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NEWS RELEASE

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MPSC reopens record in Line 5 tunnel case to receive more information on engineering, safety from Enbridge

The Michigan Public Service Commission today ordered the record reopened in Enbridge Energy LP's application to relocate the Line 5 pipeline to a tunnel beneath the Straits of Mackinac, finding that the record is deficient on critical matters of engineering and safety, and additional evidence is needed for the Commission to complete its analysis ([Case No. U-20763](#)).

The Commission reopened the record and directed Enbridge to file information, documents and any other relevant information to develop a full and complete record on matters including tunnel engineering and safety, electrical equipment and risk of fire and/or explosion, and the safety of the current dual pipelines, including leak detection systems and shut-down procedures.

The Commission directed Enbridge to file reports and other information from previous agreements with the state and federal governments related to its operation of the current pipeline on the lakebed of the Straits but which had not been submitted on the record in its case before the Commission. The record was reopened to receive testimony, exhibits, documents, rebuttal, and other relevant evidence necessary for development of a full record, but no briefing will be permitted.

Enbridge in April 2020 filed an application seeking siting approval under Act 16 of 1929 to replace and relocate the Line 5 section in the Straits of Mackinac into a new tunnel it would build beneath the lakebed. The 645-mile interstate pipeline spans both Michigan peninsulas to transport light crude oil and natural gas liquids, including propane used for home heating in Michigan. Persons interested in monitoring or developments in or learning more about the Enbridge matter may go to the MPSC's website dedicated to the case, www.michigan.gov/MPSCLine5.

The Commission deferred scheduling for the filing of testimony, exhibits, and rebuttal evidence, including an opportunity for cross-examination, to the administrative law judge in this case, consistent with the process adopted by the Commission throughout this proceeding. The Commission's decision today also does not impact the process or timeline involved for the consideration of other necessary permits, including those under review by the U.S. Army Corps of Engineers.

Organizations including labor unions, Tribal nations, trade associations representing the propane industry, environmental groups, the Mackinac Straits Corridor Authority, Attorney General Dana Nessel and others intervened in the case. MPSC Staff also participated.

Commission approves \$170M rate increase for natural gas customers of Consumers Energy

The Commission gave the nod to a settlement agreement authorizing Consumers Energy Co. to raise natural gas rates by \$170 million, a reduction of nearly 40% from the Jackson-based utility's initial request ([Case No. U-21148](#)).

Under terms of the settlement, Consumers Energy will increase to \$250 million, for the 12 months ending Sept. 30, 2022, the company's spending on its ongoing \$2 billion Enhanced Infrastructure Replacement Program (EIRP), a long-term effort launched in 2012 to replace 2,600 miles of natural gas pipeline across Michigan.

New rates are effective Oct. 1. A typical residential customer using 100 cubic feet of gas per month will pay an additional \$6.98, an increase of 5.8%, on their monthly bill.

Consumers also agreed to write off capital expenditures for repairs and modifications not covered by insurance proceeds from the January 2019 fire at its natural gas compressor station in Macomb County's Ray Township. That incident triggered a statewide energy emergency, leading to calls for natural gas customers to lower their thermostats in the middle of a polar vortex snap to ensure there was enough gas for all customers during the brutal cold snap. The utility may, however, seek recovery of fire-related Ray expenses in a future rate case if the company prevails in its appeal of the Commission's order in [Case No. U-20209](#) denying the company's request to recover costs the company incurred after the fire from ratepayers.

Under the settlement:

- Consumers agrees it will review and address the length of its EIRP, possibly extending it, in the company's next natural gas delivery plan.
- The company's fixed residential customer charge is \$13.60 per month.
- The utility's Tax Cuts and Jobs Act of 2017 balance will be adjusted to reduce the gas liability by \$4,174,259, correcting an overstatement of the act's remeasurement.
- Consumers will not proceed with the second phase of its natural gas demand response pilot program.

Consumers Energy at first sought a rate increase of \$278 million, which the company later reduced to \$233 million. The amount approved today is 39% lower than the utility's

initial request. The settlement agreement authorizes a rate of return on common equity of 9.9% and an equity ratio of 50.75%.

The settlement was signed by all parties in the case. Intervenorers were the Michigan Department of Attorney General, the Association of Businesses Advocating Tariff Equity; the Retail Energy Supply Association; Lansing Board of Water & Light; Michigan State University; Citizens Utility Board of Michigan; the Residential Customer Group; Michigan Environmental Council; Natural resources Defense Council, and the Sierra Club. MPSC Staff also participated.

MPSC TO HOLD PUBLIC HEARINGS ON IRP PLANNING PARAMETERS, SEEKS COMMENT ON PROPOSED UPDATES TO IRP FILING REQUIREMENTS

The MPSC today set two public hearings on the Michigan Integrated Resource Planning Parameters draft that MPSC Staff filed today (Case No. U-21219). The MPSC invited interested persons to attend the hearings and provide comment. The hearings will be Thursday, Sept. 8, 2022, 4-7 p.m. at the Lake Michigan room of the MPSC's offices at 7109 W. Saginaw Highway, Lansing, and on Wednesday, Sept. 21, 2022, 4-7 p.m. at Northern Michigan University's Founders Room, 1401 Presque Isle Avenue in Marquette. Public participation by videoconference and phone also will be available. Additional details about how to participate remotely will be announced when details are finalized. Interested persons may submit written or electronic comments that must be received by the MPSC no later than 5 p.m. Sept. 12, 2022, with reply comments filed by 5 p.m. on Oct. 3, 2022. All comments must reference Case No. U-21219. Meanwhile, the MPSC also announced it is seeking input on proposed updates to Michigan's integrated resource planning filing requirements ([Case No. U-18461](#)). After stakeholder review through the MPSC's Advanced Planning Phase III of the Integration of Resource, Transmission, and Distribution Planning MI Power Grid workgroup, MPSC Staff submitted a final draft redlined version of the updated requirements, and the Commission now requests comments from interested persons. Comments must be received no later than 5 p.m. Sept. 12, 2022, with reply comments due no later than 5 p.m. Oct. 3, 2022. All comments should reference Case No. U-18461. In both IRP matters, written comments should be sent to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic comments may be e-mailed to mpscdockets@michigan.gov.

MPSC ESTABLISHES WORK GROUP TO STUDY GRID INTEGRATION AS PART OF ITS MI POWER GRID INITIATIVE

The Commission today directed MPSC Staff to launch a Distribution System Data Access workgroup as part of the ongoing [MI Power Grid](#) effort to maximize the benefits as Michigan transitions to clean, distributed sources of energy (Case No. U-21251). In response to the growing adoption of distributed generation (DG) and electric vehicles, today's order directs Staff to convene utilities, DG contractors, EV charging infrastructure providers and other stakeholders to tackle a number of tasks, including developing a methodology to study bi-directional hosting capacity, identifying data-related and privacy-related considerations, and conducting a grid integration study as requested by the Michigan Senate in Senate Resolution 143 of 2020. Technical assistance from the U.S. Department of Energy's Grid Modernization Initiative's State

Technical Assistance to Public Utility Commissions program will also support Staff in completing the tasks outlined in today's order. The grid integration study is to be completed and filed in the docket by Dec. 31, 2022.

COMMISSION SEEKS COMMENT ON PROPOSED FUNDING FACTOR FOR ENERGY ASSISTANCE PROGRAM FOR LOW-INCOME HOUSEHOLDS

The MPSC is seeking comment on its proposal to set the funding factor for the state of Michigan's Low-Income Energy Assistance Fund (LIEAF) at 90 cents, an increase of 3 cents from the year before ([Case No. U-17377](#)). LIEAF raises a maximum of \$50 million each year, through a monthly per-meter charge assessed on retail electric billing meters in all rate classes that cannot exceed \$1. Funds raised through LIEAF are distributed through nonprofit service agencies across the state through the Michigan Energy Assistance Program (MEAP), which in 2021 provided energy assistance and self-sufficiency services to 57,101 qualifying households. The MPSC administers MEAP in partnership with the Michigan Department of Health and Human Services by approving grants to nonprofit organizations that provide direct assistance to qualifying customers. Utilities that filed notice of their intent to participate LIEAF are the Alger Delta Cooperative Electric Association; Alpena Power Co.; Village of Baraga; Bay City Electric Light and Power; Consumers Energy Co.; Croswell Light and Power Department; City of Crystal Falls; City of Dowagiac; DTE Electric Co.; City of Gladstone; Great Lakes Energy Cooperative; City of Hart Hydro; Hillsdale Board of Public Utilities; HomeWorks Tri-County Electric Cooperative; Indiana Michigan Power Co.; City of Marshall Electric Department; Midwest Energy and Communications; Negaunee Department of Public Works; Newberry Water and Light Board; Niles Utilities Department; Northern States Power Co.; City of Norway; City of Petoskey; Presque Isle Electric and Gas Co-op; City of St. Louis; Thumb Electric Cooperative; Union City Electric Department, and Upper Peninsula Power Co. Utilities opting out are City of Charlevoix; Chelsea Department of Electric and Water; Cherryland Electric Cooperative; Village of Clinton; Cloverland Electric Cooperative; Coldwater Board of Public Utilities; Daggett Electric Department; City of Eaton Rapids; City of Escanaba; Grand Haven Board of Light and Power; City of Harbor Springs; Holland Board of Public Works; Village of L'Anse; Lansing Board of Water and Light; Lowell Light and Power; Marquette Board of Light and Power; Ontonagon County Rural Electrification Association; Village of Paw Paw; City of Portland; City of Sebawaing; City of South Haven; City of Stephenson; City of Sturgis; Traverse City Light and Power; Upper Michigan Energy Resources Corp.; City of Wakefield; Wyandotte Department of Municipal Service, and Zeeland Board of Public Works. Utilities opting out of LIEAF shall not shut off service to any residential customer from Nov. 1, 2022, to April 15, 2023, for non-payment of a delinquent account. The Commission cautions opt-out utilities that they may be jeopardizing their customers' access to programs that provide assistance for both electric and home heating bills, given the statutory requirement that funds collected from a geographic area are returned, to the extent possible, to that geographic area. Public comments must be submitted by 5 p.m. July 14, 2022. Written comments should be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic comments should be emailed to mpscdockets@michigan.gov. All comments must reference Case No. U-17377.

MPSC FINDS DTE ELECTRIC IN VIOLATION OF RULES IN BILLING DISPUTE, DISMISSES OTHER COMPLAINTS

The Commission today found DTE Electric Co. in violation of legal requirements governing customer billing in a case involving a major Michigan grain handler ([Case No. U-20897](#)). The Commission found DTE Electric in violation of Michigan Administrative Code R 460.120, by failing to send a monthly bill to Michigan Agricultural Commodities Inc. regarding two accounts for three months. The Commission dismissed other complaints against DTE Electric made by Michigan Agricultural Commodities, the state's largest grain handler whose two grain dryers in Brown City with two DTE Electric meters are at issue in the case.

MPSC OKs UMER's VOLUNTARY GREEN PRICING PROGRAMS, SEEKS MORE DETAILED INFORMATION IN FUTURE REPORTS

The MPSC today approved Upper Michigan Energy Resources Corp.'s (UMERC) application for continued use of its voluntary green pricing program tariffs, through which customers voluntarily specify a certain amount of electricity purchases to be from renewable energy resources, with costs of the program billed to participating customers ([Case No. U-18356](#)). The Commission directed UMER, which serves more than 42,000 customers in the Upper Peninsula, to file semiannual reports that contain the detailed information on enrollments, costs of renewable energy, marketing and administration, and other data to better allow the Commission to sufficiently review and identify ways to improve the VGP programs to meet customers' renewable energy preferences. The first report will be due Oct. 1, 2022, and the second on April 1, 2023, with semiannual reports due on April 1 and Oct. 1 each year thereafter.

OF NOTE

The MPSC's next public Commission meeting will be held in Detroit at Cadillac Place, 3044 West Grand Boulevard west of Woodward Avenue in the city's New Center neighborhood. The meeting will be July 27 at 1 p.m. Additional details will be released in mid-July.

To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).

For information about the MPSC, visit www.michigan.gov/mpsc, sign up for its [monthly newsletter](#) or other [listservs](#). Follow the Commission on [Facebook](#), [Twitter](#) or [LinkedIn](#).

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