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Eric J. Schneidewind

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October 21, 2013

Ms. Mary Jo Kunkle
Michigan Public Service Commission
4300 W. Saginaw Highway
P.O. Box 30221
Lansing, MI 48909

Re: Case No. U-17474

Dear Ms. Kunkle:

Attached for paperless electronic filing is the Direct Testimony of Alexander J. Zakem on behalf of Energy Michigan. Also attached is a Proof of Service indicating service on counsel.

Thank you for your assistance in this matter.

Very truly yours,

VARNUM,^{LLP}

Eric J. Schneidewind

EJS/mrr

cc: ALJ
parties

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for a Financing Order Approving the)
Securitization of Qualified Costs)
_____)

Case No. U-17473

DIRECT TESTIMONY
OF
ALEXANDER J. ZAKEM
ON BEHALF OF
ENERGY MICHIGAN

DIRECT TESTIMONY

Q. Please state your name and business address.

1 A. My name is Alexander J. Zakem and my business address is 46180 Concord,
2 Plymouth, Michigan 48170.

3 **Q. On whose behalf are you testifying in this proceeding?**

4 A. I am testifying on behalf of Energy Michigan.

5 **Q. Please state your professional experience.**

6 A. Since January of 2004 I have been an independent consultant providing services
7 to Integrys Energy Services, Inc., Quest Energy (a wholly-owned affiliate of Integrys
8 Energy Services), and other clients. Integrys Energy Services is a member of Energy
9 Michigan.

10

11 From March 2002 to December 2003, I was Vice President of Operations for
12 Quest. My responsibilities included the overall direction and management of Quest's
13 power supply to its retail customers. This included power supply planning, development
14 of customized products, negotiation with suppliers, planning and acquiring transmission
15 rights, and scheduling and delivery of power. It also included managing risk with respect
16 to market price movements and variation of customer loads.

17

18 Prior to retiring from Detroit Edison in 2001, from 1998 I was the Director of
19 Power Sourcing and Reliability, responsible for purchases and sales of power for mid-
20 term and long-term periods, planning for generation capacity and purchase power needs,

DIRECT TESTIMONY

1 strategy for and acquisition of transmission rights, and related support for regulatory
2 proceedings.

3
4 Additional experience, qualifications, and publications are contained in Exhibit
5 EM-1 (AJZ-1).

6

7 **Q. Have you testified as an expert witness in prior proceedings?**

8 A. Yes. I have testified as an expert witness in several proceedings before the
9 Michigan Public Service Commission (“Commission”), on topics such as standby rates,
10 retail rates and regulations, recovery and allocation of costs and revenues, and the effects
11 of rate restructuring. I have also testified before the Federal Energy Regulatory
12 Commission. Case citations are in Exhibit EM-1 (AJZ-1).

13

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

15 A. Yes. I am sponsoring the following exhibit:
16 Exhibit EM-1 (AJZ-1) Qualifications

17

18

DIRECT TESTIMONY

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

2 A. The purposes of my testimony are to:

- 3
- 4 1. Review the practical consequences on customers of the Company's
 - 5 proposal;
 - 6 2. Distinguish which types of assets ought to be eligible for securitization;
 - 7 3. Assess the relevance of the issue of stranded costs.

8

9 **Q. Would you provide the background or context for your testimony?**

10 A. In this proceeding, Consumers Energy ("Company") has proposed securitization
11 of specified costs for power plants that it has retired or plans to retire. I am not
12 addressing the Company's determination that the plants should be retired, nor am I
13 addressing the estimated costs of keeping the plants in service. Consumers Energy has
14 invested in these plants under traditional regulation and is entitled to a reasonable
15 opportunity to recover its prudent investment. The issues in this case that I will address
16 are: (a) how to recover and (b) who pays how much.

17

18 If securitization is granted by the Commission, it will affect charges to customers.
19 The Commission will be interpreting current statutes in light of the facts and assertions
20 that Consumers Energy has presented. I am reviewing aspects of the Company's request
21 for securitization and recommending to the Commission factors that it should consider in
22 a decision of whether or not to approve securitization and of how securitization charges
23 should be implemented.

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The securitization statute that Consumers Energy cites is PA 142 of 2000. At the time PA 142 was enacted, Electric Choice did not exist. PA 141, a companion bill to PA 142, created Electric Choice and allowed the Commission to determine and approve the recovery of net stranded costs to affected utilities.

Now, circumstances are quite different:

- a. Electric Choice has been in existence for 13 years, and now represents about 10% of the power supply sales in the Company's distribution area;
- b. Net stranded costs authorized under PA 141 have been applied for, granted, collected, and terminated;
- c. PA 286 was enacted in 2008 and included the following effects:
 - it removed the statutory language of PA 142 regarding recovery of net stranded costs, and
 - it required the Commission to set electric rates equal to the cost of providing service to each customer class, subject to timing and other conditions.
- d. A robust and transparent energy market was created by the Midcontinent Independent System Operator ("MISO"), under direction and approval of the Federal Energy Regulatory Commission ("FERC"), starting in 2005.

DIRECT TESTIMONY

A. Practical Consequences

1
2
3 **Q. What are the practical consequences of CE's proposal on customers?**

4 A. Securitization charges are defined to be "nonbypassable" under MCL 460.10h(i).
5 "Nonbypassable" is defined as being "payable by a customer to an electric utility . . .
6 regardless of the identity of the customer's electric generation supplier" in MCL.10h(f).

7
8 Electric Choice customers currently do not pay any of Consumer's Energy's
9 power supply costs (except for previous securitization charges), including investment and
10 operating costs. Electric Choice customers purchase power supply service from other
11 providers. The practical effect of securitization as proposed by Consumers Energy is that
12 Electric Choice customers are asked to pay part of the cost of the Company's plants that
13 not only do not serve Electric Choice customers but also are retired, no longer used and
14 useful, and cannot serve *any* customers at all.

15
16 This does not make sense under reasonable regulatory cost-of-service principles.

17
18 Further, to the extent that other suppliers of power in the wholesale market are
19 subject to the same environmental rules as Consumers Energy, such suppliers would
20 naturally include some or all of environmental-based costs into prices offered to the
21 wholesale market. Wholesale prices affect prices that Electric Choice customers pay to
22 their Alternate Energy Suppliers (AESs). Consequently, requiring Electric Choice
23 customers to pay for Consumers Energy's cost of retiring plants would be in effect

DIRECT TESTIMONY

1 charging them more than the price reflected in the competitive market – i.e., figuratively
2 “twice” – for environmental costs – once via their price to the AESs and again via a
3 securitization charge to Consumers Energy. Again, this would not make sense under
4 cost-of-service principles.

5
6 **Q. MCL 460.10i(2) lists the criteria that the Commission is to use in a financing**
7 **order. Paragraph (b) states: “That securitization provides tangible and**
8 **quantifiable benefits to customers of the electric utility.” Does the Company’s**
9 **proposal for securitization provide tangible and quantifiable benefits to Electric**
10 **Choice customers?**

11 A. No. Electric Choice customers do not receive any additional services from the
12 Company’s securitization proposal, and in fact would pay more if a securitization charge
13 were applied to them.

14
15 The Commission must decide if the set of “customers” that receive the benefits
16 encompass the *same* set of “customers” that pay the nonbypassable charges. If so, there
17 is a potential conflict in that Consumers Energy has not shown that Electric Choice
18 customers will receive any “tangible and quantifiable benefits” by the proposed
19 securitization.

20
21 **Q. PA 286 of 2008 also addressed cost-of-service rates in MCL 460.11. MCL**
22 **460.11(1) states: “. . . the commission shall phase in electric rates equal to the cost of**
23 **providing service to each customer class over a period of 5 years from the effective**

DIRECT TESTIMONY

1 **date of the amendatory act that added this section.” Would a securitization charge**
2 **applied to Electric Choice customers represent a cost of providing services to them?**

3 A. No. The act of securitization, retiring power plants, or even operating Company
4 plants provide no services to Electric Choice customers that would be reflected in a cost-
5 of-service study to determine cost-of-service rates.

6
7 Cost-of-service rate making is an issue the Commission may want to consider in
8 any implementation of securitization charges. Obviously, none of the costs of retired
9 power plants would be allocated to Electric Choice customers in a cost-of-service study.
10 Consumers Energy has not addressed the issue of how securitization charges follow cost-
11 of-services requirements, nor has the Company proposed any type of credit or offset to
12 Electric Choice customers under cost-of-service principles that would mitigate the effect
13 of the proposed securitized charges. Under cost-of-service principles, Electric Choice
14 customers would not pay securitization charges.

15
16 **Q. Do you have recommendations to the Commission regarding the practical**
17 **effects on customers of Consumers Energy’s securitization proposal?**

18 A. Yes. As explained above, subject to the Commission’s interpretation of the
19 statutes, securitization charges for retired power plants do not appear to provide, nor has
20 the Company claimed they provide, any tangible and quantifiable benefits to Electric
21 Choice customers. Further, securitization charges do not appear to follow, nor has the
22 Company claimed they follow, cost-of-service principles applicable to Electric Choice
23 customers.

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Therefore, I recommend that in its decision and in the implementation of any securitization charge, the Commission consider the potential conflicts and interpret, *jointly*, the areas of the current statutes that would affect the applicability to and the net charges to be paid by Electric Choice customers, as explained previously in my testimony:

- a. applicability of securitization charge to all customers;
- b. tangible and quantifiable benefits to customers; and
- c. rates equal to the cost of providing service to each customer class.

Also, I recommend that the Commission use the *same* set of customers for evaluating “tangible and quantifiable benefits to customers” as it would use to apply any securitization surcharge.

Finally, I recommend that if the Company’s proposed securitization is approved, then the Commission should *not* apply securitization charges to Electric Choice customers. The Commission has declared that the statutes “. . . leave room for the determination of the customers that will be required to pay the securitization charge to be made by the Commission” [*Case No. U-13715, Order June 2, 2003, page 60, emphasis added.*]

B. Criterion for Securitized Assets

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Q. What are “Qualified Costs”?

A. As Company witness David B. Kehoe explains, “Qualified Costs” are the costs that the Commission may allow to be securitized, subject to conditions in the statute:

Public Act 142 allows an electric utility to request a financing order from the Commission to recover its “Qualified Costs” pursuant to a securitization mechanism. Public Act 142 defines “Qualified Costs” as a utility’s regulatory assets, as determined by the Commission, and costs that the Commission determines that an electric utility would be unlikely to collect in a competitive market. [*Kehoe direct testimony, page 10, lines 3-7, emphasis added.*]

The statute also lists some additional types of costs that are included in Qualified Costs, such as “the costs of issuing, supporting, and servicing securitization bonds.”

Q. What costs is Consumers Energy claiming meet the definition of Qualified Costs?

A. Mr. Kehoe states:

In addition, as of December 31, 2013, Cobb units 1-3, and as of April 16, 2016, Cobb units 4&5, Weadock units 7&8, and Whiting units 1-3 will not be operable at all. The unrecovered book balances and demolition costs of the respective plants as of those dates should be considered the absolute minimum amount of “Qualified Costs” in this case. [*Kehoe direct testimony, page 10, lines 16-20.*]

Q. How does the Company support the claim that these costs are Qualified Costs?

A. The Company claims that the specified costs to be securitized meet the definition of Qualified Costs under each of the two components of the definition – that (a) the costs are regulatory assets and (b) the costs are unlikely to be collected in a competitive market.

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Q. Should the Commission consider other factors?

A. The underlying issue for the Commission, as I see it, is to establish a reasonable criterion to interpret the statute and decide in the light of current circumstances whether or not the assets that the Company has proposed for securitization should be encompassed by the statute.

Q. Why is such a criterion necessary?

A. As I have explained above, the securitization statutes in PA 142 of 2000 were enacted at the same time as the Electric Choice and net stranded costs statutes in PA 141. PA 286 of 2008 later *eliminated* the new stranded costs statutes and *added* a mandate for the Commission to make rates equal to the cost of providing service. Further, the MISO market created in 2005 now includes competitive energy, capacity, and ancillary services markets.

The question for the Commission is to interpret PA 142 of 2000 in light of the circumstances at the time as well as the current circumstances and the later enactment of PA 286 of 2008. Can an office building be securitized? Can distribution facilities be securitized? It is possible to claim – reasonable or not -- that the costs of an office building or a distribution circuit or a single turbine are costs that “the electric utility would be unlikely to collect in a competitive market.” Therefore, a central question for the Commission in this proceeding is: is there any limit or boundary to the types of assets that may be securitized?

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Q. Do you have a recommendation for the Commission regarding how to distinguish between the types of assets that should be eligible for securitization and those that are not?

A. Yes. A workable and reasonable direction here is suggested by the wording “unlikely to collect in a competitive market.” The plain meaning of this implies a sale to the competitive electric market. My recommendation is that the Commission should allow an asset, or a set of assets, to be securitized only if such assets are capable of producing an electric product that can be sold in the competitive electric market.

This criterion would eliminate the examples of office buildings, distribution facilities, and separate pieces of equipment. At the same time, it would allow functional groups of assets that can provide energy, capacity, or ancillary services and thus can be valued by the competitive market. The criterion would provide a clear distinction that the Commission could use in its interpretation and implementation of PA 142.

Q. How would the recommended criterion apply to the Company’s proposed securitization?

A. The Company claims that the securitization assets will be unable to collect their costs from the competitive market simply by the fact that they will be retired and therefore will not participate in the competitive market. Mr. Kehoe states:

In addition, as of December 31, 2013, Cobb units 1-3, and as of April 16, 2016, Cobb units 4&5, Weadock units 7&8, and Whiting units 1-3 will not be operable at all. [*Kehoe direct testimony, page 10, lines 16-18, emphasis added.*]

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2 Therefore, as a practical matter, it would be reasonable to conclude that, in a
3 competitive market, Consumers Energy would be unlikely to recover the
4 unrecovered book balances and associate demolition costs of any of the
5 Referenced Units as of a date no later than December 13, 2013. [*Kehoe direct*
6 *testimony, page 11, lines 5-9, emphasis added.*]
7

8 The Company's argument here is straightforward: a retired plant cannot collect
9 its remaining investment costs in a competitive market. Obviously, an asset that cannot
10 produce a marketable product to be sold in the competitive market cannot collect money
11 for the sale of products it cannot produce.
12

13 The Company is not proposing that additional investments in the plants should be
14 securitized. It is not making such investments, but rather retiring the plants. Consumers
15 Energy's proposal implies that assets that are no longer used and useful in providing
16 service to customers – the retired plants – *ought* to be able to recover their remaining
17 costs from the market; and therefore to the extent that such assets cannot recover such
18 costs from the market, the costs should be eligible for securitization.
19

20 Under the criterion I have proposed, a retired plant awaiting demolition would be
21 no different from any other pile of concrete and steel with some possible salvage value.
22 It is not capable of producing an electric product that can be sold in a competitive market
23 and thus would not be eligible for securitization.
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C. The Stranded Cost Issue

Q. Is Consumers Energy’s claim that the costs of the proposed securitized plants are unlikely to be collected in a competitive market the same as a claim that they are stranded costs?

A. Yes, the *claims* are equivalent. However, whether or not such costs *are* stranded costs is a different issue. The circumstances surrounding PA 141 of 2000 anticipated a movement of utility customers to Electric Choice, a resulting drop in utility sales to full service customers, sales of excess generation at the wholesale level in an unorganized marketplace, potential flow through of additional wholesale margins via the PSCR, the potential inability to recover total power supply costs net of additional margins (“net stranded costs”), and the consequent decrease in return to shareholders.

Circumstances now are different: the 10% cap on Electric Choice prevents any further material movement of customers to Electric Choice, and consequently any further drop in utility sales; the plants are being retired, so the factors of additional wholesale margins and flow through of those margins are moot; the MISO Market has provided a liquid and robust wholesale electric market since its establishment in 2005, the Commission has previously assessed and approved all net stranded costs for the Company; conventional rate making would provide the recovery of the remaining costs of the plants (and in fact the Company is making a conventional request currently in Case

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1 No. U-17453); and thus there is no anticipated decrease in the recovery of total power
2 supply costs due to the retirement, and no consequent decrease in return to stockholders.
3

4 Therefore, in my opinion, the retiring of the Referenced Units does not create net
5 stranded costs. Further, Consumers Energy has made no claim or showing that the
6 Referenced Units represent stranded costs or net stranded costs.
7

8 **Q. Is the stranded cost issue relevant to this proceeding?**

9 A. The issue of stranded costs arises immediately in this proceeding stemming from
10 the language in the definition of Qualified Costs of “unlikely to collect in a competitive
11 market.” Since PA 286 of 2008 removed language on new net stranded costs, it appears
12 to be a legal question of whether the Commission can grant securitization if, at the same
13 time, the Commission deems that the Company’s request is actually a request for
14 recovery of stranded costs, which it may not have the authority to grant. Energy
15 Michigan will likely address this in briefs.
16

17 On the other hand, the Commission has previously declared that “. . . the
18 underlying objectives of Acts 141 and 142 will be thwarted if an asset comprised entirely
19 of generation-related costs that have not been shown to be stranded were to be securitized
20” [*Case No. U-13715, Order after Remand October 14, 2004, page 10, emphasis*
21 *added.*]
22

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1 By requesting securitization of retired plants, the Company is proposing to
2 separate the “winners” and “losers” in its power supply portfolio, rather than assessing
3 the net value of the portfolio as a whole. The Company wants a different rate making
4 treatment for power supply assets that it asserts are above market. It wants the above-
5 market “losers” in its power supply portfolio to be granted securitization and the
6 guarantee of cost recovery, to be paid for in part by Electric Choice customers. The
7 below-market “winners” will remain in rate base and produce a return to shareholders
8 and lower prices for full-service customers, but no benefits to Electric Choice customers.
9 If the Commission views the Company’s request as a request for recovery of net stranded
10 costs, this separation of “winners” and “losers” in the portfolio is inconsistent with the
11 concept of netting – netting cannot be done just by looking at the least economic
12 generation resources.

13
14 If the Company wants only a Commission promise that it will be able to recover
15 the remaining investment costs of the retire plants, that request is in process in the current
16 Case No. U-17453.

17
18 **Q. Would you summarize your perspective on the stranded cost issue relevant to**
19 **this proceeding?**

20 A. Yes. There are a number of facets:

- 21 a. Market circumstances at the time of the enactment of PA 141 and PA 142 in
22 2000 are different from current market circumstances.

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- 1 b. Because of the language in the definition of Qualified Costs in PA 141, the
2 Commission may have to address the issue of whether the retirement of the
3 Referenced Units *are* stranded costs or *are not* stranded costs.
- 4 c. In my opinion, the retirement of the Referenced units does not create stranded
5 costs.
- 6 d. There is a legal issue of whether or not the Commission currently has the
7 authority to grant a request for the recovery of new stranded costs.
- 8 e. The Commission has previously *denied* securitization for generation assets
9 that were *not* shown to be stranded costs.
- 10 f. If the retirement of the Referenced Units is deemed to create stranded costs,
11 then the proper method for evaluating the value of *net* stranded costs should
12 included the value of the entire Consumers Energy power supply portfolio, not
13 just the “losing” units.

14

15 **Q. Does this conclude your Direct Testimony?**

16 A. Yes, it does.

ALEXANDER J. ZAKEM

**46180 Concord
Plymouth, Michigan 48170
734-751-2166
ajzakem@umich.edu**

CONSULTANT – MERCHANT ENERGY AND UTILITY REGULATION

Provide strategies and technical expertise on competitive market issues, transmission issues, state and federal regulatory issues involving the electricity business, and associated legal filings. Scope includes the Midwest ISO Energy Market and Resource Adequacy, FERC proceedings on transmission and market tariffs, state rules for competitive supply, and negotiation of settlements.

PRIOR POSITIONS: Quest Energy, LLC – a subsidiary of Integrys Energy Services

Vice President, Operations

March 2002 to December 2003

Responsible for the planning, acquisition, scheduling, and delivery of annual power supply and transmission, to serve competitive retail electric customers.

- **Power Planning** -- Designed and negotiated customized long-term power contracts, to reduce power costs and exposure to spot energy prices.
- **Transmission** -- Revamped transmission strategy to reduce transmission costs.
- **Load Forecasting** -- Instituted formal short-term forecasting process, including weather normalization.
- **Risk Management** -- Developed summer supply strategy including call options to minimize physical supply risk at least cost. Instituted probabilistic assessment of forecast uncertainty to minimize transmission imbalance costs.
- **Contract Management** – Negotiated and recovered liquidated damages for power supply contracts. Included cost of transmission losses into customer contracts.
- **Operations Capability** -- Expanded the Operations staff. Oversaw daily activity in spot market purchases. Instituted back-up capability, including equipment and processes, enabling the company to schedule and deliver virtually all power during the August 2003 blackout in the Midwest.

PRIOR POSITIONS : DTE Energy / Detroit Edison — 1977 to 2001

Director, Power Sourcing and Reliability

May 1998 to April 2001

Director of group responsible for monthly, annual, and long-term purchases and sales of power for Detroit Edison, including procuring power for the summer peak season.

- **Planning** -- Planned summer power requirements for Detroit Edison, including mix of generation, option contracts, hub purchases, load management, and transmission, which balanced and optimized physical risk and financial risk.
- **Contract Management** – Established decision, review, and approval process for evaluation and execution of power transactions, including mark-to-market valuation.
- **Execution** -- Executed summer plans, contracting annually for purchased power and transmission services. Directed negotiations for customized structured contracts to provide the company with increased operating flexibility, dispatch price choices, and delivery reliability.
- **Risk Management** – Developed an optimizing algorithm using load shapes to minimize corporate exposure to volatile power prices. Developed a hedging strategy to fit power purchases to the corporation’s risk tolerance level.
- **Acquisitions** -- Team leader for acquisition of new peakers.
- **Settlements** -- Negotiated and settled liquidated damages claims.

Relevant prior positions within Detroit Edison

<u>Position</u>	<u>Organization</u>	<u>Time Period</u>
Director, Special Projects	Customer Energy Solutions	Apr 97 to May 98

Leader of several special projects involving the transformation of the corporation’s merchant energy functions into competitive business units, including merger explorations and the start up of DTE Energy Trading (DTE’s power marketing affiliate).

Directed filings to the Federal Energy Regulatory Commission to establish DTE Energy Trading as a power marketer and to gain authority for sales, brokering, and code of conduct. The FERC used DTE’s flexible utility/affiliate code of conduct as precedent for rulings for other power marketers.

Director, Risk Management	Huron Energy (temp affiliate)	Jan 97 to Apr 97
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Leader of team responsible for competitive pricing of wholesale structured contracts and for acquiring risk management hardware and software to support risk management policy. Prepared Board resolutions to implement risk management policy.

Director, Contract Development Customer Energy Solutions Jan 96 to Dec 96

Leader of team that formulated a business strategy for the corporation in competitive power marketing. Team leader on project evaluating an existing steam and electricity contract, recommending and gaining Board approval for revamping the corporation's Thermal Energy business and strategy.

**Project Director Executive Council Staff Jan 91 to Dec 95
& Corporate Strategy Group**

Project leader for competitive studies, including business risk, generation pooling, and project financing in the merchant generation industry. Team member and/or team leader for analyses of merger and acquisition opportunities

Special Assignment Executive Council Staff Mar 90 to Dec 90

Special assignment related to long-term industry strategies and mergers and acquisitions.

Pricing Analyst Marketing / Rate Aug 82 to Mar 90

Developed, negotiated, and implemented an innovative standby service tariff. Testified as an expert witness in regulatory proceedings and in state legislative hearings.

Engineer Resource Planning Aug 79 to Dec 81

Member of the company's electric load forecasting team, responsible for SE Michigan energy and peak demand forecasting, and for risk analysis. Developed the company's first residential end-use forecast model.

PRIOR POSITIONS: Prior to DTE Energy

Lear Siegler Corporation, ACTS Computing division, systems analyst and programmer from January 1973 to July 1977.

EDUCATION: M. A. in mathematics, University of Michigan, 1972
B. S. in mathematics, University of Michigan, 1968

MILITARY: U. S. Army, September 1968 to June 1970.
Viet Nam service from June 1969 to June 1970.
Honorably discharged.

PROFESSIONAL: Member, Engineering Society of Detroit (1979-present)

PUBLICATIONS & PAPERS:

- "Competition and Survival in the Electric Generation Market," published in *Public Utilities Fortnightly*, December 1, 1991.
- "Measuring and Pricing Standby Service," presented at the Electric Power Research Institute's "Innovations in Pricing and Planning" conference, May 3, 1990.
- "Assessing the Benefits of Interruptible Electric Service," presented at the 1989 Michigan Energy Conference, October 3, 1989.
- "Principles of Standby Service," published in *Public Utilities Fortnightly*, November 24, 1988.
- "Progress in Conservation," a satirical commentary published in *Public Utilities Fortnightly*, October 27, 1988.
- "Comparing Utility Rates," published in *Public Utilities Fortnightly*, November 13, 1986.
- "Uncertainty in Load Forecasting," with co-author John Sangregorio, published in *Approaches to Load Forecasting*, Electric Power Research Institute, July 1982.

PREVIOUS TESTIMONY:

- Michigan Public Service Commission, U-17087
- Michigan Public Service Commission, U-17032
- Michigan Public Service Commission, U-16794
- Michigan Public Service Commission, U-16566
- Michigan Public Service Commission, U-16472
- Michigan Public Service Commission, U-16191
- Michigan Public Service Commission, U-15768.
- Michigan Public Service Commission, U-15744.
- Federal Energy Regulatory Commission, Docket No. EL04-135 & related dockets.
- Michigan Public Service Commission, U-12489.
- Michigan Public Service Commission, U-8871.
- Michigan Public Service Commission, U-8110 part 2.
- Michigan Public Service Commission, U-8110, part 1.
- Michigan Public Service Commission, U-7930 rehearing.
- Michigan Public Service Commission, U-7930.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for a financing order)	Case U-17473
approving the securitization of qualified costs)	
_____)	

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
 COUNTY OF INGHAM)

Monica Robinson, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on the 21st day of October, 2013, she served a copy of the Direct Testimony of Alexander J. Zakem on behalf of Energy Michigan upon those individuals listed on the attached Service List by email at their last known addresses.

Monica Robinson

SERVICE LIST U-17473

Hon. Sharon Feldman
Administrative Law Judge
(Discovery Proof of Service only)

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