STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, to review its response to the novel coronavirus (COVID-19) pandemic, including the statewide state of emergency, and to provide guidance and direction to energy and telecommunications providers and other stakeholders.	)	Case No. U-20757

At the July 23, 2020 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Daniel C. Scripps, Commissioner
Hon. Tremaine L. Phillips, Commissioner

ORDER

Introduction and Purpose

Michigan is facing an unprecedented situation with the novel coronavirus (COVID-19) pandemic threatening human health and disrupting the economy. Since March 10, 2020, Michigan has been operating under a state of emergency and state of disaster as declared by

Governor Gretchen Whitmer[1] to respond to and limit the spread of COVID-19. During this tumultuous period in our state's history, it is of utmost importance to maintain the safety, reliability, and accessibility of critical infrastructure, including energy and telecommunications services under the jurisdiction of the Michigan Public Service Commission (Commission).

During this pandemic, a plethora of issues have surfaced and have been addressed by the Commission and other entities to ensure utilities have the resources, authorizations, and guidance to operate effectively and provide continuity of service. In addition, with abrupt disruptions to households and businesses across the state, and stresses on governmental support systems, such as unemployment and energy assistance programs, the Commission emphasized the need for special protections for customers to access utility services and to assist those struggling with utility bills. On April 15, 2020, the Commission issued an order in this docket (April 15 order) describing its efforts to date to respond to the COVID-19 pandemic. *See*, April 15 order in Case No. U-20757, pp. 4-8. In addition to summarizing its own actions, the April 15 order directed electric, natural gas, and telecommunications providers under its jurisdiction to complete a number of actions in the following areas: (1) customer protections and affordability, (2) accounting treatment, (3) regulatory activities, (4) energy assistance coordination, (5) energy

[1] On July 14, 2020, the Governor issued Executive Order 2020-151 extending the state of emergency and state of disaster until August 11, 2020. The state of emergency and state of disaster is related to, but distinct from the Governor's Stay Home, Stay Safe executive orders which began with Executive Order 2020-21 that directed Michigan residents to remain at home or in their place of residence to the maximum extent feasible effective March 24, 2020, at 12:01 am through April 13, 2020, at 11:59 p.m. The stay at home order was extended by multiple executive orders including Executive Order 2020-42, Executive Order 2020-59, Executive Order 2020-70, Executive Order 2020-77, and Executive Order 2020-92. Executive Order 2020-100 again extended the stay at home order effective through June 12, 2020. However, on June 1, 2020, Governor Whitmer lifted the stay at home order removing the requirement for individuals to stay at home as much as possible but keeping certain safety measures and social distancing in effect.

waste reductions and demand response continuity, and (6) broadband access and expansion efforts.

Specifically, rate-regulated energy utilities were directed to:

1. Consult with Commission Staff (Staff), on or before April 30, 2020, on the energy utility's practices and plans to address challenges and opportunities to improve affordability for customers, including options for payment flexibility, opportunities to support energy assistance programs, and customer education and outreach. This consultation addressed all customer classes, with an emphasis on customers impacted by governmental orders due to COVID-19 response, and those financially or medically impacted by COVID-19. Consultation could be done individually or in groups.

2. Provide advance notification to the Commission prior to filing any new rate case between now and August 1, 2020, and consult with the Staff prior to filing to discuss timing and substantive considerations.

3. File a statement of affirmation in this docket, on or before April 20, 2020, that the following minimum protections are in place for vulnerable customers related to bill payment, disconnection of service, and reconnection of service:

    a. Protections for Michigan's low-income customers and seniors–suspend disconnections for Michigan's most vulnerable populations, low-income and senior customers, through June 1, 2020, and waive late fees for eligible low-income customers receiving energy assistance.

    b. Protections for customers medically affected by COVID-19–allow for customers exposed to, quarantined, or infected by COVID-19 to be eligible for an additional 30-day medical hold to suspend a disconnection service. The criteria and eligibility provisions for this medical hold were in addition to those set forth in Mich Admin Code, R 460.130.

    c. Restoration of electric and gas service–waive deposits and reconnection fees for low-income customers, seniors, and customers experiencing financial hardship related to COVID-19 and seeking restoration of electric or natural gas service.

    d. Offer financial and customer assistance–extend access to and flexibility of payment plans to customers financially impacted by COVID-19 and provide customer assistance personnel with the resources necessary to connect customers to available financial assistance and social service agencies.

e. Safeguard customers and workforce employees–safeguard customers and utility workers by limiting face-to-face contact through the closing of office lobbies, focusing efforts to provide emergency and critical infrastructure-related activities, and adopting COVID-19 best practices as outlined by the State of Michigan and the Center for Disease Control and Prevention (CDC).

April 15 order, pp. 9-10. Similar to rate-regulated utilities, the Commission also directed electrical and natural gas cooperatives to respond to the April 15 order to provide affirmation of their shutoff protections. *Id*., p. 10. The Commission further directed investor-owned utilities (IOUs) to provide a report on residential disconnection notices, shutoffs, and reconnections pursuant to its authority under MCL 460.55, 460.56, 460.556, and 460.556 and the Commission billing rules (Mich Admin Code R 460.151). *Id*., p. 11. The reports were due to the Commission no later than April 30, 2020, and every two weeks thereafter, through June 30, 2020. *Id*.

With respect to energy assistance in the form of bill payment, payment plans, and the Low-Income Heating Assistance Program (LIHEAP), the Staff were also directed to continue to work with the Michigan Department of Health and Human Services (MDHHS), Michigan Energy Assistance Program (MEAP) grantees, utilities, and other partners to support streamlining, opportunities to leverage funding, outreach, and education. *Id*., pp. 12-13. The Commission also directed the Staff to develop a work plan and to convene electric and natural gas providers with the goal of ensuring continuity and contingency planning for energy waste reduction (EWR) and demand response (DR) programs. *Id*., pp. 18-19.

The April 15 order also sought comment from the public on two topics, one of which being utility accounting issues that may arise from extraordinary costs tied to utilities' response to the pandemic. The Commission stated that it is amenable to utilities tracking certain costs for prudency reviews in response to potential cost recovery requests in the future. *Id*., p. 14. The

Commission also noted the potential for utility savings resulting from lower power supply costs or project deferrals. As such, the Commission sought public comment on the following:

- categories of COVID-19-related extraordinary costs that the Commission should consider authorizing utilities to track (utilities to include actuals to date and projections);
- potential cost savings associated with impacts due to COVID-19 (utilities to include actuals to date and projections);
- potential external sources of revenue that may provide reimbursement for COVID-19-related expenses; and
- options for tracking extraordinary costs, how the cost is calculated, including specific accounting treatment, time periods during which costs should be tracked, and appropriate carrying charges, if any.[2]

Id., pp. 14-15.

The Commission also sought comment on its plan for continuing its regulatory activities, specifically requesting comment on COVID-19 related impacts on the following activities as well as suggestions for addressing these impacts:

- statutory or rule compliance
- tariff compliance
- reporting requirements
- filing deadlines
- pilot projects
- Commission workgroup activities, including MI Power Grid as discussed above[3]

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[2] The deadline for comment submissions was April 30, 2020, with reply comments due no later than May 13, 2020.

[3] The deadline for comment submission was April 30, 2020, but the Commission noted that it would continue to accept comments as issues arose.

Affirmations and Utility Reports Regarding Disconnections, Shutoffs, and Reconnections

The following energy providers timely filed affirmations of customer protections in compliance with the April 15 order: Northern States Power Company of Wisconsin (NSP-W), Upper Peninsula Power Company (UPPCo), Consumers Energy Company (Consumers), DTE Gas Company (DTE Gas), DTE Electric Company (DTE Electric), Upper Michigan Energy Resources Corporation (UMERC), Indiana Michigan Power Company (I&M), Alpena Power Company (Alpena), Cloverland Electric Cooperative, Alger Delta Cooperative Electric Association, Cherryland Electric Cooperative, Thumb Electric Cooperative, Great Lakes Energy Cooperative, Presque Isle Electric & Gas Cooperative, Homeworks Tri-County Electric Cooperative, Ontonagon County Rural Electrification Association, Bayfield Electric Cooperative, SEMCO Gas Company (SEMCO), Citizens Gas Fuel Company (Citizens Gas), Michigan Gas Utilities Corporation (MGUC), and Superior Energy Company (Superior Energy).

On May 27 and 28, 2020, Alpena, UPPCo, Consumers, DTE Energy Company (DTE), I&M, SEMCO, and NSP-W filed affirmations extending customer protections until June 12, 2020. UMERC and MGUC submitted informal affirmations to the Staff extending their customer protections until the end of the pandemic.

The following is a list of energy providers that are subject to the Commission's billing rules who timely filed reports describing residential shutoffs and reconnection practices in response to the April 15 order: Alpena, Consumers, DTE, I&M, NSP-W, UMERC, UPPCo, MGUC, and SEMCO. Other energy providers, Citizens Gas, Superior Energy and Lansing Board of Water and Light, that are not rate-regulated by the Commission, also filed timely reports.

As directed by the Commission, the Staff created a reporting template for providers to use in providing the required, shutoff and reconnection information. The reporting template consists of four requests for information:

1. An account of efforts made to determine which occupied residences within the utility's service territory do not have natural gas and/or electric service.
2. The number of occupied residences within the utility's service territory that do not have natural gas and/or electric service as a result of a shutoff due to non-payment.
3. The number of occupied residences within the utility's service territory that do not have natural gas and/or electric service as a result of any reason other than non-payment broken down into the following categories: unauthorized use, safety, access, and other.
4. What actions the utility has taken to reconnect natural gas and/or electric service for occupied residences, particularly those involving low-income or elderly individuals, or individuals impacted by the COVID-19 pandemic.

Through consultations between the Staff and IOUs, utilities added to the report specifications on whether disconnected households are confirmed or unconfirmed to be occupied; whether the customer receives electric, gas, or both services; and data concerning the number of customers with unpaid balances for periods of 30, 60, or 90 days along with the associated dollar amounts of unpaid balances. The reports also included whether those customers were enrolled in a payment plan to address unpaid balances. The disconnection reports filed by each utility are available for public viewing in this docket, Case No. U-20757, and so, for brevity purposes, a full recounting of the household numbers included in these reports will not be done here. Rather, the Commission summarizes below the efforts by each utility to determine which of its customers are disconnected and the progress being made to reconnect service to these customers.

Based on the reporting, it is clear that the research and outreach efforts by utilities to determine the number of disconnected households in their service territories coupled with extensive efforts to reconnect these customers has led to a more complete understanding of disconnected and connected customers and the reasons for disconnections. Most importantly, according to the data obtained through July 9, 2020, 1,657 households that were shut off due to non-payment have had their service restored, and 1,899 households that were shut off due to reasons other than non-payment have also had their service restored. The utility-specific summaries follow.

In its reports, NSP-W explained in response to question one that it has conducted outreach via telephone and site visits to affected customers. For natural gas service, the company reported initially that three customers in total do not have natural gas service due to non-payment.[4] In response to question three, NSP-W explained in the "other" category that the three disconnected customers were either: (1) premise occupied and the customer does not want gas service reconnected, (2) premise assumed to be occupied and customer is unresponsive, or (3) the company was unable to determine occupancy and has left phone messages. In response to question four, the company stated that Xcel Energy, Inc.[5] modified its payment arrangements to accommodate COVID-19 impacts and to allow for lower than normal down payments for deferred payment arrangements. NSP-W's most recent July 7, 2020 report showed the company's disconnected customers declined to two natural gas customers. Furthermore, the company showed an increase in the number of customers with unpaid balances for 30 days and 60 days, but a decline in the number of customers with unpaid balances for 90 days or more.

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[4] NSP-W did not specify whether these three customers were non-low-income, non-senior, senior, or low-income customers.

[5] NSP-W is a subsidiary of Xcel Energy, Inc.

In its reports, SEMCO's response to the first question was that it does not have a system to track residential occupancy but developed a system to comply with the Commission's April 15 order which identified residential locations that do not have natural gas service. The company also conducted customer outreach and additional research to identify customers that may have established natural gas service at a different location. In response to question four, SEMCO explained that it has been conducting customer outreach to provide information regarding the State Emergency Relief (SER) program, sharing assistance options for reconnection, following up with customers who had previously received assistance, and training customer service representatives on available assistance and referral options. Initially, the company reported 251 non-low-income/non-senior customers and 57 low-income customers that have had natural gas service shut off due to non-payment. SEMCO also reported that 98 residences do not have natural gas service due to safety reasons and 154 residences do not have natural gas service due to access. Subsequent reports showed a decline in disconnected customers and an increase in some categories of customers enrolled in a payment plan to address arrears.

In its initial report responding to question one, I&M stated that it used the last known valid phone number for each residential location disconnected between November 1, 2019, through present to inform customers of options for reestablishing service and available assistance. I&M in its first filing, reported 115 non-low-income/non-senior customers and nine low-income customers that have had electric service shut off due to non-payment. I&M reported 68 customers that did not have electric service due to unauthorized use, two customers that did not have electric service due to safety reasons, two customers that did not have electric service due to access reasons, and 57 customers that did not have electric service due to other reasons (those reasons include customer initiated disconnection, fire, service cut at pole, zero use, temporary service, seasonal home, and field inspection). In response to question four, I&M explained that it has initiated a variety of payment options, deferring new customer deposits, and informing customers about new energy assistance options. Subsequent reports showed a decline in disconnected households and a decrease in the number of customers in arrears.

Consumers' response to question one explained that the company has compiled a list of customers who remain disconnected for non-payment and made phone calls to these residences to determine if the residence is occupied and whether service can be reconnected. The company used additional forms of outreach, including automated phone calls and emails, drive-by inspections, and mailed letters if phone calls were unsuccessful to determine occupancy.

On April 30, 2020, Consumers reported that 836 non-low-income, non-senior customers, three senior customers, and 99 low-income customers did not have electric service due to non-payment. For its natural gas service, Consumers reported that 799 non-low-income/non-senior customers, 20 senior, and 89 low-income customers did not have service due to non-payment. The company also reported 469 customers did not have electric service due to unauthorized use, 273 customers did not have natural gas service due to unauthorized use, and four customers did not have natural gas service due to access reasons. In addition, Consumers reported that it had 1,427 residential customer requested disconnects, 1,896 residential current occupant disconnects, and seven residential households that are disconnected and could not be identified pursuant to the Fair and Accurate Credit Transactions Act requirements. Subsequently, Consumers reached out to the occupied households to encourage reconnection and to provide information on accessing assistance. In subsequent reports, Consumers showed a decline in overall totals of disconnected customers and a decrease in all categories of arrears.

As to its efforts to reconnect customers, Consumers explained that it waived reconnection fees for customers impacted by COVID-19; removed late payment charges for impacted customers; encouraged customers with inability to pay concerns to utilize state assistance such as the SER program; enrolled customers in payment plans; informed agency partners that any disconnected customer referred to Consumers would be enrolled in a payment pan and reconnected with no fee, late payment charges, or down payment; and conducted customer outreach comprised of social media posts and website updates.

In response to question one in its initial report, UPPCo stated that when disconnections are done physically, the technician reports on whether the premise is occupied and other observations including eviction notices, shutoff notices, realtor signs, and the condition of the property, among others. For remote disconnections, the company attempts to contact the customer or conduct a site visit. UPPCo reported one non-low-income/non-senior customer that did not have electric service due to nonpayment. UPPCo reported zero customers under question three, which asked for the number of customers that do not have service due to reasons other than non-payment. The company stated that it has attempted to contact customers via phone, email, and mail to restore service and makes referrals to the MDHHS and MEAP when appropriate. In its second report, UPPCo responded to question one stating that it has not performed any non-voluntary disconnections since its April 30, 2020 report and noted that it has one disconnected customer who is staying with a relative and will be assisted by UPPCo to reconnect service upon reoccupying her property. UPPCo had no customers to report in response to questions two and three. In terms of arrearages in subsequent reports, UPPCo showed a decline in the number of customers in arrearages in all categories.

In response to question one, DTE stated in its initial filing that it has analyzed all meters disconnected for non-payment to determine if there is active service for the premise and conducted outreach to those households to attempt to contact the occupant and restore service. DTE reported that 2,024 non-low-income/non-senior customers and 530 low-income customers did not have electric service due to non-payment. For its natural gas service, the company reported that 248 non-low-income/non-senior customers and 796 low-income customers did not have natural gas service due to non-payment. DTE reported that 5,245 customers did not have electric service due to unauthorized use; 2,217 customers did not have natural gas service due to unauthorized use; 251 customers did not have natural gas service due to access reasons. In response to question four, DTE explained its detailed outreach campaign consisting of a first attempt consisting of phone calls, a second attempt with phone calls and emails followed by on-site wellness checks. DTE states that it restored service to those sites that were determined to be occupied. If no one responded to DTE through the wellness checks, information was left at the door about how to reconnect service. The company also noted that it waived service restoration down payments and fees. DTE's subsequent reports showed a decline in the overall number of disconnected customers and in its data on unpaid bills, as well as an increase in the number of customers enrolled in payment plans to address unpaid bills in the 60-days or more category.

In its first report, UMERC explained in response to question one that it tracks accounts that are without service due to non-payment and includes them in a fall audit where the sites are visited to determine occupancy and provided information for reconnection. The company also explained its Mass Reconnect campaign that commences every December to restore service for the cold weather season. UMERC reported no customers without electric and/or natural gas service for non-payment or other reasons. In describing its efforts to reconnect electric and/or natural gas service, UMERC recounted its fall audit process, site visits to determine occupancy, its Mass Reconnect process, outreach via phone calls, flexible payment arrangements, email communication to customers, and website updates regarding COVID-19. In a subsequent report, UMERC reported four disconnected electric customers and, for unpaid balances, showed a decline in every category based on the number of past due days.

In its initial report filed on April 30, 2020, MGUC explained in response to question one that it has made phone calls to customers shown to be off service due to non-payment in an attempt to restore service. MGUC reported 360 non-low-income/non-senior customers, three senior customers, and 22 low-income customers that do not have natural gas service due to non-payment. MGUC reported that six customers do not have natural gas service due to unauthorized use and noted that the company does not track customers that are inactive due to safety or access reasons or customers that have requested service shutoffs because of moves, repairs/construction, or seasonal reasons. As to question four, MGUC stated that it has reached out to customers via notices attached to billing, phone calls, and website updates to inform customers that it is waiving reconnection fees and deposits, referring customers to outside assistance agencies, and providing flexible payment options for low-income and senior customers. All customers flagged as disconnected due to non-payment, giving priority to low-income and senior customers, receive calls from live agents to offer flexible payment arrangements for restoring service. In subsequent reports, MGUC explained in response to question one that it has made phone calls to customers without service due to non-payment in an attempt to restore service. The most recent report shows a decline in the total number of disconnected households and the data on unpaid balances including significant declines in every category.

Initial Public Comments

In the April 15 order, the Commission sought public comment on utility accounting for COVID-19 related expenses and COVID-19 related impacts to regulatory activities. Comments were due no later than April 30, 2020, and reply comments were due no later than May 13, 2020. By April 30, 2020, the Commission received 16 public comment filings, and from May 1 through July 13, 2020, 34 comment filings from individuals, energy providers, and stakeholder organizations were received. While some comments were filed past the May 13, 2020 deadline, the Commission has still reviewed and considered their contents. The following is a brief summary of comments received.

Highland Park Water Department commented that it will be voluntarily completing the reporting for customer protections required by the Commission and noted that 48% of the population in its service area is below the poverty level. Additionally, Highland Park Water Department commented that its wholesale billing rates prevent it from accruing additional funds to provide customer protections.[6]

Citizens Utility Board of Michigan (CUB) advocated for the Commission to track customer arrearages as a category for which relief can be provided and recommended payment forgiveness of up to $200 for customers behind on their utility bills due to COVID-19. CUB also provided suggestions for a framework for determining extraordinary costs incurred by utilities stating that costs uniquely attributable to COVID-19, such as costs associated with sequestration, personal protective equipment (PPE), and increases in uncollectibles accounts, should be eligible for recovery but not costs associated with general business risks. Lastly, CUB suggested developing

[6] The Commission's order does not address water service, and the Commission does not regulate water utilities in the state.

categories of customers who are subject to the protections set out in the April 15 order given that the order mentioned protections for "customers experiencing financial hardship" but did not clearly define this term. Noting the unprecedented nature of this pandemic, CUB supported an increase in low-income customer eligibility to 200% of the federal poverty guideline.

ExteNet Systems, Inc., a communications provider, provided comments focusing on how the Commission can support telecommunications providers during the pandemic. Specifically, the company requested that the Commission issue an order that does the following: (1) require utility pole owners to give wireless providers non-discriminatory and equal access to utility poles and contractors, (2) reaffirm that wireless telecommunications providers are critical infrastructure workers, and (3) encourage municipalities to expediently process applications for placement of small wireless facilities.

The Michigan Electric and Gas Association (MEGA) provided comment on two topics, accounting for COVID-19 related expenses and COVID-19 related impacts to regulatory activities. With the caveat that information is still being gathered and the circumstances of each utility considered, MEGA explained that utilities are incurring extraordinary costs including the need for equipment and services to support continued service and utility employees and that the Commission should consider the tracking and deferring amounts associated with foregone revenue beyond uncollectible expenses. MEGA also responded to the Commission's consideration of savings that a utility may incur as a result of the pandemic, stating that "savings" may be a misnomer considering that lower power supply costs are already captured in power supply cost recovery (PSCR) and gas cost recovery (GCR) proceedings and should not be considered an offset. MEGA describes other examples of potential savings, requesting that such utility savings not be considered in a vacuum but be considered along with recognition of revenue deferment resulting from reduced sales.

MEGA continued by pointing out that external resources such as the federal Coronavirus Aid, Relief, and Economic Security Act, PL 116-136, 134 Stat 281 (March 27, 2020) (CARES Act) could help customers pay utility bills and reduce uncollectible expenses. MEGA also requested that the Commission expand tracking and deferrals for additional revenues and expenses, that the date for such tracking and deferrals go beyond the date that stay at home orders are lifted, and that flexibility be granted to the utilities in accounting treatment.

As to COVID-19 related impacts on regulatory activities, MEGA listed the following that should be considered for extensions or waivers: (1) requesting extensions and waivers for various filing and deadlines applicable to utilities; (2) flexibility in meter testing and reading requirements; (3) extra time for utility marking infrastructure under the damage prevention program (MISS DIG); (4) safety compliance work; (5) gas main retirement, replacement, and reporting; (6) gas facility relocations and other practices; and (7) adjustments to requirements based on sales.

Consumers' comments focused predominantly on COVID-19 related expenses, COVID-19 related savings, and accounting treatment and tracking. Consumers suggested that the following categories of expenses should be considered COVID-19-related expenses: sequestration labor and support, home reserve labor costs, health and safety costs, work-from-home costs, and enhanced infrastructure replacement project labor (increased operations and maintenance (O&M)). Consumers anticipates its COVID-19 related expenses to accrue at a monthly rate of \$2.2 million to \$15.3 million and requests authorization to defer these costs at a carrying charge set at the short-term debt rate. As to savings, Consumers stated that its revenue losses offset any savings and that savings in power supply costs are being reflected in downward adjustments of the GCR and PSCR factors. If permitted to defer COVID-19 related expenses, Consumers explained that it would reduce 2020 operating expenses, establish a regulatory asset, and seek recovery in a general rate case.

Consumers also provided comments on COVID-19 impacts on regulatory activities explaining that the challenges of COVID-19, namely the reduction or suspension of in-person operations, have impacted the company's ability to comply with applicable statutes and regulations related to manual meter reading, testing/installation of new meters, routine inspections or surveys of company equipment, new construction, gas safety requirements, and potentially service metric requirements. Consumers explained that tariff compliance is also an issue and the company is therefore utilizing discretionary features available in some tariffs. The company noted that reporting requirements and filing deadlines have not yet posed a problem but indicated its support for extending deadlines and using technology for workgroups and pilot workplans.

DTE's comments responded to the Commission's request for input on COVID-19 related accounting and regulatory impacts. DTE identified three categories of COVID-19 related expenses, including sequestration costs, health and safety costs, and PPE, that the company believes require specific accounting treatment. The company also noted that it may seek regulatory relief for home reserve labor costs in the future. DTE explained that the significant load loss and reduction in productivity due to health and safety measures are creating challenges for the company. DTE explained it is tracking its sequestration, home reserve labor, health and safety, and PPE costs as well as flagging certain incremental O&M costs that are related to COVID-19. The company further explained that for the tracked costs it seeks to recover it would request a regulatory asset and recommends carrying charges be applied at the short-term debt rate. With respect to savings, DTE stated that its power supply costs have decreased as well as other categories and may constitute potential savings. The company did not identify any direct external sources of revenue but mentioned that the federal CARES Act may assist customers in paying utility bills and that it may pursue tax credits made available by the legislation.

I&M responded to the Commission's request for comments related to accounting of COVID-19 related expenses with similar positions to DTE Energy and Consumers. I&M explained that it is tracking COVID-19 related expenses and stated that it is evaluating multiple O&M categories of expenses as well as revenue losses associated with suspending disconnections, late fees, credit card fees, bad check fees, reconnection fees, and certain deposits. As for savings, I&M stated that it cannot determine savings at this time but does not expect large savings to result from its COVID-19 response. I&M also explained that its savings from reduced load is flowing through its PSCR factors. The company requested that it not be required to track and defer savings that are not directly related to COVID-19. I&M did not identify any external resources that may provide direct reimbursement for its COVID-19 related response. I&M recommends that the Commission broadly authorize tracking and deferral of COVID-19 related expenses for subsequent recovery beginning March 24, 2020, and continuing until the pandemic is no longer impacting utility expenses and revenues. The company suggested an annual proceeding that would allow the utilities to update the Commission on COVID-19 impacts and ratemaking treatment. As to other regulatory impacts, I&M asked that EWR targets be adjusted to reflect load impacts and that new enrollment for customer choice programs be halted temporarily.

Sierra Club began its comments by asking the Commission to establish guidelines for virtual participation in the Commission's proceedings and regulatory activities and urge utilities to ensure public participation in stakeholder processes. Sierra Club suggested using the State Court Administrative Office's Michigan Trial Courts Virtual Courtroom Standard and Guidelines as a model for virtual participation and that the Commission continue to encourage broad participation and public comment. Noting the important issues such as customer protections and affordability currently being addressed by the Commission, Sierra Club suggested that the Commission make a concerted effort to engage members of the public in these conversations and to ensure access for customers without internet access or English language proficiency.

The Union of Concerned Scientists (UCS) indicated that current customer protections actions by the utility are too limited in applying only to seniors and low-income program enrollees and that customer protections are inconsistent across different utilities in the state. UCS requested that the Commission direct utilities to cease shutoffs for the duration of the COVID-19 crisis, establish income-based rates for customers who cannot afford their current rates, ensure utilities clearly communicate customer protection information, ensure residential rates are not unfairly increased to cover utility revenue loss, halt negative reporting to credit agencies due to non-payment of utility bills, implement arrearage forgiveness, and consider expanding energy efficiency and distributed solar programs.

The Commission also received substantially similar comments from several individuals requesting that the Commission implement a moratorium on shutoffs, ensure that energy bills are based on ability to pay during the COVID-19 crisis and recovery, and invest in resilient energy resources like solar.

Reply Comments

In its reply comments, CUB advocated for the Commission to require utilities to forgive up to $200 in arrearages for eligible customers and for a revision to the 150% federal poverty standard used to determine eligibility as a low-income customer to expand eligibility "for programs such as winter protection." CUB's reply comments, p. 3.

The Association of Businesses Advocating Tariff Equity (ABATE) filed reply comments pertaining to the tracking of extraordinary costs and savings and asked the Commission to clarify what costs are truly extraordinary and ensure that costs that are tied to the economic downturn not be subject to recovery. Additionally, ABATE recommended that utility savings be tracked as well. In response to utility requests for recovery of increased O&M expenses, ABATE averred that these requests should be met with scrutiny and that utilities should heed the Governor's message in sharing the economic burden brought on by COVID-19. ABATE also stated that the utilities' requests to earn interest at either the short-term debt rate or weighted average cost of capital (WACC) should be denied. ABATE commented on Consumers' downward adjustment of its PSCR and GCR factors and urged the Commission to require other utilities to adopt the same practice. ABATE expressed support for Consumers' statement that it intends to waive certain penalty provisions in its tariffs due to its inability to manually read meters. ABATE also commented on DR, EWR, and choice programs requesting that DR customers not be assessed any penalty or have their energy use curtailed and that the Commission reject I&M's request to alter EWR targets and its request to suspend new enrollment in customer choice programs.

Consumers filed its reply comments and responded to CUB's request to track and forgive unpaid bills for low-income customers and support for Consumers' Affordable Resource for Energy program. Consumers states that it disagrees with CUB to the extent that the company would be required to forgive customer debt without an associated funding mechanism to recover those costs. In response to Sierra Club's customer outreach position related to Consumers' integrated resource plan (IRP), Consumers recounted its efforts to gain stakeholder input and its plans to continue to do so for the 2021 IRP. Consumers also expressed support for I&M's suggestion to establish a separate proceeding to examine a utility's request for recovery of tracked COVID-19 costs and suggested that a tracking mechanism for COVID-19 cost recovery be effective beginning January 1, 2020.

Energy Michigan focused its reply comments on affordability and customer protection, recommending that the Commission ensure that cost of service principles are adhered to in order to prevent cost shifting among ratepayer classes with an effort to relieve low-income households of high cost energy burdens. Energy Michigan also asked that schools only be charged actual costs of utility service, and that utilities be required to allow commercial and industrial customers to switch to non-demand-based tariffs under temporary and emergency conditions.

The Michigan Energy Innovation Business Council (EIBC) together with Advanced Energy Economy Institute (AEE) filed reply comments suggesting that utilities consider financing options that are at historically low interest rates in lieu of deferring and capitalizing COVID-19 related expenses. EIBC and AEE also noted that utilities may want to consider incentivizing remote EWR projects that do not require PPE. With respect to regulatory activities, EIBC and AEE expressed support for the Commission's flexibility in continuing its regulatory functions and asked the Commission to uphold the goals of MI Power Grid and continue its support for EWR programs.

MEGA's reply comments began by stating that some comments were outside the scope of COVID-19 related matters and that some suggestions such as adjusting already approved rates must be done in compliance with the law. MEGA also pointed out that an "eligible low-income customer" is a term defined by Commission rules subject to the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et seq*., and that blanket forgiveness of unpaid bills over $200 in existence prior to the stay at home order would put utilities at further financial risk without guaranteed deferral and recovery.

In its reply comments, the Staff recommended that the Commission refrain from setting a termination date for tracking and deferring uncollectible expenses and approve the continued tracking of certain COVID-19 related costs as well as foregone revenues. The Staff also suggested that the Commission direct any utility seeking deferral of COVID-19 related expenses to make an informational filing by November 2, 2020, describing the utility's expenses, foregone revenues; estimated return on equity (ROE) of tracked cost categories, including uncollectibles that may be approved for deferred accounting treatment and cost categories not approved for deferred accounting treatment; and other information. In response to comments on regulatory impacts, the Staff requests that the Commission order that any waiver request be specific and narrowly tailored and that if any general procedures for waivers have appropriate timeframes for responses to waiver requests. The Staff also requested that the Commission not waive the gas pipeline safety rules and allow the Staff to address unavoidable delays on a case-by-case basis and that the Commission require DTE Gas to maintain its commitments to certain inside meter programs. Replying specifically to Sierra Club and I&M, the Staff recounts the Commission's efforts to transition to virtual participation, and with respect to customer choice and EWR programs, the Staff suggested that the Commission may want to consider changes to these programs based on load variations. The Staff also addressed EWR and DR programs and how to expand these programs to low-income customers explaining that the Staff is developing a workplan to examine EWR and DR targets as well as best practices for serving low- and moderate-income customers.

The Michigan Department of the Attorney General (Attorney General) recommended in reply comments that the Commission require each utility to provide additional information in their bi-weekly shutoff reports to get a clearer picture of customer payment trends. As to the accounting and tracking of costs to the utilities during the pandemic, the Attorney General asked the Commission to consider the following: (1) impacts on costs, savings, and revenues need to be considered on a net revenue basis in the context of an annual revenue requirement from the company's last rate case; (2) utilities should adopt the spirit of shared sacrifice and recover only 80% of costs incurred; (3) a reconciliation of costs incurred should be done at the end of the year and be based on actual costs not forecasts; (4) reducing impact to customer bills, utilities should offset costs with any gains for sale of assets or other refundable amounts to customers; (5) making clear to utilities that they are to take steps to minimize costs; (6) utilities should not seek recovery for non-measurable or difficult to measure costs; (7) carrying charges should not be applied; and (8) any reductions in power supply costs should be passed on to customers via the PSCR and GCR factors. The Attorney General also asked that it be permitted to file surrebuttal testimony instead of videoconference cross examination in contested cases and that the Commission implement the recommendations set out in the National Association of State Utility Consumer Advocates May 12, 2020 resolution where applicable.

The Ecology Center, Michigan Environmental Council, Natural Resources Defense Council, and Work for Me DTE (together, Ecology Center) submitted joint reply comments focused on customer protection and affordability, data collection, and utility accounting. With respect to customer protection and affordability, Ecology Center suggested that the Commission direct utilities to design plans to assist customers with payments, expand energy assistance, increase enrollment outreach to troubled customers, increase EWR program efforts, and increase stakeholder input. Ecology Center also agreed with UCS' comments to implement income-based rates. Similar to the Attorney General, Ecology Center asked that an additional 27 points of data be collected on a regular basis in a more interactive and uniform reporting system. Responding to previous comments on utility accounting, Ecology Center argued that only specifically defined extraordinary costs should be recoverable, speculative and unfounded costs like worker productivity should not be recoverable, and savings should be tracked along with costs and passed on to customers. Ecology Center also recommended that the Commission direct utilities to take advantage of current low capital costs and consider lower O&M costs and delayed rate base projects as sources of savings. Ecology Center also disagreed that the federal CARES Act is not a source of external funding for utilities and suggested that the Commission work with utilities and the State Budget Office to assess the applicability of this funding to utility COVID-19 costs.

In its reply comments, DTE expressed support for a consolidated proceeding to determine the appropriate categories of recoverable costs and a cost recovery true-up mechanism for COVID-19 related deferred expenses as a separate surcharge beginning January 1, 2021, with an annual reconciliation proceeding.

Sierra Club provided reply comments asking that the Commission ensure utilities are passing along benefits of reduced power supply costs to their customers and taking steps to adjust their generation commitments, dispatch, and fuel usage to reduce costs to customers. Sierra Club also urged the Commission to reject I&M's request to adjust EWR targets and instead aggressively pursue ways to expand energy efficiency and recommended that DTE Gas and Consumers provide greater clarity and justification for waiving certain gas regulations. Lastly, Sierra Club supported CUB's comments.

A number of individuals, the City of Grand Rapids, and Soulardarity submitted comments after the deadline set in the April 15 order. Recognizing the dynamic nature of emerging issues related to COVID-19 over the past few months and the broad issues covered in this open docket, the Commission has reviewed and includes these comments for summary. The comments from several individuals echoed previous comments asking that the Commission implement a moratorium on shutoffs, ensure that energy bills are based on ability to pay during the COVID-19 crisis and recovery, and invest in resilient energy resources such as solar. Comments from M. Leszczynski and Sharon Donati asked that the Commission: (1) implement a shutoff moratorium for the duration of the state of emergency; (2) require utilities to restore service to all customers who had previously been disconnected from electric and gas service; (3) establish income-based rates; (4) issue guidance for utility communications about financial assistance; (5) ensure rate increases are not used to cover COVID-19 costs; and (6) advance long-term energy affordability with renewable energy deployment.

The City of Grand Rapids submitted comments on June 15, 2020, asking that the Commission require the disconnection report data to be organized into demographic and zip code categories and posted in a place easily accessible by the public, extend the shutoff moratorium until August 31, 2020, and support utilities in engaging with low-income customers.

On July 3, 2020, Soulardarity submitted comments in support of those provided by CUB and the Sierra Club and asked that the Commission implement a shutoff moratorium and direct utilities to restore service to disconnected customers. Additionally, Soulardarity urged the

Commission to formulate a transparent process to examine the long-term effects of the pandemic on energy affordability and take steps to transition to more renewable clean energy.

<u>Discussion</u>

The Commission would like to acknowledge the efforts of the energy providers, telecommunications providers, other stakeholders, and the Staff in complying with the April 15 order; gathering information that will aid the Commission in its COVID-19 response; and continuing their response to the COVID-19 pandemic to minimize adverse impacts to customers, utility employees, and reliability of energy and telecommunication infrastructure during this uncertain time. The Commission recognizes the difficulty in responding to this unprecedented event that is continuously changing and impacting various areas of energy and telecommunication operations. The Commission would also like to thank the members of the public, energy providers, stakeholders, and the Staff who provided comments and reply comments with helpful insight and recommendations.

Before addressing the public comments, the Commission takes this opportunity to provide an update on the Commission's actions taken in response to the pandemic since the April 15 order was issued. The Commission has continued its monitoring of the pandemic, participated in the Governor's COVID-19 task forces and other response activities through the State Emergency Operations Center (SEOC), led the state's Critical Infrastructure stakeholder group, engaged with energy and communications providers and stakeholders, and provided regular updates of the COVID-19 response through the Commission's website and other communications. An important area of emphasis by the Commission has been on maintaining reliable and affordable energy and reaching out to customers and partnering organizations with information on various energy assistance programs and customer protections. The Commission coordinated with

MDHHS and several utilities on a special program, LIHEAP Energy Direct, that streamlines the energy assistance process for low-income customers behind on their utility bills and leverages the federal LIHEAP funding with a 25% contribution from the participating utilities to pay off the customer's arrearage balance.

The Commission's outreach actions related to customer protections and energy assistance include the following:

- In partnership with the Governor, the Attorney General, and MDHHS, the Commission issued multiple press releases urging Michiganders to be proactive if they're struggling to pay their utility bills by reaching out to their energy providers and seeking financial assistance if they have lost a job or their income has been impacted amid the coronavirus pandemic.

- Statewide Energy Assistance Advisory and Radio Public Service Announcement: The Commission reviewed educational materials and public service announcements summarizing the available statewide energy assistance programs and utility information to provide consistent messaging across Michigan utilities and to be distributed via social media, websites, newsletters, direct mail, utility bill inserts, radio ads, and school meals distribution.

- Distribution of energy assistance outreach toolkits to partnering organizations: The Commission helped distribute energy assistance information to consumer advocacy and low-income assistance organizations by providing a summary of outreach efforts and an "outreach toolkit" that included samples of social media posts, newsletter content, and public service announcements.

- Providing energy assistance information and resources to other State of Michigan agencies and legislators: To ensure prominent and consistent energy assistance messaging**,** the Commission is working with other agencies to provide content and propose changes to make energy assistance information more accessible. The Commission also distributed the energy assistance outreach toolkit to legislators to help promote awareness.

- Outreach in Spanish and Arabic: The Commission is working to expand the accessibility of its customer education materials to individuals with limited English proficiencies and translating social media content, newsletter content, and the COVID-19 response webpage into Spanish and Arabic.

- Social Media: The Commission has and will continuously share energy assistance information and resources through its Twitter and LinkedIn accounts and provide content

> for the Department of Licensing and Regulatory Affairs and the State of Michigan to share through social media accounts.

The Commission has also engaged in consultations with utilities and stakeholder groups, namely DTE Energy, Consumers, and MEGA with its utility members to improve data collection regarding disconnected households with a focus on low-income and senior customers. As a result of these consultations, the Staff gained a clearer picture of the utilities' efforts to provide customers with payment flexibility, ascertain the number of disconnected customers, and contact those disconnected customers to restore service. As noted above, more than 3,500 Michigan households have had their utility services reconnected as a result of this effort.

Moving on to the public comments, the Commission has carefully reviewed the comments and reply comments and will respond to the topics that were noted in the April 15 order, utility accounting issues and regulatory impacts, as well as other pertinent topics raised in comments, namely, customer protections and affordability, telecommunication service, and virtual participation and transparency in Commission activities and proceedings.

A. Accounting Treatment of COVID-19 Related Costs

1. Defining Extraordinary Costs

In the April 15 order, the Commission acknowledged that utilities are likely to incur extraordinary costs including uncollectible or bad debt expense, and other unanticipated costs and noted its openness to utilities tracking certain categories of cost for prudency review in any future potential requests for recovery. The Commission noted that, "such cost categories should be clearly defined, be a direct result of responding to the COVID-19 pandemic and include such costs that would have significant impacts on utilities and ratepayers if not able to be tracked in this fashion." April 15 order, p. 14. The Commission then asked for comments on what categories of extraordinary costs utilities should be authorized to track. *Id*. In response, multiple commenters asked that the Commission clearly define what constitutes extraordinary costs either with the input of stakeholders through a further comment period or through a stand-alone proceeding.

At this time, the Commission declines to explicitly define what constitutes extraordinary costs and declines to direct utilities to track or defer any specific category of expenses related to their COVID-19 response beyond the Commission's previous authorization set forth in the April 15 order for utilities to track and defer uncollectible expenses. First, it is difficult to adequately define the appropriate cost categories to provide additional direction based on the information submitted in this docket. Second, while the Commission recognizes that there are costs that may be extraordinary from the standpoint that they are outside the utility's control and were not considered when setting the utility's current rates, there may also be unforeseen savings or revenues, as well as deliberate cost-saving measures taken by the utility to mitigate the financial impacts of COVID-19 over the course of this year. The Commission cannot consider one side of the equation—that is, cost increases—in isolation and not have a fuller picture of the utility's overall financial conditions. Therefore, the Commission denies the utilities' request to grant accounting deferrals for additional categories of expenses beyond uncollectible expense, at this time. The Commission finds that the most appropriate path moving forward is to address any potential cost recovery issues through an informational filing as described by the Staff. In its reply comments, the Staff recommended permitting utilities seeking recovery of COVID-19 expenses to make an informational filing with the Commission. The Commission agrees that this would be a constructive and efficient means to evaluate utility spending in response to the pandemic.

Regarding potential cost recovery for utilities' COVID-19-related expenses, the Commission finds it important to point out the financial hardship that individuals and businesses across the state are experiencing. While rate-regulated energy providers are lawfully entitled to recover reasonably and prudently incurred expenses related to the cost of service, this is also an opportunity for the utilities to share the economic burden that has been brought on by the pandemic and approach cost recovery with the spirit of shared sacrifice.

Should a utility seek special accounting treatment of COVID-19 costs beyond uncollectible expenses, the Commission instructs the utility to submit an informational filing no later than November 2, 2020, with updated information and actual dollar amounts for each cost (and forgone revenue) category that the utility seeks to defer. Additionally, for each cost/revenue item that the utility is seeking to defer, the utility filing should contain the following information for calendar year 2020:

1. Cost / Forgone Revenue Category
   a. A narrative explaining: (1) the cost, what is included in it, and why it should be approved for deferral; (2) how the cost is calculated, including any specific accounting treatment; (3) the time period for which the cost category should be tracked; and (4) the appropriate carrying charge, if any;

   b. Cost included in rates (for each month);

   c. Actual cost incurred through most recently available data (for each month) or estimated actual cost for remainder of months for 2020 (for each month);

   d. Tracked Amount, which is calculated as the actual amount less the amount included in rates;

   e. Estimated ROE if this cost category is approved in full for deferred accounting treatment (and all other cost category requests are denied in full);

   f. Estimated ROE if this cost category is not approved for deferred accounting treatment (and all other cost category requests denied).

2. Total estimated ROE if all tracked cost categories including uncollectibles are approved for deferred accounting treatment or eventual recovery.

3. Total estimated ROE if all tracked cost categories including uncollectibles are not approved for deferred accounting treatment or eventual recovery.

4. Quarterly financial results for each of the first three quarters, including ROE on a financial basis and a regulatory basis for each quarter.

5. Information on earnings per share (EPS): expected EPS, revised EPS, guidance on dividends, and actual dividends paid.

A rate-regulated utility that elects to submit this information filing should also include explanation and justification of its uncollectible expenses. This informational filing is only required for those utilities pursuing deferral/recovery of COVID-19-related costs and forgone revenue not already reflected in the uncollectibles deferral. A rate-regulated utility that seeks recovery of uncollectible expenses only through the uncollectible deferral does not need to submit the informational filing; the uncollectible deferral will be addressed in the utility's next general rate case or another appropriate proceeding with an opportunity for parties to challenge the reasonableness of the utility's recovery request.

Interested parties, including the Staff, may file reply comments to the November 2, 2020 informational filings no later than November 23, 2020.

With respect to the time period in which utilities may track and defer uncollectible expenses, the Commission agrees with several commenters that March 24, 2020, is the appropriate start date for the tracking and deferral of any COVID-19 related expenses. While the number of new COVID-19 cases and deaths have improved since the April 15 order and the Governor continues to implement the MI Safe Start: A Plan to Re-engage Michigan's Economy allowing previously shuttered businesses to open and prohibited activities to resume, there is a still a significant level of uncertainty as to how long the pandemic will remain a threat to public health and how long the associated economic impacts will be felt. Thus, the Commission declines to assign a termination date for tracking and/or deferring COVID-19 related expenses at this time. The Commission shall review the reasonableness of the time frame in which utilities tracked and/or deferred COVID-19 related expenses along with the reasonableness and prudence of the expenses themselves in an appropriate proceeding.

In public comments, DTE, Consumers, and I&M asked the Commission to authorize a carrying charge be applied to deferred COVID-19 expenses, suggesting using either the short-term debt rate or the pre-tax WACC. I&M's comments, p. 11; DTE's comments, p. 6; Consumers' comments, p. 4. The Commission declines to authorize a carrying charge to be applied to deferred uncollectible expenses, or any other COVID-19 related costs or forgone revenue, at this time. This does not preclude a utility from requesting a carrying charge in a future proceeding, at which time, the Commission will evaluate the merits of the request.

2. Savings

Several commenters raised the issue that if energy providers are tracking expenses related to their response to COVID-19, they should be required to track and report savings resulting from the pandemic as well. Commenters also asked that the Commission direct utilities to actively seek out savings through a variety of means such as taking advantage of low-interest rates to refinance long-term debt, delaying non-essential O&M or avoiding capital investment, and evaluating whether any contracts can be terminated if not needed due to reduced loads.

Ensuring the delivery of safe and reliable energy at reasonable rates is the cornerstone of the Commission's regulatory role and is especially important during an extended pandemic that has created so much financial uncertainty for individuals and businesses across the state. Customer protection and affordability are a centerpiece of the Commission's COVID-19 response and utility savings play an important part in ensuring affordability and providing for the continuity of the utility's critical infrastructure operations during uncertain financial conditions. While there are opportunities to cut costs, and the Commission is supportive of utilities pursuing cost savings to mitigate the financial impacts of COVID-19, the Commission also recognizes that certain utility investments in tree trimming, equipment and maintenance, storm response, and replacement of aging, at-risk infrastructure are also essential to sustain service—perhaps even more so during a pandemic—given the impact that deferred spending could have on the safety and reliability of utility services. Through public comment, consultations with rate-regulated utilities, and filings at the Commission, the Commission has learned that the utilities are realizing cost savings, including a reduction in power supply costs that has led to lower PSCR and GCR factors.[7] The Commission supports these adjustments and notes that adjusting the PSCR and GCR factors is in the best interest of the utility so as to prevent an overrecovery which is refunded to customers at a higher interest rate than an underrecovery. MCL 460.6j(16). With this incentive to keep the PSCR and GCR factor as closely tied to actual costs as possible and the utilities' proactive response in adjusting factors, the Commission declines to explicitly direct utilities to make adjustments to the PSCR or GCR factors. However, the Commission notes that planned and actual expenditures for power and gas supply costs will be closely reviewed for prudency in each utility's PSCR/GCR plan and reconciliation proceeding.

Responding to the recommendations to direct utilities to pursue specific cost-saving measures, the Commission notes that it is a creature of statute and as such is limited in its authority to direct utility management decisions. *See*, *Union Carbide Corp v Pub Serv Comm.*,

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[7] Current PSCR factors are available on the Commission's website. Power Supply Cost Recovery Factors, https://www.michigan.gov/mpsc/0,9535,7-395-93308_93325_93423---,00.html (July 2020).

431 Mich 135, 148; 428 NW2d 322 (1988). Therefore, the Commission declines to direct the rate-regulated utilities to pursue specific avenues of cost savings such as refinancing long-term debt, adjusting generation or dispatch, delaying non-essential O&M or avoiding capital investment, or canceling contracts. However, the Commission gives notice now that any request for cost recovery of COVID-19 related expenses will be subject to an audit and prudency review that will include examining the company's actions to mitigate costs and take advantage of savings where reasonable to do so. This review will take place in a traditional rate case proceeding or in the review of the optional November 2, 2020 informational filing for utilities seeking deferral or cost recovery of expenses beyond uncollectible expense. Expenditures that are deemed imprudent will not be approved for cost recovery. As to the recommendations for utilities to track savings as well as expenses, the Commission also declines, at this time, to direct utilities to track any specific categories of potential savings. That being said, the Commission encourages efforts by the utility to mitigate COVID-19 expenditures with savings opportunities whether those arise from reduced O&M projects, reduced travel, revised generational dispatch strategies affecting plant operations, or reduced vehicle fleet usage, to name a few examples. The Commission's decision to not direct any specific savings tracking does not preclude a utility from doing so no its own initiative. Any savings that are tracked voluntarily by a utility should be included in the optional November 2, 2020 informational filing to provide the Commission with a complete financial picture of the impacts of COVID-19 on the utility.

3. External Resources

In the April 15 order, the Commission requested comment on potential external resources that may provide reimbursement for extraordinary costs related to the pandemic response. Commenters pointed the Commission to the federal CARES Act as a source of indirect benefit to the utilities in that the act provides financial assistance to individuals who could then use those funds to pay their utility bills. DTE also noted that it anticipates pursuing any tax credit that may be available pursuant to the federal CARES Act but that at this point, any tax credit opportunity is still speculative.

The Commission declines to direct utilities to pursue any specific external resources for relief from COVID-19 impacts. As the pandemic continues and economic impacts continue to be felt across the country, federal and state governments are continuing their response efforts which may include economic relief or other resources available to energy and telecommunications providers. The Commission advises that it will consider a utility's decision whether to pursue available external resources as part of its prudency review of expenses in a cost recovery proceeding.

B. Regulatory Impact

1. Waivers

The April 15 order asked for public comment on potential impacts COVID-19 could have on the Commission's regulatory activities and duties including statutory or rule compliance, tariff compliance, reporting requirements, filing deadlines, pilot projects, and Commission workgroup activities. In response, MEGA requested that the Commission implement an expedited process in which a waiver or extension request could be considered and if not acted upon in three days, would be considered granted. MEGA's comments, pp. 7-8. Energy Michigan also suggested that the Commission waive the 12-month limitation requirement that prevents tariff switching.

The Commission declines to adopt MEGA's recommendation for waivers and extensions because a three-day turnaround for responding to a waiver or extension request is patently unreasonable, precludes any meaningful review by the Commission or affected stakeholders, and could result in unintended consequences if waivers and extensions were granted so broadly. The Commission finds that its current process for considering waivers is adequate to meet the needs of energy providers even under COVID-19 conditions and that MEGA has not demonstrated that significant harm will come to energy providers if waivers and extensions are not granted in the manner requested. The Commission notes that parties may also seek expedited consideration of any waiver or extension request if an urgent matter should arise. Therefore, the Commission will continue to require that requests for waivers and extensions be narrow and specifically tailored.

The Commission also takes this opportunity to reaffirm its commitment to electric and gas safety and state that requirements put in place to ensure customer and public safety will not be waived at this time. In response to the Staff's request, the Commission reiterates that utilities are to continue meter move out programs, main replacement programs, and meter assembly check programs as applicable. The Staff will continue to work with utilities to troubleshoot and address any issues with these programs. In addition, the Commission specifically rejects MEGA's request to grant additional time to mark infrastructure under the MISS DIG program.

As to Energy Michigan's request, the Commission declines to alter the 12-month limitation requirement. Although Energy Michigan notes that the limitation exists primarily for administrative purposes, the limitation is in place for a variety of reasons including preventing unintended cost shifting between rate classes. Therefore, the Commission leaves in place the 12-month limitation requirement and encourages utilities to pursue flexible payment options for such customers impacted by COVID-19 and the constraints of these existing tariffs.

2. Energy Waste Reduction and Demand Response

The April 15 order addressed the importance of EWR and DR programs and their role in increasing energy efficiency and affordability for ratepayers. While affordability is especially vital while COVID-19 impacts persist, the virus poses certain challenges for utilities in carrying out their EWR programs which require significant in-person customer interaction and visits to homes, businesses, and other facilities. In the April 15 order, the Commission directed the Staff to develop a work plan and to convene energy providers other stakeholders to identify: (1) potential impacts on meeting energy or demand saving targets and ways to mitigate such impacts and ensure program continuity, and (2) best practices for continuing to serve low- to moderate-income households, including those impacted directly by COVID-19, and related outreach.

The Staff filed its report from the EWR/DR workgroup on June 15, 2020, in this case. *Covid-19 and Its Impact on Utility EWR Programs, EWR Low Income Programs and Demand Response Programs*, filing #U-20757-131 (June 15, 2020). The following is a summary of the report. The full report is available for public viewing in the E-Dockets feature of the Commission's website.

As an initial matter, the Staff convened stakeholders, including those previously involved with the existing EWR Collaborative, Low-Income Workgroup, and DR Collaborative and sent to energy providers a survey regarding their EWR and DR programs. In addition to the survey, the EWR Collaborative held teleconference meetings on April 21 and May 19, 2020, and the Low-Income Workgroup held teleconference meetings on May 1, May 14, and May 28, 2020, to discuss the effects COVID-19 would have on specific low-income programs and measures. At the Low-Income Workgroup meetings, the Staff and participants addressed best practices for continuing to serve low-income customers and ways to mitigate impacts on low-income customer programs. The following topics were considered in administering low-income EWR programs:

- PPE Standards: PPE standards are currently being developed, adopted, and implemented through training and certification from Santa Fe Community College (SFCC), which are based on standards set by the federal Occupational Safety and Health Administration and the CDC that exceed the standards in the Governor's 2020-70 and 2020-77 Executive Orders. Utility PPE and customer interaction standards also meet and exceed the executive orders.

- Workforce: Because of the pandemic's impact on energy efficiency workers, utilities should consider training certifications such as the SFCC COVID Workplace Safety Certificate. The workgroup discussed how utilities should also take into account increased costs and time for ensuring safety for utility workers and contractors in the field as well as the manpower challenges for weatherization program contractors.

- Flexibility: Utilities identified flexibility as a key consideration in continuing EWR programing because of the drastic changes in program delivery and need to make adaptations. Utilities requested flexibility in the following areas: (1) low-income eligibility levels, (2) Commission regulation with the possibility of lowering EWR standards or pro-rating for the time available to deliver, (3) pilot programs specific to COVID-19 response, (4) deadlines related to receiving rebate information, and (5) serving elderly and rural customers who may have difficulty with virtual audits.

- Safety: Utilities have attempted to ease customer apprehension by reaching out with information regarding safety protocols and sending surveys to contractors, utility representatives, and customers with COVID related questions.

- Income Eligible Programs: These programs continue to be in demand with certain areas of need, such as refrigerators and furnaces, being especially prevalent. Continuing to process and prioritize applications is important to avoid a backlog as well as coordination with contractors to address in-need customers first.

- Growing Need: Because of the rise in the number of customers who are experiencing financial hardship but may not be eligible for income-based programs, the workgroup discussed whether to reevaluate eligibility criteria and the low-income definition.

- Marketing and Education: Outreach to customers in bill payment assistance programs or other assistance programs with energy efficiency program information was also considered.

For EWR programs described in the report, the Staff identified public health and safety and energy affordability as common themes in the survey. In the report, the Staff explains how, upon realizing the spike in energy usage that would result from the Stay Home, Stay Safe Executive Orders, many utilities reached out to customers with information on how to reduce energy usage at home and put together energy savings kits, which included LED lightbulbs, nightlights, programmable smart thermostats, faucet aerators, and future home energy audit savings opportunities, among other things, to be mailed to customers. In terms of impacts on EWR programs, the utilities stated that while in-person activities had to be reduced or halted, the large utilities were able to make adjustments to their programs to ensure their EWR savings goals would not be adversely impacted. According to the report, the smaller utilities may have more difficulty in maintaining their EWR programming due to no-contact restrictions and PPE needs for all employees.

The report also offered recommendations from the Staff based on input from utilities and stakeholders which include the following:

- To ensure the safety of employees and customers, utilities and their implementation contractors should adopt uniform safety guidelines and protocols in line with the standards set forth in Executive Order 2020-70 and Weatherization Assistance Program (WAP) standards.

- As to meeting legislative EWR targets, the Staff recommends that the Commission allow the utilities that are unable to meet the 1% target to carry forward any under achieved savings shortfalls into the program year 2021, or in other words allow a multi-year savings achievement of 2% for the years 2020 and 2021. The Staff recommended a similar multi-year achievement allowance for utilities receiving the financial incentive mechanism for targets beyond the 1% minimum.

- The Staff recommends continued dialogue and collaboration between the Staff, utilities, and stakeholders to address the impacts of COVID-19 on EWR programs to ensure these programs are maintained and accelerated to achieve energy and monetary savings.

As to DR programs, the report summarizes the issues raised in the questionnaire issued by the Staff and during the May 19, 2020 workgroup meeting, namely: (1) safety; and (2) DR targets, including regional transmission organization (RTO) capacity markets, IRPs, financial incentives, and enrollment targets. The safety issues for DR programs are less prevalent than for EWR because there is less demand for face-to-face interaction in DR implementation, but utilities are nonetheless following safety guidance from executive orders, the CDC, and other experts. The report notes that while DR programs are not subject to legislative targets, they have other target obligations such as capacity commitments made to a utility's assigned RTO and in a utility's IRP. Consumers and DTE anticipate that they will be able to meet their RTO targets, as well as the targets set out in their respective IRPs. Also, while not required, the utilities provided information on their DR program enrollment numbers which are helpful for evaluating demand and marketing effects.

Overall, the Staff recommended in the report that no changes be made to DR programs at this time. However, because the impacts of COVID-19 have been wide-ranging and oftentimes unanticipated, the Staff identified the following risks for continued monitoring:

- customer participation and priorities;
- uncertainty in economic conditions and recovery;
- potential complications with future DR resource accreditation based on 2020 load profiles; and
- cost-effectiveness.

To begin, the Commission would like to thank the Staff, utilities, and stakeholders for their participation in the collaborations and workgroups, as well as all of those who submitted comments in this docket related to EWR and DR programs. To emphasize the point made by the Staff in the report, that although COVID-19 has posed challenges to EWR implementation, the value of these programs in terms of energy and financial savings for utilities and customers cannot be understated. As such, the Commission is committed to supporting energy providers in accelerating EWR efforts, especially in terms of expanding EWR opportunities to low- and moderate-income customers. Part of that support will include a continued dialogue between the Staff, utilities, and stakeholders as recommended by the Staff in its report. Thus, the

Commission directs the Staff to continue the EWR, Low-Income, and DR workgroups/collaboratives.

The Commission has considered the insight and feedback provided in the report and public comments, the approved utility EWR programs filed in EWR and IRP cases, and the statutes governing EWR set out in 2016 PA 342 (Act 342). With respect to the suggestion for allowing flexibility in meeting EWR targets, the Commission notes that MCL 460.1077 (Section 77) sets minimum EWR targets that rate-regulated utilities must achieve each year—1% of the retail sales for the preceding year for electric service and 0.75% of retail sales for the preceding year for natural gas service. Similarly, the financial incentive mechanism set out in MCL 460.1075 prescribes an incentive amount to a corresponding target beyond the minimums set out in Section 77. Because these annual targets and incentives must be implemented in accordance with the statutory provisions in Act 342, there are limits on the ability waive or adjust these targets or incentives. Therefore, the Commission declines to adopt the Staff's suggestion to allow a two-year achievement period for the EWR targets and financial incentive mechanism or to lower the minimum statutory target by any other means. However, the Commission will consider recovery for costs in 2021, that are reasonably and prudently incurred to achieve EWR savings beyond the 1% in the event savings are not achieved in the preceding year.

The Commission understands the need for flexibility because of the challenges posed to EWR programs specifically. Concerning cost recovery, the Commission also acknowledges that creative solutions may be needed to address the issues brought on by COVID-19 and will therefore approach cost recovery requests for pilot programs or other creative measures with this understanding.

As outlined in the Staff report, a major concern identified by the Staff is energy affordability. Because the cheapest energy is ultimately the energy that is not used, as repeatedly documented by Commission reports detailing EWR's cost effectiveness, EWR programs play a significant role in reducing energy costs and it is important to ensure that all customers, especially low- and moderate-income customers have access to these energy saving opportunities. In the report, the Staff outlined the utilities' efforts to continue to process applications and the utilities' desire to revise programming eligibility to meet the growing need of customers who are experiencing recent financial hardship due to the pandemic, and to expand eligibility to Asset Limited Income Constrained Employed (ALICE) customers. The Commission supports continued efforts to improve the design and delivery of programs serving low-income customers but declines to modify the definition of "low-income customer" for the purposes of determining eligibility under the traditional EWR low-income programs. At this time, the Commission supports the previously articulated 200% of federal poverty level standard for the income eligibility standard set by the Commission in the December 4, 2008 order in Case No. U-15800 (December 4 order)[8] and approved for application in specific utility cases,[9] but also directs the Low-Income Workgroup to address possible ways to expand income eligibility.

The Commission notes that the 200% of the federal poverty line standard aligns with WAP and helps facilitate coordination between EWR programs and WAP. The Commission recognizes that other energy affordability and assistance programs may have different income

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[8] The December 4 order was a temporary order, effective for no more than one year, to implement 2008 PA 295, within 60 days of the legislation going into effect.

[9] *See*, January 23, 2018 order in Case No. U-18261, Attachment B to the settlement agreement, p. 2; *see also* March 20, 2018 order in Case No. U-18262, Attachment A to the settlement agreement, p. 8.

requirements, namely the MEAP and LIHEAP using 150% of the federal poverty level based on applicable statutory or rule requirements. Through the appropriate proceedings or avenues outside of this docket, and based on additional input from stakeholders, the Commission is open to changes to improve program administrative efficiencies by better aligning income thresholds, verification processes, and delivery of various programs. Importantly, this should also be done in a way that fundamentally improves the customer experience for those navigating these various program requirements, processes, paperwork, and available services. While it may not be able to be changed immediately, the Commission would support attempts to work with other agencies and stakeholders to sync up eligibility criteria for these various low-income programs through changes to state and federal requirements. In addition to providing greater alignment of income-qualified programs, the Commission supports further consideration of new or expanded EWR programs to serve customers that do not meet the 200% of federal poverty level but are struggling with energy affordability, such as ALICE customers or those experiencing high consumption levels. This could include enhanced customer incentives for EWR and customer support beyond the traditional EWR programs.

In order to monitor the utilities' efforts to reach low- and moderate-income customers, the Commission directs rate-regulated utilities to file a report on October 23, 2020, and again on January 22, 2021, detailing their most up-to-date efforts to expand EWR programs to low- and moderate-income customers.

In addition, the Commission finds that existing stakeholder processes—including the existing Low-Income Workgroup—are well suited to consider these opportunities to better integrate assistance programs with utility EWR programs. Such discussion should also consider eligibility criteria for both assistance programs and utility EWR offerings, as well as opportunities to more efficiently and effectively serve the needs of low-income customers. The Commission directs the Staff to produce a report summarizing the utility reports described above and outlining any additional recommendations no later than February 25, 2021.

As to the recommendations for income self-certification, the Commission understands the calls for increased flexibility but cautions that there is a continued need for accountability in the income verification process with requisite documentation given the expense of EWR programs and the need to ensure these program benefits go to customers that qualify.

Lastly, the Commission accepts the Staff's recommendation to maintain the DR programs as they are with continued monitoring of the potential risks as outlined by the Staff in the report.

C. Customer Protections and Affordability

1. Measures to Ensure Customer Protection and Affordability

A central theme of the comments received was the need to ensure that customers have access to affordable electric and natural gas service and flexible payment options during this time of financial uncertainty and hardship. Recommendations for customer protections included arrearage forgiveness up to $200, implementing income-based rates, a moratorium on shutoffs, expanding low-income assistance programs and including automatic enrollment and self-certification, raising the federal poverty line from 150% to expand the number of people who qualify for financial assistance programs, implementing long-term flexible payment plans, increasing communication with customers about financial assistance resources and flexible payment options, and expanding renewable energy sources such as solar.

The Commission understands that customer protections and ensuring affordability during this crisis is of vital importance. However, some recommendations provided in comments are beyond the scope of this proceeding, outside the authority of the Commission to carry out within an order or are already being addressed by energy providers. For instance, the eligibility for the primary programs providing funding for low-income energy assistance—LIHEAP and MEAP—are based on federal requirements and state law, respectively. Moreover, the definition of "low-income customer" is defined by a Commission regulation, Mich Admin Code, R 460.102(n) for the purposes of consumer standards and billing rules and changes would be best considered through the rulemaking process set out in the Administrative Procedures Act of 1969, MCL 24.201 *et seq*. Additionally, issues concerning the integration of additional renewable energy including community solar are being addressed in renewable energy plan dockets as well as in the MI Power Grid initiative. Therefore, the Commission declines to implement any of these specific proposals as part of this docket.

While the Commission declines to adopt the specific proposals listed above, it is taking steps to ensure customer access to reliable energy at reasonable rates. Since the April 15 order, the Commission and energy providers, in concert with state and federal financial assistance and emergency response agencies and programs such as the SEOC, MDHHS, MEAP, and LIHEAP have worked to coordinate and provide assistance to vulnerable customers across the state. As noted by energy providers in the disconnection reports and affirmations described in a previous section, utilities ceased shutoffs for at least seniors and low-income customers through June 12, 2020; waived late fees, deposits, and reconnection fees for low-income, senior, and other eligible customers; extended a 30-day medical hold to customers exposed to or diagnosed with COVID-19; implemented flexible payment plans for customers requesting assistance; and are conducting outreach to customers via phone call, email, company website updates, mail to provide information on available financial assistance programs. Customers receiving shutoff notices are also receiving information about energy assistance and special payment options, and other ways to get help with their utility bills. Special payment options and flexibility are still being provided by utilities, and energy assistance funding is available to support those in need.

In terms of direct financial assistance, during the month of June 2020, an additional \$17.49 million from the federal CARES Act funding for LIHEAP was made available to 40,895 Michigan households with past-due utility accounts to be issued through MDHHS directly to the customers' utility accounts. In addition, the utilities participating in these programs (DTE, Consumers, and SEMCO) waived 25%, or \$4.94 million, of the outstanding bills. The Commission also notes that it has approved the Low-Income Assistance Credit and the Residential Income Assistance Credit in utility rate cases to provide additional assistance to low-income customers. The Commission monitors the subscription levels, program design, and cost of these programs to ensure they are meeting customer needs, and such issues are also regularly raised as part of rate case proceedings and low-income focused stakeholder workgroup discussions facilitated by the Staff.

The Commission also realizes the importance of making information about assistance readily available to customers and has included on its homepage a "Learn More" link to information about COVID-19" and a "Get Help" link that includes resources available to residential and business customers as well as telecommunication service resources. The Commission is encouraged by energy providers' efforts in providing similar information via their own company websites or direct communications with customers such as phone calls, emails, and letters.

To ensure the continuation and improvement of these customer protection efforts through the course of the pandemic, the Commission hereby directs the Staff to continue communication and collaboration with energy and telecommunications providers and stakeholders for the purpose of identifying and addressing issues as they arise. Specifically, the Commission directs the Staff to work with energy utilities and other stakeholders on potential improvements to affordable payment plans offered by the utilities. Many of these issues have also been raised in recent rate case proceedings, and the heightened concerns over energy affordability resulting from the pandemic add urgency to improving options for customers needing assistance or flexibility in paying utility bills. The Commission further directs Staff to produce a summary of the discussions involving affordable payment plans and other assistance, including any recommendations to improve these programs, and to file the summary in this docket no later than December 15, 2020. The Commission recognizes the uncertainty associated with this pandemic and the importance of understanding and addressing ongoing impacts for customers of energy and telecommunications services, and believes these specific processes can contribute needed improvements to program and service delivery to low-income customers and others impacted by COVID-19.

Finally, the Commission reinforces its direction from the July 9, 2020 order in Case No. U-20835 (July 9 order) where the Commission encouraged continued coordination by DTE Electric, the Staff, and stakeholders to develop and move forward on, among other things, "efforts geared at improving affordability for low-income customers through special rate discounts, reform of energy assistance, and targeted energy waste reduction (EWR) programs." July 9 order, p. 7. Parties should work to align these efforts, and others undertaken by other utilities, with the directives included in this order. It is the Commission's hope that the timeline articulated above allows for the ideas surfaced in these discussions and the associated recommendations to be incorporated into future rate cases, including those filed in 2021, or in other proceedings as noted in the July 9 order.

2. Rates for Schools, Universities, and Community Colleges

One specific suggestion raised in comments was that public and private schools and universities should be granted flexibility in their rate schedules due to significant and sudden reduction in load energy usage resulting from closures. Energy Michigan's comments, p. 4. As noted by Energy Michigan, MCL 460.11, requires that rate schedules for public and private schools, universities, and community colleges reflect the actual cost of providing service to those customers. The Commission declines to take specific action with respect to the rate schedules for schools, universities, and community colleges because the Commission cannot deny utilities the recovery of reasonable and prudent expenses for its energy services and utilities have demonstrated a willingness to provide payment flexibility requested by Energy Michigan. Therefore, the Commission defers to the terms of the rate schedules to dictate payment while encouraging utilities to continue their flexibility for customers adversely impacted by COVID-19.

3. Curtailable and Interruptible Demand Response Customers

ABATE expressed concern in its comments that curtailable and interruptible demand response customers who have had substantially reduced load due to the pandemic would have their service further curtailed or interrupted or be subject to penalties or fees for overriding a curtailment or interruption. ABATE asks that these interruptions, fees, or penalties not be imposed. ABATE's comments, pp. 5-6. The Commission declines to take specific action at this time with respect to relieving demand response customers of future curtailment, interruption, or fees and penalties. As mentioned by ABATE, the Commission issued a Demand Response Survey on May 6, 2020, and is continuing to gather information as to what the impacts on future DR will be. The information received in the survey was reflected in the Staff's report on DR.

As discussed previously, DR programs have not been impacted to the extent that EWR programs have and the Commission finds it appropriate to maintain DR programs as they are while monitoring the risks described by the Staff. Additionally, the tariffs for these customers allow for discretion when assessing fees and penalties without allowing a broad exemption that could undercut the purpose of demand response programs during a peak event.

4. Reporting of Utility Shutoff, Disconnections, and Reconnection Data

A major initiative discussed in the April 15 order is the collection of data from utilities regarding customer shutoffs, disconnections, and reconnection efforts. The reports containing this data were discussed in a previous section of this order. In comments, the Attorney General and MEC stated that the data requested by the Staff's disconnection report template was insufficient and made suggestions for additional data points that should be collected.

The onset of COVID-19 and the resulting need to restore electric and natural gas service to disconnected customers shined a light on the gap in the Commission's billing rules that do not require utilities to report the number of disconnected households and whether they are occupied or not. Utilities, especially the state's two largest, DTE and Consumers, undertook significant efforts to reach out to disconnected customers and households to determine occupancy, compile a complete picture of their disconnected customers, and reconnect more than 3,500 customers. Through consultations between the Staff and energy providers, shutoff information in the reports was reorganized (separating disconnected households into confirmed or unconfirmed as occupied; and electric, gas, or combined customers) and additional information was requested including the number of households in arrears and the corresponding dollar amount to provide better data transparency and clarity. The data gathered in these reports has assisted the Staff, energy providers, and other stakeholders in better understanding non-payment trends, especially for vulnerable households so that resources can be deployed strategically, programs designed or redesigned to serve those most in need, and in the long-term, revising rules to protect vulnerable populations during crises. More specifically, the data can help the Commission and energy providers understand the impacts over time of the COVID-19 pandemic and the economic stress it has put on residents' ability to pay for energy. While the substance of the data has been useful, the process has also been enlightening in that it has exposed shortcomings in how utilities track and understand shutoff meters, leading to utilities taking the initiative to improve their processes, especially for senior customers.

The short-term benefits of this data collection have been considerable; over 3,500 households previously disconnected have now had service restored at a time of crisis where customers may already be under considerable stress. The long-term benefits include improved utility tracking processes and additional benefits will be realized through continued reporting and further consultations between the Staff and energy providers. The Commission appreciates the patience of the Staff, energy providers, and stakeholders as it refined the data collection processes over the past several months.

To further this progress and in recognition of the uncertainty with the duration and full impact of the pandemic, the Commission finds that the filing of disconnection and shutoff reports, including data on unpaid bills, should continue in this docket, albeit on a monthly basis instead of a bi-weekly basis. Additionally, the Staff shall develop a revised template for the data reporting in consultation with the utilities and stakeholder groups that will allow for a strategic tracking of the impacts of COVID-19 and the changing economy on vulnerable households and file the revised template in this docket. At a minimum the consultation should consider the data categories on shutoffs and unpaid bills as was required by the April 15 order. The Commission is mindful of the reporting burdens this places on utilities, particularly smaller ones, and encourages the Staff and stakeholders to prioritize the metrics and frequency of data reporting in a manner that will be most impactful to understand customer trends and help evaluate the effectiveness of existing programs, such as payment plans, and the need for refinements going forward. Until the revised template is filed to the docket, the Commission directs the regulated utilities to continue submitting the data required in the existing template in this docket, Case No. U-20757, pursuant to the Commission's authority under MCL 460.55, 460.56, 460.556, and 460.557, and the billing rules (e.g., Mich Admin Code, R 460.151). Regulated utilities shall begin to use the revised template in the first month after it is filed in this docket and shall continue to file monthly reports thereafter until further order by the Commission.

5. Customer Choice Cap

I&M requested in its comments that the Commission temporarily suspend new enrollment in its customer choice program citing concerns that a decrease in customer choice load could create headroom under the cap for additional customers that will then exceed the 10% statutory limitation once normal load conditions resume. I&M's comments, p. 11. As the customer choice program is a statutory requirement with mechanics expressly set forth in the law, the Commission declines to suspend new enrollment in the choice cap or alter the requirements for the choice program.

D. Telecommunications

As noted in the April 15 order, the Commission has a more limited role in telecommunications services. Within its limited role, the Commission has continued to monitor the responses of telecommunications and broadband providers offering voice, internet and data services across Michigan. The Commission appreciates the 50 telecommunications and broadband providers operating in Michigan that pledged to keep operating under the Federal Communications Commission's Keep American's Connected (KAC) pledge, which was extended from May 12, 2020, to June 30, 2020. The Commission also acknowledges that some of these providers have also been offering additional assistance and service offerings to customers that have been above and beyond what has been committed in the KAC pledge.

Additionally, the Commission continues to monitor the actions of the Federal Communications Commission and the Universal Service Administrative Company as they make temporary changes to the consumer and provider requirements to allow consumers to maintain vital connections to Lifeline services during this pandemic.

Lastly, the Commission continues to highlight the importance of broadband in Michigan and the need to expand broadband into underserved and unserved areas, as well as the importance for access and adoption. During this pandemic, Michiganders have had to rely more heavily on broadband service for access to services such as telehealth, education, government operations, and work. Because of this increased need, the Commission, in partnership with Connected Nations Michigan, has developed a publicly available Wi-Fi hotspot map for Michiganders to use, especially for those who may not have access to broadband.[10] This Wi-Fi hotspot map was launched to the public on June 9, 2020.[11] The Commission understands that more work needs to be accomplished for broadband to reach households and businesses across the state and the

[10] Connected Nations, Wi-Fi Hotspot, http://cngis.maps.arcgis.com/apps/webappviewer/index.html?id=0d69accbb5ff422a82eccc2c9101b69d (last visited June 22, 2020).

[11] Mich Pub Serv Comm, State of Michigan Launches Online Map of Free Wi-Fi Hotspots to Help Residents Who Lack Access to Broadband Internet, available at https://www.michigan.gov/mpsc/0,9535,7-395-93253_93280-531407--,00.html (June 9, 2020).

Commission remains committed to offering technical assistance and support to the private sector and local, state, and federal partners to expand access, use, and adoption of broadband throughout Michigan. The Commission also continues to monitor the federal policy initiatives and activities of other states through participation on the National Association of Regulatory Utility Commissioners' Broadband Expansion Task Force.

E. Participation in Commission Proceedings

As described in the April 15 order, the Commission enacted its business continuity and pandemic plans and closed its Lansing office to the public on March 20, 2020. All Staff have been teleworking in conjunction with the Governor's Stay Home, Stay Safe Executive Order, limiting in-person governmental activities during the Governor's declared state of emergency. Commission meetings have been conducted virtually via Microsoft Teams Video Conferencing and allowing for public participation on the Microsoft Teams platform, email, or over the telephone. Meetings are recorded and a link to a livestream of the meeting is available on the Commission website. These practices have continued since the Commission's last order. In addition, multiple cross-examination hearings were held remotely during May and June, 2020, by administrative law judges for contested cases before the Commission with the support and participation by the Staff and other parties.

On June 1, 2020, the Governor lifted the Stay Home, Stay Safe order rescinding the requirement for individuals to stay home as much as possible outside of limited, necessary activities and allowing for various sectors of the economy to begin reopening under various restrictions. Social distancing and certain safety measures are still required to continue.[12] The

[12] Executive Order 2020-110 (June 1, 2020).

state of emergency declaration was set to expire on July 16, 2020. On July 14, 2020, the Governor extended the state of emergency until August 11, 2020.[13] As such, the Commission will continue its remote operations to protect the health and safety of the public as well as Commission Staff in compliance with the requirements of all applicable executive orders.

The issue of public and stakeholder participation in Commission activities and proceedings was raised in comments by multiple parties asking the Commission to put out guidelines for virtual participation, adopt certain virtual participation guides used by other government agencies, and broadly engage the public.

Public participation and transparency are vital in the Commission's operations. While COVID-19 has posed challenges to the normal means of engaging the public, the Commission and its Staff have made tremendous efforts to adapt to these challenges and maintain the quality of participation that is expected by the public. The Commission's first and foremost responsibility is to comply with the statutes and regulations governing its operation. The Commission must also comply with the state of emergency declaration and applicable executive orders and executive directives. Therefore, for the time being, the Commission office will remain closed to the public. Commission meetings will continue to be held virtually as permitted by law with the Commission remaining committed to further refine its technical capabilities and

[13] Executive Order 2020-151 (July 14, 2020).

improve the experience for viewers and participants.[14] In response to the comments and requests by stakeholders, the Staff has begun organizing a stakeholder process to discuss best practices for participation in Commission activities. The Commission will also be leaving this docket open to receive comments on the topics addressed in this order, remote virtual participation, and other concerns related to the Commission's COVID-19 response.

In terms of its internal operations, the Commission has begun implementing its strategy for return to in-person work with a near-term focus on gas safety field inspections and being able to open the Commission's office to support any mandatory, in-person meetings. Again, the Commission's priority is the safety of its Staff and the public, and therefore, the Commission will exercise the necessary caution and flexibility in bringing employees back into an office setting in conformation with State guidance. The Commission will continue its communication with energy and telecommunications providers, stakeholders, and the public to inform them of the Commission's return to "normal" operations.

Conclusion

The Commission appreciates the tremendous efforts of the Staff, energy and telecommunications providers, stakeholders, and members of the public for their participation in this docket. The issues brought on by the COVID-19 pandemic have been complex and required

[14] Executive Directive 2020-02 issued on March 13, 2020, required all public bodies of departments and agencies of the State of Michigan that must hold meetings to do so remotely through remote access technology including conference calling, real-time streaming, or other platforms until further notice. This Executive Directive followed Executive Order 2020-4 issued on March 10, 2020, which declared a state of emergency to address COVID-19. On July 14, 2020, the Governor issued Executive Order 2020-151 extending the state of emergency until August 11, 2020. On July 17, 2020, the Governor issued Executive Order 2020-154 extending the requirement for public bodies of departments and agencies of the State of Michigan to hold remote meetings for the duration of the state of emergency and 28 days thereafter.

swift, deliberate action and have posed enormous challenges for individuals and businesses across the state. Uncertainty exists as to the trajectory of COVID-19 cases in Michigan, and the economic and financial impacts are still being felt. Therefore, the Commission remains dedicated to acting within its jurisdiction and authority to provide appropriate assistance to Michigan ratepayers and telecommunications customers across the state.

THEREFORE, IT IS ORDERED that:

A. The Commission Staff shall continue communication and collaboration with energy and telecommunications providers for the purpose of identifying and addressing issues as they arise and discussing best practices for customer protection and affordability measures moving forward, and to file in this docket, no later than December 15, 2020, a summary of these efforts and any recommendations to improve utility affordable payment plans and other assistance options.

B. Investor-owned utilities shall continue to file a report in this docket detailing data on disconnected service to occupied and unoccupied residences and on unpaid utility bill balances and continue to file an updated report on a monthly basis using the existing template until the new data requirements are provided in the revised template to be submitted by the Commission Staff. The investor-owned utilities shall use the revised template thereafter to file an updated report on a monthly basis until further order by the Commission.

C. Any rate-regulated utility that seeks recovery of COVID-19 related expenses beyond uncollectible expense may make an informational filing with the Commission containing the details described in this order no later than November 2, 2020. Interested parties, including the Commission Staff, may file reply comments to the November 2, 2020 informational filings no later than November 23, 2020.

D. The Commission directs rate-regulated utilities to file a report on October 23, 2020, and on January 22, 2021, detailing their most up-to-date efforts to expand energy waste reduction programs to low- and moderate-income customers.

E. The Commission Staff shall continue the energy waste reduction, low-income, and demand response collaborations/workgroups with energy providers and stakeholders for the purpose of addressing the impacts of COVID-19 on energy waste reduction programs, ensuring these programs are maintained and accelerated to achieve energy and monetary savings, and discussing eligibility criteria for assistance programs and utility energy waste reduction offerings, as well as opportunities to more efficiently and effectively serve the needs of low-income customers. The Commission Staff shall produce and file in this docket a report outlining their findings and recommendations no later than February 25, 2021.

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

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to 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 mpscedockets@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

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of July 23, 2020.

Lisa Felice

Lisa Felice, Executive Secretary

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-20757

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 23, 2020 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).

Brianna J. Brown

Brianna Brown

Subscribed and sworn to before me
this 23rd day of July 2020.

Angela P. Sanderson

Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

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