



Gretchen Whitmer, Governor
Dan Scripps, Chair
Sally Talberg, Commissioner
Tremaine Phillips, Commissioner

NEWS RELEASE

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MPSC orders rehearing, new schedule for Enbridge Line 5 application in light of state's revocation of pipeline easement

The Michigan Public Service Commission today remanded a key issue in Enbridge Energy Ltd.'s application to relocate the Line 5 pipeline to a tunnel beneath the Straits of Mackinac, citing Gov. Gretchen Whitmer's revocation of the 1953 pipeline easement as a significant development in the case that requires new legal briefings from parties in the case and an adjusted case schedule.

Enbridge in April filed an application ([Case No. U-20763](#)) for siting approval under Act 16 of 1929 to replace and relocate the segment of Line 5 in the Straits of Mackinac into a new tunnel it proposes to build under the lakebed. Following a Commission order establishing a contested case hearing process to evaluate the application, Enbridge in September filed a motion seeking to limit the scope of the case. The administrative law judge on Nov. 6 granted the motion in part and denied it in part, and parties in the case had filed appeals and responses.

On Nov. 13, Governor Whitmer and the state Department of Natural Resources revoked and terminated the 1953 easement under which Enbridge built and operated Line 5 in the Straits and ordered the company to cease operations of the dual pipelines no later than May 13, 2021. Attorney General Dana Nessel filed an action in Ingham County Circuit Court, also on Nov. 13, in support of the revocation. Enbridge later challenged the revocation in federal court.

The Commission's order today finds that the revocation of the easement requires remanding Enbridge's motion to limit the scope of the case for a rehearing, stating that clarity on the scope of the case is of critical importance to the proceeding. The ALJ's previous ruling on the motion, along with the motion itself and responses filed to it, were premised on the existence of the 1953 easement, and the State of Michigan's revocation of the easement represents a significant change of facts in the case.

The Commission said a rehearing gives parties in the case the opportunity to file briefs on whether, and to what extent, Governor Whitmer's termination of the 1953 easement changes the scope of review in this case, and how any changes may affect issues in Enbridge's motion to limit the case's scope.

The Commission directed the ALJ and parties in the case to adjust the schedule to allow for the rehearing and for participants to file new arguments on the proper scope of the case in light of the revocation.

MPSC approves DTE Electric's power supply cost recovery, capping contract for gas transportation through NEXUS pipeline

The MPSC today approved DTE Electric Co.'s power supply cost recovery plan (PSCR) costs and revenues for the 12-month period ended December 31, 2018, capping costs the utility may recoup related to its contract for natural gas transported through the NEXUS Gas Transmission, LLC, pipeline but allowing the company to recover other expenses that had been in dispute ([Case No. U-20203](#)).

The Commission found DTE Electric did not sufficiently justify recovering natural gas pipeline transportation expenses exceeding \$0.695 per dekatherm through the NEXUS pipeline to supply its electric power plants. NEXUS Gas Transmission is a partnership between DTE Electric's parent company, DTE Energy, and Enbridge Inc. The Commission ordered DTE Electric to develop a more robust and transparent gas purchase acquisition process available for public review.

The Commission permitted DTE Electric to recover:

- \$1,379,197 in incremental power costs associated with a 16-day shutdown for repairs at the company's St. Clair Unit 6 after a fan motor failed.
- \$3,547,451 in replacement power costs after water entered a facility at DTE Electric's Fermi 2 nuclear plant in April 2018 amid unusual rain and winds, leading to a forced five-day outage at the plant.
- \$2.1 million in unexpected higher Midcontinent Independent System Operator Schedule 17 expense.
- \$1.5 million in costs for sorbents used in power plant pollution control.

DTE Electric's net underrecovery of \$116,397,160, including interest, will be the company's 2019 PSCR reconciliation beginning balance.

Intervenors in the case were the Association of Businesses Advocating Tariff Equity, the Michigan Environmental Council, the Residential Customer Group, and the Michigan Department of Attorney General. MPSC Staff also participated.

MPSC GRANTS APPROVAL TO DTE ELECTRIC FOR ONE-TIME ACCOUNTING TREATMENT OF UNEXPECTED REVENUE INCREASE AMID PANDEMIC

DTE Electric Co. today received approval of its request for one-time accounting treatments, including a \$30-million voluntary refund obligation, owing to unexpected higher revenues associated largely with increased residential electric sales during the ongoing COVID-19 pandemic ([Case No. U-20921](#)). DTE Electric said it requested the one-time accounting measures meant to mitigate future rate increases for customers, rather than the excess revenue going to shareholders, as would happen under normal circumstances. The measures will result in DTE not seeking to recover from its

customers at least \$10 million in uncollectible debts and will allow it to maintain investments in system upgrades while postponing an application for new base rates until at least May 1, 2021. The Commission's order also responds to comments from the City of Ann Arbor and the Highland Park Just Recovery Task Force related to use of the funds and protections for customers during the pandemic.

CONSUMERS ENERGY APPROVED FOR PILOT PROJECT FOR IN-STORE CUSTOMER BILL PAYMENTS, PARTIAL WAIVER OF BILLING REQUIREMENTS

The MPSC today approved Consumers Energy Co's' In-Lane Payment pilot project allowing designated customers to pay bills at retailers where they may already shop ([Case No. U-20918](#)). Consumers will roll out the pilot project to expand on the 400 authorized pay stations it provides for customers to pay bills at retailers including Wal-Mart, Kroger and other stores by adding about 2,000 additional locations at retailers including CVS Pharmacy and Dollar General where customers can pay their bills in checkout lanes. The MPSC also approved a waiver of a requirement to include in the text of a receipt a notation that a customer's payment may not be credited to his or her account for up to two business days. Instead, receipts will include a specific Uniform Resource Locator (URL) web address that will provide a full receipt for the customer, including information not included on the paper in-store receipt. The \$12,000 cost of the pilot project will not impact ratepayers.

MPSC APPROVES SETTLEMENT AGREEMENT GRANTING REFUNDS TO CUSTOMERS OF UPPER PENINSULA POWER CO.

The MPSC today approved a settlement agreement between Upper Peninsula Power Co. (UPPCO), Citizens Against Rate Excess (CARE) and Michigan Attorney General Dana Nessel regarding revenue decoupling mechanism surcharges the utility had implemented, with approval from the MPSC, but that courts later invalidated ([Case No. U-20150](#)). CARE sought a refund for residential customers, and under the terms of the settlement, UPPCO customers will receive at least \$1.625 million over the first four months of 2022 through adjustments on their bills. The utility also will disburse \$75,000 to local community action agencies to help with home weatherization efforts.

To look up cases from today's meeting, access the MPSC's [E-Dockets filing system](#).

Watch recordings of MPSC meetings on its [YouTube channel](#).

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