

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of CONSUMERS)	
ENERGY COMPANY for authority to increase its)	
rates for the generation and distribution of)	Case No. U-17990
electricity and for other relief.)	
_____)	

In the matter of the application of DTE ELECTRIC)	
COMPANY for authority to increase its rates, amend)	
its rate schedules and rules governing the distribution)	Case No. U-18014
and supply of electric energy and for miscellaneous)	
accounting authority.)	
_____)	

At the October 11, 2017 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER

On January 31, 2017 (January 31 order), in Case No. U-18014, and February 28, 2017 (February 28 order), in Case No. U-17990, while voicing support for authorizing the cost of necessary investments for the utilities’ distribution systems to ensure that they are “safe, reliable, and resilient” as DTE Electric Company’s and Consumers Energy Company’s current distribution systems continue to age, the Commission, nevertheless, expressed concern about being able to properly evaluate such potential costs in the coming years. The January 31 order and the February 28 order, therefore, directed DTE Electric Company (DTE Electric) and Consumers Energy Company (Consumers) to develop and submit a draft five-year investment and

maintenance distribution plan (distribution plan) to the Commission Staff (Staff) by July 1, 2017, and August 1, 2017, respectively, comprised of the following:

- (1) a detailed description, with supporting data, on distribution system conditions, including age of equipment, useful life, ratings, loadings, and other characteristics;
- (2) system goals and related reliability metrics; (3) local system load forecasts;
- (4) maintenance and upgrade plans for projects and project categories including drivers, timing, cost estimates, work scope, prioritization and sequencing with other upgrades, analysis of alternatives (including AMI and other emerging technologies), and an explanation of how they will address goals and metrics; and
- (5) benefit/cost analyses considering both capital and [operations and maintenance] O&M costs and benefits.

January 31 order, pp. 40-41, 131, and February 28 order, pp. 19, 167. Following the submission of their draft five-year distribution plans, the January 31 order and the February 28 order also directed DTE Electric and Consumers to meet with the Staff to complete and submit final versions of these plans to the Staff by December 31, 2017, and January 31, 2018, respectively – not for the plans to be formally approved by the Commission but for the plans to provide the Staff, other parties, and the Commission “a more thorough understanding of anticipated needs, priorities, and spending” outside of the contested rate case process. January 31 order, pp. 41, 131, and February 28 order, pp. 19, 167.

On June 30, 2017, and August 1, 2017, DTE Electric and Consumers respectively filed their draft five-year distribution plans, and on August 4, 2017 (August 4 notice), the Commission issued a notice of opportunity for interested persons to comment on the submissions. In the August 4 notice, p. 2, the Commission specifically invited interested persons to comment on the following questions:

- 1) Does the company’s draft distribution planning report provide a transparent review to identify and make cost-effective grid modernization and aging infrastructure investments necessary to support improved reliability, power quality, and future growth? Do the proposed investments provide a clear strategic path to address resiliency, reliability, and grid modernization, consistent with the Commission’s stated goals as outlined in recent electric rate case orders?

2) Do the plans identify system upgrades or investment strategies and concrete, measurable performance targets and timeliness in areas such as safety and reliability?

3) Are there longer term enhancements to the plan or the planning process that the Commission, utilities, and stakeholders should be considering in future rounds?

4) Any other feedback for the Commission's or Commission Staff's consideration.

On September 5, 2017, 5 Lakes Energy filed comments in both cases, and on September 6, 2017, Michigan Energy Innovation Business Council (EIBC); Vote Solar and the Environmental Law and Policy Center (ELPC), collectively; and The Mission:data Coalition (Mission:data) filed comments in both cases.¹

On September 20, 2017, Consumers filed a reply to the comments in Case No. U-17990, stating that it has reviewed the comments, will take the comments into consideration, and is committed to working with the Staff to complete and submit its final 5-year distribution plan by January 31, 2018.

Comments

a. 5 Lakes Energy

In its comments, while acknowledging the transparency that the utilities' draft plans provide, 5 Lakes Energy nevertheless contends that additional work on these plans is needed.

With regard to the subject of reliability, 5 Lakes Energy contends that the draft plans provide insufficient analysis to determine the appropriate level of spending needed for maintenance expenses and incremental investments to improve the reliability of the utilities' distribution systems, arguing that a marginal cost analysis on specific assets is needed. 5 Lakes Energy further

¹ In addition to providing comments, Mission:data also provided, in both cases, a copy of its article titled, "Got Data: The Value of Energy Data Access to Consumers."

contends that focusing on hardening measures, versus replacing existing equipment, may be a more productive way to improve reliability, due to the frequent occurrence of widespread storm damage resulting in long recovery times here in Michigan. 5 Lakes Energy also argues that architectural changes should be considered in the distribution plans, as opposed to assuming the current distribution systems will continue largely unchanged, and, since reliability is more of a local issue, 5 Lakes Energy further argues that costs and benefits of reliability improvements should be evaluated on a per circuit/feeder line/substation basis.

As far as resilience, 5 Lakes Energy contends that, because service loss and harm is largely due to major storm events, and because it will be many more years before reliability of utility service in Michigan will exceed the national average and universally meet the needs of all customers, the Commission should focus on resilience separately from reliability. In that regard, 5 Lakes Energy therefore suggests that the Commission require distribution plans to include strategies that will enhance resilience to minimize harm from power outages, particularly, and based on current technology, focusing on microgrids for certain end users, such as critical facilities and industrial parks.

On the topic of voltage, as a key aspect of distribution system performance, 5 Lakes Energy asserts that voltage delivery issues can result in inferior service for customers, accelerated wear and tear on equipment, and excess power consumption, costs, and emissions. 5 Lakes Energy therefore contends that voltage delivery performance is an important topic to be included in distribution plans, on what 5 Lakes Energy contends should be on a feeder line basis. 5 Lakes Energy suggests that, when examining voltage, there should also be an analysis of reactive power levels, because managing voltage and reactive power are crucial to enabling high penetration of distributed generation (DG) and storage. Additionally, and to maximize their value, 5 Lakes

Energy contends that deployment of distributed energy resources (DERs) should be considered to increase economic load reach of feeder lines.

With electric vehicles, along with any other likely trends that would materially change the requirements for a distribution system, 5 Lakes Energy contends that distribution plans need to examine potential consequences of an increase in such trends, such as an increase in electric vehicles, and evaluate whether preventative steps need to be taken.

And lastly, on the topic of cost, 5 Lakes Energy suggests that, because power loss and quality issues can affect customers, analysis for distribution plans should consider all costs, not just those for the distribution system itself. Further, doing an in-depth examination of distribution system planning will provide the Commission with a better understanding of cost causation, along with the ability to modernize its revenue requirement and cost of service studies to account for distribution system planning practices.

b. EIBC

While EIBC applauds and commends the utilities in some regard, EIBC nevertheless contends that the utilities' distribution plans either fail to address or underestimate certain elements, including considering a broader range of probabilistic DERs and load growth scenarios, transparency and sharing of data regarding distribution grid planning and operations, and other alternatives that can meet distribution network needs to help complement, defer, or offset other investment and maintenance activities. EIBC therefore recommends consideration of these additional elements to unlock the maximum potential of a modern distribution grid, along with a more proactive approach to obtain input from third-party providers and other stakeholders – to improve reliability, offer wider flexibility, and improve overall value to ratepayers.

On the topic of data, and in discussing the appearance of an overly utility-centric approach by the utilities with regard to data, EIBC suggests that the Commission establish data access protocols as part of the distribution planning process that would allow third parties broader access to grid data, subject to appropriate security and privacy considerations. EIBC believes access to such information would unlock an extensive range of benefits that would increase or enable the development of cost-effective solutions and non-wires alternatives (NWAs), facilitate DER compensation models, accelerate innovation, and improve outcomes for all participants.

EIBC contends that it would also be beneficial for these distribution plans to consider a broader range of scenarios, such as the accelerated adoption of DERs. EIBC also claims that shifting from deterministic scenario planning to probabilistic scenario planning will be crucial to avoiding costly mistakes and missed opportunities, along with missteps that occurred in other states where the growth of DERs accelerated faster than anticipated.

For both distribution plans, EIBC contends that the utilities were too dismissive of NWAs as an alternative to investments into the physical architecture of their current distribution systems. It is EIBC's position that a process considering NWAs has real potential and should therefore be more thoroughly considered and integrated into the decision-making process to reduce or eliminate the need for load-based upgrades and to generate significant savings for ratepayers. With NWAs, EIBC suggests that the Commission should establish incentives beyond those currently available to encourage consideration and incorporation of NWAs, mirroring the expanded incentives available for energy waste reduction under 2016 PA 342.

For future planning, EIBC encourages the utilities to integrate distribution planning processes with other planning processes, such as integrated resource plans under MCL 460.6t, and contends that the Commission should also integrate various proceedings that deal with grid distribution.

Lastly, EIBC contends that distribution planning over the last 10 years can be characterized as underestimating the pace of growth of non-utility resources, overestimating the ability to control customer demand, and waiting too long to respond. EIBC therefore argues that a forward-looking distribution process, accounting for all distribution resources and inviting all types of players to develop solutions, is needed to avoid repeating these issues.

c. Vote Solar and ELPC

Vote Solar and ELPC acknowledge that the utilities provided useful information about their current distribution systems; however, Vote Solar and ELPC contend that both distribution plans contain significant deficiencies and do not comply with several important requirements from the Commission's January 31 and February 28 orders. Specifically, according to Vote Solar and ELPC, either one or both distribution plans fail to provide forward-looking costs, benefit/cost information and analyses, or an explanation on how such analyses will be performed; lack forward-looking, measurable performance targets in some regard; fail to include local system load forecasts or low voltage distribution; fail to substantiate a significant number of capacity-related investments by load growth; and fail to take full advantage of DERs and NWAs to help reduce costs.

In further comments, Vote Solar and ELPC contend that the distribution plans fail to include historical data or performance targets relative to safety, resulting in there being no link between planned system updates and the ability for those updates to improve performance.

With regard to load and DER forecasting, Vote Solar and ELPC contend that, with the penetration of DERs, supplementation of top-down forecasts with bottom-up forecasts of both traditional load and DERs' contributions to load is needed, suggesting that the utilities should utilize their advanced metering infrastructure (AMI) systems to assist with such bottom-up

forecasts. Vote Solar and ELPC further contend that probabilistic methods to forecast needs will further provide the utilities with more accurate system models and a better understanding of the true capacity of their distribution systems.

On the subject of hosting capacity, particularly with regard to Consumers' draft distribution plan, Vote Solar and ELPC contend that discussion of the capability to conduct a system-wide hosting capacity analysis (HCA), updating the HCA as changes occur, and publishing the HCA results for the public to view is needed.

And lastly, in further comment on the topic of DER communications and control, particularly with regard to DTE Electric's draft distribution plan, Vote Solar and ELPC suggest greater reliance on third-party DER communications and control capabilities, which will only continue to become more advanced and reliable as DERs penetrate the market in Michigan and elsewhere, versus reliance on a utility's own software and telemetry – a practice Vote Solar and ELPC contend will help to minimize redundancy and potential stranded costs.

d. Mission:data

Overall, Mission:data contends that the draft distribution plans fail to address how customers, in moving toward a more modernized grid, can become better participants in a more reliable, cleaner, and cheaper electricity system, pointing out the failure of the utilities to either address particular topics, such as leveraging AMI to increase reliability or defer capital investments for the benefit of customers or explaining how stated goals or proposals within their draft distribution plans will actually be achieved.

As a first step to increasing the adoption of cost-effective DERs, including energy efficiency and demand response, Mission:data recommends that the Commission should require the utilities to propose a data-sharing platform to allow customers greater control over their energy

consumption and monthly bills. Mission:data believes such a data-sharing platform should enable the customer to share their energy usage and billing history with any DER provider of their choosing but cautions that a convoluted process for a customer to participate in such data sharing would end up inhibiting the benefits of the investment of AMI and the number of customers who adopt DERs for their electricity needs.

In its comments, Mission:data also touches on the issue of the appearance of an overly utility-centric approach by the utilities with regard to data, as raised by EIBC. For example, Mission:data discusses the utilities' proposed investments in their draft distribution plans but argues that these investments merely improve electric utility operations for the utilities themselves, versus, for instance, improving or facilitating customers' adoption or use of DERs. This, therefore, reinforces Mission:data's claim that a data-sharing platform is crucial.

With the data-sharing platform, Mission:data discusses three elements that it suggests the Commission require the utilities to follow: (1) time-stamped electrical usage data collected by smart meters to customer-authorized third parties, using the Green Button Connect My Data standard; (2) enablement of the Home Area Network in smart meters; and (3) electronic access to historical bills and, when the utility provides the commodity, rate information in machine-readable form.

Discussion

First and foremost, the Commission would like to thank DTE Electric, Consumers, and the Staff for their hard-work and cooperation, along with 5 Lakes Energy, the Michigan Energy Innovation Business Council, Vote Solar, the Environmental Law and Policy Center, and The Mission:data Coalition for the comments they submitted in this matter, as the Commission

believes all of this effort will lead to greater safety, reliability and resiliency, cost-effectiveness and affordability, and accessibility of electric service for all.

a. Commission Objectives

As discussed above, the impetus for the distribution planning initiative was the Commission's concern in recent electric rate cases regarding the lack of visibility into the long-term needs and strategies to address aging infrastructure. Specifically, and as referenced above, the Commission concluded the following on page 40 of the January 31 order:

The Commission supports the authorization of necessary investments to ensure the utility's distribution system is safe, reliable, and resilient. But in order to properly evaluate these investments, and provide a greater level of regulatory certainty, the Commission finds that the rate case process would benefit from the company providing a more comprehensive, forward-looking capital investment and operations plan.

Although the Commission provided direction to the utilities in the rate cases on the contents of the five-year distribution plans, there is a potential for such plans to go in many directions and address a litany of near- and long-term issues. Therefore, this order attempts to clarify the Commission's expectations and provide guidance on the priorities for this initial round of distribution plans.

The Commission's objectives for the electric distribution system relate directly to its mission to ensure safe, reliable, and accessible energy at reasonable rates. Specifically, the Commission is focused on the following overarching objectives:

1. Safety

The electric distribution system and related utility operations to support this system have safety risks due to the inherently dangerous nature of electricity, equipment failures, damage due to third parties or inclement weather, older facilities designed without up-to-date safety protections, and potentially unsafe work practices while maintaining equipment.

Safety is the Commission's top priority, and the Commission expects operational and investment strategies focus on this objective.

2. Reliability and Resiliency

Electricity is essential in our modern society. Outages, particularly for prolonged periods of time, cause significant economic and societal costs. The Commission expects the electric distribution system to be designed and operated in a manner that is both reliable and resilient,² including the ability to withstand and respond to major weather events and other disruptions. The Commission embraces Governor Snyder's 2013 reliability goals to reduce how often and how long customers experience outages (i.e., for the utilities to be operating in the first quartile among peers within the system average interruption frequency index (SAIFI) and top half among peers within the system average interruption duration index (SAIDI)). The Commission finds, however, that these outage outcomes should not be the sole focus, as the Commission recognizes the need to also address repetitive outages on particular circuits as well as overall performance during major outage events.

² While there are many suitable definitions of these terms, the Commission points to the definitions of reliability and resiliency in a 2016 report by the Pacific Northwest National Laboratory and The Brattle Group:

- Reliability: Maintain power delivery to customers in the face of routine uncertainty in operating conditions.
- Resiliency: Withstand and recover quickly from extreme external events such as natural disasters.

Pacific Northwest National Laboratory and The Brattle Group, *Valuation of Electric Power System Services and Technologies* <http://www.brattle.com/system/publications/pdfs/000/005/389/original/Valuation_of_Electric_Power_System_Services_and_Technologies.pdf?1484183040> (accessed October 6, 2017), p. viii.

Cybersecurity and physical security also play a key role in ensuring reliability and resiliency.

3. Cost Effectiveness and Affordability

Processes for identifying and prioritizing cost-effective investments are essential to ensuring long-term affordability for customers. The Commission expects up-front analyses to ensure investment strategies are reasonable and prudent, alternatives are thoroughly considered, and longer-term operational savings from new investments can flow through to customers, thereby keeping rates affordable. A data-driven, value-based approach, as when to repair versus when to replace aging equipment, will also assist in investment decisions. Additionally, the ability to integrate new technologies in an optimal manner and provide planning tools and information to encourage efficient siting and operations of customer resources, such as DG or energy storage, may **also** help displace or defer costly grid improvements, rather than exacerbate loading conditions and cause additional grid upgrades.

4. Accessibility

The Commission expects the distribution system to be able to reasonably accommodate service to new or expanding customers without such additions causing major network upgrades due to an underlying infrastructure challenge. Planning to assess system conditions under different scenarios could also assist in providing guidance for siting new economic development projects or accommodating changing load patterns due to customer resources and consumption patterns. As technologies and customer preferences evolve, planning for the distribution system should optimize integration of customer and utility resources where possible.

b. Long-Term Considerations and Near-Term Priorities

As evidenced in both DTE Electric's and Consumers' draft distribution plans, Michigan's two largest distribution utilities currently utilize robust internal modeling and planning efforts to identify and prioritize investment decisions and ensure customers have access to safe, reliable, and affordable electricity.

Historically, conventional distribution planning was largely predicated on a one-way flow of electricity from generators through transmission and distribution lines to the end user. As outlined in the distribution system overviews provided by each of the utilities, the distribution aspect of this process requires the daily operation of approximately 2,000 substations and 115,000 miles of distribution circuits in order provide electricity to 4,000,000 customers. To date, these distribution system planning efforts have occurred internally with limited opportunity for outside stakeholder input outside of formal rate case proceedings. For nearly a century, this conventional distribution planning approach supported like-for-like equipment replacements for aging and failing assets and addressed growing demand through traditional capacity upgrades to lines and substations, as customer expectations were focused on reliable service and cost.

The investments needed to support a safe, reliable distribution system in the future, however, are changing. Given the extent of aging infrastructure, annual capital investments in electric distribution facilities in recent years have approached approximately \$900 million for DTE Electric and Consumers combined. *See*, DTE Electric's Annual Report Ended December 31, 2016,³ and Consumers' Annual Report Ended December 31, 2016.⁴ Accordingly, investment in

³ <http://www.michigan.gov/documents/mpsc/dteelectricP-521-2016_597406_7.pdf> (accessed October 10, 2017), p. 206, line 75.

⁴ <http://www.michigan.gov/documents/mpsc/Consumers_Energy_P-521_Filing_-_2016_568718_7.pdf> (accessed October 10, 2017), p. 208(M), line 94.

the distribution system has been steadily increasing in recent years and is, thus, a major driver for recent rate case requests. *See, e.g.,* DTE Electric’s Exhibit A-9, Schedule B6.4, p. 1, line 25, filed on April 19, 2017, in Case No. U-18255, and Consumers’ Exhibit A-19 (AJB-6), p. 1, line 9, filed on March 31, 2017, in Case No. U-18322. At the same time, the Commission has also recognized an emerging trend, particularly in jurisdictions with higher electricity prices, from centralized one-way power flows to more complex, decentralized systems capable of real-time monitoring, controls, and two-way power flows. Simultaneously, customer expectations of their utilities appear to be evolving to include ways to manage and lower electric bills, ability to support cleaner energy options, DG, higher levels of reliability, and increased communications about outage events and restoration times. This transformation in the utility business model has increased the complexity of the distribution system and introduced new variables to eventually be considered in the distribution planning process – many of these variables being influenced by customer decisions that are outside the purview of the utilities and difficult to model and subsequently plan around. In recognition of these potential long-term changes affecting utilities, as well as the near-term infrastructure needs to address aging equipment and to meet customer needs today, the Commission believes that there is benefit to having a formal distribution planning process that evolves over time and is intended to take a longer term look at changing system and customer needs and innovative solutions that can be leveraged to address these needs in a safe, reliable, and affordable manner.

The Commission believes there are significant benefits associated with a comprehensive and forward-looking approach to distribution planning that leverages greater Commission and stakeholder input. A longer-term planning approach will help the Commission and stakeholders

better understand the long-term goals and objectives underlying utility investment plans and how the execution of these plans can meet these goals and objectives in an affordable manner. While this planning process would not provide regulatory approvals for cost recovery purposes, the transparency around the need for, scope of, and expected outcomes resulting from specific investment strategies may facilitate ratemaking processes and the development of potential new approaches to provide greater regulatory certainty, such as performance-based ratemaking currently being studied pursuant to the 2016 energy laws. Open and effective planning processes will also facilitate economic development activities by identifying suitable locations to accommodate growth and areas where reinforcements are needed. It will also allow the Staff and stakeholders to weigh in on planning assumptions, particularly those that address factors outside the utility's control, such as rooftop solar and electric vehicle adoption. The development of these processes over time is essential in ensuring Michigan is making "no regrets" investment decisions in the long term.

With that said, upon review of the draft distribution plans submitted by DTE Electric and Consumers, it is clear that, in the near term, the risks presented by aging infrastructure and reliability/resiliency are the most pressing concerns. Review of the utilities' reliability assessments shows that equipment failure and vegetation are the main contributors to the frequency and duration of electric outages in both utilities' service territories. Failure to take steps to more proactively address high risk/high impact assets in the short term may inevitably lead to declining service quality and cost escalation through the need for emergency repairs and replacement and other inefficiencies. There may also be increased safety risks for employees and the public.

As the Commission discussed in DTE Electric's last rate case:

While not a holistic and detailed presentation of near- and longer-term distribution system conditions and upgrade needs, [DTE Electric's evidentiary presentation] provides the Commission a glimpse into the potential need for significant investments in the coming years just to avoid further decline in system performance and to keep in check the associated spending on reactive repairs and O&M expense of managing aging infrastructure. As DTE Electric pointed out, as its system continues to age, the cost to simply maintain the status quo are projected to go up and there is increased potential for equipment failure that could affect reliability and the safety of employees and the public at large.

January 31 order, p. 40. Therefore, in order to ensure the near-term safety and reliability of the distribution system, the Commission believes that this first iteration of the five-year distribution plans, which will now both be due from DTE Electric and Consumers on January 31, 2018, should primarily focus on the following priorities:

1. Defining the scope of work, capital, and O&M investments needed to address aging infrastructure and the risk assessments that drive the prioritization of these investments (i.e., asset class failure rates, long lead time equipment, obsolete equipment, etc.).
2. Identifying known safety concerns on the system and work necessary to address these concerns (i.e., pole failures, third-party facilities coming into contact with electric equipment, and wire down detection, response, and protections, etc.).
3. System maintenance and investment strategies that improve resiliency and mitigate the financial effects and safety issues associated with inclement weather (i.e., strategic undergrounding, accelerated vegetation management schedules, enhanced vegetation management standards, tree resistant conductors, etc.).
4. Company objectives and associated performance metrics relevant to utility near-term investment and maintenance plans. In particular, the Commission expects a timeline and

investment strategy for meeting the Governor's 2013 reliability goals addressing the frequency and duration of electric outages.

The Commission remains dedicated to making decisions that ensure Michigan's ratepayers have access to safe and reliable service in both the short term and long term. Focusing the scope of the initial distribution plans to address near-term risks to customer safety and reliability will ensure customers continue to have access to safe and reliable electricity. This is an incredibly complex system, and the Commission believes that a focus on safety and reliability improvements in the near term will also provide a foundation for a stronger electric system that can adapt to changing technologies and customer patterns over time.

For the longer term, the Commission recognizes that continuously evolving technology and customer expectations will require a more comprehensive approach to developing a "no regrets" distribution plan. The Commission therefore expects that future iterations of utility distribution plans will focus not only on ensuring short term safety and reliability but also leveraging new resources and approaches, such as energy efficiency, renewable energy, storage, line loss, volt/volt-ampere reactive optimization, NWAs, and dynamic electric rate structures, to address looming system issues. The Commission envisions that future iterations of the five-year distribution plans will not only improve the efficiency of utility rate cases but will also play key roles in making informed decisions in other planning activities, such as the integrated resource planning under the state's new energy laws and local and regional transmission expansion planning processes. It is evident through the review of stakeholder comments on the initial drafts that there is great interest from both service providers and customers in participating and providing input into the utility distribution planning process. The Commission therefore directs Staff to convene these stakeholders after the filing of the final distribution plans by the utilities to develop

a framework for the development of future distribution plans and to report back its findings to the Commission no later than September 1, 2018. The Commission also expects distribution plans to be updated every two years but will provide further guidance on future iterations of planning following receipt of the Staff's report. Further, the Commission additionally expects the companies' distribution plans to provide program costs and benefits to ensure the cost effectiveness and affordability of their distribution plans.

THEREFORE, IT IS ORDERED that:

A. The deadline for DTE Electric Company to submit its final five-year distribution plan is extended to January 31, 2018.

B. The initial five-year distribution plans from both Consumers Energy Company and DTE Electric Company shall emphasize near-term priorities including defining the scope of work needed to address aging infrastructure and the risk assessments that drive the prioritization of these investments, identifying known safety concerns on the system and work necessary to address these concerns, system maintenance and investment strategies that improve resiliency and mitigate the financial effects and safety issues associated with inclement weather, and company objectives and associated performance metrics relevant to utility near-term investment and maintenance plans. The initial five-year distribution plans shall also include a timeline and investment strategy for meeting the Governor's 2013 reliability goals addressing the frequency and duration of electric outages.

C. The Commission Staff shall, after the filing of the final distribution plans by Consumers Energy Company and DTE Electric Company in the above-captioned cases, convene with stakeholders for the development of future distribution plans and file a report with its findings with the Commission no later than September 1, 2018.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscdockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of October 11, 2017.

Kavita Kale, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-17990 et al

County of Ingham)

Lisa Felice being duly sworn, deposes and says that on October 11, 2017 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).



Lisa Felice

Subscribed and sworn to before me
this 11th day of October 2017



Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

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