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June 5, 2026

VIA ELECTRONIC CASE FILING

Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, Michigan 48917

Re: Case No. U-22058 – In the matter of the Application of DTE ELECTRIC COMPANY for Approval of Special Contracts and for other relief.

Dear Executive Secretary:

Enclosed for filing please find the ***Association of Businesses Advocating Tariff Equity's PUBLIC Direct Testimony & Exhibits of James R. Dauphinais*** and ***Proof of Service*** in the above-referenced matter.

Sincerely,

CLARK HILL PLC

Stephen A. Campbell

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Stephen A. Campbell

SAC/lkd
cc: Parties of Record

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of DTE ELECTRIC COMPANY for approval of special contracts and for other relief.	))))	**Case No. U-22058**

PUBLIC VERSION

Direct Testimony of

James R. Dauphinais

On behalf of

Association of Businesses Advocating Tariff Equity

June 5, 2026

BRUBAKER & ASSOCIATES, INC.

Project 12048

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of DTE ELECTRIC COMPANY for approval of special contracts and for other relief.	))))	**Case No. U-22058**

Table of Contents for the Direct Testimony of James R. Dauphinais

I. INTRODUCTION 1

II. SUMMARY OF DTE'S PROPOSAL TO SERVE GOOGLE 6

III. DTE'S NET BENEFIT ANALYSIS 15

IV. INSUFFICIENCY OF AFFORDABILITY BACKSTOP 20

V. INSUFFICIENT PROTECTION FROM COLLATERAL SHORTFALLS 22

VI. COMMITMENT TO MAINTAIN RESOURCE ADEQUACY 24

VII. INTRA-CLASS COST SUBSIDIES 27

VIII. FINANCIAL INCENTIVE FOR ZRC TRANSFER 29

Appendix A: Qualifications of James R. Dauphinais

Exhibit AB-1: Referenced DTE Responses to Discovery Requests

Exhibit AB-2: Remaining Net Revenue Requirement – Proxy CCGT with CCS and Solar – Capacity and Energy Value Maintained at 2038 Level

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of DTE ELECTRIC COMPANY for approval of special contracts and for other relief.	))))	**Case No. U-22058**

Direct Testimony of James R. Dauphinais

I. INTRODUCTION

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A James R. Dauphinais. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and a Managing Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is included in Appendix A to my testimony.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A I am appearing on behalf of the Association of Businesses Advocating Tariff Equity ("ABATE"). ABATE consists of large usage customers that purchase substantial amounts of electric power and/or delivery service from DTE Electric Company ("DTE"

or the "Company"). They primarily take service under DTE Rate D8, Rate D11, Rider 3 and/or Rider 10.

Q HAVE YOU PRESENTED TESTIMONY IN PRIOR ELECTRIC REGULATORY PROCEEDINGS BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION ("COMMISSION" or "MPSC")?

A Yes. Over my 28 years of employment by BAI, I have provided testimony to the Commission on several occasions regarding issues that include electric rate design, class cost of service, Power Supply Cost Recovery ("PSCR"), standby service rates, resource planning, transmission planning and transmission line routing. In recent years, this has included providing testimony in the most recent general rate cases of Consumers Energy Company (Case Nos. U-20963, U-21224, U-21389, U-21585 and U-21870), DTE (Case Nos. U-18014, U-18255, U-20162, U-20561, U-20836, U-21297, U-21534 and U-21860) and Indiana Michigan Power Company (Case Nos. U-18370, U-20359 and U-21461), as well as in the original Section 6w State Reliability Mechanism ("SRM") Capacity Charge proceedings of Consumers (Case No. U-18239) and DTE (Case No. U-18248). I also provided testimony in the 2020 PSCR Reconciliation cases of Consumers (Case No. U-20526) and DTE (Case No. U-20528), as well as the most recent Integrated Resource Plan ("IRP") proceedings of Consumers (Case No. U-21090), DTE (Case No. U-21193) and Indiana Michigan Power Company (Case No. U-21189). Additionally, I provided testimony in the large load addition tariff amendment cases of Consumers (Case No. U-21859) and Indiana Michigan Power Company (Case No. U-21986). Most recently, I provided testimony in the proceeding relative to Consumers' application to revise its Voluntary Green Pricing ("VGP") programs (Case No. U-21972).

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A The purpose of my testimony is to respond to DTE's application in this proceeding, which has requested: (i) Commission approval of two special contracts (a Primary Supply Agreement ("PSA"") and a Clean Capacity Acceleration Agreement ("CCAA")) between DTE and Google LLC ("Google" or "Customer") under which Google would take electric service from DTE pursuant to DTE Rate Schedule D11 for a data center facility with a maximum demand of approximately 1.0 GW (1,000 MW) located at or near Van Buren Township, Michigan; (ii) Commission authorization for DTE to record to income a financial incentive that would be paid by Google to DTE for Zonal Resource Credits ("ZRC") transferred by Google to DTE under the CCAA; and (iii) Commission authorization to record regulatory liabilities to Account 254 for the accelerated recovery for storage and renewable energy projects under the CCAA.[1]

While DTE is not requesting approval of them in this proceeding, DTE in its direct testimony identifies two additional agreements between DTE and Google – a DTE Rider 12 Demand Response ("DR") Agreement and a Line Extension Agreement ("LEA"). DTE relies upon these two additional agreements in its direct testimony to help support its contention that the PSA and CCAA are reasonable, prudent, in the public interest, and will not increase the cost of service to other customers.[2] Therefore, I also address both of these agreements in that context in my testimony herein.

My silence with respect to any position taken by DTE in its application or direct testimony in this proceeding should not be interpreted as an endorsement of that position.

[1] Application at 1-2 and 6.
[2] DTE Witness Foley Revised Direct at NTF-6.

Q PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS IN THIS PROCEEDING.

A Based on my review of DTE's application, direct testimony and exhibits, and responses to discovery as of the filing date of my testimony herein, for the following reasons, I have concluded DTE's proposed PSA and CCAA are insufficient as filed to ensure DTE's provision of electric service to Google would be reasonable, prudent, in the public interest, and will not increase the cost of service to other customers:

- DTE'S net benefit analysis has significant limitations and is not by itself sufficient to show that DTE providing service to Google under the PSA and CCAA would not ultimately cause DTE's other customers to see higher costs.

- DTE's proposed Affordability Backstop under its proposed PSA with Google (Section 5.1.3 of the PSA) does not extend beyond termination of the PSA and does not provide for modification of the termination payment under the PSA in the event the Commission finds the aggregate costs of serving Google exceed the aggregate benefits.

- DTE is unwilling to commit to not seeking recovery from its other customers for any amount owed by Google to DTE under the PSA and CCAA.

- DTE has not made a commitment to fully utilize the discretion given to it under Section 2 of the PSA to limit the load ramp and maximum demand of Google to ensure resource adequacy for its other customers.

- DTE's proposal to serve the Google facility under the PSA and CCAA relies on a yet to be identified, large new generation resource addition entering service prior to the end of Google's CCAA ZRC transfer commitment and the Rider 12 DR Agreement commitment on May 31, 2033, which places an undue problematic resource adequacy risk on DTE's other customers.

- DTE's proposal to serve the Google facility via DTE's Rate D11 would distort the characteristics of the D11 customer class and, as a result, will likely lead to intra-class subsidies, given that the Google facility would likely make up approximately 26% of DTE's total full service sales in the D11 class upon the completion of Google's ramp up, and, in conjunction with DTE's other large data center load customer, Oracle America Cloud Services LLC ("Oracle", formerly Green Chile Ventures LLC), would likely make up approximately 62% of DTE's total full service sales in the D11 class.

- DTE's proposal to receive a financial incentive from Google for the ZRCs that would be transferred by Google to DTE under the proposed CCAA is inappropriate given that the transfer of the ZRCs to DTE is not the same as

the acquisition of power under a Purchased Power Agreement ("PPA"), and would instead amount to DTE being allowed to earn a monopoly rent on customer self-supplied capacity.

Given these conclusions, I recommend that the Commission reject DTE's proposed PSA and CCAA as filed by DTE and, at a minimum, condition any approval of the PSA and CCAA on DTE and Google agreeing to the following:

- Modification of the Affordability Backstop provision under Section 5.1.3 of the proposed PSA to allow an evaluation and modification of the termination payment based on the facts and circumstances known or knowable at the time of termination. The Affordability Backstop must ensure the costs incurred to serve Google do not exceed the benefits from serving Google due to the termination, giving full consideration to the reasonably projected forward-looking benefits at that time compared with any sunk costs incurred by DTE to serve Google.

- In the event of a failure by Google to pay any amount due to DTE under the PSA or CCAA, or in the event of a termination, default, or other event whereby DTE is required to draw on the letters of credit or parental guaranties under the PSA or CCAA, if DTE determines that the specified collateral is not sufficient to cover the full amount of the remaining financial exposure associated with the PSA or CCAA (minus the value to customers), any unrecovered costs shall not be borne by ratepayers and DTE shall bear responsibility for any remaining liability.

- DTE shall fully utilize the discretion given to it under Section 2 of the PSA to limit the load ramp and maximum demand of Google as necessary to ensure resource adequacy for DTE's other customers.

- DTE modifying its emergency procedures to subject Google to firm load shedding prior to other customers, provided that such customer load shedding does not: (i) compromise system reliability; and (ii) can prevent shedding firm load of other DTE Electric Customers, until such time all of the resources necessary to serve the Google data center load are in service.

- Modification of the CCAA and the Rider 12 DR Agreement such that: (i) Google is required to continue to transfer 300 MW of ZRCs to DTE beyond May 31, 2033; and (ii) Google's facility is required to continue to be curtailable down to a demand of 650 MW beyond May 31, 2033, to the extent DTE has been unable to bring 550 MW of ZRCs of new capacity online in MISO Zone 7 to replace the ZRCs provided by Google to DTE under the CCAA and Rider 12 DR Agreement.

- Modification of the proposed PSA to place Google into its own customer class, potentially with other large data center loads, but separate and apart

from the Rate D11 class, with the initial rates for the class being the same as those for Rate D11.

- DTE withdrawing its proposal to earn a financial incentive on the ZRC transfer by Google to DTE under the CCAA or, in the alternative, DTE agreeing that the Commission's approval of Google's agreement under the CCAA to provide a financial incentive to DTE for the ZRC transfer does not set any precedent with respect to whether DTE is entitled to mandate the receipt of such a financial incentive from its customers on customer self-supplied capacity and energy.

II. SUMMARY OF DTE'S PROPOSAL TO SERVE GOOGLE

Q PLEASE PROVIDE A SUMMARY OF DTE'S PROPOSAL IN THIS PROCEEDING TO PROVIDE ELECTRIC SERVICE TO GOOGLE'S PROPOSED 1.0 GW DATA CENTER LOAD TO BE LOCATED AT OR NEAR VAN BUREN TOWNSHIP.

A Pursuant to its PSA and CCAA with Google for which DTE has requested Commission approval for in this proceeding, and in conjunction with DTE's Rider 12 DR Agreement and LEA with Google for which DTE is not seeking Commission approval, DTE proposes to provide electric service to Google as a full-service customer under DTE Rate D11. Rate D11 is currently the principal electric service rate used to provide electric service to DTE's commercial and industrial customers served at primary or higher voltage. Putting aside the 1.4 GW Oracle data center load that was the subject of Case No. U-21990, the 1.0 GW Google data center load would be by far the largest single full-service customer taking electric service under Rate D11. Based on the Rate D11 rate design workpapers for the Final Order in U-21534 (provided by DTE in response to Data Request ABDE-1.4),[3] DTE's total current full-service customer load on Rate D11 is approximately 1.8 GW with a 73.4% load factor spread over

[3] A copy of DTE data request responses (without their voluminous attachments), can be found in Exhibit AB-1 in alphanumeric order.

2,079 customers.[4] In contrast, Google, if its load fully materializes, would as a single customer have a demand of approximately 1.0 GW with an expected load factor of approximately 90%.[5] Assuming the Oracle data center also has a load factor of approximately 90% and there is no load growth in traditional D11 full-service customers, Oracle and Google together would make up approximately 57% of the total full-service demand and approximately 62% of the total full-service energy in the D11 rate class.[6] Google alone would account for approximately 24% of the total full-service demand and 26% of the total full-service energy in the D11 rate class.[7]

Q PLEASE PROVIDE A SUMMARY OF THE MAJOR ELEMENTS OF THE PSA.

A The PSA would provide Google electric service under DTE Rate Schedule D11 for a period of 20 years and would automatically renew for up to two additional five-year terms unless Google provides at least 36 months' notice of non-renewal.[8]

Under the PSA, Google would pay all surcharges applicable to Rate D11, including the PSCR surcharge, and its ability to switch to a different rate schedule would be restricted such that it could not request a change taking effect prior to 24 months after its Load Ramp Completion Date, must provide 24 months' notice, and could only move to a Commission-approved rate schedule that is not cross-subsidized by any other customer group.[9]

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[4] DTE Response to ABDE-1.4, U-22058 ABDE-1.4 U-21534 Approved Rate Design Model.xlsx at D11 Total Tab, Line 1, 9 and 30; 1.8 GW ≈ 1.788 GW = 21,460,521 kW / 1,000,000 kW per GW / 12 months per year); 73.4% load factor = 11,505,383 MWh / [(21,460,521 kW / 1,000 kW per MW / 12 months per year) x 8,760 hours per year)].

[5] Application at 2 and DTE Witness Bilyeu Direct at KLB-11; 90% ≈ 89.95% = 7.88 TWh / [(1.0 GW / 1,000 GW per TW) x 8,760 hours).

[6] 57% ≈ 57.14% = (1.4 GW + 1.0 GW) / (1.8 GW + 1.4 GW + 1.0 GW); 61% ≈ 62.05% = [(1.4 GW + 1.0 GW) x 90%] / [1.8 GW x 73.4% + (1.4 GW + 1.0 GW) x 90%].

[7] 24% ≈ 23.81% = (1.0 GW) / (1.8 GW + 1.4 GW + 1.0 GW); 26% ≈ 25.85% = (1.0 GW x 90%) / [1.8 GW x 73.4% + (1.4 GW + 1.0 GW) x 90%].

[8] Application at 2-3 AND DTE Witness Foley Revised Direct at NTF-11 through NTF-12.

[9] DTE Witness Foley Revised Direct at NTF-12 through NTF-13.

The PSA establishes a Minimum Billing Demand ("MBD") equal to 80% of Google's contract capacity applicable for a given billing period, which would equal 800 MW once Google reaches its full 1,000 MW contract capacity.[10] Based on the D11 rates approved in Case No. U-21860, DTE indicates this MBD would result in a Minimum Monthly Charge ("MMC") of approximately $13.8 million per month, that Google would owe regardless of whether its actual usage ever reaches its contract capacity.[11] While Google may temporarily delay its load ramp by up to 18 months in the aggregate, which could push its Load Ramp Completion Date as late as June 2030, the PSA provides that Google cannot reduce the contract capacity that DTE has committed to serve once the load ramp is reached.[12]

The PSA also addresses circumstances in which DTE is unable to achieve or maintain Google's load ramp or maximum load — including termination of the CCAA or Rider 12 DR Agreement, reasons not attributable to DTE, Google's underperformance or nonperformance, or a determination that the energy storage portfolio under the CCAA is not feasible — in which case the parties would negotiate a solution and, failing agreement, DTE could unilaterally propose an adjustment to Google's load ramp or maximum load that Google could accept or else terminate the PSA and pay all applicable termination payments.[13] The PSA contains a termination payment that DTE indicates is designed so that DTE will recover at least 15 years of MMCs once Google achieves its maximum load, with the termination payment at the Load Ramp Completion Date equal to approximately $2.48 billion based on the D11 rate approved in Case No. U-21860.[14]

[10] DTE Witness Foley Revised Direct at NTF-13 through NTF-14.
[11] DTE Witness Foley Revised Direct at NTF-15.
[12] DTE Witness Foley Revised Direct at NTF-15 through NTF-16.
[13] DTE Witness Foley Revised Direct at NTF-16 through NTF-17.
[14] DTE Witness Foley Revised Direct at NTF-17 through NTF-18.

In the PSA, Google also commits to participate in and comply with the self-directed energy waste reduction plan requirements set forth in MCL 460.1093.[15]

Furthermore, the PSA includes an Affordability Backstop, set forth in Section 5.1.3 of the PSA, under which Google agrees that if, at any time during the term, the Commission issues a ruling or order determining that the costs to serve Google exceed the combined revenues paid or payable to DTE under the PSA and the applicable Related Agreements, or disallows DTE's recovery of costs attributable to serving Google, Google will comply with any such ruling or order and, as applicable, reimburse DTE for any unrecovered costs, except for unrecovered costs incurred due to DTE's gross negligence or willful misconduct.[16] DTE in discovery indicated that this would include consideration of: (i) all revenue received under the PSA and CCAA; (ii) any avoided revenue requirement associated with resources that DTE was able to avoid deploying due to serving Google under the PSA and CCAA; (iii) the revenue requirement of the energy storage projects under the CCAA; (iv) the revenue requirement of renewable energy projects under the CCAA; (v) the revenue requirement of the renewable energy projects deployed to meet DTE's Renewable Portfolio Standard ("RPS") obligations not covered by the CCAA; (vi) the revenue requirement of other resources identified in DTE's Integrated Resource Plan ("IRP") as being caused by Google's load; (vii) increased fuel and purchased power costs; (viii) the revenue requirement of the required transmission investments; and (ix) any other incremental expenses or resource revenue requirement that was caused by DTE serving Google's load under the PSA and CCAA.[17]

[15] DTE Witness Foley Revised Direct at NTF-19.
[16] DTE Witness Foley Revised Direct at NTF-19 through NTF-20 and Exhibit A-16 at 8 (Section 5.1.3 of PSA).
[17] DTE Response to Data Requests MNSDE-1.2a through MNSDE-1.2d and ABDE-1.3.

Finally, the PSA includes credit and collateral requirements satisfied through a Parent Guaranty and, if necessary, based on the parent's credit rating, a Letter of Credit, with the required amount covering a portion of Google's financial obligations under the PSA and declining over the latter portion of the contract term once the forecasted termination payment decreases below the initial required amount of collateral.[18]

Q PLEASE PROVIDE A SUMMARY OF THE MAJOR ELEMENTS OF THE CCAA.

A The CCAA establishes obligations between DTE and Google under which DTE would develop up to 480 MW of energy storage projects and 1,600 MW of renewable energy projects whose costs would be recovered from Google in exchange for certain capacity and energy credit payments to Google.[19]

The CCAA also requires Google to transfer 300 MW of ZRCs from MISO Zone 7 to DTE from June 1, 2028 through May 31, 2033 and to pay a financial incentive to DTE for those transferred ZRCs.[20] Google would receive a capacity credit payment from DTE for the transferred ZRCs just like it would for the energy storage and renewable energy projects under the CCAA.[21]

The renewable energy project portion of the CCAA is essentially designed to act as a VGP program for Google that, if fully implemented, would provide sufficient renewable energy for the Google load to reach 100% renewable energy.[22] If the renewable energy project portion of the CCAA is not fully implemented, Google is

[18] DTE Witness Foley Revised Direct at NTF-21 through NTF-23.
[19] Application at 3-4.
[20] *Id.*; DTE Response to Data Request CEOMEIBCIEIDE-1.1a; Revised Redacted Exhibit A-18 at 38.
[21] Application at 3-4.
[22] Application at 3-4 and DTE Witness Bilyeu Direct at KLB-9.

responsible for any incremental cost incurred by DTE in meeting the renewable portfolio standard to the extent such costs are attributable to Google.[23]

Google is responsible for the full cost of the energy storage projects and renewable energy projects under the CCAA for their full depreciable life over the 20-year term of the CCAA and must pay a termination payment if the CCAA is terminated.[24] The CCAA is not renewable at the end of its 20-year term.[25] DTE is proposing to establish a regulatory liability to track the amounts paid by Google for the projects over the term of the CCAA that exceed the normal book life revenue requirement of the projects over the term of the CCAA.[26]

Finally, like the PSA, the CCAA includes credit and collateral requirements satisfied through a Parent Guaranty and, if necessary, based on the parent's credit rating, a Letter of Credit, with the required amount covering a portion of Google's financial obligations under the CCAA and declining over the latter portion of the contract term once the forecasted termination payment decreases below the initial required amount of collateral.[27]

Q PLEASE PROVIDE A SUMMARY OF THE MAJOR ELEMENTS OF THE RIDER 12 DR AGREEMENT AND THE LEA.

A As noted earlier in my testimony herein, while DTE is not requesting approval of them in this proceeding, DTE in its direct testimony identifies two additional agreements between DTE and Google – a Rider 12 DR Agreement and an LEA. As I have noted, DTE relies upon these two additional agreements in its direct testimony to help support

[23] DTE Witness Foley Revised Direct at Exhibit A-18 at 9 (Section 4.1.10.2 of CCAA).
[24] DTE Witness Foley Revised Direct at NTF-24 through NTF-31.
[25] DTE Response to Data Requests STDE-1.9 and STDE-1.11.
[26] DTE Witness Foley at NTF-30.
[27] DTE Witness Foley Revised Direct at NTF-40 through NTF-41.

its contention that the PSA and CCAA are reasonable, prudent, in the public interest, and will not increase the cost of service to other customers.[28]

The Rider 12 DR Agreement commits Google, pursuant to DTE Rider 12, from June 1, 2028 through May 31, 2033, as a Load Modifying Resource ("LMR") Demand Resource, to reduce its demand at its facility to 650 MW or lower when called upon by MISO to do so during emergencies.[29] DTE indicates the Rider 12 Agreement does not need Commission approval because it is a standard tariff offering.[30]

The Rider 12 DR Agreement requires Google to perform such demand reductions whenever MISO declares an emergency, but with the demand reductions occurring no more than **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**[31] This availability requirement is well in excess of MISO's proposed 2028/2029 Planning Year and beyond minimum required availability for a Type I LMR Demand Resource (only one four hour demand reduction per MISO Season) that, as of the filing date of this testimony, was currently pending before FERC in Docket No. ER25-1886.[32] Google would receive the same contract price (or credit) from DTE for its participation in Rider 12 as other Rider 12 customers.[33]

DTE indicates the contract damages for non-performance under the Rider 12 Agreement are structured to ensure that all potential MISO penalties are assessed to Google, which would include those MISO has proposed for LMRs in FERC Docket No. ER26-1882, with DTE also assessing additional damages at two times the contract

[28] DTE Witness Foley Revised Direct at NTF-6.
[29] *Id.* and DTE Witness Burgdorf Direct at SDB-21 through SDB-23.
[30] DTE Response to Data Request STDE-3.12.
[31] DTE Response to Data Requests CEOMEIBCIEIDE-1.24b and ABDE-1.9e.
[32] DTE Witness Burgdorf Direct at SDB-22 through SDB-23 and DTE Response to Data Request ABDE-1.9d.
[33] DTE Response to Data Request STDE-3.14.

price for the non-performance amount and assessing any future Planning Year lost accreditation at the lost Auction Clearing Price revenues plus at least the Cost of New Entry.[34]

The LEA requires Google to pay up to $50 million toward the DTE distribution project necessary to provide service to Google.[35] DTE indicates the distribution project, which would directly interconnect the Google data center load to the ITC Transmission ("ITC") transmission system without connecting to, or utilizing, any other DTE distribution facilities, has an estimated cost of $29.1 million to $44.3 million.[36] DTE also indicates Google is responsible for costs in excess of $50 million to the extent they are due to unexpected site conditions or events, including, but not limited to, environmental conditions, below grade obstructions, or permitting/zoning issues.[37] DTE indicates that in the event the cost of the distribution project exceeds $50 million and is not related to an unexpected site condition or event, DTE will propose adding the additional cost to its rate base for recovery in a future rate case consistent with DTE's rate book.[38] This means that DTE intends to propose that customers as a whole, rather than just Google, would pay for any cost overrun not related to an unexpected site condition or event. However, DTE notes that Google is not receiving any Contribution in Aid of Construction ("CIAC") allowance even though DTE estimates Google would have been eligible for a CIAC allowance of approximately $550 million under DTE's current Commission-approved CIAC policy.[39] Also, it should also be noted that the total distribution costs incurred to serve the Google data center load would be considered in

[34] DTE Witness Burgdorf Direct at SDB-23 through SDB-24.
[35] DTE Witness Foley Revised Direct at NTF-6.
[36] DTE Witness Benyard Direct at SNB-6 and DTE Response to Data Requests ABDE 1.1a through ABDE-1.1c.
[37] *Id.*
[38] DTE Witness Benyard Direct at SNB-6 through SNB-7.
[39] DTE Witness Benyard Direct at SNB-7.

the PSA's Affordability Backstop regardless of whether the cost is directly recovered from Google or recovered from customers as whole.

Q ARE ANY TRANSMISSION UPGRADES NECESSARY TO PROVIDE ELECTRIC SERVICE TO GOOGLE AND, IF SO, WHO WILL PAY FOR THEM?

A Yes. DTE indicates ITC has identified transmission upgrades with a total estimated cost of $308 million to provide electric service to the Google data center load.[40] The revenue requirement for these transmission upgrades would be recovered by ITC through its FERC-jurisdictional transmission service rates under the MISO Tariff.[41] As a result, DTE's full-service and retail open access customers as a whole would bear the vast majority of this cost, since the ITC transmission zone principally consists of the DTE service territory. DTE full-service customers would see the cost through base rates and DTE's PSCR factor. DTE retail open access customers would see the cost through the passthrough of MISO Tariff transmission charges by their Alternative Electric Supplier ("AES"). This said, DTE estimates that if the Google data center load fully materializes, the additional billing units provided by Google would more than counteract the increased costs, such that the projected effective ITC transmission rate or, more properly, DTE transmission expenses in 2029, would decrease from $0.0148/kWh to $0.0144/kWh.[42] Also, critically, any increase in transmission expenses for DTE would be considered in the PSA's Affordability Backstop.

[40] DTE Witness Benyard Direct at SNB-5.
[41] DTE Witness Burgdorf at Direct SDB-20 through SDB-21.
[42] *Id.*

III. DTE'S NET BENEFIT ANALYSIS

Q IN ADDITION TO IDENTIFYING THE DISTRIBUTION AND TRANSMISSION FACILITIES, HAS DTE AT LEAST PRELIMINARILY IDENTIFIED THE RESOURCES IT WOULD NEED TO ADD TO ITS SYSTEM TO SERVE THE GOOGLE DATA CENTER LOAD?

A Yes, this is addressed in the direct testimony of DTE Witnesses Burgdorf and Brooks. While DTE's actual plan will be developed as part of its 2026 Integrated Resource Plan ("IRP") filing, for a 20-year study period ending in 2047 DTE developed a Customer Datacenter Case which added Google's load, the energy storage and renewable energy resources that Google will pay under the CCAA, Google's 300 MW ZRC transfer to DTE through May 31, 2033, and Google's Rider DR Agreement participation through May 31, 2033 to a Base Case that includes the Oracle data center load, the Oracle incremental renewable generation additions, and the energy storage resources that Oracle will be paying for under its Energy Storage Agreement with DTE approved on an e*x parte* basis in U-21990.[43] In addition, since the Google CCAA energy storage and renewable energy resources effectively move up the projected in-service date of approximately 500 MW of 4-hour energy storage and 250 MW of renewable energy resources, DTE removed these additions in the Base Case from the Customer Datacenter Case during the period of 2033 through 2036.[44] It should also be noted that while Monroe Units 1 through 4 were modeled with retirements consistent with DTE's last Commission-approved IRP, Monroe Units 1 and 2 were operated beyond 2032 in both the Base Case and the Customer Datacenter Case as a proxy for the new

[43] DTE Witness Burgdorf Direct at SDB-6 through SDB-12.
[44] DTE Witness Burgdorf Direct at SDB-11 through SDB-12.

resources that will be necessary to replace Monroe Units 1 and 2 when they retire in 2032.[45]

While DTE used projected MISO Direct Loss of Load ("DLOL") capacity accreditation in developing the Base Case and Customer Datacenter Case to add enough projected accredited capacity (i.e., projected ZRCs) to meet DTE's projected MISO Planning Reserve Margin Requirement ("PRMR), DTE also had PowerGEM perform a SERVM loss of load probability analysis of the Customer Datacenter Case for both 2029 and 2033 with a focus in MISO Zone 7.[46] 2029 was selected because it is the projected first year of full ramp for the Google data center load and 2033 was selected because it is the first year without the 300 MW ZRC transfer from Google to DTE and without Google participation in DTE Rider 12.[47] The SERVM analysis showed a 2029 Loss of Load Expectation ("LOLE") for the Customer Datacenter Case that was very close to the industry target of no more than one firm load shedding event day in ten years (or 0.1 event-days per year).[48] However, the SERVM analysis showed a problematic 2033 LOLE of one firm load shedding event day in 4.2 years (or 0.238 event-days per year).[49] Further analysis showed 677 MW of "perfect capacity" would need to be added to the Customer Datacenter Case by 2033 in order to bring the LOLE down to no more than 0.1 event-days per year.[50] To address this need, DTE added to the Customer Datacenter Case a 727 MW Combined Cycle Combustion Turbine ("CCCT") generation facility with Carbon Capture and Sequestration ("CCS") as a proxy for a resource addition that will ultimately be identified in DTE's 2026 IRP.[51]

[45] DTE Witness Burgdorf Direct at SDB-9.
[46] DTE Witness Burgdorf Direct at SDB-8 and SDB-10 and DTE Witness Brooks at JJWB-8.
[47] DTE Witness Burgdorf Direct at SDB-10.
[48] DTE Witness Brooks at JJWB-8.
[49] DTE Witness Brooks at JJWB-8.
[50] *Id.*
[51] DTE Witness Burgdorf Direct at SDB-10 through SDB-13.

DTE's follow up SERVM analysis of this revised Customer Datacenter Case showed a 2033 LOLE of 0.093 event-days per year.[52]

Q WOULD THE COST OF THE ADDITIONAL RESOURCE(S) NECESSARY IN THE CUSTOMER DATACENTER CASE IN 2033 BE DIRECTLY ASSIGNED TO GOOGLE OR RECOVERED FROM ALL CUSTOMERS?

A The resource(s) would not be part of the CCAA. As a result, DTE's assumption is the cost of the resource(s) would be recovered from all of DTE's full-service customers, not just Google.

Q BASED ON COMPARING THE CUSTOMER DATACENTER CASE TO THE BASE CASE AS WELL AS FACTORING IN THE PREVIOUSLY ESTIMATED DISTRIBUTION AND TRANSMISSION COSTS, DID DTE PERFORM AN ANALYSIS OF THE PROJECTED AGGREGATE BENEFITS FROM SERVING THE GOOGLE DATA CENTER LOAD VERSUS THE PROJECTED AGGREGATE COSTS OF SERVING THE GOOGLE DATA CENTER LOAD?

A Yes. DTE Witnesses Burgdorf and Willis together sponsor and present such an analysis for a 20-year study period beginning in 2028 that corresponds to the expected 20-year term of the CCAA and expected initial 20-year term of the PSA. It is summarized in DTE Witness Willis' Exhibit A-19.

For Exhibit A-19, DTE Witness Burgdorf performed an analysis to project the difference between the two cases with respect to PSCR costs, Other Non-Fuel O&M Expenses, the CCGT with CCS revenue requirement, and the estimated benefit of pulling storage in-service dates ahead, while DTE Witness Willis performed the

[52] DTE Witness Brooks at JJWB-9 through JJWB-10.

analysis of what DTE calls the "Base Sales Benefit". As can be seen in Exhibit A-19, DTE calculates a total net benefit from serving the Google data center load of $1.70 billion for 2028 through 2047 in nominal dollars. This consists of a projected Base Sales Benefit of $4.85 billion, a PSCR benefit of $2.31 billion, an Other Non-Fuel O&M cost of $0.02 billion, a Proxy CCCT cost of $4.17 billion, a CCS cost of $2.43 billion, and an energy storage pull ahead benefit of $1.16 billion.[53]

Q HOW DID DTE CALCULATE THE $4.85 BILLION BASE SALES BENEFIT IN NOMINAL DOLLARS?

A In Exhibit A-20, DTE conducted the Base Sales Benefit calculation by first modifying DTE's standard cost of service model as approved in Case U-21534 (DTE's 2025 rate case) to add in the incremental revenues and incremental base power supply expenses associated with serving Google, assuming the Google load is at its full ramp of 1,000 MW with a 90% load factor. This resulted in an estimated $201.529 million revenue sufficiency (base sales net benefit) in 2025, which was then used to produce numbers for 2029 through 2047 assuming the $201.529 million value grows by 1.5% per year.[54] For 2028, the 2025 number was also assumed to grow by 1.5% per year, but then reduced to 43% of its initial value to roughly estimate the impact of the Google data center load not being fully ramped in that year.[55] To these amounts for 2028 through 2047, DTE added an estimated nuclear surcharge benefit of 5.049 million per year ($2.171 million 2028 (43% of $5.049 million)) to get final Base Sales Benefit values for 2028 through 2047.[56]

[53] DTE Witness Willis Direct at AW-7.
[54] Exhibit A-20; Willis Workpaper U-22058 Exhibit A-10 Base Sales Benefit.xlsx; DET Witness Willis Direct at AW-10; DTE Response to Data Requests MNSDE-3.4 through MNSDE-3.5b.
[55] *Id.*
[56] *Id.*

Q HOW DO YOU RESPOND TO DTE'S NET BENEFIT ANALYSIS?

A The analysis demonstrates there is a potential for significant net benefit to be provided to DTE's other customers if the Google data center load fully materializes at its expected ramp rate and remains fully materialized for the balance of the 20-year study period. However, DTE has not performed any analysis of a delayed ramp, a failure for the Google data center load to fully materialize, or a failure of the Google data center load to remain fully materialized.[57]

In addition, DTE's analysis in Exhibit A-19 does not reflect the impact of the CCCT with CCS only being 15 years into its estimated 35-year book life when the assumed initial term of the PSA expires at the end of 2047.[58] If Google ceases to be a DTE customer at that time, DTE's other customers will be left with undepreciated remaining net book value of the facility (offset by any market value or avoided costs that can be derived from it). While DTE did perform a side analysis, which was presented in DTE Witness Burgdorf's Exhibit A-15 and estimated $75.01 million net benefit on a present value basis for the period of 2048 through 2067, that analysis simply assumed capacity and energy prices annually grow at a rate of 3.0% per year from the level they were at in 2038. If 0% growth is instead assumed, I have calculated the Exhibit A-15 projected net present value *benefit* of $75.01 million to DTE's other customers for the CCCT with CCS for 2048 through 2067 would become a projected net present value *cost* of $129.55 million. I have provided this calculation in Exhibit AB-2.

It should also be noted that DTE presented its Exhibit A-19 results in nominal dollars rather than on a present value basis more typically used for IRP analysis and which DTE itself used in Exhibit A-15. I have calculated that, on a net present values

[57] DTE Response to Data Request ABDE-1.12.
[58] DTE Witness Burgdorf Direct at SDB-14; 15 years = 2048 - 2033

basis with a discount rate of 7.05%, DTE's net benefit value drops from approximately $1.7 billion to approximately $1.0 billion when presented on a present value basis.[59]

Finally, the net benefit analysis results are a function of the underlying assumptions used therein, and DTE conducted no sensitivity analysis to test how its results could vary depending on how those assumptions are adjusted.

For all the above reasons, DTE's net benefit projection is not sufficient to show DTE's other customers would not ultimately see higher costs from DTE serving Google pursuant to the PSA and CCAA. Without additional protections (e.g., DTE's proposed Affordability Backstop supplemented by the other additional protections I will discuss later in this testimony), the PSA and CCAA would require DTE's other customers to take on the risk of the projected net benefit instead materializing as a net cost, while DTE earns a return on its investments to serve Google regardless of whether DTE's other customers see a net benefit or a net cost.

IV. INSUFFICIENCY OF AFFORDABILITY BACKSTOP

Q EARLIER IN YOUR TESTIMONY YOU DISCUSSED THE PROPOSED AFFORDABILITY BACKSTOP DTE HAS INCLUDED IN THE PSA WITH GOOGLE. PLEASE EXPLAIN WHETHER IT WOULD ADDRESS ENSURING DTE'S EXISTING CUSTOMERS DO NOT SEE HIGHER COSTS AS A RESULT OF DTE SERVING GOOGLE UNDER THE PSA AND CCAA.

A The proposed Affordability Backstop (Section 5.1.3 of the PSA) is helpful toward addressing this issue because it does not rely on a snapshot in time. As such it helps to eliminate the risk otherwise placed on other DTE customers with respect to DTE's projections not being realized sufficiently to ensure DTE's other customers do not

[59] ABATE Workpaper JRD-WP-1.

ultimately see higher costs from DTE serving Google. It does so by essentially providing a regular checkup during regulatory proceedings of the aggregate revenues from Google versus aggregate costs incurred to serve Google. However, putting aside a collateral sufficiency issue, which I will discuss later in my testimony since that issue affects both the PSA and the CCAA, I have identified a shortcoming in the Affordability Backstop as filed that makes it insufficient to protect DTE's other customers with respect to termination of the PSA.

Q PLEASE EXPLAIN YOUR CONCERN WITH RESPECT TO THE AFFORDABILITY BACKSTOP AND TERMINATION OF THE PSA.

A The Affordability Backstop as filed appears to not extend beyond termination of the PSA and does not provide for modification of the termination payment under the PSA in the event the Commission finds the aggregate costs of serving Google exceed the aggregate benefits from serving Google as a result of termination.

Q DID YOU EXPLORE THIS ISSUE WITH DTE IN DISCOVERY?

A Yes, I did so in Data Request ABDE-1.13. In that data request, I asked DTE to explain in detail whether, in the case of termination of the PSA, the Commission under the Affordability Backstop would have the ability to modify the termination payment paid by Google if the Commission determined that, under the termination of the PSA, the aggregated cost of providing service to Google exceeded the aggregated benefits of serving Google. DTE's answer included an objection, but nevertheless in part stated, "Subject to and without waiving this objection, once the PSA is terminated it cannot be modified."[60]

[60] DTE Response to Data Request ABDE-1.13.

Q WHAT IS YOUR RECOMMENDATION TO THE COMMISSION WITH RESPECT TO RESOLVING THIS ISSUE?

A To the extent the Commission grants approval of the PSA and CCAA, that approval should be made conditional on DTE and Google modifying the Affordability Backstop (Section 5.1.3 of the PSA) to allow an evaluation and modification of the termination payment by the Commission based on the facts and circumstances known or knowable at the time of termination of the PSA to ensure the costs incurred to serve Google do not exceed the benefits from serving Google due to the termination, giving full consideration to the reasonably projected forward looking benefits at that time from any sunk costs incurred by DTE to serve Google.

V. INSUFFICIENT PROTECTION FROM COLLATERAL SHORTFALLS

Q YOU HAVE INDICATED YOU HAVE ANOTHER CONCERN WITH RESPECT TO COLLATERAL UNDER BOTH THE PSA AND CCAA. PLEASE EXPLAIN THE CONCERN.

A The Affordability Backstop of the PSA and the termination payments under both the PSA and CCAA are only as good as DTE's ability to collect from Google payments and calls on Google's collateral. If the combination of the two is insufficient to cover what Google owes, it could potentially leave DTE's other customers with Google's unpaid costs. Given the multibillion dollar level of termination payments under the PSA and CCAA, this is an unacceptable level of risk for DTE's other customers.[61] Furthermore, given DTE will be the party managing the form and level of collateral for Google for the

[61] DTE Witness Foley Revised Direct at NTF-18.

PSA and CCAA, DTE is the party that should be at risk if Google's collateral proves insufficient, not DTE's other customers.

Q IN ITS DECEMBER 19, 2025 ORDER IN CASE NO. U-21990, THE COMMISSION INDICATED THAT ALL RISK UNDER THE SPECIAL CONTRACTS FOR THE ORACLE DATA CENTER LOAD ASSOCIATED WITH THE SUFFICIENCY OF COLLATERAL SHALL BE BORNE BY DTE.[62] HAS DTE SHOWN ANY WILLINGNESS TO MAKE SUCH A COMMITMENT TO ACCEPT SUCH RISK WITH RESPECT TO THE PSA AND CCAA FOR GOOGLE IN THIS CURRENT PROCEEDING?

A No. In response to a data request from the Commission Staff ("Staff") to DTE, DTE indicated it had not made such a commitment in its application or testimony.[63] DTE also indicated that in the highly unlikely event of a bankruptcy or other circumstance in which recovery from Google, its parent guarantor, and letters of credit is not sufficient, DTE would not seek to recover from customers costs that are ultimately determined by the Commission, pursuant to Section 5.1.3 of the PSA, to be in excess of the combined revenues payable to the Company under the PSA and related agreements.[64] While DTE's position is appreciated, it is not the same as a commitment from DTE in this respect. A commitment is necessary.

[62] Case No. U-21990, December 18, 2025 Order at 41.
[63] DTE Response to Data Request STDE-8.2.
[64] *Id.*

Q WHAT IS YOUR RECOMMENDATION TO THE COMMISSION WITH RESPECT TO RESOLVING THIS ISSUE.

A To the extent the Commission grants approval of the PSA and CCAA, that approval should be made conditional on DTE agreeing that in the event of a failure by Google to pay any amount due to DTE under the PSA or CCAA, or in the event of a termination, default, or other event whereby DTE is required to draw on the letters of credit or parental guaranties under the PSA or CCAA, if DTE determines that the specified collateral is not sufficient to cover the full amount of the remaining financial exposure associated with the PSA or CCAA (minus the value to customers), any unrecovered costs shall not be borne by ratepayers and DTE shall bear responsibility for any remaining liability. This condition would be comparable to what the Commission imposed on DTE for the Oracle data center load special contracts on page 41 of the Commission's December 18, 2025 Order in Case No. U-21990.

VI. COMMITMENT TO MAINTAIN RESOURCE ADEQUACY

Q WHAT STEPS HAS DTE TAKEN TO ENSURE PROVIDING ELECTRIC SERVICE TO GOOGLE UNDER THE PSA AND CCAA WILL NOT COMPROMISE THE PROVISION OF RESOURCE ADEQUACY TO DTE'S OTHER CUSTOMERS.

A DTE has taken two steps. First, through Section 2 of the PSA, DTE has the right to exercise reasonable discretion to limit Google's capacity ramp if the electricity capacity achieved at any time through project agreements to meet that ramp.is insufficient to meet that ramp.[65] DTE indicated in its direct testimony that any of the following could trigger the provision: (i) the CCAA or Rider DR Agreement is terminated; (ii) DTE is unable to achieve or maintain Google's load ramp or max load due to reasons not

[65] DTE Witness Foley revised Direct at Exhibit A-16 at 2 (Section 2.1).

attributable to DTE; (iii) DTE is unable to achieve or maintain Google's load ramp or max load due to Google's underperformance or nonperformance under any agreement with DTE; and/or (iv) DTE determines that the energy storage portfolio being deployed under the CCAA is not feasible.

Second, in Case No. U-22059, DTE has filed proposed revisions to DTE's existing Electric Procedures, Section C3 of its Rate Book, requiring customers with a capacity at least 500 MW be subject to firm load shedding prior to other customers, provided that such customer load shedding does not compromise system reliability and can prevent shedding firm load of other DTE Electric Customers.[66]

Q WHAT CONCERNS DO YOU HAVE WITH THESE STEPS?

A First, with respect to Section 2 of the PSA, while the provision gives DTE the reasonable *discretion* to limit Google's load ramp or max load when the triggers apply, there is no obligation on DTE to fully utilize that provision to protect resource adequacy for DTE's other customers.

Second, DTE's application in U-22059 was made to be in compliance in the Commission's December 18, 2025 order in U-21990 regarding the Oracle data center load special contracts. As such, DTE's proposal should have only been filed to apply to Oracle and there is a real possibility that the Commission will reject DTE's application in that proceeding, especially since DTE in its application proposed to also generically apply the provision to all new Rate D11 loads 100 MW or larger, which is highly problematic for the reasons explained in the comments of ABATE that were filed in that proceeding on May 19, 2026. This said, the 1,000 MW size of the Google data center load addition in combination with the size of the resource additions necessary to

[66] Case No. U-22059, DTE March 18, 2026 Application at Attachment A; DTE Response to Data Requests CEOMEIBCIEIDE-1.39a and CEOMEIBCIEIDE-1.39b.

support it, justify subjecting Google to an early load shedding requirement until the resources necessary to serve it are fully online.

Finally, neither of the two steps DTE has taken are adequate to deal with the resource adequacy cliff that will be created on May 31, 2033 when the 300 MW ZRC transfer by Google to DTE under the CCAA ceases and the approximately 250 MW of ZRCs Google is providing under the Rider 12 DR Agreement will cease to be provided. This approximately 550 MW loss of ZRCs is likely the principal contributor to DTE's projected need for 677 MW of "perfect capacity" in 2033. Since the 677 MW of "perfect capacity" is not associated with the CCAA or any agreement between DTE and Google, it does not appear Section 2 of the PSA will provide any protection for this situation for DTE's other customers. Furthermore, an early load shedding requirement is not going to provide enough protection on its own.

Q GIVEN YOUR ABOVE CONCERNS, WHAT DO YOU RECOMMEND TO THE COMMISSION IN THIS PROCEEDING WITH RESPECT TO RESOURCE ADEQUACY?

A To the extent the Commission grants approval of the PSA and CCAA, that approval should be made conditional on:

- DTE committing to fully utilize the discretion given to it under Section 2 of the PSA to limit the load ramp and maximum demand of Google as necessary to ensure resource adequacy for DTE's other customers.

- DTE modifying its emergency procedures to subject Google to firm load shedding prior to other customers, provided that such customer load shedding does not: (i) compromise system reliability; and (ii) can prevent shedding firm load of other DTE Electric Customers, until such time all of the resources necessary to serve the Google data center load are in service.

- Modification of the CCAA and the Rider 12 DR Agreement such that: (i) Google is required beyond May 31, 2033 to continue to transfer 300 MW of ZRCs to DTE; and (ii) the Google' facility is required beyond May 31, 2033 to continue to be curtailable down to a demand of 650 MW, to the extent

DTE has been unable to bring 550 MW of ZRCs of new capacity online in MISO Zone 7 to replace the ZRCs that were being provided by Google.

VII. INTRA-CLASS COST SUBSIDIES

Q PLEASE EXPLAIN YOUR CONCERN WITH RESPECT TO DTE'S PROPOSAL TO PLACE THE GOOGLE DATA CENTER LOAD INTO THE D11 CUSTOMER CLASS.

A As I noted earlier in my testimony, DTE's current full-service load in the D11 customer class totals to approximately 1.8 GW with a 73.4% system average load factor spread over 2,079 customers.[67] In contrast, Google, if its load fully materializes, would as a single customer have a demand of approximately 1.0 GW with an expected load factor of approximately 90%.[68] Assuming the Oracle data center also has a load factor of approximately 90% and there is no load growth in traditional D11 full-service customers, Oracle and Google together would make up approximately 57% of the total full-service demand and approximately 62% of the total full-service energy in the D11 rate class.[69] Google alone would account for approximately 24% of the total full-service demand and 26% of the total full-service energy in the D11 rate class.[70] As a result, placing Google (and Oracle) into the D11 customer class will overwhelm the current load characteristics of the traditional commercial and industrial customers of the D11 customer class. This is highly likely to cause large subsidies between the members of the class given rate design does not necessarily fully align with cost allocation in class

[67] DTE Response to ABDE-1.4, U-22058 ABDE-1.4 U-21534 Approved Rate Design Model.xlsx at D11 Total Tab, Line 1, 9 and 30; 1.8 GW ≈ 1.788 GW = 21,460,521 kW / 1,000,000 kW per GW / 12 months per year); 73.4% load factor = 11,505,383 MWh / [(21,460,521 kW / 1,000 kW per MW / 12 months per year) x 8,760 hours per year)]. (Exhibit AB-1 at .).

[68] Application at 2 and DTE Witness Bilyeu Direct at KLB-11; 90% ≈ 89.95% = 7.88 TWh / [(1.0 GW / 1,000 GW per TW) x 8,760 hours).

[69] 57% ≈ 57.14% = (1.4 GW + 1.0 GW) / (1.8 GW + 1.4 GW + 1.0 GW); 61% ≈ 62.05% = [(1.4 GW + 1.0 GW) x 90%] / [1.8 GW x 73.4% + (1.4 GW + 1.0 GW) x 90%].

[70] 24% ≈ 23.81% = (1.0 GW) / (1.8 GW + 1.4 GW + 1.0 GW); 26% ≈ 25.85% = (1.0 GW x 90%) / [1.8 GW x 73.4% + (1.4 GW + 1.0 GW) x 90%].

cost of service studies. For example, production plant is allocated to customer classes in cost of service studies on a 75% 4-CP demand and 25% annual energy consumption basis, while in the rate design for D11 the production plant allocated to the D11 rate class is allocated to the customers in the class based on each customer's monthly peak demand (not customer 4-CP demand) and energy consumption, and not necessarily on a 75% demand and 25% energy basis. Furthermore, there is significant possibility that at some point certain costs may be directly allocated to the customer class the large data center loads are within. This would potentially inappropriately assign a portion of these costs to traditional commercial and industrial customers served at primary or higher voltage. Finally, all of this is unnecessary. A new rate class can be readily established for Google and the other large data center loads that initially utilizes the same rates as the Rate D11 class. This would produce the same outcome as initially placing these loads on Rate D11 at the outset of service without introducing any risk of intra-class subsidies to the existing members of the Rate D11 class.

Q WHAT IS YOUR RECOMMENDATION TO THE COMMISSION WITH RESPECT TO THIS ISSUE?

A To the extent the Commission grants approval of the PSA and CCAA, that approval should be conditional on modification of the proposed PSA to place Google into its own customer class, potentially with other large data center loads, but separate and apart from the Rate D11 class. The initial rates for this separate class would be the same as those for Rate D11, subject to modification as necessary after these loads begin taking service.

VIII. FINANCIAL INCENTIVE FOR ZRC TRANSFER

Q PLEASE EXPLAIN YOUR CONCERN WITH RESPECT TO DTE'S PROPOSAL TO EARN A FINANCIAL INCENTIVE ON THE 300 MW ZRC TRANSFER FROM GOOGLE TO DTE UNDER THE CCAA.

A The ZRC Transfer is not a PPA, it is a self-supply of capacity by Google. DTE should not be permitted to extract monopoly rents from its captive customers who self-supply capacity and energy. Furthermore, even if Google is freely willing to provide the financial incentive to DTE, it should not be treated as a cost DTE's other customers might be responsible for in some part, but rather additional revenue being contributed by Google toward covering the total cost to serve it.

Q WHAT DO YOU RECOMMEND TO THE COMMISSION ON THIS ISSUE?

A To the extent the Commission grants approval of the PSA and CCAA, that approval should be conditional on DTE withdrawing its proposal to earn a financial incentive on the ZRC transfer by Google to DTE under the CCAA or, in the alternative, DTE agreeing that the Commission's approval of Google's agreement to provide a financial incentive to DTE for the ZRC transfer does not set any precedent with respect to whether DTE is entitled to mandate the receipt of such a financial incentive from its customers on customer self-supplied capacity and energy.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes, it does.

Qualifications of James R. Dauphinais

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A James R. Dauphinais. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017, USA.

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and a Managing Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A I graduated from Hartford State Technical College in 1983 with an Associate's Degree in Electrical Engineering Technology. Subsequent to graduation, I was employed by the Transmission Planning Department of the Northeast Utilities Service Company[1] as an Engineering Technician.

While employed as an Engineering Technician, I completed undergraduate studies at the University of Hartford. I graduated in 1990 with a Bachelor's Degree in Electrical Engineering. Subsequent to graduation, I was promoted to the position of Associate Engineer. Between 1993 and 1994, I completed graduate level courses in the study of power system analysis, power system transients and power system protection through the Engineering Outreach Program of the University of Idaho. By 1996 I had been promoted to the position of Senior Engineer.

[1] In 2015, Northeast Utilities changed its name to Eversource Energy.

In the employment of the Northeast Utilities Service Company, I was responsible for conducting thermal, voltage and stability analyses of the Northeast Utilities' transmission system to support planning and operating decisions. This involved the use of load flow, power system stability and production cost computer simulations. It also involved examination of potential solutions to operational and planning problems including, but not limited to, transmission line solutions and the routes that might be utilized by such transmission line solutions. Among the most notable achievements I had in this area include the solution of a transient stability problem near Millstone Nuclear Power Station, and the solution of a small signal (or dynamic) stability problem near Seabrook Nuclear Power Station. In 1993 I was awarded the Chairman's Award, Northeast Utilities' highest employee award, for my work involving stability analysis in the vicinity of Millstone Nuclear Power Station.

From 1990 to 1996, I represented Northeast Utilities on the New England Power Pool Stability Task Force. I also represented Northeast Utilities on several other technical working groups within the New England Power Pool ("NEPOOL") and the Northeast Power Coordinating Council ("NPCC"), including the 1992-1996 New York-New England Transmission Working Group, the Southeastern Massachusetts/Rhode Island Transmission Working Group, the NPCC CPSS-2 Working Group on Extreme Disturbances and the NPCC SS-38 Working Group on Interarea Dynamic Analysis. This latter working group also included participation from a number of ECAR, PJM and VACAR utilities.

From 1990 to 1995, I also acted as an internal consultant to the Nuclear Electrical Engineering Department of Northeast Utilities. This included interactions with the electrical engineering personnel of the Connecticut Yankee,

Millstone and Seabrook nuclear generation stations and inspectors from the Nuclear Regulatory Commission (“NRC”).

In addition to my technical responsibilities, from 1995 to 1997, I was also responsible for oversight of the day-to-day administration of Northeast Utilities' Open Access Transmission Tariff. This included the creation of Northeast Utilities' pre-FERC Order No. 889 transmission electronic bulletin board and the coordination of Northeast Utilities' transmission tariff filings prior to and after the issuance of Federal Energy Regulatory Commission (“FERC” or “Commission”) FERC Order No. 888. I was also responsible for spearheading the implementation of Northeast Utilities' Open Access Same-Time Information System and Northeast Utilities’ Standard of Conduct under FERC Order No. 889. During this time, I represented Northeast Utilities on the Federal Energy Regulatory Commission's "What" Working Group on Real-Time Information Networks. Later I served as Vice Chairman of the NEPOOL OASIS Working Group and Co-Chair of the Joint Transmission Services Information Network Functional Process Committee. I also served for a brief time on the Electric Power Research Institute facilitated "How" Working Group on OASIS and the North American Electric Reliability Council facilitated Commercial Practices Working Group.

In 1997 I joined the firm of Brubaker & Associates, Inc. The firm includes consultants with backgrounds in accounting, engineering, economics, mathematics, computer science and business. Since my employment with the firm, I have filed or presented testimony before the Federal Energy Regulatory Commission in Consumers Energy Company, Docket No. OA96-77-000; Midwest Independent Transmission System Operator, Inc., Docket No. ER98-1438-000; Montana Power Company, Docket No. ER98-2382-000; Inquiry Concerning the Commission’s Policy on Independent System Operators, Docket No. PL98-5-003; SkyGen Energy LLC v. Southern

Company Services, Inc., Docket No. EL00-77-000; Alliance Companies, et al., Docket No. EL02-65-000, et al.; Entergy Services, Inc., Docket No. ER01-2201-000; Remedying Undue Discrimination through Open Access Transmission Service, Standard Electricity Market Design, Docket No. RM01-12-000; Midwest Independent Transmission System Operator, Inc., Docket No. ER10-1791-000; NorthWestern Corporation, Docket No. ER10-1138-001, et al.; Illinois Industrial Energy Consumers v. Midcontinent Independent System Operator, Inc., Docket No. EL15-82-000; Midcontinent Independent System Operator, Inc., Docket No. ER16-833-000; Midcontinent Independent System Operator, Inc., Docket No. ER17-284-000; Midcontinent Independent System Operator, Inc. and Ameren Services Company Docket No. ER18-463-000; and PJM Interconnection, L.L.C., Docket No. ER26-1479-000. I have also filed or presented testimony before the Alberta Utilities Commission, the California Public Utilities Commission, the Colorado Public Utilities Commission, the Connecticut Department of Public Utility Control, the Florida Public Service Commission, the Idaho Public Service Commission, the Illinois Commerce Commission, the Indiana Utility Regulatory Commission, the Iowa Utilities Board, the Kentucky Public Service Commission, the Louisiana Public Service Commission, the Michigan Public Service Commission, the Missouri Public Service Commission, the Montana Public Service Commission, the Nevada Public Utilities Commission, the New Mexico Public Regulation Commission, the Council of the City of New Orleans, the New York Public Service Commission, the Oklahoma Corporation Commission, the Public Utility Commission of Texas, the Public Service Commission of Utah, the Virginia State Corporation Commission, the Wisconsin Public Service Commission, the Wyoming Public Service Commission, Federal District Court and various committees of the Illinois, Missouri and South Carolina state legislatures. This testimony has been given

regarding a wide variety of issues including, but not limited to, ancillary service rates, avoided cost calculations, certification of public convenience and necessity, class cost of service, cost allocation, fuel adjustment clauses, fuel costs, generation interconnection, interruptible rates, market power, market structure, off-system sales, prudency, purchased power costs, resource adequacy, resource planning, rate design, retail open access, standby rates, transmission losses, transmission planning, transmission rates and transmission line routing.

I have also participated on behalf of clients in the Southwest Power Pool Congestion Management System Working Group, the Alliance Market Development Advisory Group and several committees and working groups of the Midcontinent Independent System Operator, Inc. ("MISO"), including the Congestion Management Working Group; Economic Planning Users Group; Loss of Load Expectation Working Group; Market Subcommittee; Michigan Transmission Studies Task Force; Planning Subcommittee; Regional Expansion, Criteria and Benefits Working Group; Resource Adequacy Subcommittee (formerly the Supply Adequacy Working Group); and Reliability Subcommittee. I am currently a member of the MISO Advisory Committee in the end-use customer sector on behalf of industrial customer groups in Illinois, Louisiana, Michigan and Texas. I am also the past Chairman of the Issues/Solutions Subgroup of the MISO Revenue Sufficiency Guarantee ("RSG") Task Force.

In 2009, I completed the University of Wisconsin-Madison High Voltage Direct Current ("HVDC") Transmission course for Planners that was sponsored by MISO. I am a member of the Power and Energy Society ("PES") of the Institute of Electrical and Electronics Engineers ("IEEE").

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.1a

Respondent: S. Benyard

Page: 1 of 1

Question: Request 1: Please refer to direct testimony of DTE Witness Benyard at pages SNB-4 and SNB-6 through SNB-7 and DTE's response to Data Request MNSDE-1.2c.
a. Please identify whether Google LLC will utilize any existing DTE distribution facilities to interconnect to the ITC transmission system. If Google LLC will utilize any existing DTE distribution facilities to interconnect with the ITC transmission system, please describe those facilities in detail.

Answer: The interconnection between ITC and the Customer (Google LLC) will not utilize any existing DTE Electric facilities.

Attachment: *None*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.1b

Respondent: S. Benyard

Page: 1 of 1

Question: Request 1: Please refer to direct testimony of DTE Witness Benyard at pages SNB-4 and SNB-6 through SNB-7 and DTE's response to Data Request MNSDE-1.2c.

b. Please identify whether the distribution facilities described on pages SNB-4 and SNB-6 through SNB-7 of DTE Witness Benyard's direct testimony will be the only DTE distribution facilities between Google LLC's facilities and the ITC transmission system. If there will be other DTE distribution facilities between Google LLC's facilities and the ITC transmission system besides those described on pages SNB-4 and SNB-6 through SNB-7 of DTE Witness Benyard's direct testimony, please describe those facilities in detail and provide the estimated cost for construction of the facilities.

Answer: The facilities described throughout the cited direct testimony are the preliminary project design based on the information currently available; no additional facilities are currently planned.

Attachment: *None*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.1c

Respondent: S. Benyard

Page: 1 of 1

Question: Request 1: Please refer to direct testimony of DTE Witness Benyard at pages SNB-4 and SNB-6 through SNB-7 and DTE's response to Data Request MNSDE-1.2c.
c. Please identify whether the distribution facilities described on pages SNB-4 and SNB-6 through SNB-7 of DTE Witness Benyard's direct testimony will directly connect to any other DTE distribution facilities. If the distribution facilities described on pages SNB-4 and SNB-6 through SNB-7 of DTE Witness Benyard's direct testimony will directly connect with other DTE distribution facilities, please describe those facilities in detail.

Answer: The facilities described on pages SNB-4 and SNB-6 through SNB-7 will not directly connect to any other DTE Electric distribution facilities.

Attachment: *None*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.3

Respondent: N. Foley

Page: 1 of 1

Question: Request 3: Please refer to DTE's response to Data Requests MNSDE-1.2a through MNSDE-1.2d. Please describe in detail whether the accounting of aggregate benefits and costs for serving Google LLC provided by DTE will have each benefit and cost broken out by line item, where those line items generally comport to the categories identified in DTE's response to Data Requests MNSDE-1.2a through MNSDE-1.2c. If the accounting of aggregate benefits and costs for serving Google LLC provided by DTE will not have each benefit and cost broken out by line item, please explain in detail why such a breakout will not be provided by DTE.

Answer: The specific form and level of detail to be included in any such presentation has not yet been finalized. However, the Company envisions that the presentation of aggregate benefits and costs will generally comport to the categories identified in MNSDE-1.2a through MNSDE-1.2c.

Attachment: *None*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.4

Respondent: A. Willis

Page: 1 of 1

Question: Request 4: Please refer to DTE's response to Data Request MNSDE-1.28a. Please provide a complete copy of all revenue allocation and rate design workpapers associated with the cost of service study whose workpapers were provided in DTE's response to Data Request MNSDE-1.28a.

Answer: The referenced question refers to the ordered cost of service from U-21534 as provided by the MPSC Staff consistent with the Order in that case. The associated approved rate design model supplied to the Company by Staff from Case No. U-21534 is attached.

Attachment: *U-22058 ABDE-1.4 U-21534 Approved Rate Design Model.xlsx*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.9d

Respondent: S. Burgdorf

Page: 1 of 1

Question: Request 9: Please refer to DTE's response to Data Requests STDE-2.6 and CEOMEIBCIEIDE-1.24b, MISO's April 4. 2025 filing in FERC Docket No. ER25-1886, and MISO's July 14, 2025 filing in FERC Docket No. ER25-2845.
c. Please confirm the fourth change identified in DTE's response to Data Request STDE-2.6 would only fully apply to Type II LMRs for, under MISO's proposal in ER25-1886, in exchange for a reduction in their future capacity accreditation to the degree they are unavailable, Type I LMRs can choose within a MISO season to become unavailable as desired once they have successfully fully deployed themselves at least once for a MISO Scheduling Instruction during that MISO season.

Answer: While Type I LMRs can choose to make themselves unavailable after a successful deployment under MISO's proposed LMR reforms, this could result in future loss off accreditation. However, the Customer's obligations under the R12 contract are not altered by that flexibility. The R12 contract with the Customer imposes non-performance damages for associated lost future accreditation, including due to the Customer making itself unavailable. Section 3 of the R12 contract (provided in discovery response MNSDE-1.20) with the Customer describes the System Event Limitations. Non-performance damages, including those for future lost accreditation, are described in Section 6 of the R12 contract. Both sections are applicable to Type I and Type II LMRs.

Attachment: *None.*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.9e

Respondent: S. Burgdorf

Page: 1 of 1

Question: Request 9: Please refer to DTE's response to Data Requests STDE-2.6 and CEOMEIBCIEIDE-1.24b, MISO's April 4. 2025 filing in FERC Docket No. ER25-1886, and MISO's July 14, 2025 filing in FERC Docket No. ER25-2845. d. If Google LLC will be a Type I LMR Demand Resource, please confirm Google LLC will be required under its Rider 12 contract with DTE to be available to MISO for curtailment down to its firm service level whenever an emergency is declared within the operational limits identified in DTE's response to Data Request CEOMEIBCIEIDE-1.24b. If not fully confirmed, please explain in detail why not fully confirmed.

Answer: Confirmed.

Attachment: *None.*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.12

Respondent: N. Foley

Page: 1 of 1

Question: Request 12: Please refer to the direct testimony of DTE Witness Willis at Exhibit A-19. Please provide a complete copy of all analyses performed by, or on behalf of, DTE that assume the Google LLC load does not fully materialize. If no such analyses has been performed, please explain why such analyses have not be performed.

Answer: The Company has not completed the requested analysis. The Company modeled the Customer's contracted load ramp as the basis for its filing given the timing and minimum billing demand requirements agreed to in the PSA, and cost obligations in the CCAA.

Attachment: *None*

MPSC Case No: U-22058

Requester: ABATE

Question No.: ABDE-1.13

Respondent: N. Foley

Page: 1 of 1

Question: Request 13: Please refer to the direct testimony of DTE Witness Foley at page NTF-19, line 15 through page NTF-21, line 19 and page NTF-41, lines 10 through 21. Please explain in detail whether, in the case of termination of the Primary Supply Agreement ("PSA"), the MPSC under the Affordability Backstop would have the ability to modify the termination payment paid by Google LLC if the MPSC determined that, under the termination of the PSA, the aggregated costs of providing service to Google LLC exceeded aggregated benefits of serving Google LLC. If the Affordability Backstop would not provide this ability to the MPSC, please identify and explain in detail what other recourse theMPSC would have to address such a scenario to ensure no harm comes to DTE's customers.

Answer: DTE Electric objects for the reasons that the request is vague, overly broad, seeks excessive detail, and is otherwise not reasonably calculated to lead to the discovery of admissible evidence as the request calls for speculation regarding an ambiguous hypothetical scenario. Subject to and without waiving this objection, once the PSA is terminated it cannot be modified.

Attachment: *None*

MPSC Case No: U-22058

Requester: CEOMEIBCIEI

Question No.: CEOMEIBCIEIDE-1.1a

Respondent: N. Foley

Page: 1 of 1

Question: 1. Refer to the direct testimony of Neal Foley at page 4, lines 9–12, which states "...the CCAA allows the Company to receive from the Customer 300 MW of Midcontinent Independent System Operator ('MISO') Zone Zonal Resource Credits ('ZRCs') at no cost." a. Does the Company plan to place any restrictions on the ZRCs it plans to receive from the Customer?

Answer: The "ZRC Product" is defined in the CCAA as "MISO Zone 7 Zonal Resource Credits in an amount equal to 300MW" (page A-12). The Company cannot place additional restrictions on the ZRCs beyond this definition. The Company is not involved in the Customer's procurement of the ZRCs that it will transfer to the Company and notes that the ZRCs are being transferred to the Company at no cost.

Attachment: *None*

DTE ELECTRIC COMPANY
MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-22058

Response of: DTE Electric Company to the First Set of Data Requests of Requesting Party: CEOMEIBCIEI

The Response to

CEOMEIBCIEIDE-1.24b

IS CONFIDENTIAL

AND HAS BEEN REDACTED IN ITS ENTIRETY

MPSC Case No: U-22058

Requester: CEOMEIBCIEI

Question No.: CEOMEIBCIEIDE-1.39a

Respondent: A. Willis

Page: 1 of 1

Question: 39. Refer to DTE's application in Case No. U-22059, available at: https://mi-psc.my.site.com/s/filing/a00cs00001cYmGkAAK/u220590001. On page 2, the application quotes from the order in Case No. U-21990 which includes the requirement that "the company will shed firm load from the facility operated by Green Chile Ventures LLC prior to shedding firm load of any of DTE Electric Company's other customers." On page 1 of Attachment A, DTE revises the Emergency Electrical Procedures with a load shedding provision applicable to "Customers that take service from DTE Electric after October 1, 2025 with capacity of at least 500MW or customers that take service under the Large Load Provision of Rate Schedule No. D11." a. Please explain why DTE chose to make the load shed provision applicable to all large load customers, and not narrowly focused on Green Chile Ventures as directed in the order.

Answer: The Company endeavors to treat all similarly situated customers similarly. The U-21990 order did not exclude loads beyond Green Chili Ventures from the required updates to the emergency electrical procedures.

Attachment: *None*

MPSC Case No: U-22058

Requester: CEOMEIBCIEI

Question No.: CEOMEIBCIEIDE-1.39b

Respondent: A. Willis

Page: 1 of 1

Question: 39. Refer to DTE's application in Case No. U-22059, available at: https://mi-psc.my.site.com/s/filing/a00cs00001cYmGkAAK/u220590001. On page 2, the application quotes from the order in Case No. U-21990 which includes the requirement that "the company will shed firm load from the facility operated by Green Chile Ventures LLC prior to shedding firm load of any of DTE Electric Company's other customers." On page 1 of Attachment A, DTE revises the Emergency Electrical Procedures with a load shedding provision applicable to "Customers that take service from DTE Electric after October 1, 2025 with capacity of at least 500MW or customers that take service under the Large Load Provision of Rate Schedule No. D11." b. Will this provision also apply to Google LLC, the Customer in the instant docket? Why or why not?

Answer: Yes. Google LLC is taking service after October 1, 2025 and is greater than 500 MW.

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-1.2a

Respondent: N. Foley

Page: 1 of 1

Question: 2. Please refer to the Direct Testimony of Neal Foley, p. 19 lines 18-20. a. What categories of "revenues received from the Customer" will DTE consider as part of "aggregate benefits?"

Answer: The Company considers all revenues received under the PSA and CCAA as part of "aggregate benefits."

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-1.2b

Respondent: N. Foley

Page: 1 of 1

Question: 2. Please refer to the Direct Testimony of Neal Foley, p. 19 lines 18-20. b. What categories of "avoided costs realized through the Contracts" will DTE consider as part of "aggregate benefits?"

Answer: The Company considers as "avoided costs realized through the Contracts" any revenue requirement associated with resources that the Company was able to avoid deploying due to serving the Customer's load under the PSA and CCAA.

For example:

- As described by Witness Burgdorf, the Company's modeling indicates that it can avoid deploying 500 MW of energy storage in 2035 and 2036 due to serving the Customer's load under the PSA and CCAA.
- As described by Witness Bilyeu, the Company's modeling indicates it can avoid deploying 250 MW of renewable energy by 2034 due to serving the Customer's load under the PSA and CCAA.

The Company notes that its upcoming IRP filing will include a comparison of resource needs and associated costs with and without the Customer's load.

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-1.2c

Respondent: N. Foley

Page: 1 of 1

Question: 2. Please refer to the Direct Testimony of Neal Foley, p. 19 lines 18-20. c. What costs will DTE consider as part of "costs of serving the Customer's load?"

Answer: The Company considers as "costs of serving the Customer's load" any incremental expenses or resource revenue requirement that was caused by the Company serving the Customer's load under the PSA and CCAA.

For example:

- The revenue requirement of energy storage projects deployed under the CCAA
- The revenue requirement of renewable energy projects deployed under the CCAA
- The revenue requirement of renewable energy projects deployed to meet the Company's Renewable Portfolio Standard (RPS) obligations not covered by the CCAA
- The revenue requirement of other resources identified in the IRP as being caused by the Customer's load
- Increased fuel and purchased power costs
- The revenue requirement of transmission investments

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-1.2d

Respondent: N. Foley

Page: 1 of 1

Question: 2. Please refer to the Direct Testimony of Neal Foley, p. 19 lines 18-20. d. How often and in what form will DTE compile information related to "combined revenues" and "avoided costs?"

Answer: See my revised direct testimony starting at page 41, line 23 for a discussion on how the PSA and CCAA will be reflected in future regulatory filings.

The Company envisions combined revenues and avoided costs will be presented in general rate case filings and PSCR plan and reconciliation filings. The Company will present an accounting of the aggregate benefits and costs of serving the Customer's load. The specific form of how this will be presented has not yet been developed.

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-3.4

Respondent: A. Willis

Page: 1 of 1

Question: 4. Please refer to the Direct Testimony of Aaron Willis at page 10 lines 2-4, and line 30 of Ex. A-20. Explain in detail where the $194.7 million sufficiency figure cited in the referenced testimony of Witness Willis is identified in Ex. A-20.

Answer: The $194.7 million identified in testimony is incorrect and should match the $201.5 million reflected in Exhibit A-20 at line 30, column (I). The figure in Exhibit A-20 is correct.

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-3.5a

Respondent: A. Willis

Page: 1 of 1

Question: 5. Please refer to Direct Testimony of Aaron Willis at page 10 lines 8-9 and 15-16, the Company's responses to AGDE-2.70 and 2.72a, and Exhibit A-20. With regards to the 1.5% annual escalation of the Base Sales Benefit over time as shown in Exhibit A-20:
a. Given the Company's response in AGDE-2.70 that the 1.5% annual escalation "is the average D11 full service rate increase across Case Nos. U-20836, U-21297, and U-21534", explain why it is reasonable to assume that such average annual rate increases would continue in each of the years 2028 through 2047 if, as projected in Ex. A-20, the addition of the Google and Oracle data centers were to lead to a significant revenue sufficiency even without a 1.5% annual escalation.

Answer: The 1.5% annual growth rate represents estimated D11 rate growth absent any additional load. Exhibit A-20 isolates the impact of the Customer's load, which as indicated in Exhibit A-20, generates a base revenue sufficiency.

Attachment: *None*

MPSC Case No: U-22058

Requester: MNS

Question No.: MNSDE-3.5b

Respondent: A. Willis

Page: 1 of 1

Question: 5. Please refer to Direct Testimony of Aaron Willis at page 10 lines 8-9 and 15-16, the Company's responses to AGDE-2.70 and 2.72a, and Exhibit A- 20. With regards to the 1.5% annual escalation of the Base Sales Benefit over time as shown in Exhibit A-20:
b. State whether the Base Sufficiency or Base Sales Benefit for 2028 through 2047 shown in lines 33 and 35 of Ex. A-20 reflect an annual increase or escalation of any of the Customer Study COS expenses shown in columns (f) – (h) of lines 6 to 16 of Ex. A-20. If so, identify each such expense, the annual increase or escalation assumed for such expense, and the basis for such assumption. If not, explain why not, including why the Company assumed an escalation of the revenues from the D11 full service rate, but not in any of the expenses, in projecting the Base Sufficiency and Base Sales Benefits for 2028 through 2047.

Answer: Yes, Exhibit A-20 increases all expenses at 1.5% and all revenues at 1.5%. The exhibit first calculates the base sufficiency using both incremental revenues and incremental expenses. Exhibit A-20 then escalates that resulting net base sufficiency at 1.5% annually. Escalating the net sufficiency is equivalent to escalating both the revenue and expense components separately, assuming the same escalation factor applies to both.

Attachment: *None.*

MPSC Case No: U-22058

Requester: Staff

Question No.: STDE-1.9

Respondent: N. Foley

Page: 1 of 1

Question: 9. Under what circumstances can the Company cancel the auto-renewal of the contracts at the end of the 20-year initial duration?

Answer: The Company can cancel the auto-renewal of the PSA by providing “Notice of non-renewal” at least 36-months prior to the end of the term of the contract. See Section 3.2 of the PSA for more detail.

The CCAA does not have an auto-renewal provision. The full costs of the projects that the Customer is responsible for under that agreement will be recovered during the initial term.

Attachment: *None*

MPSC Case No: U-22058

Requester: Staff

Question No.: STDE-1.10

Respondent: N. Foley

Page: 1 of 1

Question: 10. Please provide the Company's definition of "cross-subsidized" used in witness Folley's [sic, Neal Foley] testimony on p. 12. If the definition includes conducting a cost to serve this customer, please describe how that specific cost of service would be determined.

Answer: As it relates to the conditions under which the Customer can change rate schedules, "a rate schedule that is not cross-subsidized by any other customer group" means a Commission approved rate schedule that does not result in any shifting of costs between customer classes as demonstrated by the cost of service studies the Company was ordered to provide in the Commission's December 18, 2025 Order in Case No. U-21990.

Attachment: *None*

MPSC Case No: U-22058

Requester: Staff

Question No.: STDE-1.11

Respondent: N. Foley

Page: 1 of 1

Question: 11. Does the CCAA offer automatic 5-year renewal options for the Customer?

Answer: No. The CCAA does not have an auto-renewal provision. The full costs of the projects that the Customer is responsible for under that agreement will be recovered during the initial term

Attachment: *None*

MPSC Case No: U-22058

Requester: Staff

Question No.: STDE-3.12

Respondent: N. Foley

Page: 1 of 1

Question: 12. Does DTE plan to seek Commission approval of this Rider 12 contract? If so, where? If not, please explain.

Answer: No. The Rider 12 contract is a standard tariff offering and does not require approval.

Attachment: *none*

MPSC Case No: U-22058

Requester: Staff

Question No.: STDE-3.14

Respondent: S. Burgdorf

Page: 1 of 1

Question: 14. How does the demand response crediting in this contract compare to that of DTE's other Rider 12 contracts?

Answer: The credit to the Customer is the same as other Rider 12 contracts.

Attachment: *None.*

MPSC Case No: U-22058

Requester: STAFF

Question No.: STDE-8.2

Respondent: N. Foley

Page: 1 of 1

Question: 2. If the Commission determines that the costs of serving the Customer exceed the benefits of doing so, and assuming that the Customer is unable to pay for such costs due to an unforeseen financial hardship, is DTE committed to holding its existing customers harmless for such costs not recovered from the Customer? If yes, please provide a reference to the application or testimony where such a commitment can be found. For purposes of this question, the phrase 'holding its existing customers harmless' means that DTE will not seek to recover the costs of serving this Customer from other ratepayers.

Answer: Such a commitment is not included in the application or testimony. The Company is committed to pursuing recovery from the Customer for all amounts owed to the Company under the special contracts. The collateral protections set forth in PSA Section 9 and CCAA Section 11 were designed to mitigate any under recovery of costs due to Customer nonpayment. In the event of a default, the Company may draw upon available letters of credit and/or seek recovery under the parent guarantee for amounts owed to DTE Electric, including the termination payment or any other amounts due.

In the highly unlikely event of a Customer bankruptcy or other circumstance in which recovery from the Customer, its parent guarantor, and letters of credit is not sufficient, DTE Electric's position is that it would not seek to recover from other customers costs that are ultimately determined by the Commission, pursuant to Section 5.1.3 of the PSA, to be in excess of the combined revenues payable to the Company under the PSA and Related Agreements. However, if at a later date the Commission determines such costs to be reasonable and prudent and appropriately attributable to utility service provided to customers generally, the Company may seek recovery at that time. Any such determination would necessarily depend on the facts and circumstances at the time and would be subject to Commission review and approval in the applicable proceeding.

Attachment: *None*

Remaining Net Revenue Requirement - Proxy CCGT w/CCS and Solar
Years 2048 - 2067 -- Capacity and Energy Value Maintained at 2038 Level

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
1	Inflation	0.00%																										
												2038										2048						
2	CCGT w/CCS Capacity Revenue ($K)											$ 41,000										$ 41,000						
3	CCGT w/CCS Energy Value ($K)											$ 100,600										$ 100,600						
4	Storage Asset Capacity Revenue ($K)											$ 42,400										$ 42,400						
5	Storage Asset Energy Value ($K)											$ 33,500										$ 33,500						
6	Solar Capacity Revenue ($K)											$ 64,500										$ 64,500						
7	Solar Energy Value ($K)											$ 3,700										$ 3,700						
	Proxy CCGT w/CCS	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
8	CCGT Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 220,257	$ 213,014	$ 205,772	$ 198,529	$ 191,287	$ 184,373	$ 178,116
9	CCS Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 228,240	$ 223,807	$ 219,373	$ 214,939	$ 210,505	$ 206,273	$ 202,443
10	Nominal Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 448,497	$ 436,821	$ 425,145	$ 413,468	$ 401,792	$ 390,645	$ 380,559
11	Energy Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600
12	Capacity Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000
13	Total Wholesale Value CCGT w/CCS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600
	Solar																											
14	Energy Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 64,500	$ 64,500	$ 64,500	$ 64,500	$ 64,500	$ 64,500	$ 64,500
15	Capacity Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 3,700	$ 3,700	$ 3,700	$ 3,700	$ 3,700	$ 3,700	$ 3,700
16	Total Solar Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 68,200	$ 68,200	$ 68,200	$ 68,200	$ 68,200	$ 68,200	$ 68,200
	576 MW Storage Alternative																											
17	Storage Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 230,375	$ 223,603	$ 216,348	$ 211,929	$ 208,390	$ 205,485	$ 204,351
18	Energy Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500
19	Capacity Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400
20	Total Wholesale Value Storage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900

		CCGT w/CCS	Storage Asset
21	NPV Cost	$1,009,847	$558,370
22	NPV Market Value	$382,564	$205,061
23	Net NPV (line 21 - line 22)	($627,282)	($353,309)
24	Including avoidance of additional Storage Asset	($273,973)	
25	NPV of Solar Revenues	$144,420	
26	**Net NPV Incl Solar Credits (line 24 + line 25)**	**($129,553)**	

Remaining Net Revenue Requirement - Proxy CCGT w/CCS and Solar
Years 2048 - 2067 – Capacity and Energy Value Maintained at 2038 Level

Line	(a)	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)
1	Inflation													
						2059	2060	2061						
2	CCGT w/CCS Capacity Revenue ($K)				Solar End of Life	500	700	400						
3	CCGT w/CCS Energy Value ($K)				% of total	31%	44%	25%						
4	Storage Asset Capacity Revenue ($K)				Jan 1 % Remaining	100%	69%	25%						
5	Storage Asset Energy Value ($K)													
6	Solar Capacity Revenue ($K)													
7	Solar Energy Value ($K)													
	Proxy CCGT w/CCS	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067
8	CCGT Revenue Requirement	$ 172,378	$ 167,020	$ 161,851	$ 156,682	$ 151,513	$ 146,344	$ 141,175	$ 136,006	$ 130,837	$ 125,668	$ 120,500	$ 115,331	$ 110,162
9	CCS Revenue Requirement	$ 198,930	$ 195,649	$ 192,485	$ 189,321	$ 186,157	$ 182,992	$ 179,828	$ 176,664	$ 173,499	$ 170,335	$ 167,171	$ 164,007	$ 160,842
10	Nominal Cost	$ 371,308	$ 362,669	$ 354,336	$ 346,003	$ 337,669	$ 329,336	$ 321,003	$ 312,670	$ 304,337	$ 296,004	$ 287,670	$ 279,337	$ 271,004
11	Energy Value	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600	$ 100,600
12	Capacity Revenue	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000
13	Total Wholesale Value CCGT w/CCS	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600	$ 141,600
	Solar													
14	Energy Value	$ 64,500	$ 64,500	$ 64,500	$ 64,500	$ 64,500	$ 44,344	$ 11,086						
15	Capacity Revenue	$ 3,700	$ 3,700	$ 3,700	$ 3,700	$ 3,700	$ 2,544	$ 636						
16	Total Solar Revenue	$ 68,200	$ 68,200	$ 68,200	$ 68,200	$ 68,200	$ 46,888	$ 11,722						
	576 MW Storage Alternative													
17	Storage Revenue Requirement	$ 204,063	$ 203,574	$ 202,872	$ 201,945	$ 200,780	$ 199,363	$ 197,680	$ 195,717	$ 193,458	$ 190,887	$ 187,988	$ 184,743	$ 181,135
18	Energy Value	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500	$ 33,500
19	Capacity Revenue	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400	$ 42,400
20	Total Wholesale Value Storage	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900	$ 75,900

21	NPV Cost	
22	NPV Market Value	
23	Net NPV (line 21 - line 22)	
24	Including avoidance of additional Storage Asset	
25	NPV of Solar Revenues	
26	**Net NPV Incl Solar Credits (line 24 + line 25)**	

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of DTE ELECTRIC COMPANY for approval of special contracts and related relief.	)))))	Case No. U-22058 ALJ Theresa A.G. Staley

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

Stephen A. Campbell, being first duly sworn, deposes and says that on June 5, 2026, he did cause to be served the ***Association of Businesses Advocating Tariff Equity's PUBLIC Direct Testimony & Exhibits of James R. Dauphinais***, as well as this ***Proof of Service***, in the above docket, via electronic mail, to the persons identified on the attached service list.

Stephen A. Campbell

Digitally signed by: Stephen A. Campbell
DN: CN = Stephen A. Campbell email = SCampbell@clarkhill.com C = US O = Clark Hill PLC
Date: 2026.06.05 14:44:20 -04'00'

Stephen A. Campbell

SERVICE LIST
MPSC Case No. U-22058

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