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## NEWS RELEASE

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### **MPSC approves settlement agreement authorizing \$9.25M rate increase for Michigan Gas Utilities Corp.**

The Michigan Public Service Commission today authorized a settlement agreement allowing a \$9.25 million rate increase for Michigan Gas Utilities Corp. ([Case No. U-20718](#)), addressing significant infrastructure investments the company has made to improve safety and reliability in its natural gas system.

The new rates are set to take effect Jan. 1, 2022. A typical customer who uses 10,000 cubic feet of natural gas per month will pay about \$8.24 more per month, which also includes the impact of the expiration of corporate tax credits that were part of the Tax Cuts and Jobs Act of 2017.

The settlement agreement was reached by the utility; two intervenors in the case, the Michigan Department of Attorney General and the Citizens Utility Board of Michigan, and MPSC Staff.

The rate increase is nearly 39% lower than the \$15,127,536 initially sought. The agreement allows a capital structure with 51.5% common equity and an authorized return on common equity of 9.85%.

Under the settlement agreement, MGU also will:

- Implement a new low-income and senior bill assistance program that will provide energy assistance credits to up to 2,310 qualifying households.
- Implement a demand response pilot program and a main replacement program.
- Amortize over four years the deferred \$5 million cost of capital investments made from Jan 1., 2016, to Dec. 31, 2019.
- Make a one-time contribution of \$100,000 to a grantee of the Michigan Energy Assistance Program that provides low-income energy assistance and self-sufficiency services to MGU's customers.
- Implement a cross bore inspection program beginning in 2022 and file each subsequent year a report detailing expenditures related to cross bores found, remediated or planned.
- File a class cost of service study model in future rate case filings, and
- Develop and submit a natural gas investment delivery plan within 24 months.

MGU provides natural gas service to about 181,000 customers across areas of the southern and western Lower Peninsula. The utility's last rate increase was in 2015.

## **MPSC takes next steps in MI Power Grid initiatives**

The MPSC today approved several orders related to its MI Power Grid effort to maximize the benefits of Michigan's transition from centralized, large power plants to clean, distributed sources of energy.

- In [Case No. U-20852](#), the MPSC adopted, with some revisions, recommendations from MPSC Staff's Competitive Procurement Report aimed at encouraging fair, transparent and nondiscriminatory processes for utilities to use in soliciting competitive bidding for new energy resources in order to reduce costs and maximize value for utility customers. The Commission directed Staff to survey stakeholders on the performance of the guidelines and file no later than Sept. 9, 2026, or earlier if needed, recommendations for modifications.
- In Case No. U-20890, the MPSC initiated the formal rulemaking process for updates to the Commission's Interconnection and Distributed Generation Standards. As part of the order, the MPSC set a public hearing for 9 a.m. Oct. 20, 2021, at 7109 W. Saginaw, Lansing, MI. Written comments referencing Case No. U-20890 must be received at the Commission by Nov. 1, 2021, and may be sent by email to [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) or by mail to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909.
- In Case No. U-21117, the MPSC commenced a collaborative directing utilities and electric cooperatives to begin developing utility-specific electric interconnection procedures to help guide the transition to clean, distributed energy resources. The Commission directed utilities and cooperatives to provide draft interconnection procedures documents to MPSC Staff by Jan 18, 2022, with Staff response due by Feb. 15, 2022. In addition, today's order directs the MI Power Grid Interconnection Standards and Worker Safety workgroup to meet on March 15 and April 14, 2022, for the draft interconnection documents to be presented for stakeholder review and comment.

## **MPSC OKs SETTLEMENT AGREEMENT ON LAMBDA GATHERING WET HEADER PIPELINE PROJECT IN NORTHERN MICHIGAN**

The MPSC today approved a settlement agreement on an application by Lambda Gathering LLC for a certificate of public convenience and necessity for the operation of the Lambda Gathering Wet Header Pipeline, allowing the continued gathering of wet natural gas from the Antrim Shale and Niagaran formations in northern Michigan after some of the pipelines used for that purpose were approved to be converted to dry gas service ([Case No. U-21091](#)). The approval follows the Commission's [order in July 2021](#) permitting a subsidiary of DTE Energy Co. to convert northern Michigan pipelines from unregulated wet gas gathering lines to regulated dry gas transmission lines serving as an additional source of natural gas supply for customers DTE Gas Co. in areas of the northern Lower Peninsula. That conversion was approved subject to Lambda receiving approval for and completing the buildout of the wet header pipelines.

## **MPSC ACCEPTS REPORT, ADOPTS RECOMMENDATIONS FROM WORKGROUP ON NATURAL GAS CURTAILMENT**

The MPSC today accepted the Natural Gas Curtailment Procedures Workgroup Report, filed by MPSC Staff in collaboration with utilities and other stakeholders reviewing whether natural gas curtailment procedures should be updated to prioritize residential heating over natural gas use for electric generation when appropriate during energy emergencies ([Case No. U-20632](#)). The workgroup was established in September 2019 as part of actions taken after the MPSC's [Statewide Energy Assessment](#) identified steps to strengthen Michigan's energy infrastructure following the statewide energy emergency in winter 2019. Today's order accepts the report, adopts recommendations, and directs Staff to file a status report by Sept. 30, 2022.

## **MPSC APPROVES CONTRACTS FOR CONSUMERS ENERGY SOLAR, WIND PROJECTS**

Consumers Energy Co.'s application for approval of a power purchase agreement (PPA) for the output of the Heathlands Solar Project, a 30-megawatt (MW) facility on a former golf course in Manistee County's Onekama Township, was approved today by the MPSC ([Case No. U-20165](#)). The total forecasted cost of the 20-year agreement between Consumers and Heathlands Solar LLC is \$46,584,072, with an average cost per megawatt hour of \$41.72. The solar project is scheduled to begin operating by late 2022. The Commission also approved a new PPA between Consumers and Crystal Flash Renewable LLC for 1.8 MW of output of the existing Bay Windpower Mackinaw City Plant, with which Consumers has had contracts with since 2001, for a term running June 1, 2021 to May 31, 2024 ([Case No. U-20604](#)). The new, \$296,014 PPA is expected to reduce costs by \$19,000 compared to the expired PPA.

## **MPSC DECLINES TO INITIATE CHANGES TO REGULATIONS GOVERNING UTILITY POLE ATTACHMENTS**

The MPSC today declined a request by telecommunications provider ExteNet Systems Inc, and supported by the Telecommunications Association of Michigan (TAM) and CTIA — the Wireless Association, to reexamine certain rules and regulations in its authority governing pole attachments, letting the Commission's current interpretations and existing regulations stand ([Case No. U-20980](#)). The Commission, however, encourages the Michigan Office of Administrative Hearings and Rules to employ flexibility in the application of procedural timelines in order to ensure that pole attachment complaints are resolved within 180 days. In response to ExteNet's Jan. 25, 2021, petition asking the MPSC to initiate a proceeding to issue and make effective rules and regulations implementing Michigan's regulatory authority over wireless pole attachments, the Commission in March 2021 [sought comments](#) from stakeholders addressing issues related to the use of utility poles, ducts, conduits and other rights-of-way by wireless service providers. The Commission received Comments from AT&T Michigan; MPSC Staff; Consumers Energy Co.; Crown Castle Fiber LLC; CTIA; DTE Electric Co.; ExteNet; Frontier Communications; Indiana Michigan Power Co.; Michigan Cable Telecommunications Association; Michigan Electric Cooperative Association;

Michigan Electric and Gas Association, and the Telecommunications Association of Michigan.

### **MPSC APPROVES ELIGIBLE TELECOMMUNICATIONS CARRIER EXPANSION FOR FEELSAFE WIRELESS AND PERMANENT LICENSE FOR SPECTROTEL**

The MPSC approved an application by Air Voice Wireless, doing business as Feelsafe Wireless, to expand the service area for which it is designated as an eligible telecommunications carrier (ETC). The designation allows the provider to access Universal Service Fund support and provide discounted Lifeline service to low-income Michigan customers ([Case No. U-17126](#)) including those in tribal areas of the Bay Mills Indian Community; Grand Traverse Band of Ottawa and Chippewa Indians; Hannahville Indian Community; Nottawaseppi Huron Band of the Potawatomi; Keweenaw Bay Indian Community; Lac Vieux Desert Band of Lake Superior Chippewa Indians; Little River Band of Ottawa Indians; Little Traverse Bay Bands of Odawa Indians; Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians; Pokagon Band of Potawatomi; Saginaw Chippewa Indian Tribe of Michigan, and Sault Ste. Marie Tribe of Chippewa Indians. The Commission today also granted a permanent license to Spectrotel of the Midwest LLC to provide basic local exchange phone service in the zone and exchange areas in which Frontier North Inc., Frontier Midstates Inc., AT&T Michigan, CenturyTel of Michigan Inc., d/b/a CenturyLink, and Frontier Communications of Michigan Inc. are the incumbent local exchange carriers ([Case No. U-21034](#)). Spectrotel must submit its tariff reflecting services it will offer and identifying exchanges it will serve before commencing service.

### **MPSC SETS PUBLIC HEARINGS ON READOPTION OF TELECOMMUNICATIONS RULES SET TO EXPIRE IN 2022**

The MPSC today established two public hearings to readopt rules governing telecommunications providers that would otherwise cease to have effect in 2022. The MPSC seeks to readopt, with minor changes, rules for the provision of unbundled network elements and local interconnection services (Case No. U-21078); the rules are now Michigan Administrative Code, R 484.71-484.75. A public hearing will be held remotely by videoconference at 9 a.m. Oct. 5, 2021. In addition, the MPSC seeks to repromulgate, with minor changes, rules for the provision of basic local exchange phone service customer migration (Case No. U-21079); the rules are Michigan Administrative Code, R 484.81-484.90. A public hearing will be held at 10 a.m. Oct. 5, 2021, also by videoconference. Information on attending either hearing is available in attachments to today's orders. Written comments on either case, referencing the appropriate case number, may be submitted no later than Oct. 19, 2021, by email to [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov) or by mail to Executive Secretary, Michigan Public Service Commission, PO Box 30221, Lansing, MI 48909.

### **MPSC APPROVES EXPANSION OF CONSUMERS ENERGY'S RENEWABLE ENERGY PILOT FOR LARGE CUSTOMERS**

The MPSC today approved a settlement agreement resolving Consumers Energy Co.'s move to amend its renewable energy plan to allow for the expansion of its Large Customer Renewable Energy Pilot, one of the utility's voluntary green pricing (VGP)

programs ([Case No. U-20984](#)). The approval allows Consumers to remove a subscription limit in support of adding up to 1,000 megawatts of new wind and solar facilities based on customer applications. In VGP programs, customers voluntarily specify a certain amount of electricity purchases to be from renewable energy resources, with costs of the program billed to participating customers. Intervenors in the case were the Environmental Law and Policy Center; the Ecology Center; Vote Solar; the Association of Businesses Advocating Tariff Equity, and Energy Michigan Inc. MPSC Staff also participated.

### **COMMISSION ISSUES SHOW CAUSE ORDER FOR CONSUMERS ENERGY ON ALLEGATIONS OF IMPROPER SHARING OF CUSTOMER DATA**

The MPSC today ordered Consumers Energy Co. to show cause why it should not be found in violation of state laws and Commission orders and regulations regarding sharing of customer-specific consumption or billing data with affiliates offering unregulated value-added programs or services (Case No. U-21116). Based on Consumers' 2018 Code of Conduct Annual Report and information supplied by Consumers, MPSC Staff believes the company has repeatedly shared customer-specific information beyond name and address without written or informed customer consent in 2013-2017 and possibly later. The Commission directed Consumers to file its response with supporting documentation by 5 p.m., Sept. 30, 2021; the same deadline applies for petitions for leave to intervene in the case. Consumers must appear with counsel for a prehearing conference at 9 a.m. Oct. 21, 2021.

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

*Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).*

*For information about the MPSC, visit [www.Michigan.gov/MPSC](http://www.Michigan.gov/MPSC), sign up for its [monthly newsletter](#) or other [listservs](#), or follow the Commission on [Twitter](#) or [LinkedIn](#).*

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