



Rick Snyder, Governor
Sally Talberg, Chairman
Norm Saari, Commissioner
Rachael Eubanks, Commissioner

Contact: [Nick Assendelft](mailto:Nick.Assendelft@mpsc.com)
517-284-8300 (office)
517-388-3135 (cell)
Customer Support: 800-292-9555
www.michigan.gov/mpsc

FOR IMMEDIATE RELEASE

Feb. 5, 2018

MPSC escalates DTE shutoff probe, orders evidentiary hearing

LANSING, Mich. – The Michigan Public Service Commission (MPSC) today ordered DTE Electric and DTE Gas companies to prove they did not violate the Commission’s billing rules when the utility converted to a new billing system that led to numerous complaints by customers of improper power shutoffs.

In an evidentiary show cause hearing ordered today (Case No. U-20084), DTE must explain to the MPSC the extent and nature of any improper shutoffs since January 2017.

The company had filed an initial report Jan. 22 in [Case No. U-18486](#) about customer issues related to the launch of its SAP C360 billing system in April 2017. A week after filing the report, DTE said it identified a potential error regarding improper notice of shutoff for nonpayment, causing about 5,000 customers out of 9,000 shutoffs to lose service without proper notification under the statutory billing rules. DTE said it has restored service to all 9,000.

Commissioners cited misinformation provided by DTE to MPSC staff as the reason for its order for a hearing to examine alleged billing rule violations, obtain an accurate assessment of the extent of shutoffs and billing errors, and determine whether the errors have been resolved.

The Consumer Standards and Billing Practices for Electric and Natural Gas Service are authorized by state law and codify the practices regulated utilities must follow when billing residential and commercial customers.

A prehearing conference is scheduled for 9 a.m. March 2 before Administrative Law Judge Lauren G. VanSteel at the Commission’s Lansing offices, 7109 W. Saginaw Highway.

Commission OKs new power purchase agreement for Filer City plant

The MPSC approved a settlement agreement allowing Consumers Energy Co. to purchase power from the T.E.S. Filer City Station power plant near Manistee. Owners of the Filer City facility intend to convert the plant from biomass and coal to natural gas.

The agreement ([Case No. U-18392](#)) also extends Consumers’ power purchase agreement (PPA) with the Filer City Plant to 15 years after the conversion is completed.

The changeover is expected to result in \$45 million in savings for Consumers because the utility claims the new PPA costs will be less. It will also increase the net output of the plant from 60 megawatts to 225 megawatts and reduce the amount of waste heat per watt-hour.

In other action:

Capacity charge filings denied: The MPSC denied rehearings or reopening cases that set the state reliability mechanism capacity charge under Section 6w of Public Act 241 of 2016 for Consumers Energy Co. ([Case No. U-18239](#)), DTE Electric Co. ([Case No. U-18248](#)), Upper Michigan Energy Resources Corp. (UMERC) ([Case No. U-18253](#)), Upper Peninsula Power Co. (UPPCo) ([Case No. U-18254](#)), and Cloverland Electric Cooperative ([Case No. U-18258](#)).

Energy Michigan Inc. challenged the Commission's ruling that the capacity charge applies to alternative electric suppliers (AESs). Wolverine Power Marketing Cooperative Inc. questioned whether placing the capacity charge on an AES constitutes a wholesale transaction. Constellation NewEnergy Inc. challenged whether the charge can be applied on a pro rata basis and asked to reopen the case. The Michigan Electric Cooperative Association also asked to reopen the case. Cloverland said the Commission ruled in error when it said Public Act 341 requires the MPSC to set capacity charges for full service members of an electric cooperative.

Consumers PSCR approved: The Commission approved a 2015 power supply cost recovery (PSCR) plan for Consumers Energy totaling \$21,178,499, which will be rolled over into its 2016 PSCR beginning balance ([Case No. U-17678-R](#)). In agreeing to the amount, Commissioners questioned Consumers' decisions regarding outages at the company's D.E. Karn Plant Units 1 and 2 in Essexville. The MPSC disallowed replacement power costs and said Consumers' oversight of a turbine rotor replacement project were not reasonable. The units were inoperable in 2014 and 2015 due to insufficient clearances that didn't meet manufacturer's specifications.

Presque Isle co-op to set gas rates: The MPSC relinquished its authority to regulate rates for natural gas service for customers in the Village of Hillman ([Case No. U-15774](#)). Presque Isle Electric & Gas Co-op's Regulated Gas Division will now have jurisdiction over setting rates, charges, terms and conditions as of Dec. 1, 2017, under the Home Rule regulation.

Capacity demonstration protective order adopted: The Commission approved a Protective Order that will allow electric providers to confidentially file commercially sensitive information related to their capacity demonstrations under the state reliability mechanism provision of Public Act 341 ([Case No. U-18441](#)). Each electric utility, alternative electric supplier (AES), cooperative electric utility, and municipally-owned electric utility must demonstrate to the Commission owns or has contractual rights to sufficient capacity to meet its capacity obligations as set by the regional transmission operators Midcontinent Independent System Operator Inc. (MISO) or PJM Interconnection LLC (PJM), or the Commission.

DISCLAIMER: *This document was prepared to aid the public's understanding of certain matters before the Commission and is not intended to modify, supplement, or be a substitute for the Commission's orders. The Commission's orders are the official action of the Commission.*