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MPSC approves orders involving NEXUS pipeline contract costs for DTE Electric Co., DTE Gas Co.

The Michigan Public Service Commission today approved three orders involving natural gas costs for DTE Gas Co. and DTE Electric Co. arising from the utilities' use of the NEXUS Gas Transmission LLC pipeline.

A partnership between the utilities' parent company, DTE Energy, and Enbridge Inc., NEXUS is a 256-mile, 36-inch interstate pipeline transporting natural gas from receipt points in eastern Ohio to interconnections in southeast Michigan.

In [Case No. U-20210](#), the Commission approved DTE Gas's gas cost recovery (GCR) reconciliation for the period ending March 31, 2019, the first time DTE Gas sought approval for NEXUS costs. The Commission found that, given the record of evidence, the contracted capacity costs presented by DTE led to lower landed natural gas costs and higher contract utilization for customers than alternatives, and the company's contract with Texas Eastern Appalachian Lease Project was reasonable and prudent. However, the Commission said it remains concerned about the steps taken to minimize the cost of gas and will continue to closely monitor the agreement and amendments given the affiliate nature of the contract.

DTE Gas's 2019-2020 GCR reconciliation balance will reflect a net underrecovery, with interest, of \$12,991,508. The company's 2019-2020 gas customer choice beginning balance will reflect a net overrecovery, with interest, of \$2,167,919.

The Michigan Department of Attorney General, the Residential Customer Group and the Retail Energy Supply Association intervened in the case. MPSC Staff also participated.

In [Case No. U-20527](#), the MPSC approved DTE Electric's power supply cost recovery (PSCR) plan for 2020, noting objections raised about the utility's NEXUS pipeline agreement amendments. The Commission, however, issued a warning under Section 7 of Public Act 304, MCL 460.6j, that DTE Electric may not be allowed to recover the full combined transportation rate for the NEXUS pipeline agreements or its coke oven and blast furnace gas costs for 2020.

In [Case No. U-20543](#), parties also raised objections to NEXUS pipeline amendments in DTE Gas' 2020-2021 GCR plan and asked the MPSC to issue a Section 7 warning about recovery of costs in the utility's reconciliation case. The Commission declined to

issue a warning but emphasized the obligation of DTE Gas to provide evidence sufficient to justify long-term contracts and compliance with the Code of Conduct.

The MPSC authorized DTE Gas to implement a gas cost recovery factor of \$2.43 per Mcf, a supplier of last resort charge of \$0.42 per metric cubic foot for gas cost recovery customers, and a reservation charge of \$0.28 per metric cubic foot for gas cost choice customers, reflected in monthly billings. The Commission directed DTE Gas to address issues related to the appropriate GCR costs for the Antrim Expansion Project pipeline contracts in [Case No. U-20544](#).

In all three cases above, the Commission noted that it will expect to see evidence going forward that DTE Gas and DTE Electric have taken steps to minimize the cost of gas, including efforts to renegotiate contracts, and comparing the existing pipeline agreement with other long-term supply options.

BARAGA TELEPHONE CO.'S ELIGIBLE TELECOMMUNICATIONS CARRIER EXPANSION REQUEST APPROVED

The MPSC today approved Baraga Telephone Co.'s request to expand its eligible telecommunications carrier designation to include Census blocks the company was awarded in the Federal Communications Commission's Rural Digital Opportunity Fund (RDOF) auction in December 2020 ([Case No. U-11548](#)). RDOF Auction winners are required to use money awarded in the auction to expand broadband and meet various broadband goals throughout the Census blocks, while continuing to offer standalone voice service.

MPSC APPROVES TWO CONSUMERS ENERGY SOLAR CONTRACTS

The MPSC today approved two competitively bid contracts between Consumers Energy and solar energy companies as part of the utility's plans to procure about 6,000 megawatts (MW) of new solar energy resources by 2040 ([Case No. U-20165](#)). The Commission approved a build-transfer agreement between Consumers and Mustang Mile Energy LLC for the Mustang Mile Project, a 150-MW solar facility in Lenawee County with a total lifetime cost of approximately \$516 million. The Commission also approved a 25-year power purchase agreement between Consumers and Calhoun Solar Energy LLC, with a total cost of \$395 million, for the output of the 140-MW Calhoun Solar Energy Center in Calhoun County.

COMMISSION APPROVES DTE ELECTRIC CO. ACCOUNTING REQUEST, ALLOWING UTILITY TO DEFER FILING ITS NEXT GENERAL RATE CASE

The MPSC today approved a request by DTE Electric Co. to postpone the start of accelerated amortization of its non-plant regulatory liability from lower corporate income tax rates under the 2017 Tax Cuts and Jobs Act from May 1 to Dec. 1, 2021 ([Case No. U-20835](#)). Approval of the postponement allows the utility to defer filing its next general rate case, seeking an increase in base rates, from May 1 to Oct. 1, 2021, or later.

MPSC APPROVES CHANGES TO INDIANA MICHIGAN POWER CO. PRICING TARIFFS, AUTHORIZES NEW ADVANCED METERING PILOT PROGRAMS

Indiana Michigan Power Co.'s (I&M) request to amend two time-of-day tariffs for residential general service customers, introduce a new critical peak pricing option, and offer four pilot programs using advance metering infrastructure (AMI) to manage electricity load were approved today as part of the utility's deployment of AMI for its Michigan customers, expected to be completed in 2023 ([Case No. U-20938](#)). The MPSC authorized I&M to record up to \$1,010,970 in operation and maintenance costs for the four pilot programs and directed the company to file a comprehensive pilot plan as part of its next general rate case.

MPSC OPENS DOCKET TO ADDRESS QUESTIONS RELATED TO FERC'S ORDER NO. 841 ON MARKET ACCESS FOR ELECTRIC STORAGE RESOURCES

The MPSC today opened Case No. U-21032 to take comments from stakeholders related to the Federal Energy Regulatory Commission's Order No. 841 of 2018, which aimed to ease barriers to electric storage resource participation in markets operated by regional transmission operators and independent system operators. Comments must reference Case No. U-21032 and be received no later than 5 p.m. Eastern time on May 6, 2021. Mail comments to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Comments may be e-mailed to mpscdockets@michigan.gov. If you require assistance prior to filing, contact MPSC Staff at 517-284-8090 or by e-mail at mpscdockets@michigan.gov.

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

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