

| General Offices: | | | LEGAL DEPARTMENT | |
|---------------------------------|--|----------------|---------------------------|---------------------|
| One Energy Plaza | Tel: | (517) 788-0550 | SHAUN M. JOHNSON | Robert W. Beach |
| Jackson, MI 49201 | Fax: | (517) 768-3644 | Senior Vice President | lan F. Burgess |
| | | | and General Counsel | Don A. D'Amato |
| *Washington Office: | | | | Teri L. Dennings |
| 1730 Rhode Island Ave. N.W. | Tel: | (202) 778-3340 | MELISSA M. GLEESPEN | Gary A. Gensch, Jr. |
| Suite 1007 | | | Vice President, Corporate | Matthew D. Hall |
| Washington, DC 20036 | Fax: | (202) 778-3355 | Secretary and Chief | Georgine R. Hyden |
| | | | Compliance Officer | Katie M. Knue |
| Writer's Direct Dial Number: (5 | | | KELLY M. HALL | Robert F. Marvin |
| Writer's E-mail Address: gary. | Writer's E-mail Address: gary.genschjr@cmsenergy.com | | | Jason M. Milstone |
| | | | Vice President and Deputy | Rhonda M. Morris |
| | | | General Counsel | Deborah A. Moss* |
| | | | | Maxwell K. Multer |
| | | | Emerson J. Hilton | Chantez L. Pattman |
| | | | Adam C. Smith | Michael C. Rampe |
| | | | Bret A. Totoraitis | Scott J. Sinkwitts |
| | | | Assistant General Counsel | Theresa A.G. Staley |
| | | | | Janae M. Thayer |
| | | | | Anne M. Uitvlugt |
| | | | | Aaron L. Vorce |
| | | | | Attorney |
| | | | | |

March 1, 2021

Ms. Lisa Felice Executive Secretary Michigan Public Service Commission 7109 West Saginaw Highway Post Office Box 30221 Lansing, MI 48909

Re: MPSC Case No. U-20963 – In the matter of the application of CONSUMERS ENERGY COMPANY for authority to increase its rates for the generation and distribution of electricity and for other relief.

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned case, please find **Consumers Energy Company's Application, a Proposed Notice of Hearing, a Proposed Protective Order, and the Testimony and Exhibits of Consumers Energy Company's Witnesses**. Also included is a Proof of Service showing service upon the parties in Consumers Energy Company's last two electric rate cases (Case Nos. U-20134 and U-20697). This case has been designated as a paperless case and is therefore being filed in PDF format.

Confidential materials of Company witnesses Laura B. Christopher, Amy M. Conrad, Hubert W. Miller, III, and Jeffrey D. Tolonen are being filed under seal with the Michigan Public Service Commission.

In accordance with filing procedures adopted by the Michigan Public Service Commission in Case No. U-18238: (i) exhibits that were prepared in Microsoft Excel format are being filed in Excel format in addition to PDF format; (ii) tariff changes are being filed in Microsoft Word format in addition to PDF with changes shown in redline format; and (iii) economic models used to support the rate increase request will be provided to parties upon request in working Microsoft Excel version. Also provided to the Michigan Public Service Commission is Consumers Energy Company's Part II – Financial Information materials in the above docket via a secure link.

ConsumersEnergy One Energy Plaza Jackson, MI 49201-2357

www.consumersenergy.com

Digital copies of the public rate case filing, workpapers of Consumers Energy Company's witnesses, and Consumers Energy Company's Part II – Financial Information and Part III – Supplemental Data materials are being provided to the MPSC Staff and parties to Case Nos. U-20134 and U-20697 concurrently with this filing via a secure link and this link will be made available to any parties to Case No. U-20963 who were not parties to Case Nos. U-20134 and U-20697.

Sincerely,

Buy BAD.

Gary A. Gensch, Jr.

cc: Mike Byrne, Executive Director, MPSC Staff Gary Kitts, MPSC Staff Bill Stosik, MPSC Staff Paul Proudfoot, MPSC Staff Bob Nichols, MPSC Staff Patricia Poli, MPSC Staff Parties to Case Nos. U-20134 and U-20697

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

)

)

)

)

)

In the matter of the application of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief.

Case No. U-20963

APPLICATION

Consumers Energy Company ("Consumers Energy" or the "Company") respectfully requests that the Michigan Public Service Commission ("MPSC" or the "Commission") authorize Consumers Energy to increase its rates for the sale of electricity and grant it additional relief as set forth herein. In support of this Application, Consumers Energy states as follows:

I. <u>INTRODUCTION</u>

1. Consumers Energy is, among other things, engaged as a public utility in the business of generating, purchasing, distributing, and selling electric energy to approximately 1.9 million retail customers in the state of Michigan. The retail electric system of Consumers Energy is operated as a single utility system, within which uniform rates are charged.

2. Consumers Energy's retail electric business is subject to the jurisdiction of the Commission pursuant to various provisions of 1909 PA 106, as amended, MCL 460.551 *et seq.*, 1919 PA 419, as amended, MCL 460.54 *et seq.*, and 1939 PA 3, as amended, MCL 460.1, *et seq.* Pursuant to these statutory provisions, the Commission has the power and jurisdiction to regulate Consumers Energy's retail electric rates.

3. The Commission approved Consumers Energy's current retail electric base rates in its December 17, 2020 Order in Case No. U-20697. In addition, the Commission has authorized,

through various orders, the recovery of certain additional costs as set forth in the tariffs on file with the Commission, including Power Supply Cost Recovery factors, renewable energy plan surcharges, energy waste reduction surcharges, and securitization bond charges.

II. <u>REQUESTED RATE RELIEF</u>

4. For purposes of this case, Consumers Energy has undertaken a complete examination of relevant items of investment, expense, and revenues for the determination of just and reasonable retail electric rates, using a projected test year for the 12-month period ending December 31, 2022. Using a projected test year for the 12-month period ending December 31, 2022 will allow the rates established in this case to more closely reflect investments made and expenses incurred during the time rates established in this case are in effect.

5. Consumers Energy has calculated that, without rate relief, it will experience an annual jurisdictional electric revenue deficiency of approximately \$225 million for the 12-month period ending December 31, 2022. An increase in Consumers Energy's electric rates is required in order to afford the Company a reasonable opportunity to recover its reasonable costs of providing electric service, including a reasonable return on common equity, as more fully described in the accompanying testimony and exhibits.

6. Factors contributing to Consumers Energy's need for additional electric revenues above levels currently recovered in base rates include:

- (i.) Ongoing investments in electric utility generation and distribution assets to provide safe and reliable service;
- (ii.) Ongoing investments in assets to comply with environmental and legal requirements;
- (iii.) Ongoing investments in enhanced technology to provide improved operational efficiencies and increased customer satisfaction;

- (iv.) Increased Operation and Maintenance ("O&M") expenses necessary to, among other things, reduce tree-related service interruptions, support long-term investments, restore service to customers, and maintain the Company's grid infrastructure; and
- (v.) Increased financing costs associated with a higher return on equity necessary to attract capital for the Company's large capital investment program.

In determining its revenue requirements for this filing, Consumers Energy has used the depreciation rates authorized by the Commission in its May 14, 2015 Order approving the parties' Settlement Agreement in Case No. U-17653 for its electric and common plant, excluding the Ludington pumped storage plant. However, if a final order in the Company's Electric and Common Plant Depreciation case, Case No. U-20849, has been issued before a final order is issued in this proceeding, the Company proposes to utilize the depreciation rates as approved in Case No. U-20849 and to adjust depreciation expense included in this case accordingly. For the Company's Ludington pumped storage plant, the calculated depreciation expense and associated accumulated depreciation presented uses depreciation rates approved in Case No. U-18195 through December 2020 and depreciation rates approved in Case No U-20844 from January 2021 through December 2022.

7. Without rate relief, Consumers Energy's retail electric rates will be so low as to deprive Consumers Energy of a reasonable return on the Company's property, and to amount to confiscation and deprivation of the Company's property, contrary to the Company's rights under the Constitutions of the United States and of the State of Michigan. Without a rate increase, the Company's revenues and electric overall rate of return will be below a just and reasonable level.

8. A significant driver of the requested relief in this case is related to investments associated with system reliability and enhanced technology. In this filing, the Company is proposing to invest in capital projects on the distribution system and incur O&M on the distribution

system. These electric investments are necessary to maintain and improve electric utility infrastructure and help ensure that the Company's electric customers receive the value and service that they expect from the Company. The Company developed two foundational plans which underpin its electric strategy: (i) the Company's five-year Electric Distribution Infrastructure Investment Plan ("EDIIP"), as filed with the Commission on March 1, 2018 in Case No. U-17990; and (ii) the Company's Integrated Resources Plan ("IRP"), as approved in Case No. U-20165. The EDIIP detailed a plan to invest approximately \$600 million in distribution capital and to spend approximately \$200 million in distribution O&M each year through 2022. In this case, the Company has identified additional investment needs in order to address system deterioration and more effectively improve reliability, compared to the investment needs identified in the EDIIP. The projected average jurisdictional rate base for the test year ending December 31, 2022 is \$12.9 billion.

9. Among the distribution system-related costs presented by the Company in this case, the Company is presenting proposals related to its Line Clearing and Service Restoration programs. With respect to the Company's Line Clearing Program, the Company is proposing an increase in spending to continue to ramp up the miles of Low Voltage Distribution ("LVD") circuits cleared every year in an efficient manner until one-seventh of the total LVD mileage is cleared in 2025, and then to maintain that level of clearing each year thereafter to bring the LVD system to an effective seven-year clearing cycle. For the 2022 test year, the Company is proposing to spend \$94 million on Line Clearing. Furthermore, to adequately reflect the increasing cost of Service Restoration and to enable the Company to effectively restore service to customers, the Company is projecting \$74 million in Service Restoration costs in the test year. The Company is also proposing a deferred accounting mechanism that would allow the Company cost recovery for

Service Restoration costs that exceed \$84 million, or \$10 million above the test year Service Restoration amount approved by the Commission in this case, and that would return to customers the amount of Service Restoration spending that is less than \$74 million, or the test year amount approved by the Commission in this case.

10. Consumers Energy also requests recovery of the new Company-owned solar generation costs expected as a result of the Company's 2019 and 2020 IRP competitive solicitations, which were, or will be, implemented in accordance with the Settlement Agreement approved by the Commission in the Company's IRP, Case No. U-20165 ("Case No. U-20165 Settlement Agreement"). The Company is also seeking recovery of costs related to solar land acquisition and development activities.

11. Among other things, Consumers Energy is requesting rate recovery in this case for costs associated with: (i) its Commercial and Industrial and Residential Demand Response ("DR") programs, which provide the Company a flexible portfolio of resources that can be called upon during peak times of the system to reduce overall electricity demand, reducing power supply costs for all of the Company's generation customers; and (ii) the Conservation Voltage Reduction ("CVR") Program, which allows optimization of service-point voltages on the distribution system to reduce energy demand. The Company is projecting DR O&M costs in the amount of \$39.4 million for the test year and capital costs in the amount of \$27.2 million from 2020 through the test year. With respect to the Company's CVR Program, the Company is projecting capital costs in the amount of \$9.9 million from 2020 through the test year. Capital costs for the Company's DR and CVR programs were pre-approved for recovery as part of the Case No. U 20165 Settlement Agreement. The Company's testimony and exhibits in support of

this Application address any variations between the DR and CVR capital costs presented in this case and those pre-approved in the Case No. U-20165 Settlement Agreement.

12. In addition, the Company is requesting approval to recover the performance incentive of \$2,446,817 included in the 2019 DR reconciliation in Case No. U-20766 currently pending before the Commission. The Company is also seeking to reflect the cumulative regulatory liability of \$1,432,630, which is an offset to the revenue requirement and which reflects the cumulative regulatory liability from the 2017 (\$489,633 over-recovery), 2018 (\$1,758,898 over-recovery), and 2019 (\$883,812 under-recovery) DR reconciliation proceedings in Case Nos. U 20164, U-20563, and U-20766.

13. Furthermore, Consumers Energy is seeking approval of proposals related to the Company's Electric Vehicle ("EV") pilot programs. The Company is proposing an up to three-year extension of the PowerMIDrive Pilot Program in order to obtain sufficient data to inform the development of an effective long-term EV program and is seeking to expand the program beyond networked charging stations for residential customers and to provide additional public charging infrastructure. These proposed changes will support the growing EV market and resulting grid benefits in the Company's electric service territory. The Company is also proposing to expand the PowerMIFleet Pilot Program to include a concierge analysis of a portion of the Company's fleet that will mirror the same analyses proposed for customers via PowerMIFleet. The data from the internal fleet concierge analysis will be used to assist in the formation of a future comprehensive pilot proposal.

14. Consumers Energy also requests approval of a Home Battery Pilot. The pilot is for residential customers and is planned to consist of 2,000 home battery units at 1,000 homes across Consumers Energy's service territory, with two storage units at each home. Primarily,

the pilot will test customer willingness to participate in a home battery back-up pilot but will also consider battery costs versus distribution and generation use cases in order to deliver cost-effective, customer-sited storage at scale in the future. The pilot will include both Company-owned and customer-owned battery options, with both types of batteries operated by Consumers Energy to meet grid needs during peak system conditions and to perform other testing, and also made available to the customer in the case of an outage for back-up power. Under the pilot, customers will pay Consumers Energy for resiliency service for Company-owned batteries. For customer-owned batteries, customers will receive payment for Consumers Energy's ability to control the batteries. This pilot is expected to help the Company evaluate how to move toward large-scale deployment of distributed energy resources on its grid.

15. Sales levels, including Retail Open Access levels, were last updated by the Commission in its December 17, 2020 Order in Case No. U-20697. Consumers Energy has determined revenue requirements using a fully projected sales forecast for the projected test year.

16. Consumers Energy proposes that rates established in this case include an authorized rate of return on common equity of 10.50% and reflect an overall rate of return on total rate base of 5.95%. Consumers Energy submits that the requested returns reasonably balance interests of customers and investors.

III. RATE DESIGN, TARIFF, AND OTHER PROPOSALS

17. Pursuant to the requirements of MCL 460.11(1), the Company proposes to establish rates equal to the cost of providing service to each customer class. In order to comply with that requirement, among other things, the Company proposes to allocate demand-related distribution costs using Voltage Peak, which measures the contribution of each rate class to the coincident peak

demand at each level of the distribution system, thus aligning with how the Company sizes its facilities today.

18. Consumers Energy proposes to allocate the required electric revenue increase among rate classes as set forth on Attachment A to this Application. A comparison of typical residential bills under present and proposed rates is shown on Attachment B to this Application. The Company also proposes to update its calculation of the capacity-related component of its power supply charges included in base rates, based on inputs from the total electric Cost-of-Service-Study, for its State Reliability Mechanism plan year beginning June 1, 2022. This proposal is consistent with Section 6w of 2016 PA 341.

19. In addition to seeking authority to increase the level of rates and charges, Consumers Energy is proposing various revisions to its electric rules, regulations, and tariffs. Consumers Energy's testimony and exhibits provide additional details on the relief being sought. Among other things, Consumers Energy is proposing to: (i) allow renewable energy generating facilities spanning multiple parcels of property to transmit service off the premises to which it is delivered through the facilities' collector system; (ii) clarify the calculation of Outflow Demand credits under the Company's Distributed Generation Program; (iii) update the Peak Power Savers Program tariff language to reflect the ability for customers to participate in a variety of future DR programs and to be able to track their status and savings on their monthly bill; (iv) change the name of the Air Conditioner ("AC") Peak Cycling Program to the Device Cycling Program, and provide for additional options to participate with a Water Heater Cycling Credit and a Back-Up Generator Cycling Credit; (v) reduce the AC Peak Cycling credit from \$8.00 per month to \$6.00 per month, and use the same methodology to establish credits for the Back-Up Generator and Water Heater pilots; (vi) eliminate the written contract requirement for standard service on Large General Service Primary Demand Rate GPD, General Service Primary Time-of-Use Rate GPTU, and Energy Intensive Primary Rate EIP, and to transition current contractual language to the tariff; (vii) modify the Large General Service Primary Demand Rate Interruptible Service Provision to remove language stating that the minimum On-Peak Billing Demand billed for the interruptible portion of a customer's bill is the contracted interruptible amount and to allow consideration of an increase or a decrease of the contracted amount within the annual contract period; (viii) replace current unmetered Light Emitting Diode ("LED") and HID rate options GU-LED and GUL with a single unmetered streetlighting service (UUL tariff), and update the conversion credit for municipal streetlighting customers who had paid to convert from the standard light types to an LED technology prior to the adoption of the current burnout replacement to LED program; and (ix) update tariff language to accommodate retailer-specific requests and to grandfather certain retailer metering arrangements.

20. The Company is also proposing to separate DR-related costs from the overall revenue requirement and to recover them through an all-encompassing DR surcharge. This approach will streamline and simplify the reconciliation process, eliminating potentially long lags for the recognition of over-recoveries and under-recoveries in rates, and allow for timely and accurate recovery of the performance incentive. After the initial implementation of the surcharge following Commission approval in this proceeding, the Company proposes that the surcharge be adjusted as necessary in future DR reconciliation proceedings. Additional details regarding the Company's DR surcharge proposal are provided in the testimony and exhibits which support this Application.

21. In addition, Consumers Energy is seeking Commission approval of certain accounting requests. The Company is proposing to continue to utilize deferred accounting

associated with actual capital spending in the event the Commission's final order in this proceeding sets capital spending levels for recovery in rates at amounts below the amount requested in the following distribution programs: New Business, Demand Failures, and Asset Relocation. The Company is also requesting Commission approval for the use of regulatory assets or regulatory liabilities, as needed, if the following proposals are approved: (i) the deferred Service Restoration cost proposal; and (ii) the Home Battery Pilot proposal. The Company's accounting proposals are described in more detail in testimony and exhibits filed in support of this Application.

22. The Company's testimony and exhibits in support of this Application also request recovery of associated working capital and amortization expense for the D.E. Karn Units 1 and 2 retention costs and recovery of deferred costs for the PowerMIDrive Pilot Program.

IV. TESTIMONY, EXHIBITS, AND RESERVATION OF RIGHT TO AMEND

23. Consumers Energy is, concurrently with this Application, filing written testimony and exhibits in support of rate relief and other relief Consumers Energy is seeking in this case. Reference to this material will provide additional details on the relief being sought. The relief described in the testimony and exhibits should be considered as if specifically requested in this Application. Consumers Energy expressly reserves the right to revise, amend, or otherwise change the relief it is requesting in any way appropriate depending upon the duration and progress of hearings in this proceeding, the issuance of orders that have an impact upon this case, or the occurrence of other material events.

24. In addition to the issues described above, it is possible that other pending or to be filed proceedings or other events may have impacts upon the rate adjustments requested at this time. These impacts will be evaluated for materiality and may need to be considered in the results of this proceeding.

V. <u>REQUEST FOR RELIEF</u>

WHEREFORE, Consumers Energy Company requests that the Michigan Public Service Commission:

A. Authorize Consumers Energy to adjust its retail electric rates so as to provide additional revenue of \$225 million annually above levels established in Case No. U-20697 based on a projected 12-month test year ending December 31, 2022;

B. Authorize Consumers Energy to adjust its existing retail electric rates so as to produce a rate of return on common equity of not less than 10.50%;

C. Approve the proposed Demand Response surcharge;

D. Approve Consumers Energy's pilot proposals, including the Demand Response-related pilots, the Home Battery Pilot, and the adjustments to the Electric Vehicle pilots;

E. Approve modifications to the rates, rules, and regulations as are described in the testimony and exhibits that accompany this Application;

F. Approve the Company's accounting requests and use of regulatory assets or regulatory liabilities, as needed, related to (i) the continued deferral of certain distribution capital spending; (ii) the deferred Service Restoration cost proposal; and (iii) the Home Battery Pilot proposal; and

G. Grant Consumers Energy such other and further relief as is just and reasonable.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

Dated: March 1, 2021

By:

Buy BAD.

Michael a Toney

Michael A. Torrey Vice President, Rates and Regulation Consumers Energy Company

Bret A. Totoraitis (P72654) Anne M. Uitvlugt (P71641) Robert W. Beach (P73112) Gary A. Gensch (P66912) Michael C. Rampe (P58189) Ian F. Burgess (P82892) One Energy Plaza Jackson, Michigan 49201 Attorneys for Consumers Energy Company (517) 788-0835

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

)

)

)

)

In the matter of the application of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief.

Case No. U-20963

VERIFICATION

Michael A. Torrey, states that he is Vice President, Rates and Regulation, of Consumers Energy Company; that he has executed the foregoing Application for and on behalf of Consumers Energy Company; that he has read the foregoing Application and is familiar with the contents thereof; that the facts contained therein are true, to the best of his knowledge and belief; and that he is duly authorized to execute such Application on behalf of Consumers Energy Company.

Dated: March 1, 2021

Michael a Torney

Michael A. Torrey Vice President, Rates and Regulation Consumers Energy Company

ATTACHMENT A

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company Summary of Present and Proposed Pro Forma Revenues by Rate Schedule U-20963

| | (a) | | (b) | | (c) | | (d) | (e) | |
|------|--|--------------|------------|----------|------------|---------------------------|----------|---------|--|
| Line | | | Revenue | | 1 | Net Increase / (Decrease) | | | |
| No. | Description | | Present | | Proposed | | Revenue | Percent | |
| | | | \$000 | | \$000 | | \$000 | % | |
| | BUNDLED SERVICE | | | | | | | | |
| | Residential Class | | | | | | | | |
| 1 | Summer On-peak RSP | \$ | | \$ | 2,302,741 | \$ | 186,984 | 8.8 | |
| 2 | Smart Hours RSH | | 10,155 | | 11,076 | | 920 | 9.1 | |
| 3 | Night Time Savers RPM | | 1,244 | | 1,359 | | 115 | 9.2 | |
| 4 | Non-Transmitting Meters RSM | _ | 27,809 | | 30,157 | | 2,348 | 8.4 | |
| 5 | Total Residential Class | \$ | 2,154,966 | \$ | 2,345,333 | \$ | 190,367 | 8.8 | |
| _ | Secondary Class | | | | | | <i></i> | | |
| 6 | Energy-only GS | \$ | , | \$ | 572,520 | \$ | (10,589) | (1.8) | |
| 7 | Time-of-Use GSTU | | 1,409 | | 1,328 | | (81) | (5.7) | |
| 8 | Demand GSD | _ | 390,478 | | 400,009 | | 9,531 | 2.4 | |
| 9 | Total Secondary | \$ | 974,995 | \$ | 973,856 | \$ | (1,139) | (0.1) | |
| | Primary Class | | | | | | | | |
| 10 | Energy-only GP | \$ | , | \$ | 87,746 | \$ | 2,561 | 3.0 | |
| 11 | Demand GPD | | 333,190 | | 361,393 | | 28,203 | 8.5 | |
| 12 | Time-of-Use GPTU | | 454,153 | | 458,890 | | 4,737 | 1.0 | |
| 13 | Energy Intensive EIP | . | 27,942 | | 30,484 | | 2,542 | 9.1 | |
| 14 | Total Primary | \$ | 900,470 | \$ | 938,513 | \$ | 38,043 | 4.2 | |
| | Lighting & Unmetered Class | | | <u>,</u> | | | (110) | (0.0) | |
| 15 | Metered Lighting GML | \$ | | \$ | 1,324 | Ş | (118) | (8.2) | |
| 16 | Universal Unmetered Lighting UUL | | 27,334 | | 23,131 | | (4,203) | (15.4) | |
| 17 | Unmetered GU | - | 9,651 | - | 10,180 | - | 529 | 5.5 | |
| 18 | Total Lighting & Unmetered | \$ | 38,427 | \$ | 34,635 | \$ | (3,792) | (9.9) | |
| 19 | Self-generation Class Small Self-generation GSG-1 | \$ | _ | \$ | | \$ | | NA | |
| 20 | Large Self-generation GSG-2 | ç | - 5,065 | Ş | - 5,158 | ç | - 93 | 1.8 | |
| 20 | Total Self-generation | \$ | | \$ | 5,158 | \$ | 93 | 1.8 | |
| 22 | Total Bundled Service | \$ | 4,073,923 | \$ | 4,297,496 | \$ | 223,572 | 5.5 | |
| | | | | | | | | | |
| | ROA SERVICE Secondary Class | | | | | | | | |
| 23 | Energy-only GS | \$ | 1,118 | \$ | 1,019 | \$ | (99) | (8.8) | |
| 24 | Demand GSD | | 6,584 | | 6,710 | | 126 | 1.9 | |
| 25 | Total Secondary | \$ | 7,702 | \$ | 7,729 | \$ | 28 | 0.4 | |
| | Primary Class | | | | | | | | |
| 26 | Energy-only GP | \$ | 1,179 | \$ | 1,108 | \$ | (71) | (6.0) | |
| 27 | Demand GPD | _ | 19,089 | | 21,010 | | 1,922 | 10.1 | |
| 28 | Total Primary | \$ | 20,267 | \$ | 22,118 | \$ | 1,851 | 9.1 | |
| 29 | Total ROA Service | \$ | 27,969 | \$ | 29,848 | \$ | 1,879 | 6.7 | |
| 30 | Total Jurisdictional Service | \$ | 4,101,892 | \$ | 4,327,343 | \$ | 225,451 | 5.5 | |
| 31 | Less: PSCR Factor Revenues | | 17,229 | | 17,229 | | 0 | | |
| 32 | Less: GSG-2 and GI-2 PSCR Revenues | | 5,582 | _ | 5,871 | | 288 | | |
| 33 | Total Jurisdictional Base Revenues | \$ | 4,079,081 | \$ | 4,304,243 | \$ | 225,162 | | |
| 34 | Rounding | _ | | _ | (62) | | (62) | | |
| 35 | Total Jurisdictional Base Revenues | | | \$ | 4,304,181 | \$ | 225,101 | | |
| - | | | | <u> </u> | , , | <u> </u> | | | |

ATTACHMENT B

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Comparison of Present and Proposed Monthly Bills

Residential Summer On-peak RSP U-20963

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
|------|-------------|--------------------------|------------|-------------|----------|---------------|------------------|------------|--------|----------|-----------|
| | | | Summer (Ju | ne - Sept.) | | | Winter (Oct May) | | | | |
| Line | ine Monthly | Monthly Bills Difference | | ence | Proposed | Monthly Bills | | Difference | | Proposed | |
| No. | Use | Present | Proposed | Amount | Percent | Unit Cost | Present | Proposed | Amount | Percent | Unit Cost |
| | kWh | \$ | \$ | \$ | % | ¢/kWh | \$ | \$ | \$ | % | ¢/kWh |
| 1 | 5 | 8.83 | 8.90 | 0.07 | 0.8% | 178.0 | 8.78 | 8.84 | 0.06 | 0.7% | 176.8 |
| 2 | 50 | 16.26 | 17.00 | 0.75 | 4.6% | 34.0 | 15.82 | 16.42 | 0.60 | 3.8% | 32.8 |
| 3 | 100 | 24.51 | 26.01 | 1.49 | 6.1% | 26.0 | 23.63 | 24.84 | 1.21 | 5.1% | 24.8 |
| 4 | 150 | 32.77 | 35.01 | 2.24 | 6.8% | 23.3 | 31.45 | 33.26 | 1.81 | 5.8% | 22.2 |
| 5 | 200 | 41.02 | 44.01 | 2.99 | 7.3% | 22.0 | 39.26 | 41.68 | 2.42 | 6.2% | 20.8 |
| 6 | 250 | 49.28 | 53.01 | 3.74 | 7.6% | 21.2 | 47.08 | 50.10 | 3.02 | 6.4% | 20.0 |
| 7 | 300 | 57.53 | 62.02 | 4.48 | 7.8% | 20.7 | 54.90 | 58.52 | 3.63 | 6.6% | 19.5 |
| 8 | 350 | 65.79 | 71.02 | 5.23 | 8.0% | 20.3 | 62.71 | 66.94 | 4.23 | 6.7% | 19.1 |
| 9 | 400 | 74.04 | 80.02 | 5.98 | 8.1% | 20.0 | 70.53 | 75.36 | 4.83 | 6.9% | 18.8 |
| 10 | 450 | 82.30 | 89.02 | 6.73 | 8.2% | 19.8 | 78.34 | 83.78 | 5.44 | 6.9% | 18.6 |
| 11 | 500 | 90.55 | 98.03 | 7.47 | 8.3% | 19.6 | 86.16 | 92.20 | 6.04 | 7.0% | 18.4 |
| 12 | 550 | 98.81 | 107.03 | 8.22 | 8.3% | 19.5 | 93.98 | 100.62 | 6.65 | 7.1% | 18.3 |
| 13 | 600 | 107.06 | 116.03 | 8.97 | 8.4% | 19.3 | 101.79 | 109.05 | 7.25 | 7.1% | 18.2 |
| 14 | 650 | 115.32 | 125.03 | 9.72 | 8.4% | 19.2 | 109.61 | 117.47 | 7.86 | 7.2% | 18.1 |
| 15 | 700 | 123.57 | 134.04 | 10.46 | 8.5% | 19.1 | 117.43 | 125.89 | 8.46 | 7.2% | 18.0 |
| 16 | 750 | 131.83 | 143.04 | 11.21 | 8.5% | 19.1 | 125.24 | 134.31 | 9.07 | 7.2% | 17.9 |
| 17 | 800 | 140.08 | 152.04 | 11.96 | 8.5% | 19.0 | 133.06 | 142.73 | 9.67 | 7.3% | 17.8 |
| 18 | 850 | 148.34 | 161.04 | 12.70 | 8.6% | 18.9 | 140.87 | 151.15 | 10.27 | 7.3% | 17.8 |
| 19 | 900 | 156.59 | 170.05 | 13.45 | 8.6% | 18.9 | 148.69 | 159.57 | 10.88 | 7.3% | 17.7 |
| 20 | 950 | 164.85 | 179.05 | 14.20 | 8.6% | 18.8 | 156.51 | 167.99 | 11.48 | 7.3% | 17.7 |
| 21 | 1,000 | 173.10 | 188.05 | 14.95 | 8.6% | 18.8 | 164.32 | 176.41 | 12.09 | 7.4% | 17.6 |
| 22 | 1,500 | 255.66 | 278.08 | 22.42 | 8.8% | 18.5 | 242.48 | 260.61 | 18.13 | 7.5% | 17.4 |
| 23 | 2,000 | 338.21 | 368.10 | 29.89 | 8.8% | 18.4 | 320.64 | 344.82 | 24.17 | 7.5% | 17.2 |
| 24 | 2,500 | 420.76 | 458.13 | 37.37 | 8.9% | 18.3 | 398.81 | 429.02 | 30.22 | 7.6% | 17.2 |
| 25 | 3,000 | 503.31 | 548.15 | 44.84 | 8.9% | 18.3 | 476.97 | 513.23 | 36.26 | 7.6% | 17.1 |
| 26 | 3,500 | 585.87 | 638.18 | 52.31 | 8.9% | 18.2 | 555.13 | 597.43 | 42.30 | 7.6% | 17.1 |
| 27 | 4,000 | 668.42 | 728.21 | 59.79 | 8.9% | 18.2 | 633.29 | 681.64 | 48.35 | 7.6% | 17.0 |
| 28 | 4,500 | 750.97 | 818.23 | 67.26 | 9.0% | 18.2 | 711.45 | 765.84 | 54.39 | 7.6% | 17.0 |
| 29 | 5,000 | 833.52 | 908.26 | 74.73 | 9.0% | 18.2 | 789.61 | 850.05 | 60.43 | 7.7% | 17.0 |

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

)

)

)

)

In the matter of the application of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief.

Case No. U-20963

PROOF OF SERVICE

STATE OF MICHIGAN)) SS COUNTY OF JACKSON)

Jennifer Joy Yocum, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on March 1, 2021, she served an electronic copy of Consumers Energy Company's Application, a Proposed Notice of Hearing, a Proposed Protective Order, and the public Testimony and Exhibits of Consumers Energy Company's Witnesses upon the persons listed in Attachment 1 hereto, at the e-mail addresses listed therein.

She further states that she provided the public versions of (i) Consumers Energy Company's Application, a Proposed Notice of Hearing, a Proposed Protective Order, and the Testimony and Exhibits of Consumers Energy Company's Witnesses in PDF format; (ii) exhibits in Excel format that were filed in Excel format; (iii) tariff changes in Word format that were filed in Word format; (iv) Workpapers in PDF format of Consumers Energy's witnesses; and (v) Consumers Energy Company's Part II and Part III Standard Filing requirements via secure filing sharing link at the email addresses listed in Attachment 1.

Jemily Doy Youm

Jennifer Joy Yocum

Subscribed and sworn to before me this 1st day of March, 2021.

Crysta L. Chacon.

Crystal L. Chacon, Notary Public State of Michigan, County of Ingham My Commission Expires: 05/25/24 Acting in the County of Jackson

ATTACHMENT 1 TO CASE NO. U-20963 (Parties to Case Nos. U-20134 and U-20697)

Counsel for the Michigan Public Service Commission Staff

Heather M.S. Durian, Esq. Benjamin J. Holwerda, Esq. Michael J. Orris, Esq. Spencer A. Sattler, Esq. Daniel E. Sonneveldt, Esq. Amit T. Singh, Esq. Monica M. Stephens, Esq. Assistant Attorneys General Public Service Division 7109 West Saginaw Highway Post Office Box 30221 Lansing, MI 48909 durianh@michigan.gov holwerdab@michigan.gov orrism@michigan.gov sattlers@michigan.gov singha9@michigan.gov sonneveldtd@michigan.gov stephensm11@michigan.gov

Michigan Public Service Commission Staff

Mike Byrne Gary Kitts **Bill Stosik** Patricia Poli Paul Proudfoot **Bob Nichols** Lori Mayabb Michigan Public Service Commission 7109 West Saginaw Highway Post Office Box 30221 Lansing, MI 48909 byrnem@michigan.gov kittsg@michigan.gov stosikb@michigan.gov proudfootp@michigan.gov nicholsb1@michigan.gov polip@michigan.gov mayabbl@michigan.gov

Counsel for Attorney General, Dana Nessel

Celeste R. Gill, Esq. Assistant Attorney General Special Litigation Division 6th Floor Williams Building 525 West Ottawa Street Post Office Box 30755 Lansing, MI 48909 gillc1@michigan.gov AG-ENRA-Spec-Lit@michigan.gov

Counsel for Hemlock Semiconductor Corporation ("HSC")

Jennifer Utter Heston, Esq. Fraser Trebilcock Davis & Dunlap, P.C. 124 West Allegan, Suite 1000 Lansing, MI 48933 jheston@fraserlawfirm.com

Counsel for Energy Michigan, Inc., ("Energy Michigan"), Michigan Energy Innovation Business Council ("EIBC"), and Institute for Energy Innovation ("IEI")

Timothy J. Lundgren, Esq. Laura A. Chappelle, Esq. Justin K. Ooms, Esq. Kimberly Champagne, Admin. Asst. Varnum, LLP The Victor Center, Suite 910 201 North Washington Square Lansing, MI 48933 tjlundgren@varnumlaw.com lachappelle@varnumlaw.com jkooms@varnumlaw.com kjchampagne@varnumlaw.com

ATTACHMENT 1 TO CASE NO. U-20963 (Parties to Case Nos. U-20134 and U-20697)

Counsel for ChargePoint, Inc.

Timothy J. Lundgren, Esq. Justin K. Ooms, Esq. Varnum, LLP The Victor Center, Suite 910 201 North Washington Square Lansing, MI 48933 tjlundgren@varnumlaw.com jkooms@varnumlaw.com

Counsel for the Michigan Environmental Council ("MEC"), the Natural Resources Defense Council ("NRDC"), the Sierra Club, Citizens Utility Board of Michigan ("CUB"), City of Grand Rapids, City of Flint, and Michigan Municipal Association for Utility Issues ("MI-MAUI")

Christopher M. Bzdok, Esq. Tracy Jane Andrews, Esq. Lydia Barbash-Riley, Esq. Kimberly Flynn, Legal Assistant Karla Gerds, Legal Assistant Olson, Bzdok & Howard, P.C. 420 East Front Street Traverse City, MI 49686 chris@envlaw.com tjandrews@envlaw.com lydia@envlaw.com kimberly@envlaw.com

Counsel for Sierra Club

Michael C. Soules, Esq. EarthJustice 1625 Massachusetts Ave., N.W., Suite 702 Washington, DC 20036 msoules@earthjustice.org

Counsel for The Kroger Company

Michael L. Kurtz Kurt J. Boehm, Esq. Jody Kyler Cohn, Esq. Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 42502 mkurtz@BKLlawfirm.com KBoehm@BKLlawfirm.com JKylerCohn@BKLlawfirm.com

Counsel for the Association of Businesses Advocating Tariff Equity ("ABATE")

Michael Pattwell, Esq. Bryan A. Brandenburg, Esq. Stephen A. Campbell, Esq. Lauren K. Degnan, Esq. Tina Bibbs Clark Hill PLC 212 East César E. Chávez Avenue Lansing, MI 48906 mpattwell@clarkhill.com bbrandenburg@clarkhill.com Idegnan@clarkhill.com

Counsel for the Michigan Cable Telecommunications Association ("MCTA")

Michael S. Ashton, Esq. Shaina R. Reed, Esq. Fraser Trebilcock Davis & Dunlap, P.C. 124 West Allegan Street, Suite 1000 Lansing, MI 48933 mashton@fraserlawfirm.com sreed@fraserlawfirm.com

ATTACHMENT 1 TO CASE NO. U-20963 (Parties to Case Nos. U-20134 and U-20697)

Counsel for Residential Customer Group

Don L. Keskey, Esq. Brian W. Coyer, Esq. Public Law Resource Center PLLC 333 Albert Avenue, Suite 425 East Lansing, MI 48823 donkeskey@publiclawresourcecenter.com bwcoyer@publiclawresourcecenter.com

Counsel for Wal-Mart Stores East, LP and Sam's East, Inc.

Melissa M. Horne, Esq. Higgins, Cavanagh & Cooney, LLP 10 Dorrance Street, Sutie 400 Providence, RI 02903 mhorne@hcc-law.com

Counsel for Environmental Law & Policy Center("ELPC"), Vote Solar, solar Energy Industries Association ("SEIA"), Great Lakes Renewable Energy Association ("GLREA"), and The Ecology Center

Margrethe Kearney, Esq. Nikhil Vijaykar, Esq. Robert Kelter, Esq. Kristin Field, Legal Assistant Charles Griffith Environmental Law & Policy Center 1514 Wealthy Street SE, Suite 256 Grand Rapids, MI 49506 mkearney@elpc.org nvijaykar@elpc.org rkelter@elpc.org kfield@elpc.org charlesg@ecocenter.org mpscdocket@elpc.org

Counsel for Midland Cogeneration Venture Limited Partnership ("MCV")

Richard J. Aaron, Esq. Jason T. Hanselman, Esq. John A. Janiszewski, Esq. Dykema Gossett PLLC 201 Townsend Street, Suite 900 Lansing, MI 48933 raaron@dykema.com jhanselman@dykema.com jjaniszewski@dykema.com

Counsel for the Michigan State Utility Workers Council, Utility Workers Union of America ("UWUA"), AFL-CIO

Benjamin L. King, Esq.
John R. Canzano, Esq.
McKnight, Canzano, Smith, Radtke & Brault, P.C.
423 North Main Street, Suite 200
Royal Oak, MI 48067
bking@michworkerlaw.com
jcanzano@michworkerlaw.com

Proposed Notice of Hearing MPSC Case No. U-20963

STATE OF MICHIGAN BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

NOTICE OF HEARING FOR THE ELECTRIC CUSTOMERS OF CONSUMERS ENERGY COMPANY

CASE NO. U-20963

- Consumers Energy Company is seeking authority to adjust its retail rates to produce additional annual electric revenue of approximately \$225 million above current base electric rate levels if the Michigan Public Service Commission approves its requests. In addition, Consumers Energy Company may implement several surcharges and other proposals if the Michigan Public Service Commission approves its requests.
- A TYPICAL RESIDENTIAL CUSTOMER'S AVERAGE ELECTRIC BILL MAY INCREASE BY ABOUT \$9.70 PER MONTH IF THE MICHIGAN PUBLIC SERVICE COMMISSION APPROVES THE REQUESTS.
- The information below describes how a person may participate in this case.
- You may call or write Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201, (800) 477-5050 for a free copy of its application. Any person may review the application at the offices of Consumers Energy Company.
- The first public hearing in this matter will be held:

| DATE/TIME: | , 2021, at a.m. This hearing will be a prehearing conference to set future hearing dates and decide other procedural matters. |
|----------------|---|
| BEFORE: | Administrative Law Judge |
| LOCATION: | Michigan Public Service Commission 7109 West Saginaw Highway Lansing, Michigan |
| PARTICIPATION: | Any interested person may attend and participate. The hearing site is accessible, including handicapped parking. Persons needing any accommodation to participate should contact the Commission's Executive Secretary at (517) 284-8090 in advance to request mobility, visual, hearing or other assistance. |

The Michigan Public Service Commission (Commission) will hold a public hearing to consider the March 1, 2021 application of Consumers Energy Company (Consumers Energy) to

increase its existing retail electric rates to provide additional revenues. The Company has requested an annual increase of approximately \$225 million. In addition, the Company is requesting the approval to implement several surcharges and proposals. Details of the Company's proposals are contained in the application and filing materials.

Consumers Energy states that factors contributing to the requested increase include: (i) ongoing investments in electric utility generation and distribution assets to provide safe and reliable service; (ii) ongoing investments in assets to comply with environmental and legal requirements; (iii) ongoing investments in enhanced technology to provide improved operational efficiencies and increased customer satisfaction; (iv) increased Operation and Maintenance expenses necessary to, among other things, reduce tree-related service interruptions, support long-term investments, restore service to customers, and maintain the Company's grid infrastructure; and (v) increased financing costs associated with a higher return on equity necessary to attract capital for the Company's large capital investment program.

Consumers Energy states that it is proposing that the Commission design rates in a manner equal to the cost of providing service to each customer class. The rates proposed by Consumers Energy will result in an annual residential class increase in jurisdictional full service base rate revenues of approximately 8.8%, an annual secondary class decrease of approximately 0.1%, and an annual primary class increase of approximately 4.2%.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets Website at: <u>michigan.gov/mpscedockets</u>. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to <u>mpscedockets@michigan.gov</u>. If you require assistance prior to e-filing, contact Commission staff at (517) 284-8090 or by e-mail at <u>mpscedockets@michigan.gov</u>.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by ______, 2021. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Consumers Energy Company Legal Department - MPSC Regulatory, One Energy Plaza, Jackson, Michigan 49201.

Any person wishing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his or her wish to make a statement of position. All information submitted to the Commission in this matter will become public information, available on the Michigan Public Service Commission's Web site, and subject to disclosure.

Requests for adjournment must be made pursuant to the Commission's Rules of Practice and Procedure R 792.10422 and R 792.10432. Requests for further information on adjournment should be directed to (517) 284-8130.

A copy of Consumers Energy's request may be reviewed on the Commission's website at <u>michigan.gov/mpscedockets</u>, and at the office of Consumers Energy Company, One Energy Plaza, Jackson, MI. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1982 PA 304, as amended, MCL 460.6h et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

[CONSUMERS ENERGY COMPANY HAS REQUESTED THE INCREASES AND OTHER PROPOSALS DESCRIBED IN THIS NOTICE. THE MICHIGAN PUBLIC SERVICE COMMISSION MAY GRANT OR DENY THE REQUESTED INCREASES AND OTHER PROPOSALS, IN WHOLE OR IN PART, AND MAY GRANT LESSER OR GREATER INCREASES THAN THOSE REQUESTED AND MAY AUTHORIZE A LESSER OR GREATER RATE FOR ANY CLASS OF SERVICE THAN THAT REQUESTED.]

Month ___, 2021

Proposed Protective Order MPSC Case No. U-20963

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

)

)

)

)

)

In the matter of the application of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and for other relief.

Case No. U-20963

PROTECTIVE ORDER

This Protective Order governs the use and disposition of Protected Material that Consumers Energy Company ("Applicant") or any other Party discloses to another Party during the course of this proceeding. The Applicant or other Party disclosing Protected Material is referred to as the "Disclosing Party;" the recipient is the "Receiving Party" (defined further below). The intent of this Protective Order is to protect non-public, confidential information and materials so designated by the Applicant or by any other party, which information and materials contain confidential, proprietary, or commercially sensitive information. This Protective Order defines "Protected Material" and describes the manner in which Protected Material is to be identified and treated. Accordingly, it is ordered:

I. "Protected Material" and Other Definitions

A. For the purposes of this Protective Order, "Protected Material" consists of trade secrets or confidential, proprietary, or commercially sensitive information provided in Disclosing Party's discovery or audit responses, any witness' related exhibit and testimony, and any arguments of counsel describing or relying upon the Protected Material. Subject to challenge under Paragraph IV.A, Protected Material shall consist of non-public confidential information and materials including, but not limited to, the following information disclosed during the course

of this case if it is marked as required by this Protective Order:

- 1. Trade secrets or confidential, proprietary, or commercially sensitive information provided in response to discovery, in response to an order issued by the presiding hearing officer or the Michigan Public Service Commission ("MPSC" or the "Commission"), in testimony or exhibits filed later in this case, or in arguments of counsel;
- 2. To the extent permitted, information obtained under license from a third-party licensor, to which the Disclosing Party or witnesses engaged by the Disclosing Party is a licensee, that is subject to any confidentiality or non-transferability clause. This information includes reports; analyses; models (including related inputs and outputs); trade secrets; and confidential, proprietary, or commercially sensitive information that the Disclosing Party or one of its witnesses receives as a licensee and is authorized by the third- party licensor to disclose consistent with the terms and conditions of this Protective Order; and
- 3. Information that could identify the bidders and bids, including the winning bid, in a competitive solicitation for a power purchase agreement or in a competitively bid engineering, procurement, or construction contract at any stage of the selection process (*i.e.*, before the Disclosing Party has entered into a power purchase agreement or selected a contractor).
- B. The information subject to this Protective Order does not include:
 - 1. Information that is or has become available to the public through no fault of the Receiving Party or Reviewing Representative and no breach of this Protective Order, or information that is otherwise lawfully known by the Receiving Party without any obligation to hold it in confidence;
 - 2. Information received from a third party free to disclose the information without restriction;
 - 3. Information that is approved for release by written authorization of the Disclosing Party, but only to the extent of the authorization;
 - 4. Information that is required by law or regulation to be disclosed, but only to the extent of the required disclosure; or
 - 5. Information that is disclosed in response to a valid, non-appealable order of a court of competent jurisdiction or governmental body, but only to the extent the order requires.

C. "Party" refers to the Applicant, MPSC Staff ("Staff"), Michigan Attorney General, or any other person, company, organization, or association that is granted intervention in Case No. U-20963 under the Commission's Rules of Practice and Procedure, Mich Admin Code, R 792.10401 et al.

D. "Receiving Party" means any Party to this proceeding who requests or receives access to Protected Material, subject to the requirement that each Reviewing Representative sign a Nondisclosure Certificate attached to this Protective Order as Attachment 1.

E. "Reviewing Representative" means a person who has signed a Nondisclosure Certificate and who is:

- 1. An attorney who has entered an appearance in this proceeding for a Receiving Party;
- 2. An attorney, paralegal, or other employee associated, for the purpose of this case, with an attorney described in Paragraph I.E.1;
- 3. An expert or employee of an expert retained by a Receiving Party to advise, prepare for, or testify in this proceeding; or
- 4. An employee or other representative of a Receiving Party with significant responsibility in this case.

A Reviewing Representative is responsible for assuring that persons under his or her supervision and control comply with this Protective Order.

F. "Nondisclosure Certificate" means the certificate attached to this Protective Order as Attachment 1, which is signed by a Reviewing Representative who has been granted access to Protected Material and agreed to be bound by the terms of this Protective Order.

II. Access to and Use of Protected Material

A. This Protective Order governs the use of all Protected Material that is marked as required by Paragraph III.A and made available for review by the Disclosing Party to any Receiving Party or Reviewing Representative. This Protective Order protects: (i) the Protected Material; (ii) any copy or reproduction of the Protected Material made by any person; and (iii) any memorandum, handwritten notes, or any other form of information that copies, contains, or discloses Protected Material. All Protected Material in the possession of a Receiving Party shall be maintained in a secure place. Access to Protected Material shall be limited to persons authorized to have access subject to the provisions of this Protective Order.

B. Protected Material shall be used and disclosed by the Receiving Party solely in accordance with the terms and conditions of this Protective Order. A Receiving Party may authorize access to, and use of, Protected Material by a Reviewing Representative identified by the Receiving Party, subject to Paragraphs III and V below, only as necessary to analyze the Protected Material; make or respond to discovery; present evidence; prepare testimony, argument, briefs, or other filings; prepare for cross-examination; consider strategy; and evaluate settlement. These individuals shall not release or disclose the content of Protected Material to any other person or use the information for any other purpose.

C. The Disclosing Party retains the right to object to any designated Reviewing Representative if the Disclosing Party has reason to believe that there is an unacceptable risk of misuse of confidential information. If a Disclosing Party objects to a Reviewing Representative, the Disclosing Party and the Receiving Party will attempt to reach an agreement to accommodate that Receiving Party's request to review Protected Material. If no agreement is reached, then either the Disclosing Party or the Receiving Party may submit the dispute to the presiding hearing officer. If the Disclosing Party notifies a Receiving Party of an objection to a Reviewing Representative, then the Protected Material shall not be provided to that Reviewing Representative until the objection is resolved by agreement or by the presiding hearing officer.

D. Before reviewing any Protected Material, including copies, reproductions, and copies of notes of Protected Material, a Receiving Party and Reviewing Representative shall sign a copy of the Nondisclosure Certificate (Attachment 1 to this Protective Order) agreeing to be bound by the terms of this Protective Order. The Reviewing Representative shall also provide a copy of the executed Nondisclosure Certificate to the Disclosing Party.

E. Even if no longer engaged in this proceeding, every person who has signed a Nondisclosure Certificate continues to be bound by the provisions of this Protective Order. The obligations under this Protective Order are not extinguished or nullified by entry of a final order in this case and are enforceable by the MPSC or a court of competent jurisdiction. To the extent Protected Material is not returned to a Disclosing Party, it remains subject to this Protective Order.

F. Members of the Commission, Commission staff assigned to assist the Commission with its deliberations, and the presiding hearing officer shall have access to all Protected Material that is submitted to the Commission under seal without the need to sign the Nondisclosure Certificate.

G. A Party retains the right to seek further restrictions on the dissemination of Protected Material to persons who have or may subsequently seek to intervene in this MPSC proceeding.

H. Nothing in this Protective Order precludes a Party from asserting a timely evidentiary objection to the proposed admission of Protected Material into the evidentiary record for this case.

III. Procedures

A. The Disclosing Party shall mark any information that it considers confidential as "CONFIDENTIAL: SUBJECT TO THE PROTECTIVE ORDER ISSUED IN CASE NO. U-20963." If the Receiving Party or a Reviewing Representative makes copies of any Protected Material, they shall conspicuously mark the copies as Protected Material. Notes of Protected Material shall also be conspicuously marked as Protected Material by the person making the notes.

B. If a Receiving Party wants to quote, refer to, or otherwise use Protected Material in pleadings, pre-filed testimony, exhibits, cross-examination, briefs, oral argument, comments, or in some other form in this proceeding (including administrative or judicial appeals), the Receiving Party shall do so consistent with procedures that will maintain the confidentiality of the Protected Material. For purposes of this Protective Order, the following procedures apply:

- Written submissions using Protected Material shall be filed in a sealed record to be maintained by the MPSC's Docket Section, or by a court of competent jurisdiction, in envelopes clearly marked on the outside, "CONFIDENTIAL – SUBJECT TO THE PROTECTIVE ORDER ISSUED IN CASE NO. U-20963." Simultaneously, identical documents and materials, with the Protected Material redacted, shall be filed and disclosed the same way that evidence or briefs are usually filed;
- 2. Oral testimony, examination of witnesses, or argument about Protected Material shall be conducted on a separate record to be maintained by the MPSC's Docket Section or by a court of competent jurisdiction. These separate record proceedings shall be closed to all persons except those furnishing the Protected Material and persons otherwise subject to this Protective Order. The Receiving Party presenting the Protected Material during the course of the proceeding shall give the presiding officer or court sufficient notice to allow the presiding officer or court an opportunity to take measures to protect the confidentiality of the Protected Material; and
- 3. Copies of the documents filed with the MPSC or a court of competent jurisdiction, which contain Protected Material, including the portions of the exhibits, transcripts, or briefs that refer to Protected Material, must be sealed

and maintained in the MPSC's or court's files with a copy of the Protective Order attached.

C. It is intended that the Protected Material subject to this Protective Order should be shielded from disclosure by a Receiving Party. If any person files a request under the Freedom of Information Act with the MPSC or the Michigan Attorney General seeking access to documents subject to this Protective Order, the MPSC's Executive Secretary, Staff, or the Attorney General shall promptly notify the Disclosing Party, and the Disclosing Party may take whatever legal actions it deems appropriate to protect the Protected Material from disclosure. In light of Section 5 of the Freedom of Information Act, MCL 15.235, the notice must be given at least five (5) business days before the MPSC, Staff, and/or the Michigan Attorney General grant the request in full or in part.

IV. Termination of Protected Status

A. A Receiving Party reserves the right to challenge whether a document or information is Protected Material and whether this information can be withheld under this Protective Order. In response to a motion, the Commission or the presiding hearing officer in this case may revoke a document's protected status after notice and hearing. If the presiding hearing officer revokes a document's protected status, then the document loses its protected status after 14 days unless a Party files an application for leave to appeal the ruling to the Commission within that time period. Any Party opposing the application for leave to appeal shall file an answer with the Commission no more than 14 days after the filing and service of the appeal. If an application is filed, then the information will continue to be protected from disclosure until either the time for appeal of the Commission's final order resolving the issue has expired under MCL 462.26 or, if the order is appealed, until judicial review is completed and the time to take further appeals has expired.

B. If a document's protected status is challenged under Paragraph IV.A, the Receiving Party challenging the protected status of the document shall explicitly state its reason for challenging the confidential designation. The Disclosing Party bears the burden of proving that the document should continue to be protected from disclosure.

V. Retention of Documents

Protected Material remains the property of the Disclosing Party and only remains available to the Receiving Party until the time expires for petitions for rehearing of a final MPSC order in Case No. U-20963 or until the MPSC has ruled on all petitions for rehearing in this case (if any). However, an attorney for a Receiving Party who has signed a Nondisclosure Certificate and who is representing the Receiving Party in an appeal from an MPSC final order in this case may retain copies of Protected Material until either the time for appeal of the Commission's final order resolving the issue has expired under MCL 462.26 or, if the order is appealed, until judicial review is completed and the time to take further appeals has expired. On or before the time specified by the preceding sentences, the Receiving Party shall return to the Disclosing Party all Protected Material in its possession or in the possession of its Reviewing Representativesincluding all copies and notes of Protected Material-or certify in writing to the Disclosing Party that the Protected Material has been destroyed.

VI. Limitations and Disclosures

The provisions of this Protective Order do not apply to a particular document, or portion of a document, described in Paragraph II.A if a Receiving Party can demonstrate that it has been previously disclosed by the Disclosing Party on a non-confidential basis or meets the criteria set forth in Paragraphs I.B.1 through I.B.5. A Receiving Party intending to disclose information taken directly from materials identified as Protected Material must-before actually disclosing the

information-do one of the following: (i) contact the Disclosing Party's counsel of record and obtain written permission to disclose the information, or (ii) challenge the confidential nature of the Protected Material and obtain a ruling under Paragraph IV that the information is not confidential and may be disclosed in or on the public record.

VII. Remedies

If a Receiving Party violates this Protective Order by improperly disclosing or using Protected Material, the Receiving Party shall take all necessary steps to remedy the improper disclosure or use. This includes immediately notifying the MPSC, the presiding hearing officer, and the Disclosing Party, in writing, of the identity of the person known or reasonably suspected to have obtained the Protected Material. A Party or person that violates this Protective Order remains subject to this paragraph regardless of whether the Disclosing Party could have discovered the violation earlier than it was discovered. This paragraph applies to both inadvertent and intentional violations. Nothing in this Protective Order limits the Disclosing Party's rights and remedies, at law or in equity, against a Party or person using Protected Material in a manner not authorized by this Protective Order, including the right to obtain injunctive relief in a court of competent jurisdiction to prevent violations of this Protective Order.

Administrative Law Judge

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

))))

)

| In the matter of the application of |
|---|
| CONSUMERS ENERGY COMPANY |
| for authority to increase its rates for |
| the generation and distribution of |
| electricity and for other relief. |
| - |

Case No. U-20963

NONDISCLOSURE CERTIFICATE

By signing this Nondisclosure Certificate, I acknowledge that access to Protected Material is provided to me under the terms and restrictions of the Protective Order issued in Case No. U-20963, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by the terms of the Protective Order. I understand that the substance of the Protected Material (as defined in the Protective Order), any notes from Protected Material, or any other form of information that copies or discloses Protected Material, shall be maintained as confidential and shall not be disclosed to anyone other than in accordance with the Protective Order.

Reviewing Representative

Date:_____

Title: Representing:

Printed Name