

S T A T E O F M I C H I G A N
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the Application of	)	
DTE ELECTRIC COMPANY	)	
for approval of amendments to Rate D11 and	)	Case No. U-22061
related relief.	)	
	)	

QUALIFICATIONS AND DIRECT TESTIMONY OF

JOHNATHON L. HIGGINS

MICHIGAN PUBLIC SERVICE COMMISSION

August 4, 2026

QUALIFICATIONS OF JOHNATHON L. HIGGINS
CASE NUMBER U-22061
PART I

1 Q. Please state your name and business address.

2 A. My name is Johnathon L. Higgins. My business address is 7109 W. Saginaw
3 Hwy., Lansing, Michigan 48917.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by the Michigan Public Service Commission (MPSC or
6 Commission) as a Departmental Analyst in the Interconnection and
7 Distributed Energy Resources Section of the Energy Operations Division.

8 Q. Please describe your educational background.

9 A. I earned a Bachelor of Science degree in Microbiology from Michigan State
10 University in 2019.

11 Q. Would you please describe your professional background.

12 A. In March 2026 I began working for the MPSC in the Interconnection and
13 Distributed Energy Resources Section. I reviewed sections of utility rate case
14 filings and other related filings and resources that pertained primarily to
15 community solar, distributed energy resources and aggregation, hosting capacity
16 mapping, and virtual power plants. Prior to this, much of my professional
17 experience was related to working in various laboratory settings as a technician.
18 This has included work in both private and public laboratories in research and
19 industrial capacity. Of notable pertinence was my experience gained in procedural
20 and experimental design and review in these positions, where a strong ability to
21 conduct literary research and digest and interpret information provided in dense,
22 technical documents was crucial.

23

QUALIFICATIONS OF JOHNATHON L. HIGGINS
CASE NUMBER U-22061
PART I

1 Q. Have you received any work-related training since starting your employment with
2 the MPSC?

3 A. Yes, I have attended a multitude of webinars and presentations on topics pertinent
4 to the work the Commission performs. Additionally, I have attended meetings and
5 workgroups on a variety of cases and topics within the Commission, and reviewed
6 cases, papers, and other written articles to further my knowledge in the field.

7 Q. Have you previously testified before the Commission?

8 A. No, but I have assisted in the Staff review of the following cases:

<u>Case Number</u>	<u>Company</u>	<u>Case Type/Subject</u>
U-22059	DTE	Procedural Update
U-21972	Consumer's Energy	Voluntary Green Pricing
U-22058	DTE	Special Contract
U-22070	Consumer's Energy	Rate Case
U-22046	DTE	Rate Case
U-21653	DTE	Expedited Pilot

DIRECT TESTIMONY OF JOHNATHON L. HIGGINS
CASE NUMBER U-22061
PART II

1 Q. What is the purpose of your testimony?

2 A. The purpose of my testimony is to present the MPSC Staff's (Staff)
3 recommendations in regards to DTE Electric Company's (DTE or the Company)
4 emergency electrical procedures located in section C3 of its rate book for electric
5 service.

6 Q. Are you sponsoring any exhibits in the instant proceeding?

7 A. No.

8 Q. Has the Commission cited concerns regarding large load customers and system
9 reliability prior to this proceeding?

10 A. Yes, in MPSC Case No. U-21859 the Commission noted that the
11 substantial increase in load associated with data centers and other large load
12 customers has the potential to lead to risks related to system reliability.¹

13 Q. Has the Commission made any recommendations regarding its concern in those
14 cases?

15 A. Yes, in its order in MPSC Case No. U-21990, the Commission directed DTE to
16 update its emergency procedures.² On March 18th, 2026 DTE filed an application
17 to amend its emergency procedures to comply with the Commission's above-
18 referenced order. Those proposed amendments include broadly applicable
19 language that would apply to the large load tariff being addressed in the instant
20 case.

21 Q. Has the Commission approved the changes to DTE's electrical rate book in

¹ MPSC Case No. U-21859, 11/6/25 Order, p 103.

² MPSC Case No. U-21990, 12/8/25 Order, p 41.

DIRECT TESTIMONY OF JOHNATHON L. HIGGINS
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PART II

1 MPSC Case No. U-22059?

2 A. As of the date of the preparation of this testimony the Commission has not
3 approved DTE's proposed amendments to its emergency procedures.

4 Q. Would the amendment proposed by DTE in U-22059 be applicable to the tariff
5 provision at issue in the instant case?

6 A. Yes. DTE's proposed amendment to the emergency procedures includes new
7 provisions that would apply to the D11 rate provision requested in the instant
8 case. The specific amendment that would be of interest in the instant case is as
9 follows:

10 As a measure of last resort, manual load shedding of firm customer
11 loads will be instituted as necessary to maintain the integrity of the
12 system.
13 Customers that take service from DTE Electric after October 1, 2025 with
14 capacity of at least 500MW or customers that take service under the Large
15 Load Provision of Rate Schedule No. D11 will be subject to firm load
16 shedding prior to other customers, provided that such customer load
17 shedding 1) does not compromise system reliability and 2) can prevent
18 shedding the firm load of other DTE Electric customers.³
19

20 The changes proposed by DTE to its emergency procedures in MPSC Case No.
21 U-22059 include provisions that would apply to any customers over 500MW, or
22 any customers that take service under the proposed large load provision under the
23 D11 rate at issue in the instant case. It is worth emphasizing further that the
24 proposed language directly references the proposed tariff in the instant case.

25 Q. If the Commission does not approve the amended emergency procedures in
26 MPSC Case No. U-22059, does Staff have an alternative recommendation?

³ MPSC Case No. U-22059, Proposed rate book amended language, pg. 2

DIRECT TESTIMONY OF JOHNATHON L. HIGGINS
CASE NUMBER U-22061
PART II

1 A. If the Commission does not approve the proposed amendment to emergency
2 procedures in MPSC Case No. U-22059, Staff recommends that the Commission
3 require DTE amend the large load provisions of rate D11 to include language to
4 address the Commission's concerns it laid out in the above-referenced U-21990
5 order.

6 Q. Does this conclude your testimony?

7 A. Yes.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-22061

In the matter of the application of
DTE ELECTRIC COMPANY
for approval of amendments to Rate D11 and
related relief.

QUALIFICATIONS AND DIRECT TESTIMONY OF

MARK J. PUNG

MICHIGAN PUBLIC SERVICE COMMISSION

August 4, 2026

**QUALIFICATIONS AND DIRECT TESTIMONY OF
MARK J. PUNG
U-22061**

1 **Q. Please state your name and business address.**

2 A. My name is Mark J. Pung. My business address is 7109 West Saginaw Highway,
3 Lansing, Michigan 48917.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by the Michigan Public Service Commission (MPSC or Commission) as a
6 Departmental Specialist in the Rates and Tariff Section of the Regulated Energy Division.
7 I serve as the section's Electric Cost of Service Specialist.

8 **Q. Please briefly describe your educational background.**

9 A. I graduated from Michigan State University in 2004 with a Bachelor of Arts degree in
10 Supply Chain Management.

11 **Q. Have you completed any other courses?**

12 A. Yes, I have completed two graduate courses at Central Michigan University's Lansing
13 campus, Quantitative Applications in Administrative Decision Making and Financial
14 Management. I have also completed the Association of Edison Illuminating Company's
15 Fundamentals of Customer Load Data Analysis course, the National Association of
16 Regulatory Utility Commissioners (NARUC) Annual Regulatory Studies Program held at
17 Michigan State University, and the following EUCI courses: 1) Electric Cost-of-Service
18 Course - Essential Concepts for a Changing Industry, and 2) Ratemaking for Data Centers
19 & Other Large Power Loads.

20 **Q. What are your current responsibilities at the MPSC?**

21 A. As the Electric Cost of Service Specialist, I am responsible for developing Staff electric
22 cost of service studies, interpreting and applying laws related to electric cost-of-service,

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1 and any other electric cost-of-service-related issues in cases before the Commission
2 under the supervision of the Rates and Tariff Section Manager.

3 **Q. Have you previously presented testimony or participated in utility cases before the**
4 **MPSC?**

5 A. Yes. I have participated in the following cases:

<u>Case No.</u>	<u>Utility</u>	<u>Description</u>
U-14270-R	Presque Isle, Cherryland, Tri-County, and Great Lakes	PSCR Reconciliation
U-14637	Presque Isle Electric and Gas Cooperative	Rate Design
U-14710-R	Presque Isle, Cherryland, Tri-County, and Great Lakes	PSCR Reconciliation & TIER Audit
U-14713-R	Ontonagon County REA	Rate Design
U-14745	Upper Peninsula Power Company	Rate Design
U-14790	Great Lakes Energy Cooperative	Rate Design
U-14893	SEMCO Energy Gas Company	Rate Design
U-15071	Wisconsin Electric Power Company	Rate Design
U-15114	Wisconsin Public Service Corp.	Ex parte of new rate
U-15244	DTE Electric Company	Rate Design
U-15245	Consumers Energy Company	Rate Design
U-15487	Alpena Power Company	Ex parte of new rate
U-15500	Wisconsin Electric Power Company	Rate Design
U-15645	Consumers Energy Company	Rate Design
U-15981	Wisconsin Electric Power Company	Rate Design
U-15988	Upper Peninsula Power Company	Rate Design
U-16180	Indiana Michigan Power Company	Rate Design
U-16472	DTE Electric Company	Rate Design
U-16794	Consumers Energy Company	Rate Design
U-16860	Consumers Energy Company	Revenue Decoupling
U-16877	Michigan Consolidated Gas Company	Revenue Decoupling
U-17043	Consumers Energy Company	VHWF
U-17087	Consumers Energy Company	Rate Design
U-17221	Michigan Gas Utilities Corporation	Revenue Decoupling
U-17222	Michigan Gas Utilities Corporation	Un-collectables
U-17479	Tilden Mining Company	RAS-1 Tariff
U-17530	DTE Michigan Gathering Company	Ex parte of new rate
U-17547	Michigan Gas Utilities Corporation	Revenue Decoupling
U-17686	Michigan Gas Utilities Corporation	Tariff Revisions
U-17688	Consumers Energy Company	Act 169 Case

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	<u>Case No.</u>	<u>Utility</u>	<u>Description</u>
1			
2			
3	U-17735	Consumers Energy Company	Rate Design
4	U-17895	Upper Peninsula Power Company	Rate Design
5	U-17990	Consumers Energy Company	Rate Design
6	U-18255	DTE Electric Company	Rate Design
7	U-18462	Northern States Power Company	Rate Design
8	U-20101	Alpena Power Company	TCJA Credit A
9	U-20108	Northern States Power Company	TCJA Credit A
10	U-20110	Upper Michigan Energy Resource Corp.	TCJA Credit A
11	U-20111	Upper Peninsula Power Company	TCJA Credit A
12	U-20162	DTE Electric Company	Rate Design
13	U-20359	Indiana Michigan Power Company	Rate Design
14	U-20697	Consumers Energy Company	Rate Design
15	U-21045	Alpena Power Company	Rate Design
16	U-21097	Northern States Power Company	Rate Design
17	U-20836	DTE Electric Company	Rate Design
18	U-21224	Consumers Energy Company	Cost of Service
19	U-21297	DTE Electric Company	Cost of Service
20	U-21389	Consumers Energy Company	Cost of Service
21	U-21488	Alpena Power Company	Cost of Service
22	U-21534	DTE Electric Company	Cost of Service
23	U-21541	Upper Michigan Energy Resource Corp.	Cost of Service
24	U-21860	DTE Electric Company	Cost of Service
25	U-21870	Consumers Energy Company	Cost of Service
26	U-21986	Indiana Michigan Power Company	Large Tariff

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**QUALIFICATIONS AND DIRECT TESTIMONY OF
MARK J. PUNG
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1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to present the Michigan Public Service Commission
3 (MPSC or the Commission) Staff's recommendations regarding DTE Electric Company's
4 (the Company) proposed large load provision tariff amendments for its Primary Supply
5 Rate D11.

6 **Q. Are you sponsoring any exhibits?**

7 A. No.

8 **Q. How is your direct testimony organized?**

9 A. I first provide Staff's recommendations regarding modifications of the Company's
10 original tariff amendment proposal concerning the proposed administrative fee. Next, I
11 present Staff's recommendation concerning acceptable forms of collateral and lowering
12 of the collateral amount. I then offer Staff's recommendations concerning cost-of-service
13 and rate design models the Company should be required to provide in its next general
14 electric rate case. Finally, I provide a summary of Staff's recommendations concerning
15 the above topics at the end of my testimony.

Administrative Fee

18 **Q. What is Staff's position concerning the Company's proposed administrative fee
19 amount?**

20 A. Staff takes no issue with the initial proposed tiered administrative fee amounts. The
21 Company explained in response to Staff's discovery that the amounts reflect estimated
22 costs for projects at the respective sizes. See Company's Response to the MPSC Staff's

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1 Second Discovery Request. Additionally, the lower tier of the administrative fee which is
2 applicable to customers who project to be less than 200 MW is consistent with the
3 \$100,000 administrative fee approved by the Commission in Case No. U-21859.

4 **Q. Does Staff have any recommendations for the Company's proposed administrative**
5 **fee?**

6 A. Yes. Staff recommends that the administrative fee amount charged to the customer be
7 reconciled to actual costs upon completion of all projects associated with serving that
8 customer. A reconciliation clause is important because it will protect prospective large
9 customers from being overcharged for costs they did not incur. Another important
10 function is that it will also protect all other ratepayers from subsidizing the projects
11 required to explore serving large load customers. Staff's recommendation is also
12 consistent with the administrative fee method the Commission recently approved for
13 Consumers Energy Company's Large Load Customer Provision in Case No. U-21859.

14 **Q. What tariff language does Staff recommend adding to the Large Load Provision?**

15 A. Staff recommends adding the following tariff language onto the end of the Administrative
16 Fee section:

17 "The administrative fee shall be reconciled to actual costs upon completion of the
18 project."
19

Collateral and Credit

21 **Q. What tariff language is the Company proposing for the Collateral and Credit**
22 **section of its proposed Large Load Provision?**

23 A. The Company is proposing the following tariff language in Exhibit A-1, page 6 of 6:

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1 “The Company shall be entitled to require the customer to provide collateral equal
2 to the termination fee as described above. The Company, at its sole discretion,
3 may determine a lower required collateral amount. The required collateral amount
4 may be reduced as the termination fee declines over the term of the contract. The
5 Company, at its sole discretion and determination, may require a letter of credit,
6 cash, parent guarantee, or a combination thereof, as collateral.”
7

8 **Q. Does Staff agree with this language as proposed by the Company?**

9 A. No.

10 **Q. Is Staff proposing any changes to the Company’s proposed Collateral and Credit**
11 **tariff language?**

12 A. Yes. Staff recommends the Company’s proposed language be modified to align with the
13 language approved by the Commission in Case No. U-21859. Concerning changing the
14 amount of required collateral, the Commission approved the following tariff language for
15 Consumers Energy Company in Case No. U-21859:

16 “The Company may, at its discretion, require a different collateral amount or
17 accept a form of collateral other than described above, subject to Commission
18 review and approval.”
19

20 Staff recommends that the Company’s proposed “sole discretion” language be
21 modified to remove the word “sole” and to include that it is subject to Commission
22 review and approval. Staff also recommends that the forms of acceptable collateral be
23 modified to align with what the Commission approved in U-21859. In its Order dated
24 November 6, 2025, the Commission approved one or both of the following forms of
25 collateral, 1.) a standby irrevocable letter of credit, and 2.) cash. Staff recommends these
26 two forms of collateral also be approved in this case and that the parent guarantee be
27 removed from the tariff language. Therefore, Staff recommends the following language
28 for the Collateral and Credit section be as follows:

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1
2 “COLLATERAL AND CREDIT: The Company shall be entitled to require the
3 customer to provide collateral equal to the termination fee as described above.
4 The required collateral amount may be reduced as the termination fee declines
5 over the term of the contract.
6

7 The Collateral Requirement may be provided to the Company in one or both of
8 the following forms:
9

10 a) A standby irrevocable letter of credit (“Letter of Credit”) for the full Collateral
11 Requirement.
12

13 b) Cash for the full Collateral Requirement.
14

15 The Company may, at its discretion, require a different collateral amount or
16 accept a form of collateral other than described above, subject to Commission
17 review and approval.”
18

19 **Q. If a parent guarantee is approved by the Commission in this case as an alternative**
20 **form of collateral, does Staff have any recommendations ?**

21 A. Yes, should the Commission approve a parent guarantee, Staff recommends that the
22 Commission make the same finding as it did in the December 18, 2025 Order in Case No.
23 U-21990. In that Order, the Commission stated on page 41:

24 “In addition, in the event of a failure to pay the MBD under the PSA, or in the
25 event of a termination, default, or other event whereby DTE Electric is required to
26 draw on the letter of credit or parental guaranty, if the company determines that
27 the specified collateral is not sufficient to cover the full amount of the remaining
28 financial exposure associated with the ESA or the PSA (minus the value to
29 customers), the Commission specifically cautions DTE Electric that any
30 unrecovered costs shall not be borne by ratepayers and that DTE Electric bears
31 responsibility for any remaining liability. All risk associated with the sufficiency
32 of the collateral shall be borne by DTE Electric.”
33

34 Just like the Commission order above, Staff recommends for the Large Load
35 Provision that if there is a failure to pay the Minimum Billing Demand, or in the event of
36 a termination, default, or other event whereby DTE Electric is required to draw on the

**QUALIFICATIONS AND DIRECT TESTIMONY OF
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1 parental guarantee, if the Company determines that the specified collateral is not
2 sufficient to cover the full amount of the remaining financial exposure associated with the
3 customer's contract that the Company bear responsibility for any remaining liability. All
4 risk associated with the sufficiency of the collateral should be borne by the Company.
5

Cost-of-Service and Rate Design Analysis

7 **Q. Is Staff making any recommendations concerning cost allocations and rate designs?**

8 A. Yes. Staff is recommending that the Company continue to be required to provide six cost
9 allocation and rate design studies along with all the data necessary to allow recreation of
10 the proposals as ordered by the Commission in Case No. U-21990. However, Staff
11 proposes to modify the six studies to specify that the data used to populate the six studies
12 should be the same data as the Company used to populate its proposed test-year COSS
13 and Rate Design in its currently filed rate case. Therefore, those six studies should
14 include: (1) one under traditional ratemaking as exemplified by DTE Electric's proposed
15 test-year COSS including the expected full contract capacity of any large load
16 customer(s) on Rate D11; (2) same as (1), but with the inclusion of a new large load
17 customer rate class; (3) same as (2), but using 12CP to allocate costs instead of 4CP
18 where 4CP is currently being utilized; (4) one under traditional ratemaking utilizing the
19 proposed test-year COSS without the large load customer(s) in service; (5) one utilizing a
20 direct assignment of costs to a new large load customer rate class, including transmission,
21 generation, and distribution costs; and (6) one utilizing a direct assignment of costs to the
22 individual large load customer, again including transmission, generation, and distribution

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1 costs. The Company should also continue to provide a summary exhibit comparing the
2 impacts of these six cost allocation and rate design proposals on all customer classes on a
3 side-by-side basis.

4 **Q. Why does Staff propose modifying the six cost allocation and rate design studies?**

5 A. In the Company's current electric rate case, Case No. U-22046, the six cost-of-service
6 and rate design studies were provided, but with numbers from the Company's previously
7 approved rate case and not its current rate case. This does not allow for an analysis that is
8 relevant to the instant case because it does not allow the scenarios to be used for
9 allocating costs and designing rates for the rate case in which they are filed. Therefore,
10 Staff recommends that the data used to populate the six cost-of-service and rate design
11 studies be the same data as used in the Company's currently filed rate case. For example,
12 if the Company used a projected test-year in its current electric rate case, that same
13 projected test-year data would be used to populate the six additional studies. This will
14 allow Staff and all parties to the case to make more meaningful and relevant analysis of
15 the impact of large load customers on the Company's system.

16
17 **Summary**

18 **Q. Please summarize your recommendations in this proceeding.**

19 A. Staff's recommendations are as follows:

20 1. Staff takes no issue with the Company's proposed tiered Administrative Fee but
21 recommends that it be reconciled with the customer or prospective customer once final
22 project costs become known.

**QUALIFICATIONS AND DIRECT TESTIMONY OF
MARK J. PUNG
U-22061**

1 2. For the Collateral and Credit section, Staff recommends the two forms of Commission
2 approved collateral and to remove “sole discretion” language. This aligns with the
3 language the Commission approved in Case No. U-21859. If a parental guarantee is
4 allowed by the Commission, the Company should bear all risk associated with the
5 sufficiency of the collateral.

6 3. Staff recommends that the Company be required to continue providing the six cost
7 allocation and rate design studies Ordered in Case No. U-21990, but modified by Staff
8 and using the same data as used to populate the Company’s projected test-year exhibits in
9 its currently filed case and not data from a previous case.

10 **Q. Does this conclude your testimony?**

11 A. Yes, it does.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

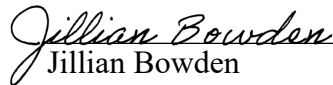
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**In the matter of the application of DTE)
Electric Company for approval of)
amendments to Rate D11 and related)
relief.)
_____)**

Case No. U-22061

PROOF OF SERVICE

Jillian Bowden, being duly sworn, deposes and says that on August 4, 2026, A.D., she emailed a copy of the attached Testimony of Higgins and Pung, MPSC Staff-to the persons as shown on the attached list.


Jillian Bowden

Subscribed and sworn to before me
this 4th day of August, 2026.



Lori Mayabb, Notary Public
State of Michigan, County of Eaton
Acting in County of Eaton
My Commission Expires April 15, 2033

DTE Electric Company

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