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October 19, 2026

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Hwy, 3rd Floor
Lansing, MI 48917

Re: U-21986 - *In the matter of the application of Indiana Michigan Power Company for approval of modifications to its Large Power Tariff – Tariff LP.*

Dear Ms. Felice:

Attached for electronic filing in this matter are Indiana Michigan Power Company's Response in Opposition to the Attorney General's Petition for Rehearing and Proof of Service of same.

If you have any questions, please contact me.

Sincerely,

Dykema Gossett PLLC

Jason T.

Hanselman

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Enclosure

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**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the application of)
Indiana Michigan Power Company)
for approval of modifications to its)
Large Power Tarriiff —Tarriiff LP)

Case No. U-21986

**INDIANA MICHIGAN POWER COMPANY’S
RESPONSE IN OPPOSITION TO
THE ATTORNEY GENERAL’S PETITION FOR REHEARING**

The Michigan Public Service Commission (“MPSC” or the “Commission”) should deny the Attorney General’s (“AG”) Petition for Rehearing because the Commission acknowledged and rejected the AG’s argument, concluding instead “that the ALJ’s determination is reasonable and supported on this record.” Although the Commission did not discuss the AG’s exceptions, it explained the AG’s argument, the ALJ’s basis for rejecting that position, and the Commission’s decision to instead adopt the ALJ’s finding on the issue. Specifically, page 12 of the Commission Order summarizes the AG’s position regarding assignment of rights—the same position rejected by the ALJ, re-argued by the AG in exceptions, and ultimately rejected by the Commission. The Commission should deny the Petition because the AG failed to meet the standards required for rehearing, namely, the AG failed to: (1) show that the Order was incorrect or improper because of error in fact or law; (2) present any newly discovered evidence; and (3) identify any unintended consequences as a result of the Order.

BACKGROUND

On August 27, 2026, the Commission approved amendments to I&M’s Large Power Tariff (the “Order”).¹ On September 28, 2026, the AG filed a Petition for Rehearing, explaining that,

¹ Commission Order in Case No. U-21986, pp 41-43 (August 27, 2026).

although the Order said no exceptions were filed regarding assignment of rights, the AG had filed exceptions on that issue.² Relevant to the AG’s Petition for Rehearing, the Order states “The ALJ further declined to adopt the Attorney General’s recommendation that assignment of capacity may only be done with prior Commission approval...The Commission finds that the ALJ’s determination is reasonable and supported on this record. Therefore, the Commission finds that large-load customers may not reassign contract capacity on their own and I&M’s proposed language is adopted.”

ARGUMENT

The Commission has consistently applied its standards concerning rehearing petitions for many years. Rule 437(1) states the standards for filing a petition for rehearing:

A petition for rehearing based on a claim of error shall specify all findings of fact and conclusions of law claimed to be erroneous with a brief statement of the basis of the error. A petition for rehearing based on a claim of newly discovered evidence, on facts or circumstances arising subsequent to the close of the record, or on unintended consequences resulting from compliance with the decision or order shall specifically set forth the matters relied upon. Mich Admin Code, R 792.10437(1).³

The Commission has indicated that “an application for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission’s decision.”⁴ Additionally, the Commission has stated that “[u]nless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.”⁵

² Petition, p 1.

³ See also, Commission Order in Case No. U-21291, p 5 (February 27, 2025).

⁴ Commission Order in Case No. U-13917, p 4 (August 1, 2005).

⁵ Commission Order in Case No. U-13716, p 2 (October 14, 2004).

Here, the AG correctly notes the Order did not address the AG’s exception to the PFD regarding potential assignments of rights. However, the AG fails to acknowledge that the Order did summarize the AG’s position in exceptions and the AG failed to present evidence that the Commission’s decision is incorrect or improper as a result of the Order not responding to the AG’s exception. Nor does the Petition present newly discovered evidence or unintended consequences of the decision. The AG’s exception at issue here simply restates the AG’s arguments from the case record, which the Commission summarized and rejected in the Order. Instead of a valid petition for a rehearing, the AG is using its Petition as another opportunity to argue its position and express disagreement with the Commission’s decision. Accordingly, the Commission should deny the Petition.

I. The Commission’s Decision Was Neither Incorrect Nor Improper Due to Error, Newly Discovered Evidence, or Unintended Consequences.

A. The Record Indicates the Commission’s Decision was Correct and Proper.

The Order not addressing the AG’s exception regarding assignment of rights had no impact on the Commission’s findings of fact or conclusions of law. The Commission thoroughly and adequately addressed the issue of ‘assignment of rights’ and there is no evidence that (1) the Commission’s decision is incorrect or improper because of error in fact or law; (2) there is newly discovered evidence; or (3) there are unintended consequences as a result of the Order.

The AG’s exception at issue here appears on page 12 of the AG’s Exceptions to the PFD and consists of just four sentences.⁶ The exception addresses the issue of assignment of rights and reiterates the AG’s recommendation on this issue as made in briefing and testimony. Specifically, the AG argues that reassignment of contract rights should be subject to Commission review

⁶ Attorney General’s Exceptions to the PFD, pp 12-13.

because reassignment of contract capacity can function as the equivalent of an exit fee mitigation, and reassignment of contract capacity to another customer could entail significant concerns around contract terms and cost shifting risks.⁷

The AG raised its arguments regarding assignment of rights throughout the record of this case, including in its direct testimony,⁸ initial brief,⁹ and reply brief.¹⁰ The AG's arguments in its direct testimony are referenced in its briefs, including the AG's arguments presented in its exceptions. In other words, the AG's arguments and position on the issue of assignment of rights are well documented throughout the case record.

The PFD also thoroughly addressed the assignment of rights issue.¹¹ The PFD discusses arguments on the issue by I&M, MPSC Staff, and the AG, including referencing the AG's filed direct testimony discussing the issue.¹² The PFD found that the AG's recommendation that assignment of rights should require Commission approval is unnecessary, intrudes on the daily operations of I&M, and is not consistent with the Commission's findings in Case No. U-21859.¹³ The PFD concluded "that a large load customer is not allowed to assign capacity to another customer under its own discretion, that is that I&M's written consent is required."¹⁴

⁷ *Id.*

⁸ 2 Tr 162-63; 2 Tr 159.

⁹ Attorney General's Initial Brief, p 32.

¹⁰ Attorney General's Reply Brief, p 20.

¹¹ PFD, pp 37-40.

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

After explaining the parties' positions on the issue—including summarizing the AG's position—the Commission adopted the PFD's position.¹⁵

B. The AG's Exception to the PFD Does Not Contain Information That Invalidates the Commission's Decision.

The AG's sole contention is that the Commission Order did not discuss its exception.¹⁶ The AG's exception regarding assignment of rights simply reiterates the AG's prior arguments which are unsupported and do not necessitate a response from the Commission. In other words, the Commission not addressing the AG's exception in the Order does not impact the integrity of the Commission's decision and the AG's Petition for a rehearing should be denied.

II. The AG's Petition is Simply an Attempt to Argue Its Position or Express Disagreement with the Commission's Decision.

The AG's Petition merely requests the Commission to "acknowledge," "consider," and "adopt" its arguments and recommendation in its exception regarding the issue of assignment of rights.¹⁷ The AG's exception does not, however, present any arguments that are not otherwise presented on the record and the AG is merely requesting another opportunity to argue its position. The Commission has indicated that "an application for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission's decision."¹⁸

III. Assignment of Rights Should Not Be Subject to Commission Review.

As the PFD recommended, and which the Commission ordered, subjecting assignments of rights to Commission approval is unnecessary, intrusive, and inconsistent with the Commission's

¹⁵ Order, p 12.

¹⁶ Petition, pp 1-2.

¹⁷ See e.g. Petition, p 1; see also Petition, p 3.

¹⁸ Commission Order in Case No. U-13917, p 4 (August 1, 2005).

findings in Case No. U-21859.¹⁹ The Petition’s primary argument is that the Commission did not adequately recognize the AG’s exception arguing that reassignment of contracts should be subject to a contested case.²⁰

The AG fails to recognize, however, that contract reassignment already protects I&M’s customers. I&M has an interest in protecting both its electric system and its customers—the reassignment of contract rights does not increase or decrease the rights or obligations under that contract. Instead, it ensures that those same rights and obligations remain. The Exit Fee terms in the Tariff LP apply to both the original contracting party and any assignee that takes under the contract. Thus, the AG’s claims regarding the dangers of reassignment should be disregarded. Accordingly, the Commission should uphold its decision and deny the AG’s recommendation that assignment of capacity may only be done with prior Commission approval.²¹

CONCLUSION

For the reasons stated above, I&M respectfully requests that the Attorney General’s Petition for Rehearing be denied.

Respectfully submitted,

Jason T.

By: Hanselman

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Counsel for Indiana Michigan Power Company

¹⁹ PFD, p 40; Order, p 12.

²⁰ Attorney General’s Exceptions to the Proposal for Decision, pp 12-13.

²¹ See Order, p 12.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
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Case No. U-21986

PROOF OF SERVICE

Cassandra A. Jackway, an employee of Dykema Gossett PLLC, states that on the 19th day of October 2026, she served **Indiana Michigan Power Company's Response in Opposition to the Attorney General's Petition for Rehearing** upon the parties below at the email addresses indicated:

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