a total inventory of 1,280 MW with an additional 1,892 MW under construction. Overall, Atlanta accounts for 16% of data center inventory in the US.

In the Dallas–Fort Worth area, there's a total capacity of 870 MW with 425 MW under construction. That accounts for about 11% of the total US data center market.

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Chicago has a total capacity of 692 MW, which accounts for 9% of the US market. There's an additional 244 MW under construction.

Approved, upcoming data centers in Las Vegas and Reno will grow the area's capacity by 950% (Stanford)

Upcoming projects in Nevada will add 3,800 MW to local data center capacity.

Google has announced a \$400 million expansion to an existing data center, Microsoft recently acquired 300 acres of land, and Vantage Data Centers has a \$3 billion project in the works.

That's in addition to the 495 MW Switch data center that's planned to run on 100% renewable energy.

About 15% of Europe's data centers are in Germany (Tech Policy Press)



Around **15%** of Europe's data centers are in Germany

Germany has the highest concentration of data centers outside the US. Nearly one-quarter of these data centers are located in Frankfurt.

The Frankfurt data center boom is so expansive that all existing energy capacity has already been claimed for years to come.

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The main draw for data centers in Frankfurt is DE-CIX, the world's largest internet exchange operator.

The largest data center in the world is in Hohhot, China (GBC Engineers)

China Telecom's Inner Mongolia Information Park encompasses 10.7 million square feet. Despite its gigantic size, the data center's capacity is just 150 MW. That's because much of the campus is devoted to warehouses, offices, and even residential space.

The most powerful data center in the world is planned for Utah (KSL Utah)

Creekstone Energy is in the planning and permitting stages of building a 20-million-square-foot data center site called Delta Gigasite. Within the decade, the company says the data center will ramp up to 10 GW of capacity.

The Footprint of Data Centers

While a few data center campuses exceed 10 million square feet, the typical data center covers about 100,000 square feet. However, recent data shows that the average is trending upward as newer facilities come online.

Typically, hyperscale data centers house more than 5,000 servers (IBM)

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Hyperscale data centers
typically house
over 5,000 servers

Because of the sheer amount of IT equipment, these data centers are typically larger than 200,000 square feet, and several are well over 1M square feet.

Large sites offer several advantages to companies with a wealth of capital, like Meta, Microsoft, and AWS. All of the hardware and cooling infrastructure at one site is highly standardized. In addition, the infrastructure needed for connection to the power grid is massive, but it only needs to be set up once.

There are more than 1,000 hyperscale data centers worldwide (Synergy Research Group)

Between 2019 and 2024, the number of hyperscale data centers doubled. More than 135 came online in 2024 alone.

It's only taken four years for the total capacity of these data centers to double, and estimates show that capacity could double again in less than four years.

54% of hyperscale data centers are based in the US. Other major locations include China (16%) and Europe (15%).

Amazon ranks as the leading hyperscaler in the world (Data Center Magazine)

Programs.com May 11, 2026 Article on Proliferation of Data Centers

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Amazon operates 260 known data center locations across 22 countries. An additional 157 sites are under construction.

Like many other hyperscalers, the precise number and location of all of Amazon's data centers are unknown. However, a recent Bloomberg report suggests that Amazon may be operating more than 900 data center locations.

No matter the precise number of sites, Amazon's capital expenditures on data centers are massive. In 2025, it topped \$100 billion.

Microsoft is building a 1.2 million square foot "AI factory" in Wisconsin (Microsoft)

Microsoft is investing about \$3 billion to build this data center that covers 315 acres. It's expected to open in 2026.

In November, the company opened a very similar site, covering about 1 million square feet across 85 acres, outside of Atlanta.

In total, Microsoft operates 143 known data centers, and another 154 are under construction.

The first data center built by Google now covers 1.3 million square feet (IBM)



The first data center
built by Google covers
1.3 million square feet

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In 2006, Google opened its first data center site in The Dalles, Oregon.

Since then, the company has invested more than \$1.8 billion to expand this single site. It now covers more than 1.3 million square feet.

Google recently announced a \$600 million plan to expand the site even more. A fifth building, about 290,000 square feet, is expected to be added.

It takes less than 18 months for a hyperscale data center to come online (Tech Republic)

Construction of the first of OpenAI's Stargate data center projects launched in June 2024.

The first two buildings, covering 980,000 square feet with 200 MW of capacity, went online in September.

Construction on six additional buildings began in March and is estimated to be wrapped up by mid-2026. Those buildings are projected to bring the site to a total of 4 million square feet and 1.2 GW of power.

The average size of a data center in the northeast US is 143,000 square feet (Regional Plan Association)

New York leads the Northeast with 149 data centers. There are ten in Lower Manhattan alone, and 35 are located within 10 miles of the New York City financial district.

One of the largest and most critical is the 60 Hudson Street data center, which is one of the most important hubs of data interconnectivity in the world. It hosts multiple data center operators across its 24 stories.

Another large data center is the SDC Manhattan data center. It covers 222,000 square feet and provides 18 MW of capacity.

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Iowa data centers now occupy more than 15 million square feet across 6,600 acres (Business Record)

There are more than 25 data centers in Iowa. Operators have invested nearly \$15 billion in the market since the mid-2000s.

There are several hyperscale data centers in the state. For example, Apple is currently expanding its 360 million-square-foot site in Waukee, Iowa, to encompass 1.9 million square feet.

Four additional hyperscalers are expected to come online soon.

The Economic Impact of Data Centers

Data centers drive tremendous revenue for enterprises, but they're also impacting economics and opportunities in local communities.

It is estimated that Meta's capital expenditures for 2025, most of which are spent on data centers, totaled more than \$70 billion (New York Times)

Meta's capital expenditures totalled \$28 billion in 2023 and \$39 billion last year. In 2026, analysts predict company spending could reach as high as \$100 billion in capital expenditures.

Prometheus, Meta's first gigawatt data center, is currently under construction in New Albany, Ohio. The data center is predicted to come online next year. An on-site natural gas power generation project totalling 200 MW is predicted to be operational by November 2026.

Hyperion, a 5 GW data center from Meta, is set to come online by 2028. Meta officials say the site in Louisiana will be almost as large as the footprint of Manhattan. There will be three natural gas power plants on site, costing a total of \$3 billion.

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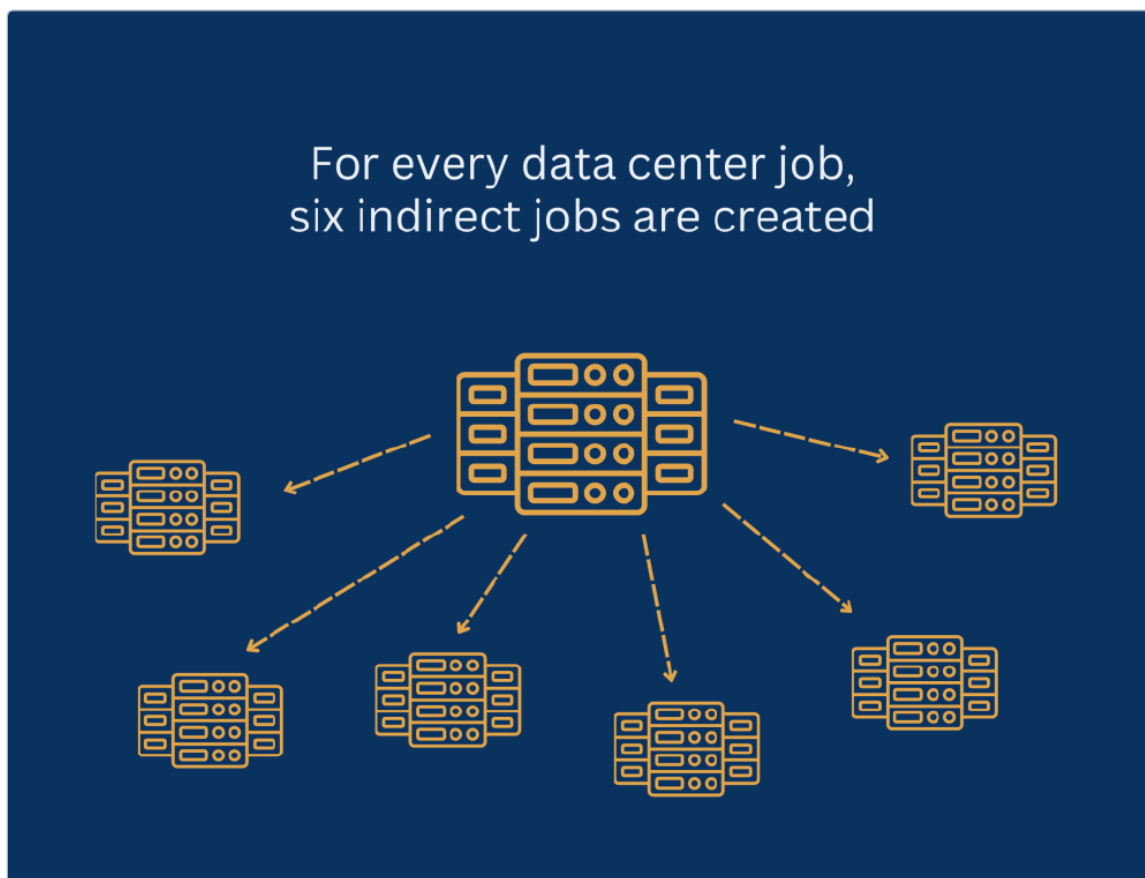
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Vantage is investing \$25 billion in a data center campus in Shackelford County, Texas (Construction Digital)

The site will consist of 10 data centers covering 1,200 acres. In total, it will provide 1.4 GW of compute capacity once it's fully finished.

Vantage says the site will create 5,000 jobs across construction and long-term operation.

For every data center job, six indirect jobs are created (PwC)



In Virginia, the data center market creates about 74,000 jobs annually, worth a total of \$5.5 billion in labor income for the state.

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However, data centers themselves actually create very few jobs compared to the amount of land they occupy. It takes about 1,500 people to build a data center; once it's operational, the site employs fewer than 200 people.

In Ohio, data centers could support more than 132,000 jobs by 2030 (Ohio Chamber of Commerce Research Foundation)

Last year, data centers in the state provided nearly \$7 billion in labor income across about 95,000 jobs.

About 36,000 of these jobs were directly attributable to data center construction and operation. About 30,000 jobs were in supplier industries, and about 28,000 of the jobs were supported by household spending of people in the direct jobs and supplier jobs.

A 330 MW data center provides about \$29 million in annual property tax revenue (Imperial Valley Press)

That estimate comes from a data center project in Imperial County, California, a rural area outside of San Diego. In addition to property tax revenue, the data center is predicted to create \$72.5 million in sales tax revenue from purchasing IT equipment.

That's a sizable increase in revenue for a county with just over 180,000 residents.

37 states have specific laws that grant sales tax exemptions for data centers (CNBC)

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A CNBC analysis found that 21 states don't publicly report the total value of their tax breaks. However, the remaining 16 states that do report totals showed that nearly \$6 billion in sales tax exemptions have been given to data centers over the past five years.

For instance, a Microsoft data center built in Illinois resulted in more than \$38 million in sales tax exemptions. The site created 20 permanent jobs.

In Virginia, data centers received more than \$730 million in tax exemptions for the fiscal year 2024 (CNBC)

Every dollar the state did not collect in sales tax resulted in 48 cents in new state revenue.

Financial audits show that Virginia, as well as Texas and Illinois, has recorded a more than 1,000% increase in tax revenue loss in recent years.

The Environmental Impact of Data Centers

Data centers require an immense amount of power to run thousands of servers. They also require millions of gallons of water to cool all of those servers.

Environmental activists, as well as local community members, worry that data centers will drain already low water supplies, increase fossil fuel pollution, and drive

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up electricity costs. However, new cooling techniques and increased renewable energy options could negate these effects.

The average data center uses ~4 MW of continuous power (IEA)

Global data centres consumed approximately 415 TWh of electricity in 2024, equivalent to an average continuous power demand of ~47 GW, according to the International Energy Agency.

This equates to an estimated average of ~35 GWh of electricity per data centre annually, or ~4 MW of continuous power per site.

However, this global average masks a large variation in facility size and energy use.

Smaller data centres typically operate in the 1–5 MW range, while hyperscale facilities frequently require tens of megawatts, with many new developments targeting 50–100 MW or more.

The amount of electricity used by data centers is predicted to grow 16% each year through 2028 (Boston Consulting Group)

By 2028, data centers could demand up to 130 GW of power.

The increase in power needs from data centers will drive 60% of the overall electrical load increase in the US through 2030. That's more than the load increase from any other sector, including electric cars.

To put that in perspective, that's the amount of power generated by over 13,000 offshore wind turbines, 245 million solar panels, or 65 Hoover Dams.

By 2028, data centers could consume up to 12% of total electricity in the United States (Department of Energy)

In 2023, data centers consumed 4.4% of total US electricity, but that number could triple over the next three years. That's equivalent to adding enough electricity to

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power the entire country of France.

The density of power use in data centers is expected to reach 176 kW per square foot in 2027 (Goldman Sachs)

This increased power density is due to the computing power needed to process AI workloads. For example, an AI server rack in 2027 is expected to require 50x more power than the server racks powering the internet today.

The chips that power AI workloads are also packed incredibly close together. The same amount of electricity used to power 1,000 American homes powers the AI chips that fit into a space that's about the size of a filing cabinet.

The power needs of data centers could raise residential electricity bills by 25% in some parts of the US (Carnegie Mellon University)

In December 2024, the largest grid operator in the US, PJM, announced that capacity market prices, which ensure grid availability, would increase from \$30 to \$270 per megawatt-day. PJM's capacity market rates continue to climb today, now sitting at \$330 per megawatt-day.

Monthly electricity costs in areas surrounding data centers are up by as much as 267% over the past five years (Bloomberg)

Increased prices have already trickled down to homeowners. With the highest concentration of data centers, Virginia is predicted to see the highest increases in the coming years. Today's average monthly electricity bill in the state is about \$143, but could surge to \$315 by 2039.

Data centers consume up to 5 million gallons of water per day (Environmental and Energy Study Institute)

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Data centers consume up to **5 million gallons** of water per day

In order for the equipment to function properly, data centers must maintain a temperature between 64 and 80 degrees F. Operators use water-based cooling methods to disperse heat.

In one cooling method, about 80% of the water evaporates. The remaining water cannot be reused and must be pumped out to a water treatment plant.

One Microsoft data center in Arizona uses 56 million gallons annually, equivalent to 670 households (APM Research Lab)

The water needs of data centers are particularly concerning to citizens in water-stressed areas. Research shows that by 2027, data centers will be using up to 1.74 trillion gallons annually. That's about half of the annual water usage of the UK.

Nearly 65% of senior enterprise leaders are concerned that the environmental requirements of AI will have a negative impact on their sustainability goals (Ernst & Young)

Data center usage is reported under Scope 3 emissions. Enterprises that are adopting widespread use of AI could potentially see a large increase in emissions and negative progress in terms of other sustainability goals.

Potential factors include ecosystem disruption from data center construction, increasing carbon emissions from fossil fuel power generation, and increasing water

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consumption.

What's next for data centers?

Data center revenue is predicted to grow to \$624 billion by 2029, but that estimate could vary drastically depending on changes in data center locations, power generation opportunities, and financial investments.

Location

As companies look to build additional sites to drive revenue gains, location will be one of the most important factors.

Prime states like Virginia already have a saturated market that has created several challenges in terms of power generation and growing resistance among citizens. On the other hand, rural areas across the US provide reliable grid connections and large areas of cheap land. These areas are often eager to welcome the tax revenue provided by large data center projects.

Look for the next generation of data centers to be built in places like rural Virginia, Washington, Michigan, and Iowa.

Power

The next generation of data centers will also need alternative solutions for power generation.

Right now, it takes about eight years to build enough infrastructure to power new data centers without adding strain to the grid. That's why more than 70% of data center and power generation leaders say that powering data centers is either very or extremely challenging. Several data center projects have already been scaled back or delayed due to insufficient energy supply.

"Behind-the-meter" (BTM) power, an onsite power plant that operates specifically for the data center, is the most popular solution right now. Up to 25 GW of BTM is

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expected to be deployed over the next five years. Most BTM projects today are natural gas, but fuel cells and small modular reactors could gain traction in the coming years.

Economics

Both enterprise interest and private investment in data centers reached record highs last year. Adding to that demand, one in five Americans now uses AI regularly.

This demand is leading to unprecedented spending. Hyperscalers are predicted to spend \$525 billion on capital expenditures by 2032.

Power grid updates and associated utility investments are predicted to cost \$720 billion through 2030.

However, citizens and local governments are a critical part of the economic picture. Data center construction will likely continue to fuel thousands of local construction jobs, and forthcoming regulations could help bear the brunt of increased electricity rates among consumers.



Degrees

Certs

States

Resources

IEEFA 2025 Article on the Risk of Overbuilt Infrastructure for Data Centers

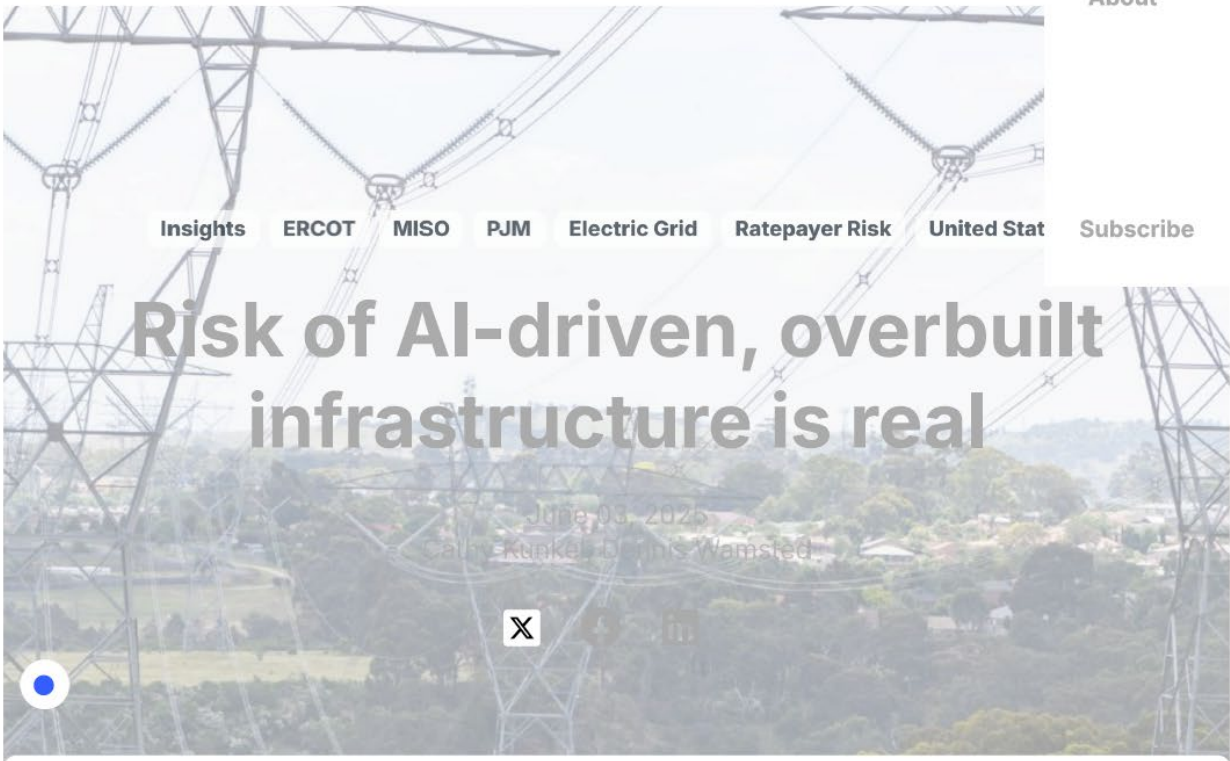
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Key Findings

Advocates of increased fossil fuel infrastructure designed to meet the needs of data centers may be overstating the case for new plants.



Two of the nation's largest independent power producers are warning investors about the potential for overbuilding.



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While advocates argue that increased fossil fuel infrastructure is needed to provide power for artificial intelligence, the reality is that the AI boom is slowing.

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Are electric utilities overbuilding fossil fuel infrastructure to meet anticipated demand growth from data centers? There is certainly a growing possibility that while growth is on the way, it may not be as strong or come as soon as many utility companies currently project.

Earlier this month, the CEO of Constellation Energy, one of the nation's largest independent power producers, issued a warning to investors about overbuilding. In the company's first quarter 2025 earnings call, Joseph Dominguez pointed out that the utility industry's projections for data center demand growth in just three markets—PJM (mid-Atlantic), MISO (Midwest) and ERCOT (Texas)—exceed many credible projections for data center demand growth for the entire country: "It's hard not to conclude that the headlines are inflated."

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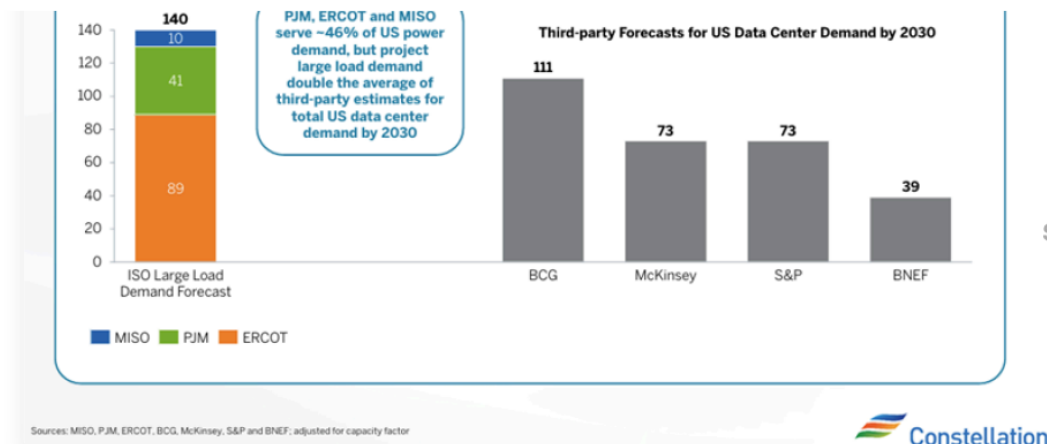
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James Burke, CEO of Vistra Energy, which bills itself as the U.S. largest independent power producer, delivered a similar caution during his company's first quarter earnings call. Responding to an analyst's question about Vistra's somewhat cautionary take on future data center demand growth, Burke pointed out that many of the requests for power likely are duplicative: "We think these interconnect queues ... may be overstated anywhere from three to five times what might actually materialize either in regulated markets or competitive markets."

There is data backing up Burke's concerns. In testimony this month on Georgia Power's current long-term resource planning process, the staff of the Georgia Public Utilities Commission (PUC) showed that the utility has significantly overstated likely demand growth from new data center construction. In part, staff said this is due to the utility's assumption that these projects are more likely to be constructed than more conventional large load facilities. The opposite is true, [according to the PUC staff](#): "Data center projects exhibit a tendency to be cancelled at a higher rate than other projects. As such, these projects should be treated with greater uncertainty."

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Looking specifically at Georgia Power's update to its 2023 integrated resource plan, staff pointed out that 44 percent of the data center-related growth it projected (1,350 megawatts (MW) out of 12,135 MW total) has been removed from the company's estimates in just the past 18 months. The October 2023 IRP update essentially s

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This same cancellation concern has been raised by Brian FitzSimons, the CEO of GridUnity, a company that helps utilities track and process large load power requests. [FitzSimons was quoted](#) earlier this year saying that 30 percent of the proposals received by GridUnity's large utility clients were canceled in 2024.

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These warnings echo IEEFA's January 2025 report, which found that data center growth is being used to justify a buildout of natural gas infrastructure across the Southeast. In that report, we noted that utility demand growth forecasts in four states (Virginia, North Carolina, South Carolina and Georgia) outstripped—in some cases by up to a factor of four—independent analysis of data center industry trends in those same states. Similarly, a [December 2024 report](#) from Grid Strategies found that nationally, the utility industry is planning for about 50% more data center demand than the tech industry is projecting.

- Beyond the certainty of overcounting potential demand growth due to this multi-jurisdictional bidding process, there also still are major questions regarding the underlying business model for artificial intelligence and by extension, the need for all the data centers now in utilities' demand forecasts. A [January 2025 IEEFA report](#) looked at the finances of OpenAI, a leading artificial intelligence company, and concluded that the company would have trouble growing its revenues to cover its high costs, due to the nature of its business model and the high energy and infrastructure costs required to develop and run its models. Although OpenAI to date has succeeded in raising ever-growing amounts of capital, there are signs that the artificial intelligence (AI) boom is slowing.

For instance, SoftBank, in charge of raising the \$100 billion that the Stargate project announced in January that it would immediately deploy, has yet to sign any final deals. [SoftBank's credit outlook](#) was lowered to "negative" by the Japan Credit Agency in April, specifically due to its deepening investments in AI, which S&P describes as a "[creditworthiness headwind](#)."

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conference. "I start to see the [beginning of some kind of bubble](#)," he said. "I started worried when people are building data centers on spec."

Constellation's Dominguez did not use the term bubble in his remarks, but he did add a strong cautionary note about the projected AI and data center demand growth in his remarks on the company's Q1 earnings call. "But to be fair, some of the hyperbole about the size of the growth is coming from stakeholders who have their own motivations, including a desire to keep building out the wire system or competitive market utilities that simply want the right of permission to go back and build generation in a competitive market. We've been seeing that in a few places. But we also see policymakers becoming skeptical about these claims. That skepticism is warranted in our view."

That skepticism is warranted in IEEFA's view as well. If electric utilities build infrastructure —transmission lines, power plants and gas pipelines—to meet data center demand that does not materialize at the levels they anticipate, they likely will be stuck with significant stranded costs. Those stranded costs, in the absence of strong regulatory action, will be passed on to the utilities' existing electricity consumers. They also will have spent billions of dollars on fossil fuel infrastructure that could have been better spent to further the energy transition.

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MPSC Case No: U-22058

Requester: AG

Question No.: AGDE-2.45a

Respondent: S. Benyard

Page: 1 of 1

Question: 45. Refer to lines 14-24 on page 4 of Mr. Beynard's direct testimony on the Customer building and owning two distribution substations. a. Explain what role, if any, DTEE will play with the construction and operation of the substations.

Answer: The Company will review and approve selected equipment at the substations which will be constructed, owned and operated by the Customer. DTE Electric will meter and have the ability to deploy load shed controls at the customer owned substations. As described in Q14 of my direct testimony, DTE Electric will extend overhead 345kV laterals from the ITC switchyard to the Customer owned substations.

Attachment: *None*

MPSC Case No: U-22058

Requester: AG

Question No.: AGDE-2.45b

Respondent: S. Benyard

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Question: 45. Refer to lines 14-24 on page 4 of Mr. Beynard's direct testimony on the Customer building and owning two distribution substations. b. If the Company will be operating the substations, is there an operating agreement in place? If yes, provide a copy. If no, explain why not.

Answer: No, DTE Electric will not be operating the Customer owned substations. Per chapter 11 of the Company's Service Installation Manual: When the installation has been approved for connection, DTE Electric Primary Services will request the DTE System Supervisor to have the substation energized. The same precautions regarding hazards taken with DTE Electric owned substations shall be observed. The operation and maintenance of the installation is the customer's responsibility. DTE Electric Primary Services may be available, in an advisory capacity, to inform the customer as to the operation and maintenance of the equipment.

[\[Primary Service Standards - Green Book\]](#)

Attachment: *None*

MPSC Case No: U-22058

Requester: AG

Question No.: AGDE-2.46a

Respondent: S. Burgdorf

Page: 1 of 1

Question: 46. Refer to page 5 of Mr. Beynard's direct testimony on the ITC transmission costs. a. Explain whether the Customer will reimburse ITC directly for the capital expenditures incurred by ITC to build and upgrade the transmission lines and facilities or if the capital-related costs and operating expense for those transmission upgrades will be billed to DTEE and later passed on to the Customer.

Answer: As with other transmission costs, these will be included in the ITC rate base for its Schedule 9 charges that are passed on to ITC's customers, including to DTE Electric. These transmission costs are passed on to the Customer as part of the PSCR expense.

Attachment: *None*

MPSC Case No: U-22058

Requester: AG

Question No.: AGDE-2.47a

Respondent: S. Benyard

Page: 1 of 1

Question: 47. Refer to page 6 and lines 1-3 on page 7 of Mr. Beynard's direct testimony on Estimated Company Project Costs. a. Explain what work DTEE will be doing and what facilities will build if the Customer is building and owning its two substations served directly by ITC.

Answer: Refer to Q14 of my direct testimony. In addition, please refer to AGDE-2.45a.

Attachment: *None*

MPSC Case No: U-22058

Requester: AG

Question No.: AGDE-2.47b

Respondent: S. Benyard

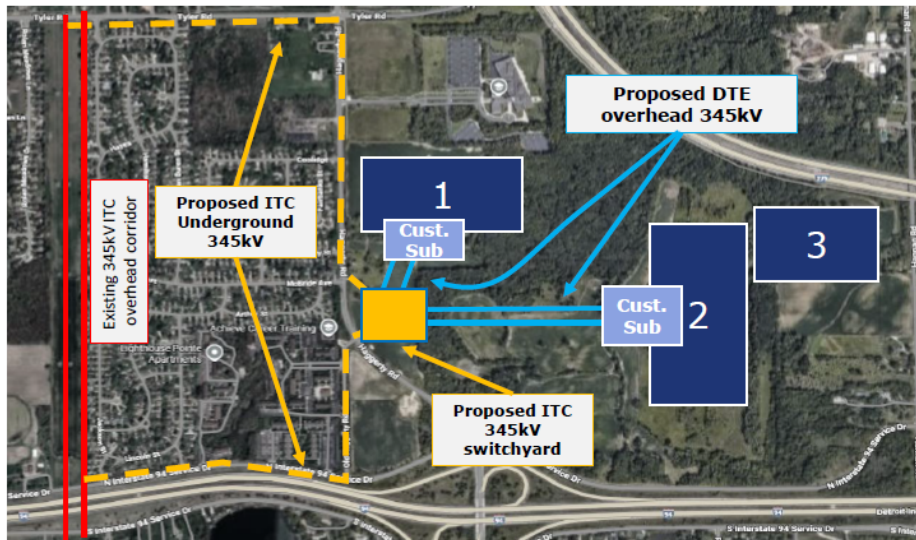
Page: 1 of 1

Question: 47. Refer to page 6 and lines 1-3 on page 7 of Mr. Beynard's direct testimony on Estimated Company Project Costs. b. Provide a color-coded schematic showing how power will be delivered to the data center from ITC and all the facilities in between to be owned by ITC, DTEE, and the Customer, identifying existing facilities versus new facilities and cost of new facilities.

Answer: See attachment AGDE_2.47b for color coded schematic. Estimated costs for the new facilities are shared in A15 and A17 of my direct testimony.

Attachment: U-22058 AGDE-2.47b.

b. Provide a color-coded schematic showing how power will be delivered to the data center from ITC and all the facilities in between to be owned by ITC, DTEE, and the Customer, identifying existing facilities versus new facilities



- Existing 345kV ITC corridor to west of project site
- ITC proposes to install (2) underground routes 345kV
- ITC proposes to install (5) row breaker-and-a-half 345kV transmission switchyard
- DTE proposes to extend 345kV overhead between ITC switchyard and Customer owned substations
 - (2) 345kV overhead lines to substation at building 1
 - (3-4) 345kV overhead lines to substation at building 2
- Customer proposes to construct and own (2) 345-34.5kV substations

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-2.21aiv

Respondent: N. Foley

Page: 1 of 1

Question: 21. Please refer to the Company's response to STDE-1.16 and to MNSDE-1.2c. a. State whether the Company will provide in future rate cases, or any other docket, a reconciliation of Customer revenues and any of the following incremental costs or resource revenue requirements caused by serving the Customer's load: iv. The revenue requirement of transmission investments.

Answer: The Company notes that the reconciliation discussed in response to STDE-1.16 is specific to energy storage and renewable energy projects deployed under the CCAA and does not apply to resources not deployed under that agreement.

Assuming that "reconciliation" in this request refers to the presentation of aggregate costs and benefits discussed in MNSDE-1.2c and my revised direct testimony (Q38), see MNSDE-1.2d for additional detail on the presentation of aggregate benefits and aggregate costs of serving the Customer's load. The Company notes that the specific form of how aggregate costs and benefits will be presented has not yet been developed.

The Company notes that transmission costs are incurred and recovered on a system-wide basis through charges established by the transmission provider and applicable tariffs and are not billed to the Company on a project-specific basis for purposes of ratemaking. Accordingly, in the context of presenting aggregate costs, including in future PSCR proceedings, any transmission-related costs associated with serving the Customer's load would be calculated based on actual project capital costs used to estimate the revenue requirement.

To the extent that such costs arise in future PSCR proceedings, they would be presented as an estimate and included in the aggregate costs of serving the Customer's load.

Attachment: *None*

Co-Respondent: S. Burgdorf

MPSC Case No: U-22058

Requester: AG

Question No.: AGDE-1.5a

Respondent: N. Foley

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Question: 5.a. Refer to lines 18-19 on page 12 of Mr. Foley's direct testimony on the Customer's ability to change to another rate. Please: Identify what other current rate schedule the Customer could qualify for and explain why.

Answer: Section 5.1.1 of the PSA establishes that one of the conditions of the Customer changing rates is that "(c) the new rate schedule was approved by the Commission after the Contract Date."

No new rate schedules have been approved by the Commission since the Contract Date. As such, the Customer would not qualify to switch to any other current rate schedule.

Attachment: *None*

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Respondent: N. Foley

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Question: 5.b. Refer to lines 18-19 on page 12 of Mr. Foley's direct testimony on the Customer's ability to change to another rate. Please:
Describe what discussions have occurred between the Customer and the Company about the Customer qualifying for another existing rate schedule or establishing another rate schedule after start of Customer operations, when this shift would occur, and for what purpose.

Answer: DTE Electric objects for the reason that information related to discussions and/or negotiations between the Company and the Customer are outside the scope of the case, not proportional to the needs of the case, and not likely to lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objections, the Company responds as follows:

The Company notes that as discussed in AGDE-1.5a, for the Customer to switch rates, the rate must be approved by the Commission after the PSA Contract Date. As such, the Commission maintains appropriate oversight of the availability of future rate schedules the Customer could switch to.

Attachment: *None*

PROOF OF SERVICE - U-22058

The undersigned certifies that a copy of the *Attorney General's PUBLIC Testimony and Exhibits of Sebastian Coppola* was served upon the parties listed below by e-mailing the same to them at their respective e-mail addresses on the 5th day of June 2026.

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