

Gretchen Whitmer, Governor

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MPSC investigates Consumers' natural gas fire, begins assessment of state's energy supply, availability

LANSING, Mich. – The Michigan Public Service Commission today formally opened an investigation into a fire at Consumer Energy Co.'s Ray Natural Gas Compressor Station. Separately, it launched an assessment requested by Gov. Gretchen Whitmer of the supply and deliverability of natural gas, electricity, and propane in Michigan and contingency plans.

The MPSC will conduct an independent investigation into events surrounding the fire that began at approximately 10:30 a.m. on Jan. 30 at the Ray facility in Macomb County (Case No. U-20463). The fire was extinguished by 3 p.m. Damage led to Consumers stopping the flow of natural gas from the station, the largest source of working gas capacity in Michigan and which supplies a large portion of Consumers' natural gas needs during winter usage.

Because of high demand partially due to extremely cold weather, Consumers had to arrange for more natural gas supplies, increase production at its storage fields in Northville and St. Clair, and limit natural gas used for electricity production so it could satisfy customer demand. Consumers also asked large customers to curtail use, and requested that all customers conserve energy. Gov. Gretchen Whitmer made a similar plea for curtailment and the Michigan State Police sent an emergency alert last Wednesday night to cell phone users in the Lower Peninsula. By noon, Feb. 1, Consumers resumed normal natural gas delivery to customers.

The Commission ordered the investigations to determine:

- The origin of the fire.
- How Consumers responded to the fire, both at the site and at its corporate office.
- The company's implementation of gas curtailment procedures.
- Whether there is evidence of a failure on the part of Consumers to properly maintain its equipment or any non-compliance with Commission rules.
- Whether the company properly responded to the natural gas shortage.
- Estimated reductions in natural gas usage from large customer curtailments and residential conservation during the emergency and as a result of public appeals and emergency alerts by Consumers and the State of Michigan.
- Consumers' coordination and communication with State of Michigan officials and local emergency response agencies.
- Actions to protect against physical and cybersecurity before and during the event.
- The total cost of the incident, including gas lost on site, emergency natural gas purchases, estimates of customer curtailment impacts, and repair of the facility

Consumers is to file its findings with the MPSC by April 7. Commission staff is to file their report by May 8. Outside stakeholders can also provide input in the case docket by May 8.

Once the investigations are complete, the MPSC may propose remedial action.

The emergency incident prompted Gov. Whitmer to request in a Feb. 4 <u>letter</u> to the MPSC's chairman that the Commission assess the state's supply and availability of natural gas, electricity, and propane, recommend ways to mitigate risk, and ensure safe, reliable energy.

The Governor asked the MPSC to include in its assessment:

- The Commission's infrastructure planning criteria and methods around distribution, transmission, and generation (including contingency plans).
- Existing planning processes for electric and natural gas utilities, and best practices for integration.
- Links and gaps between real-time operational reliability and infrastructure planning for long-term reliability.
- Demand response and mutual assurance protocols by natural gas utilities and opportunities for enhancement.
- Contingency risks, interdependencies, and vulnerabilities of supply and/or delivery disruptions from physical and/or cyber security threats as well as a cost estimate of potential enhancements.
- Adequacy of Commission rules addressing customer safety, reliability and resiliency, and utility notifications.
- Evaluation of the existing gas efficiency program.
- Identification of areas or types of systems most at risk.

The initial report, due by July 1, is to evaluate whether systems are adequate to account for changing conditions and extreme weather (Case No. U-20464). The Commission has created a <u>listserv</u> and web page -- <u>www.Michigan.gov/energyassessment</u> -- to keep the public informed.

A draft outline of the assessment will be posted to the <u>web page</u> by Tuesday and interested parties have until Feb. 19 to offer their input on the draft. Comments can be sent to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909, or emailed to <u>mpscedockets@michigan.gov</u>. A final draft outline will be available March 5.

Once a final report is complete by Sept. 13, the MPSC is to direct utilities to address any identified shortfalls, including but not limited to recommendations for changes to energy planning criteria and approaches, regulatory review, and proposed oversight improvements.

For information about the MPSC, visit <u>www.michigan.gov/mpsc,</u> sign up for one of its <u>listservs</u>, or follow the Commission on <u>Twitter</u>. To watch a livestream of the MPSC's meetings, <u>click here</u>.

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