

August 4, 2026

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

Via E-File

RE: MPSC Case No. U-22061

Dear Ms. Felice:

Attached please find the enclosed documents for filing:

- Direct Testimony and Exhibits of Ben Havumaki on behalf of the Michigan Attorney General, Natural Resources Defense Council, and Sierra Club (AG-NS-1 through AG-NS-9); and
- Proof of Service.

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

Sincerely,

Sean C. Clark
sean@tropospherelegal.com

CC: Parties to Case No. U-22061

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **DTE
ELECTRIC COMPANY** for approval of
amendments to Rate D11 and related relief.

Case No. U-22061

DIRECT TESTIMONY OF BEN HAVUMAKI

ON BEHALF OF

**THE MICHIGAN ATTORNEY GENERAL,
NATURAL RESOURCES DEFENSE COUNCIL, AND SIERRA CLUB**

August 4, 2026

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I. INTRODUCTION AND QUALIFICATIONS

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

A. My name is Ben Havumaki. I am a Principal Associate at Synapse Energy Economics, Inc. (“Synapse”), located at 485 Massachusetts Avenue, Suite 3, Cambridge, MA 02139.

Q. Please describe Synapse Energy Economics, Inc.

A. Synapse is a research and consulting firm specializing in electricity and gas industry regulation, planning, and analysis. Our work covers a range of issues, including economic and technical assessments of demand-side and supply-side energy resources; energy efficiency policies and programs; integrated resource planning; electricity market modeling and assessment; renewable resource technologies and policies; and climate change strategies. Synapse works for a wide range of clients, including state attorneys general, offices of consumer advocates, public utility commissions, environmental advocates, the U.S. Environmental Protection Agency, U.S. Department of Energy, U.S. Department of Justice, the Federal Trade Commission, and the National Association of Regulatory Utility Commissioners. Synapse has over 40 professional staff with extensive experience in the electricity industry.

Q. On whose behalf do you offer this testimony?

A. I am testifying on behalf of Natural Resources Defense Council, Sierra Club, and the Michigan Attorney General.

Q. Please summarize your experience in the field of utility regulation.

A. I have eight years of experience in economic research and consulting. At Synapse, my work has focused on electric and gas utility regulatory issues, usually in the context of litigated

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1 proceedings. I provide technical analysis and expert witness support in general rate cases,
2 where I focus on rate design and cost allocation. Much of my recent work has focused on
3 cost allocation issues relating to new large load customers, including tariff development. I
4 also have expertise in performance-based regulation and grid modernization. I have
5 provided testimony to utility regulatory commissions in Michigan, Maine, Georgia,
6 Illinois, New York, Minnesota, Maryland, Rhode Island, New Hampshire, Pennsylvania,
7 West Virginia, New Brunswick, and Nova Scotia. I hold a Bachelor of Arts degree in
8 History from McGill University and a Master of Arts degree in Applied Economics from
9 the University of Massachusetts. My Curriculum Vitae is attached as Exhibit AG-NS-1.

10 **Q. Have you testified before this Commission as an expert in any other proceeding?**

11 A. I testified before the Michigan Public Service Commission ("MPSC" or "Commission")
12 on Indiana Michigan Power Company's ("I&M") proposed large load tariff in MPSC Case
13 No. U-21986.

14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to respond to DTE Electric Company's ("DTE" or "the
16 Company") proposed amendments to Rate D11. Through my recommended modifications
17 to these large load tariff provisions ("Large Load Provisions"), I seek to ensure that the
18 provisions are sufficient to protect other customers from rate increases and the risks of
19 stranded assets resulting from the investments that DTE makes to serve new large loads.
20 My recommendations on specific tariff provisions are largely aligned with the tariff
21 provisions approved by the Commission in the Consumers Energy ("Consumers") large
22 load tariff proceeding, Case No. U-21859, and aim to strengthen consumer protections.

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1 **Q. Who are the customers that would be subject to the Large Load Provision?**

2 A. DTE defines new large load customers as customers with a contract capacity exceeding
3 100 megawatts (MW)—either at a single site or in aggregate across multiple sites, provided
4 that the average size of each site is greater than 20 MW and that all included sites begin
5 taking service within a five-year window (“large load customers”).¹

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

7 A. Yes, I am sponsoring the following exhibits:

8	Exhibit AG-NS-1	CV of B. Havumaki
9	Exhibit AG-NS-2	Company Response U-22061-NRDCSCDE-1.12
10	Exhibit AG-NS-3	Company Response U-22061-AGNSDE-1.5b & c
11	Exhibit AG-NS-4	Company Response U-22061-NRDCSCDE-1.4c
12	Exhibit AG-NS-5	Company Response U-22061-AGNSDE-1.2a & b
13	Exhibit AG-NS-6	Company Response U-22061-AGNSDE-1.7b & c
14	Exhibit AG-NS-7	Company Response U-22061-AGDE 1.7e
15	Exhibit AG-NS-8	Company Response U-22061-AGNSDE-1.3
16	Exhibit AG-NS-9	Company Response U-22061-AGNSDE-1.1a & b

17 **II. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

18 **Q. Please summarize your conclusions.**

19 A. My conclusions are as follows:

¹ DTE’s Application, Exhibit A-1, p 4.

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- 1 • In several respects, DTE’s proposed provisions are out of step with the Consumers
2 tariff and less protective of other customers:
 - 3 ○ the collateral terms reserve to DTE sole discretion to reduce the required
4 collateral amount and permit parent guarantees as a default form of collateral;
 - 5 ○ the termination notice requirement is inconsistent with the longer notice
6 required for both non-renewal and early termination, and the termination fee
7 structure is less protective;
 - 8 ○ the proposed contribution in aid of construction (CIAC) allowance would
9 socialize a portion of interconnection costs onto other customers; and
 - 10 ○ the proposed administrative fee is not reconciled to actual costs.
- 11 • The proposed applicability criteria could present loopholes for customers to avoid the
12 Large Load Provisions—through the five-year aggregation limit and through the
13 treatment of co-located and multi-site customers.
- 14 • The proposed minimum billing demand of 80 percent is too low and, because the
15 minimum monthly charge is set on demand alone, it may not provide for sufficient
16 recovery of investments made to service new large load customers.
- 17 • Preventing cost-shifting and stranded assets requires a robust cost allocation
18 framework, to be developed in DTE’s rate case.
- 19 • Direct assignment of the incremental costs of serving each new large load customer is
20 the preferred approach to preventing cost-shifting.

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1 **Q. Please summarize your recommendations.**

2 A. I recommend the following changes to the Large Load Provisions:

3 • Modify the applicability criteria so the Large Load Provisions apply to any aggregation
4 of new load exceeding 100 MW, with each site averaging at least 20 MW, irrespective
5 of when the individual sites entered service.

6 • Extend the Large Load Provisions to co-located sites—whether associated with the
7 same or different customers—whose combined capacity exceeds 100 MW, even where
8 the average site capacity is less than 20 MW.

9 • Permit modification to the required collateral amount only with Commission review
10 and approval.

11 • Exclude parent guarantees as a default form of collateral, limiting the default forms to
12 an irrevocable letter of credit or cash.

13 • Set the minimum billing demand at 90 percent rather than 80 percent of contract
14 capacity.

15 • Modify the minimum monthly charge so that it recovers sufficient revenue to reflect
16 the fixed costs recovered through energy and rider charges and require the Company to
17 clarify the extent of that recovery.

18 • Add language to the Large Load Provisions making explicit that reductions to contract
19 capacity are not permitted.

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- 1 • Require four years' notice for both early termination and non-renewal, consistent with
2 the Consumers tariff.
- 3 • Require a termination fee equal to the product of the minimum monthly charge and the
4 number of months remaining in the contract term, inclusive of any extension period,
5 where that time exceeds two years; where the remaining contract term is shorter than
6 two years, set the termination fee equal to the product of twenty-four months and the
7 minimum monthly charge.
- 8 • Remove any CIAC allowance from the Large Load Provisions.
- 9 • Require the administrative fee to be reconciled to the actual costs the Company incurs
10 in evaluating a prospective large load customer, consistent with U-21859.

11 **Q. Why is DTE proposing the Large Load Provisions?**

12 A. The Commission directed DTE to file these provisions pursuant to its order in Case No. U-
13 21990, dated December 18, 2025 ("December 18 Order").

14 **Q. Did the Commission set any parameters for the contents of the Large Load**
15 **Provisions?**

16 A. Yes. The Commission stated in the December 18 Order that DTE's proposed Large Load
17 Provisions should align with the tariff provisions approved by the Commission for
18 Consumers in the Commission's order in the Consumers large load tariff proceeding,
19 issued on November 6, 2025.

20 **Q. Has the Commission rendered a decision in the I&M large load tariff proceeding?**

21 A. No. The Administrative Law Judge's Proposal for Decision was issued on May 19, 2026,

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1 but the Commission has yet to issue a final decision.²

2 **Q. Has DTE fulfilled the Commission's order requirements through its proposed Large**
3 **Load Provisions?**

4 A. DTE's proposed Large Load Provisions are complete in the sense that they include all of
5 the common elements of a large load tariff. However, certain elements of DTE's Large
6 Load Provisions are both inconsistent with the Consumers tariff *and* less consumer
7 protective. I recommend modifications that strengthen consumer protections and enhance
8 alignment with the approved tariff from U-21859.

9 **Q. In what specific ways are DTE's proposed Large Load Provisions not aligned with**
10 **the Commission-approved tariff in U-21859 and less consumer protective?**

11 A. In several specific ways:

- 12 • DTE's collateral proposal diverges from the Consumers' tariff in reserving discretion
13 for DTE to relax collateral requirements for selected large load customers;
- 14 • DTE proposes shorter notification requirements for contract termination and a
15 termination fee structure that is more lax in certain cases;
- 16 • The proposed CIAC proposal would socialize a portion of interconnection costs for
17 large load customers, unlike in the Consumers case where the issue of sufficiency of
18 CIAC terms was routed to the utilities' rate case for evaluation as part of the
19 Commission-ordered cost-of-service scenarios; and

² Michigan Administrative Law Judge, Proposal for Decision, May 19, 2026, Case U-21986, available at: <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000022DynPAAS>.

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- DTE’s proposed administrative fee would not be reconciled to actual administrative expenses, unlike in the Consumers case.

An overview of DTE’s proposed provisions and the corresponding provisions from the Consumers tariff is shown below in Table 1.

Table 1. Summary of DTE’s proposed Large Load Provisions and Consumers Energy Tariff

	DTE Proposal	Consumers Tariff (approved)
Applicability	Greater than 100 MW at single site or in aggregation if average of each site exceeds 20 MW and sites commence operations within 5-year period.	100 MW or greater at a single site or in aggregation if each site is equal to or exceeds 20 MW under a common owner.
Contract term	15-year minimum contract term plus ramp period of up to 3 years.	15-year minimum contract term plus ramp period up to 5 years.
Collateral	Full remaining termination fee. Letter of credit, cash, or parent guarantee accepted, based on Company’s discretion. Company has sole discretion to lower collateral requirement.	Collateral is equal to 50 percent of the remaining termination fee. Letter of credit or interest-bearing cash only. Modifications require Commission approval.
Minimum billing demand	80 percent of contracted capacity; 80 percent of committed demand during ramp period.	80 percent of contracted capacity.
Capacity reduction	Not addressed in DTE’s proposal, though DTE has clarified in discovery that customers may not reduce their contract capacity during the contract term. ³	One-time discretionary reduction of ≤10 percent with 4-year notice; larger or additional reductions require pro-rated exit fee or Commission approval.
Early termination notice	2 years	4 years
Termination fee	Greater of remaining minimum billing demand (MBD) through end of initial contract term up to 15 years MBD, or 2 years of MBD.”	MBD multiplied by months remaining; includes system access charge.
Automatic extension (evergreen provision)	Automatic 5-year extensions; 3-year required notice for customer non-renewal.	Automatic 5-year evergreen extensions; 4-year required notice for customer non-renewal.

³ Ex AG-NS-2, Company Response U-22061-NRDCSCDE-1.12.

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	DTE Proposal	Consumers Tariff (approved)
CIAC allowance	Twice the expected distribution revenue (fixed tariff allowance).	Routed to rate case for cost-of-service determination.
Administrative fee	\$100,000 for <200 MW; \$250,000 for ≥200 MW.	\$100,000 upfront, reconciled to actual costs, no cap.

1
2 **Q. In addition to the issues you have already discussed, do you have any other concerns**
3 **with DTE's large load tariff proposal?**

4 A. Yes, there are several additional issues. I am concerned that the applicability criteria could
5 permit gaming or otherwise exempt certain customers from the tariff provisions even
6 though those customers present similar risks as the large load customers that *will* be subject
7 to the Large Load Provisions. I am also concerned that the minimum billing demand and
8 minimum monthly charge formula are not sufficient to prevent cost-shifting.

9 **Q. Will you address every component of the proposed Large Load Provision?**

10 A. No. I focus my testimony on certain priority components requiring modification. However,
11 the absence of comment on any specific part of DTE's proposed Large Load Provisions
12 does not indicate support for it.

13 **Q. Please describe how you organized the remainder of your testimony.**

14 A. In the next section, I present recommended tariff modifications, addressing issues relating
15 to tariff applicability, collateral, minimum monthly charges, termination notice and fee
16 calculation, CIAC allowances, and administrative fees. In the following section, I connect
17 this proceeding to the ongoing efforts in DTE's rate case to model different large load rate
18 design and cost allocation scenarios and discuss how that tariff proceeding should interact
19 with efforts to update cost allocation practices to mitigate cost-shifting caused by large load
20 customers and the risk of stranded assets.

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III. RECOMMENDED MODIFICATIONS TO THE LARGE LOAD PROVISION

a. Recommended Modifications to Applicability Criteria

Q. Please describe DTE's proposed applicability criteria for the Large Load Provisions.

A. The Large Load Provisions would apply to new customers with capacity exceeding 100 MW either at a single site or aggregated across multiple sites. For multi-site customers, the average capacity of the sites must exceed 20 MW and service must commence within a five-year period.⁴ Under DTE's proposal, when the 100 MW threshold is met through an aggregation of sites, each of the individual sites is subject to its own service contract.⁵ The Large Load Provisions also applies to existing customers with *incremental* capacity meeting these conditions.

Q. What are your general concerns with DTE's proposed applicability criteria?

A. While the 100 MW threshold and aggregation conditions are largely consistent with the Consumers tariff, I am concerned that DTE's introduction of a provision that would only aggregate sites entering service within a five-year period is arbitrary and could create a loophole for some customers to avoid DTE's large load tariff provisions. I am also concerned that the Company's tariff would potentially permit co-located customers with aggregate demand exceeding 100 MW to avoid being subject to the Large Load Provisions.

Q. Please explain your concerns with the proposed five-year aggregation window.

A. The Company states that five years is reasonable as a limit for aggregations because it

⁴ Direct Testimony of Aaron Willis, p 9.

⁵ Ex AG-NS-3, Company Response U-22061-AGNSDE-1.5b & c.

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1 aligns with planning timelines.⁶ In response to discovery, the Company indicates that it
2 considered an “unbounded period” for multi-site aggregation eligibility but determined that
3 that would be “unreasonable.”⁷ However, multiple sites entering service over a longer
4 period could still create cost-shifting risks.

5 **Q. Should the Company maintain its five-year limit on aggregations?**

6 A. No. I recommend that the Company include sites at different locations in aggregation
7 *irrespective of when the individual sites included in the aggregation have entered service.*
8 Provided that the collection of sites exceeds the 100 MW threshold, with the individual
9 sites averaging at least 20 MW (which is the Company’s other proposed criteria for
10 aggregation), then the sites should be aggregated and subject to the Large Load Provisions.

11 **Q. Please provide an illustrative example that demonstrates how your proposed modified**
12 **aggregation criteria would operate.**

13 A. Consider the case of a customer that establishes a first site with a demand exceeding 100
14 MW. This customer would be subject to the Large Load Provisions based on the contract
15 capacity of the initial site. Now, suppose that this customer adds a second site ten years
16 later, with a peak demand of 15 MW. This site would also be subject to the Large Load
17 Provision, through aggregation with the first site, because the average peak demand of the
18 two sites would be 57.5 MW (which exceeds the Company’s proposed 20 MW average

⁶ Willis Direct, p 9.

⁷ Ex AG-NS-3, Company Response U-22061-AGNSDE-1.5b & c.

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1 requirement).⁸ This second site would be subject to its own minimum 15-year contract
2 term, which would commence when the second site had ramped up to full capacity.

3 **Q. How would the ramp period affect the aggregation of multiple sites?**

4 A. It is not clear under the Company's proposal whether sites would be aggregated based upon
5 actual demand or contracted capacity. The Company should clarify its proposal and provide
6 rationale for its treatment of the ramp period in aggregating sites.

7 **Q. Do you recommend modifications to the proposed treatment of co-located sites**
8 **associated with different customer accounts?**

9 A. Yes. The Company's applicability criteria appear to exempt co-located data centers (i.e.,
10 multiple data centers that are located on the same campus) from being subject to the Large
11 Load Provisions even if the aggregate demand of the data centers at a given site exceeds
12 100 MW, provided that each entity requesting service has demand under the 100 MW
13 threshold.⁹ This potential loophole could allow customers to avoid the Large Load
14 Provisions even when they should in aggregate be subject to the tariff because of their co-
15 location, combined scale, and the potential risks of cost-shifting and stranded assets that
16 they collectively impose on the system.

17 **Q. How should the Company treat co-located sites associated with different customers?**

18 A. These sites should be subject to the same aggregation threshold; if their combined capacity
19 exceeds 100 MW, then the sites should be subject to the Large Load Provisions. Further,

⁸ $57.5 = \frac{(100+15)}{2}$

⁹ Ex AG-NS-4, Company Response U-22061-NRDCSCDE-1.4c.

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1 they should be subject to the Large Load Provisions even if their average capacity is less
2 than 20 MW, since they are located at the same site rather than dispersed across multiple
3 locations.

4 ***b. Recommended Modifications to Collateral Provisions***

5 **Q. Please describe DTE's proposed collateral requirements.**

6 A. The Large Load Provisions makes the default collateral requirement equal to the
7 termination fee, which would reduce annually with the customer's remaining financial
8 obligation.¹⁰ DTE also requests to retain the option to require a lesser amount of collateral
9 from some customers at the Company's sole discretion, which it states that it will exercise
10 on a case-by-case basis based on the risk profile of each customer.¹¹ The eligible forms of
11 collateral per DTE's proposal include a letter of credit, cash, a parent guarantee, or a
12 combination thereof; the tariff gives DTE sole discretion over the composition of the
13 collateral.

14 **Q. How would the Company determine the form of collateral for given large load**
15 **customers?**

16 A. DTE states that it will determine the precise form and structure of the collateral based on
17 the customers' creditworthiness including the credit rating of the customer and/or its parent

¹⁰ Willis Direct, p 13.

¹¹ *Id.*

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1 company.¹² DTE appears to not have specific criteria for determining creditworthiness and
2 collateral requirements.¹³

3 **Q. Are DTE's proposed collateral terms sufficiently consumer protective?**

4 A. No. While I support the Company's proposal to fix the collateral requirement to the
5 termination fee, the Company's proposal to accept parent guarantees for collateral and its
6 request for discretion to reduce the required collateral amount are inconsistent with the
7 Commission's directives in Case U-21859.¹⁴

8 **Q. What did the Commission order regarding collateral in U-21859?**

9 A. The Commission approved a default set of collateral requirements and determined that all
10 modifications to the default would require Commission approval. The approved default
11 forms of collateral include an irrevocable letter of credit or cash for Consumers' large load
12 customers. Importantly, the Commission did not allow parent guarantees as a default form
13 of collateral, citing "uncertainty regarding credit quality of an unknown large load
14 customer."¹⁵ However, the Commission permitted Consumers to apply for approval to use
15 a parent guarantee for some or all of the required collateral amount on a case-by-case basis.
16 In any such request, Consumers would be required to show that it is "reasonable and
17 prudent" to adjust the default form of collateral and demonstrate that the alternative will
18 not burden other customers with the risk of stranded costs.¹⁶

¹² *Id.* at 13-14.

¹³ Ex AG-NS-5, Company Response U-22061-AGNSDE-1.2a & b.

¹⁴ Case No. U-21859, Order, November 6, 2025, pp 112-114.

¹⁵ Case No. U-21859, Order, November 6, 2025, p 112.

¹⁶ Case No. U-21859, Order, November 6, 2025, pp 113-114.

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1 **Q. What are your concerns with DTE’s proposal to retain sole discretion over the**
2 **required amount of collateral for a given customer?**

3 A. DTE should not have sole discretion over the amount of collateral required because this
4 decision has major financial implications for ratepayers. In the case that collateral is drawn
5 upon and the amount is insufficient to cover the remaining incremental costs, other
6 customers may ultimately be responsible for the shortfall. Allowing DTE to reduce the
7 amount of collateral without Commission approval will expose customers to undue risk.

8 **Q. Why is collateral so important?**

9 A. Collateral is what ensures large load customers satisfy their financial obligations to the
10 Company. The other terms and conditions in the Large Load Provisions that are intended
11 to protect consumers are only as good as the collateral that that customer is made to
12 provide.

13 **Q. What do you recommend regarding the amount of collateral required under the**
14 **Large Load Provisions?**

15 A. I recommend the Commission adopt the Company’s proposal that the amount of collateral
16 required should be equal to the termination fee due at the time collateral is initially
17 supplied, and that the collateral be reduced over time. I further recommend that any
18 modifications to the amount of collateral required should be subject to Commission review
19 on a case-by-case basis, consistent with the Commission’s decision in Case U-21859.

20 **Q. Should DTE be permitted to accept parent guarantees for collateral?**

21 A. Parent guarantees should not be included as a default form of collateral for customers
22 taking service under the Large Load Provisions because of uncertainty regarding the credit

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1 quality of large load customers, as discussed by the Commission in its order in Case U-
2 21859.¹⁷ Parent guarantees might expose the Company and its customers to undue risk if
3 the parent company does not remain financially healthy. Consistent with the Commission's
4 decision in Case No. U-21859, I recommend that the default forms of collateral be limited
5 to an irrevocable letter of credit and/or cash.¹⁸ I recommend that the Commission exclude
6 parent guarantees from the default set of acceptable collateral forms.

7 **Q. Should DTE retain discretion over whether to require a cash deposit, as opposed to**
8 **an irrevocable letter of credit, for collateral?**

9 A. Yes. However, in the event of large load customer default where collateral is insufficient
10 and results in the Company incurring stranded asset costs, the Commission should not
11 permit cost recovery for these stranded assets from other customers.

12 ***c. Recommended Modifications to Minimum Monthly Charge***

13 **Q. Please describe the Company's proposed minimum monthly charge.**

14 A. The Company proposes a minimum billing demand of 80 percent of contract capacity.¹⁹
15 During the ramp period, the minimum applies to the customer's committed load ramp;
16 thereafter, it applies to 80 percent of the contracted capacity.

¹⁷ Case No. U-21859, Order, November 6, 2025, p 112.

¹⁸ Case No. U-21859, Order, November 6, 2025, p 112 ("The default acceptable forms of collateral include a standby irrevocable letter of credit or cash (which earns interest).").

¹⁹ Application, pp 3-4.

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1 **Q. Why has the Company determined to set the minimum billing demand at 80 percent**
2 **of contract capacity?**

3 A. The Company points to the Consumers case as its principal justification. DTE states that
4 its Large Load Provision, including the 80 percent minimum billing demand, is “consistent
5 with the approach approved in Case No. U-21859” and is designed to “broadly align” with
6 the Commission’s order in that case.²⁰

7 **Q. Does the precedent from the Consumers case mean that the Company’s minimum**
8 **monthly charge proposal should be adopted?**

9 A. No. In this specific instance, I recommend a departure from the Consumers case precedent
10 in favor of more robust consumer protection. Notwithstanding the Commission’s decision
11 in the Consumers case, the Company’s monthly minimum charge proposal is deficient and
12 risks under-recovering the fixed costs associated with serving large load customers, which
13 could result in cost-shifting.

14 **Q. Why do you say that the monthly minimum charge risks under-recovery of the fixed**
15 **costs associated with serving large load customers?**

16 A. The Company will make capital investments to serve large load customers at full capacity,
17 so setting the MBD at any level under 100 percent of contract capacity creates some risk
18 of cost-shifting. I recommend that the Commission order DTE to set the MBD at 90 percent
19 of contract capacity, which is more protective of other consumers and consistent with the

²⁰ Willis Direct, pp 7-8.

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practices adopted in other jurisdictions that have minimum billing demand provisions of 90 percent or higher.²¹

Q. What is your recommendation regarding the minimum billing demand?

A. I recommend that the minimum billing demand be set at 90 percent instead of 80 percent of contract capacity.

Q. May large load customers reduce their contract capacity?

A. No. The Company clarifies through response to discovery that reductions in contract capacity are not permitted.²² I support this position, though I recommend that the Company add language to its Large Load Provisions to make it explicit that contract capacity reductions are not allowed.

Q. Should the minimum monthly charge include only minimum billing demand revenues?

A. No. The Company appears to recover a portion of its fixed costs through energy rates and riders. In separate discovery responses, the Company confirmed that it recovers a portion of its production revenue requirement through energy charges and that it recovers some of its base rate costs through various riders.²³ Yet confusingly, the Company also stated that

²¹ See, e.g., Kentucky Public Service Commission's March 18, 2025, Order in KPSC Docket No. 2024-00305 at 3, accessible at https://psc.ky.gov/pscscf/2024%20Cases/2024-00305//20250318_PSC_ORDER.pdf.

(90% MBD term); the Public Service Commission of Wisconsin's May 21, 2026, Order in PSCW Docket 6630-TE-113 at 26 – 27, accessible at <https://apps.psc.wi.gov/ERF/ERFview/viewdoc.aspx?docid=591873> (100% MBD for transmission service).

²² Ex AG-NS-2, Company Response U-22061-NRDCSCDE-1.12.

²³ Ex AG-NS-6, Company Response U-22061-AGNSDE-1.7b & c.

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1 “there is no specific assignment of fixed or variable costs to demand or energy charges,”²⁴
2 and that “there is no specific assignment of fixed (or variable) costs to these riders.”²⁵

3 **Q. How should the Company address these gaps in the minimum monthly charge?**

4 A. The Company should clarify the extent to which the costs of production, transmission, and
5 distribution infrastructure are recovered through energy rates and through riders. It should
6 also modify its minimum monthly charge to ensure that it recovers sufficient revenue from
7 large load customers to fairly defray the costs of serving them and prevent cost-shifting to
8 other customers. It may look to the example of I&M’s proposed tariff, which included a
9 minimum energy provision in addition to the minimum demand component.²⁶

10 ***d. Recommended Modifications to Termination Notice and Fee***

11 **Q. Please describe DTE’s proposed notice requirements relating to contract termination.**

12 A. DTE’s proposed tariff would require two years’ advance notice of contract termination.²⁷
13 Further, the Company proposes to automatically extend the contract term by five years if
14 three years’ advance notice is not given before the end of the original contract term.

15 **Q. What are the termination notice requirements in the Consumers tariff?**

16 A. The Consumers tariff requires four years’ notice for termination of service.²⁸ This
17 requirement is the same whether a customer will be terminating service early or at the end

²⁴ *Id.*

²⁵ *Id.*

²⁶ Michigan Administrative Law Judge, Proposal for Decision, May 19, 2026, Case U-21986, at 60, available at: <https://mi-psc.my.site.com/sfc/servlet.shepherd/version/download/068cs000022DynPAAS>.

²⁷ Willis Direct, p 13.

²⁸ Case No. U-21859, Order, November 6, 2025, p 108.

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1 of the contract term.

2 **Q. Should DTE adopt the same termination notice requirements as are included in the**
3 **Consumers tariff?**

4 A. Yes. The proposed two-year requirement is inconsistent with the Consumers tariff and
5 results in greater risk to other customers. Further, there is no clear reason why the notice
6 requirement for early termination should differ from the notice requirement for not
7 extending the contract at the end of the term, which is itself a form of service termination.
8 I recommend adopting a standardized four years' notice for termination of service and
9 notice for declining contract extension. This longer period aligns with the Consumers tariff,
10 and as the Commission noted in its decision in this tariff proceeding, a four-year
11 requirement is consistent with the state reliability mechanism (SRM) planning period.²⁹

12 **Q. Please describe the Company's proposal regarding the termination fee.**

13 A. If a large load customer exits before the end of the contract term, the Company proposes
14 to assess a termination fee. During the ramp period, the Company proposes to set the
15 termination fee equal to the minimum bills associated with the contracted ramp schedule
16 plus fifteen years of minimum bills at the full contract capacity. After the ramp period
17 (including during any contract extension), the Company proposes to assess a termination
18 fee equal to the greater of (i) the total value of minimum bills over the remaining months
19 up to the fifteen-year anniversary of reaching full contract capacity, or (ii) two years of
20 minimum bills.³⁰

²⁹ Case No. U-21859, Order, November 6, 2025, p 108.

³⁰ Willis Direct, p 12.

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1 **Q. How is the termination fee calculated in the Consumers tariff?**

2 A. In the Consumers tariff proceeding, the Commission “approve[d] an exit fee equal to the
3 MBD multiplied by the number of months remaining on the contract term, to be applicable
4 during the ramp-up period and contract term (and including contract extensions if notice
5 of contract termination has not been provided).”³¹

6 **Q. Is the proposed termination fee sufficiently consumer protective?**

7 A. No. For example, if a customer enters into a twenty-year contract, but terminates service
8 in year fifteen, it would only need to pay two years of termination fee at that point, despite
9 having five years remaining in its contract.³² And, if a customer extends its contract for a
10 five-year period, but terminates service shortly after the start of the extension period, it
11 would only need to pay two years of termination fee at that point, despite having nearly
12 five years remaining in its contract extension.³³ While I support the Company’s proposal
13 for a minimum termination fee equal to two years of minimum bills, the Company should
14 require a termination fee that is equal to the time remaining in the contract term (inclusive
15 of any contract extension period) if that time exceeds two years, as required in the
16 Consumers tariff.

³¹ Case No. U-21859, Order, November 6, 2025, pp 109-110.

³² Ex AG-NS-8, Company Response U-22061-AGNSDE-1.3.

³³ Ex AG-NS-7, Company Response U-22061-AGDE 1.7e.

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1 **Q. Would your recommended modifications to the termination fee eliminate the risk of**
2 **cost-shifting and stranded assets?**

3 A. No. While my proposal will reduce the risk of cost-shifting, it may not entirely eliminate
4 this risk or the risk of stranded assets. As I explained before, the minimum monthly charges
5 that will be used to calculate the termination fee include only demand revenues but not
6 energy rates or riders.³⁴ The Company must modify its minimum monthly charge to ensure
7 full recovery of fixed charges.

8 **e. Recommended Modifications to CIAC Allowance**

9 **Q. What is the Company's proposal for CIAC allowance?**

10 A. DTE proposes that large load customers receive a CIAC allowance equal to two times their
11 expected distribution revenue based on the full contract capacity and prevailing rates.³⁵

12 **Q. Should the Company grant a CIAC allowance to new large load customers?**

13 A. No. The Company has not shown that a CIAC allowance is warranted and granting any
14 allowance for CIAC risks shifting a portion of interconnection costs onto other customers.
15 DTE's proposal is also inconsistent with the Consumers case result. There, the Commission
16 did not approve a CIAC allowance for large load customers; it found that CIAC and cost
17 allocation must be addressed in a rate case rather than a tariff proceeding, because the tariff
18 record lacked the cost-of-service study needed to evaluate them.³⁶ Similarly, the record in
19 this proceeding does not support acceptance of the Company's CIAC proposal.

³⁴ See *supra*, pp 18-19.

³⁵ Exhibit A-1, p 6.

³⁶ Case No. U-21859, Order, November 6, 2025, p 114.

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1 ***f. Recommended Modifications to Administrative Fees***

2 **Q. What is the Company's proposal for administrative fees?**

3 A. The Company proposes a fixed, tiered administrative fee: \$100,000 for customers with
4 contracted capacity of less than 200 MW, and \$250,000 for customers with contracted
5 capacity of 200 MW or greater.³⁷

6 **Q. Is this consistent with the Consumers tariff?**

7 A. No. In Case No. U-21859, the Commission adopted an administrative fee of \$100,000
8 charged upfront to the applicant but required that the fee be reconciled to the actual costs
9 incurred in performing the studies necessary to develop the customer's project proposal,
10 with no cap — allowing for refunds if actual costs are lower and further payments if they
11 are higher.³⁸ The Commission's stated purpose was to ensure that the actual costs of
12 responding to large load inquiries are recovered from the applicant rather than borne by
13 existing ratepayers. DTE's proposed administrative fee does not include a reconciling
14 mechanism.

15 **Q. What is your recommendation relating to the administrative fee?**

16 A. I recommend reconciling the administrative fee to the actual costs incurred by the Company
17 in evaluating a prospective large load customer, consistent with Case No. U-21859. The
18 Company may retain an initial upfront charge, but any amount collected should be trued
19 up to actual cost—with refunds where actual costs are lower and additional payment where

³⁷ Willis Direct, p 16.

³⁸ Case No. U-21859, Order, November 6, 2025, p 123.

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1 they are higher—so that the costs of evaluating prospective large load customers are neither
2 over-recovered from those customers nor shifted to other ratepayers.

3 **IV. RELATIONSHIP WITH COST ALLOCATION UPDATES IN DTE RATE CASE**

4 **Q. How does the tariff design at issue in this proceeding relate to the cost allocation**
5 **modeling that DTE is undertaking as part of its rate case?**

6 A. They are closely related. In its rate case, DTE presented its evaluation of a set of cost
7 allocation and rate design proposals for large load customers; the specific scenarios
8 evaluated by the Company were established by the Commission in Case No. U-21859.³⁹
9 That modeling, if done correctly, should help demonstrate the extent of any cost-shifting
10 from large load customers and identify cost allocation approaches to remedy or prevent
11 cost-shifting. The tariff sets minimum terms of service; the cost allocation modeling is what
12 tests whether those terms, as applied to a given customer, actually leave other customers
13 whole.

14 **Q. Are the Large Load Provisions sufficient to prevent cost-shifting?**

15 A. No. With the improvements recommended in my testimony, the Large Load Provisions
16 could represent a reasonable set of provisions to reduce the risk of cost-shifting, but they
17 do not ensure that there is no cost-shifting.

18 **Q. Why does the risk of cost-shifting persist in spite of the Large Load Provisions?**

19 A. Because individual customer costs may exceed the revenues provided through minimum
20 bills. Further, even with a contract term of fifteen years, new assets added to serve large

³⁹ See Case No. U-21859, Order, November 6, 2025, p 115; see also Case No. U-21990, Order, December 18, 2025, pp 39-40.

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loads may persist far longer than the large loads themselves, potentially causing certain system assets to be stranded. As I discussed earlier in my testimony, collateral provides a critical backstop against cost-shifting and stranded assets; but even collateral can fail, so some risk associated with new large load customers is ultimately unavoidable.

Q. Is there a preferred approach to entirely preventing cost-shifting and stranded assets?

A. While no approach can absolutely prevent cost-shifting, two practices complementary to the Large Load Provisions would materially reduce the risk to other customers. First, the Commission should require the Company to make a filing before each new large load customer commences service; to support this filing, the Company should use cost modeling to demonstrate that the costs caused by that customer will not be borne by other customers. This is not a novel requirement: in Case No. U-21859, the Commission required Consumers to make precisely such a demonstration prior to each large load customer taking service, supported by any modeling or cost-of-service studies.⁴⁰ DTE's application contains no analogous provision. Notably, when asked in discovery whether the proposed Large Load Provisions would fully protect other customers from cost-shifting, the Company declined to answer directly and elsewhere stated that it was "not aware of [a] requirement" in the U-21859 order to track and report on cost-shifting—a position difficult to reconcile with the order DTE was directed to follow.⁴¹ Second, the Commission should directly assign any incremental production, transmission, and distribution costs of serving

⁴⁰ Case No. U-21859, Order, November 6, 2025, p 117.

⁴¹ Ex AG-NS-9, Company Response U-22061-AGNSDE-1.1a & b.

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1 each new large load customer to that customer, while also requiring large load customers
2 to contribute their fair share of embedded system costs. I anticipate that implementation
3 details for a direct assignment framework will be further developed within DTE's rate case.

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

5 **A. Yes.**



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PROFESSIONAL EXPERIENCE

Synapse Energy Economics, Inc., Cambridge, MA. *Principal Associate*, April 2024 – Present; *Senior Associate*, June 2021 – April 2024; *Associate*, July 2018 – June 2021.

- Provides research, analysis, and consulting services, frequently in the context of regulated proceedings, with expertise in the following topic areas:
 - Rate design and performance-based regulation: Evaluates utility proposals and formulates new recommendations based on best practices and informed by innovative emerging models. Evaluates rate designs for consistency with policy goals using quantitative modeling and jurisdictional data. Provides expert testimony and other formal input in the context of regulated proceedings.
 - Benefit-cost analysis: Evaluates utility BCAs with reference to best practices, including emerging standards for grid modernization and distributed energy resources. Engaged in the development of new BCA practices in the arenas of grid modernization and resilience.
 - Macroeconomic analysis: Uses the IMPLAN model in conjunction with primary research and analysis and core economic principles to evaluate the GDP, job, and income implications of major grid changes.
- Contributing author to reports covering a range of topics including plant decommissioning, transportation electrification, and distributed energy resources (DER) growth.

University of Massachusetts Boston, MA. *Graduate Teaching and Research Assistant*, 2017 – 2018

- Led ecosystem-valuation workshops for EPA-funded initiative to shape resilience policymaking in the Great Bay region of New Hampshire.
- Served as a teaching assistant in graduate econometrics course and undergraduate macroeconomics and urban economics courses.

Notre Dame Education Center and Jewish Vocational Service Boston, MA. *Math Instructor*, 2012 – 2017

- Taught foundational math to adult learners and standard high school math curriculum to students in non-traditional school program.

The City of New York New York, NY. *Senior Investigator*, 2007 – 2010

- Investigated complaints against officers of the New York City Police Department and issued disciplinary recommendations in formal reports to the agency board.

EDUCATION

University of Massachusetts, Boston, Boston, MA

Master of Arts in Applied Economics, 2018

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PUBLICATIONS

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Pennsylvania Public Utility Commission (Docket No. R-2025-3057164): Direct and Surrebuttal Testimony of Ben Havumaki on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania. December 22, 2025, and February 9, 2025.

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Public Utilities Commission of New Hampshire (Docket No. DE 24-070): Direct Testimony of Ben Havumaki. On behalf of the Office of the Consumer Advocate. January 23, 2025.

New York Public Service Commission (Cases 24-E-0322 and 24-G-0323): Direct Testimony of UIU Rate Panel. September 26, 2024.

Pennsylvania Public Utility Commission (Docket No. R-2023-3037933): Direct Testimony of Ben Havumaki on behalf of Power Interfaith. May 31, 2023.

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New Brunswick Energy and Utilities Board (Matter 529): Expert Evidence of Synapse Energy Economics, Inc. On behalf of the New Brunswick Energy and Utilities Board. April 25, 2023.

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MPSC Case No: U-22061

Requester: NRDCSC

Question No.: NRDCSCDE-1.12

Respondent: A. Willis

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Question: 12. Please explain whether customers taking service under the Large Load Provision and Rate D11 will be able to reduce their Contracted Capacity during their contract term.

Answer: No, customers on the large load provision cannot reduce their contract capacity during the contract term.

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.5b

Respondent: A. Willis

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Question: 5. Please refer to the discussion of customers with multiple sites in the Direct Testimony of Aaron Willis at p. 9 lines 1-14:

b. For customers with multiple sites, does the Company propose to create a separate contract for each site, or a single contract for all sites?

Answer: While noting that the Company has not executed any contracts consistent with this element of the proposed Large Load Provisions, it intends that each site will have a separate service contract.

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.5c

Respondent: A. Willis

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Question: 5. Please refer to the discussion of customers with multiple sites in the Direct Testimony of Aaron Willis at p. 9 lines 1-14:

c. Did the Company consider lengths of time other than five years for this eligibility requirement? If so, please explain why the Company did not decide to use a different length of time. If not, please explain why not.

Answer: The Company considered an unbounded period such that 100 MW of load over any period of time (for example 20 years) would have triggered the large load provision. That option was deemed unreasonable and inconsistent with planning principles as described on Pg 9 Ln 12 of my testimony.

Attachment: *None*

MPSC Case No: U-22061

Requester: NRDCSC

Question No.: NRDCSCDE-1.4c

Respondent: A. Willis

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Question: 4. Please refer to the Direct Testimony of Aaron Willis, p. 9 lines 1-11 (“The Company proposes two thresholds for applicability: •100 MW or more of incremental load at a single site, or • 100 MW of incremental load across multiple sites if the average load of those sites is >20 MW. . . . [T]he Company proposes that any customer with an aggregate incremental load of >100 MW, or, alternatively, a customer with multiple smaller sites with a site average of >20 MW, and where each site begins service in a five-year period be required to adhere to the terms of the large load tariff”) and explain:
c. How DTE would determine Large Load Provision applicability if there is a single site at which multiple new customers are operating. For instance, if ten data center customers are operating at a single property or plot of land, and each of those customers has a load of 15 MW, would the Large Load Provision apply because the cumulative load at the site exceeds 100 MW?

Answer: Large load provision applicability would depend on the amount of load requested by the entity requesting service. For example, if the requesting entity is seeking load of >100 MW, the provision would apply, all else equal. If the requesting entity is seeking 15 MW of load, it would not apply, all else equal.

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.2a

Respondent: A. Willis

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Question: 2. Please refer to the Direct Testimony of Aaron Willis, p. 13 line 11 to p. 14 line 2 and the Company's responses to NRDCSCDE-1.9 and NRDCSCDE-1.10.
a. Will the Company apply specific standardized criteria to determine which default collateral requirement (or waiver of collateral requirements) is warranted for a particular customer? If no, please explain why not. If yes, please provide the standardized criteria.

Answer: The Company will assess credit and collateral requirements for each customer, there is no specific "standardized criteria".

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.2b

Respondent: A. Willis

Page: 1 of 1

Question: 2. Please refer to the Direct Testimony of Aaron Willis, p. 13 line 11 to p. 14 line 2 and the Company's responses to NRDCSCDE-1.9 and NRDCSCDE-1.10.
b. Explain specifically how the Company would assess creditworthiness, and how the Company would consider credit ratings in determining collateral requirements.

Answer: The assessment of creditworthiness will depend on multiple factors. For example, the Customer's load and the Customer's financial exposure would both inform the assessment of creditworthiness. As such, there is not a standard assessment of creditworthiness that the Company would use. Creditworthiness will be determined on a case-by-case basis informed by the details of the specific contractual arrangement being contemplated at that time.

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.7b

Respondent: A. Willis

Page: 1 of 1

Question: 7. Refer to the discussion of minimum billing demand in the Direct Testimony of Aaron Willis at p. 11 line 10 to p. 12 line 4:

b. Does the Company recover any of its fixed costs (i.e., costs associated with undepreciated generation, transmission, and distribution plant) through its energy rates? Please explain in detail which fixed costs are recovered through energy rates and amount (cents per kWh) of fixed cost recovery through energy rates.

Answer: The Company's distribution revenue requirement for primary service customers is recovered entirely through demand charges and a small, fixed customer charge. The Company's production revenue requirement for primary service customers is recovered through a combination of demand charges and energy charges. There is no specific assignment of fixed or variable costs to demand or energy charges.

Attachment: None

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.7c

Respondent: A. Willis

Page: 1 of 1

Question: 7. Refer to the discussion of minimum billing demand in the Direct Testimony of Aaron Willis at p. 11 line 10 to p. 12 line 4:

c. Does the Company recover any of its fixed costs (i.e., costs associated with undepreciated generation, transmission, and distribution plant) through any of its other rate riders? Please explain in detail which fixed costs are recovered through rate riders and amount (cents per kWh) of fixed cost recovery through rate riders.

Answer: The Company recovers base rate costs through Riders 1.1, 1.2, 3, 7, 8, and 10. Consistent with the response to AGNSDE-1.7b, there is no specific assignment of fixed (or variable) costs to these riders.

Attachment: *None*

MPSC Case No: U-22061

Requester: AG

Question No.: AGDE-1.7e

Respondent: A. Willis

Page: 1 of 1

Question: 7. Referring to the Application Testimony of witness Willis at 12:6 – 24 and Exhibit A-1 page 5 under the Company’s “Termination Fee” provisions:
e. Referring to the bulleted paragraph in Exhibit A-1, page 5, beginning “After the ramp period.... The termination fee is....”: Is the Company proposing that during any 5-year automatic contract extension the maximum exit fee would be the equivalent of “two years of MBD * prevailing demand charges”?

Answer: Yes.

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.3

Respondent: A. Willis

Page: 1 of 1

Question: 3. Please refer to the discussion of the termination fee in the Direct Testimony of Aaron Willis, p. 12 lines 6-24. Would the termination fee be calculated differently if the Company were to enter into a contract of longer than fifteen years with a given large load customer? Please explain in detail.

Answer: As proposed, the termination payment is based on 15-years of minimum billing demand regardless of the contract length. The Company notes that this approach still requires a termination payment beyond 15-years given the tariff language: "After the ramp period. The termination fee is the greater of the remaining MBD * prevailing demand charges through year fifteen of the post ramp contract term, or two years of MBD * prevailing demand charges."

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.1a

Respondent: A. Willis

Page: 1 of 1

Question: 1. Please refer to the Direct Testimony of Aaron Willis, p. 5 lines 4-13.
a. Regarding the benefit of “protecting DTE’s Electric’s other customers from the risks, including potential cost subsidies, associated with serving large load customers,” in the Company’s view, would the proposed Large Load Provision fully protect other customers from cost shifting? Please explain in detail and provide any analysis supporting your response.

Answer: The Company objects to this request on the grounds that the phrase “fully protects” is vague, ambiguous, and subject to multiple reasonable meanings. Subject to and without waiving the foregoing objection, the proposed Large Load Provision is a generally applicable set of minimum terms which, as described, provide protections to other customers, including proposed requirements for termination fees, minimum contract terms, and minimum billing demand. As applicable, the impact to other customers would be assessed by a case-by-case basis.

Attachment: *None*

MPSC Case No: U-22061

Requester: AGNS

Question No.: AGNSDE-1.1b

Respondent: A. Willis

Page: 1 of 1

Question: 1. Please refer to the Direct Testimony of Aaron Willis, p. 5 lines 4-13.
b. Referring to the referenced large load tariff for Consumers Energy, which requires that Consumers makes an ex parte filing for each new large load customer taking service that demonstrates that incremental costs caused by the large load customer are not being covered by other customers, does the Company intend to similarly track and report on cost shifting? Please explain in detail.

Answer: The Company will track and report on any given large load(s) requesting or contracting to take service as directed by the Commission. With respect to the Commission's order in Case No. U-21859, the Company is not aware of requirement in that order to "track and report on cost shifting".

Attachment: *None*

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **DTE ELECTRIC COMPANY** for approval of amendments to Rate D11 and related relief. Case No. U-22061

Proof of Service

On the date below, an electronic copy of **Direct Testimony and Exhibits of Ben Hayumaki on behalf of the Michigan Attorney General, Natural Resources Defense Council, and Sierra Club (AG-NS-1 through AG-NS-9)** was served on the following:

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

Troposphere Legal
Counsel for NRDC-SC

Date: August 4, 2026

By: _____

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