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NEWS RELEASE

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MPSC approves DTE Electric Co.'s power supply cost recovery reconciliation but rejects some expenses

The Michigan Public Service Commission has approved DTE Electric Co.'s reconciliation of its 2019 calendar year power supply cost recovery (PSCR) expenses and revenues, but the Commission disallowed costs for an inventory correction for a product the company had not surveyed since 2009 ([Case No. U-20222](#)).

The Commission's order today approved a net under-recovery of \$145,023, which will be the company's 2020 PSCR beginning balance.

The Commission approved DTE Electric's recovery of costs associated with deliveries of natural gas transported via the NEXUS Gas Transmission LLC Pipeline, a 256-mile pipeline connecting receipt points in eastern Ohio with interconnections in southeast Michigan that's a partnership between the utility's parent company, DTE Energy Co., and Enbridge Inc. But the Commission said utilities are obligated to monitor and respond to market conditions and other needs and must make good faith efforts to manage existing contracts, including potentially renegotiating them if need be. Commissioners directed the company to provide a more robust record to justify the reasonableness of its NEXUS transportation expenses or evidence of the steps DTE Electric took to renegotiate the transportation agreement. Absent such evidence, future transportation costs may be disallowed.

The Commission also:

- Disallowed \$2,718,764 in proposed additional expenses DTE sought for limestone used to reduce sulfur dioxide emissions from its coal-fired Monroe Power Plant, an amount the company said was caused by inaccurate consumption scales or an issue with the facility's weigh feeder. This inaccuracy was discovered as a result of a physical inventory survey, the first the company had performed since 2009. The Commission found it is unreasonable and imprudent for DTE to fail to maintain an accurate inventory of its limestone.
- Disallowed \$439,000 in additional expenses DTE sought for trona, a sodium carbonate compound used to control sulfur in coal-fired power plant emissions, finding that the company hadn't provided sufficiently detailed information to justify higher unit costs.

- Approved \$3.1 million in expenses for coke oven gas and blast furnace gases, used as a fuel source in electricity generation. The Commission, however, directed DTE Electric to provide transparent and thorough information on how contracts for these gases were established, along with substantiation of prices, to conform with Code of Conduct rules governing affiliate transactions.

MPSC ACCEPTS REPORT ON INTEGRATION OF RESOURCE, DISTRIBUTION, AND TRANSMISSION PLANNING, SETS TIMEFRAME FOR NEXT STEPS

The MPSC today accepted a MPSC Staff's Integration of Resource, Distribution, and Transmission Planning Report and adopted the report's recommendations, part of a review and update of the integrated resource plan filing requirements for Michigan's regulated utilities ([Case No. U-20633](#)), efforts that have taken into account goals set by utilities and how they align with Gov. Gretchen Whitmer's goals for statewide carbon neutrality by 2050 through her [MI Healthy Climate](#) plan. The Commission directed Staff to create a redline version of the Michigan Integrated Resource Planning Parameters for review by stakeholders in the MI Power Grid Advanced Planning Phase III process by Dec. 22, 2021. Staff is directed to provide a 30-day notice to stakeholders prior to convening the next round of stakeholder meetings for Advanced Planning Phase III of the Integration of Resource, Transmission, and Distribution Planning MI Power Grid workgroup and provide the group's members with the redline version as part of this notice. The Commission also directed Staff to file a final draft of the Michigan Integrated Resource Planning Parameters on June 30, 2022, in a new docket, and to file a final draft of the revised Integrated Resource Plan filing requirements on June 30, 2022, in [Case No. U-15896](#).

COMMISSION SEEKS ADDITIONAL COMMENTS AS IT REVIEWS WHETHER TO REVISE RATE CASE FILING REQUIREMENTS

The MPSC is seeking additional comments as it continues its review of whether revisions needed in utility rate case filing requirements that were changed after the passage of Michigan's 2016 energy laws ([Case No. U-18238](#)). Among other matters, the Commission today asked for input on data collection methods to understand and address customer affordability and access as well as environmental justice issues, ways to increase rate case transparency, and potential additional performance data requirements in rate case filings. Comments referencing Case No. U-18238 must be received by 5 p.m. Oct. 22, 2021, and replies by 5 p.m. Nov. 5, 2021. Address mailed comments and replies to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic comments may be emailed to mpscdockets@michigan.gov.

MPSC APPROVES CONSUMERS ENERGY CO.'S DEMAND RESPONSE RECONCILIATION, FINANCIAL INCENTIVE

The MPSC approved Consumers Energy Co.'s demand response reconciliation of \$883,812 along with a \$2,446,817 financial incentive for 2019, both of which will be factored into the utility's next general rate case. In today's order ([Case No. U-20766](#)), the Commission also directed Consumers to provide notice to MPSC Staff whenever demand response expenditures will significantly vary from the amount approved; meet

with MPSC Staff if demand response program spending exceeds 10% of approved expenditures, and provide a discussion of known spending adjustments for the following year in future demand reconciliation filings. In addition, the order approved Consumers' proposed metrics, and regular updates on pilot implementation to MPSC Staff. The Association of Businesses Advocating Tariff Equity intervened in the case. MPSC Staff also participated.

COMMISSION OKs CONSUMERS ENERGY'S APPLICATION TO REVISE DEMAND RESPONSE TARIFFS

The MPSC today approved Consumers Energy's application to revise demand response tariffs ([Case No. U-21038](#)), complying with a Commission order from October 2020. The changes add an annual simulated power test requirement to the company's Interruptible Service Provision (Rate GI), Interruptible Service Provision – Market Price Option (Rate GI2), and Long Term Industrial Load Retention Rate (LTILRR) tariffs, and revises provisions in the utility's Energy Intensive Primary rate specifying how it will notify customers of a system integrity event.

MPSC APPROVES AMENDED NATURAL GAS CONTRACT BETWEEN DTE GAS CO. AND CONSTELLATION NEWENERGY

The MPSC approved an application by DTE Gas Co. for approval of an amended special contract between the company and Constellation NewEnergy – Gas Division LLC for natural gas transportation and storage rights ([Case No. U-21092](#)). DTE Gas, formerly known as Michigan Consolidated Gas Co. (MichCon), has had a contract with Constellation dating back to the merger of MichCon parent company MCN Energy Group Inc and DTE Energy Co. The contract gave Constellation a right to natural gas pipeline capacity so that it could compete with DTE Gas in areas where DTE Gas and DTE Electric would have overlapping service territories because of the merger, to address Federal Trade Commission concerns about reduced competition. The MPSC approved the initial special contract in 2001. FTC oversight ended in March 2021, and the two companies agreed to an amended contract that the Commission approved today.

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](#).

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