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August 25, 2026

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: In the matter of the Application of **DTE ELECTRIC COMPANY** for approval of amendments to Rate D11 and related relief
MPSC Case No: U-22061

Dear Ms. Felice:

Attached for electronic filing in the above reference matter is DTE Electric Company's Rebuttal Testimony of Witnesses, Aaron Willis and Michael J. Witkowski. Also attached is the Proof of Service.

Very truly yours,

John A. Janiszewski

Digitally signed by John A. Janiszewski
Date: 2026.08.25 16:49:42 -04'00'

John A. Janiszewski

JAJ/erb
Encl.
cc: Service List

STATE OF MICHIGAN

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	)	

REBUTTAL TESTIMONY

OF

AARON WILLIS

DTE ELECTRIC COMPANY
REBUTTAL TESTIMONY OF AARON WILLIS

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Q1. Please state your full name, title, business address, and by whom you are employed?

A1. My name is Aaron Willis (he/him/his). My business address is One Energy Plaza, Detroit, Michigan 48226. I am employed by DTE Energy Corporate Services, LLC, a subsidiary of DTE Energy Company (DTE Energy), as Director, Regulatory Affairs.

Q2. Did you file direct testimony in this proceeding on behalf of DTE Electric Company (DTE Electric or Company)?

A2. Yes.

Purpose of Testimony

Q3. What is the purpose of your rebuttal testimony?

A3. The purpose of my rebuttal is to respond to positions taken by the Michigan Public Service Commission (MPSC) Staff (Staff), the Attorney General, Natural Resources Defense Council, and the Sierra Club (AG-NS), Association of Businesses Advocating for Tariff Equity (ABATE), the Clean Energy Organizations (CEO), and Great Lakes Renewable Energy Association (GLREA), addressing the Company's proposed Large Load Provision amendments to Rate Schedule D11.

I address the following topics in my rebuttal:

1) The applicability of the proposed tariff and various intervenor proposals to revise the applicability;
2) Changes in contract capacity;

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3) Appropriate credit and collateral terms;
4) Minimum billing demand;
5) Termination notice and fees;
6) The proposed administrative fee and proposals for reconciliation of the fee;
7) Comments and proposals regarding cost of service and rate design considerations;
8) Proposals for Commission approval of future large load contracts subject to the proposed provisions; and
9) Other intervenor proposals.

Q4. Are you sponsoring any exhibits in support of your rebuttal testimony in this proceeding?

A4. No.

<u>Tariff applicability</u>

Q5. Does any party contest the 100 MW threshold for the applicability of the Large Load Provision tariff amendments proposed by the Company?

A5. No.

Q6. What intervenor positions are you responding to related to the proposed tariff applicability?

A6. I will respond to the following positions related to tariff applicability:

- AG-NS Witness Havumaki's recommendation that the five-year aggregation window for projects which are individually less than 100 MW but aggregate to 100 MW should be extended indefinitely;

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- AG-NS Witness Havumaki's recommendation that "co-located" sites be subject to the terms of the tariff regardless of the load of tenant end users;
- ABATE Witness Dauphinais' proposal that the proposed tariff apply to contracts executed before its approval.

Q7. Can you summarize AG-NS Witness Havumaki's recommendation that the aggregation window of projects under 100 MW should extend indefinitely?

A7. Yes. Witness Havumaki's recommendation is that "the Company include sites at different locations in aggregation *irrespective of when the individual sites included in the aggregation have entered service."* (Pg 11) (italics in original). The testimony continues and says:

> "Consider the case of a customer that establishes a first site with a demand exceeding 100 MW. This customer would be subject to the Large Load Provisions based on the contract capacity of the initial site. Now, suppose that this customer adds a second site ten years later, with a peak demand of 15 MW. This site would also be subject to the Large Load Provision, through aggregation with the first site, because the average peak demand of the two sites would be 57.5 MW (which exceeds the Company's proposed 20 MW average requirement). This second site would be subject to its own minimum 15-year contract term, which would commence when the second site had ramped up to full capacity."

Witness Havumaki further suggests uncertainty as to whether the aggregation criteria are intended to apply to contract capacity or actual demand.

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Q8. Does the Company agree with this recommendation?

A8. No. As described in my direct testimony (Pg 9), the Company's proposal explains the purposes of the five-year window as "… aligned with the statutory timeline for filing an integrated resource plan, and provides a reasonable period during which 100 MW of load should be considered on a risk and system planning basis." Witness Havumaki does not respond to this reasoning and instead proposes the hypothetical example cited above without any further explanation. One of the two key objectives of this filing from my direct testimony is "protections for other customers". It is not evident what risk is being generated by a 15 MW load addition ten years from now that needs mitigation, which, on its own, is 15% of the threshold for tariff applicability.

Extending this premise further, the proposal would seem to implicate a customer adding 20 MW every five years. Under Witness Havumaki's proposal, the earlier additions would not initially be subject to the minimum billing demand, termination fee, and collateral requirements because the customer had not yet reached the 100 MW threshold. Once the customer reached that threshold in year 25, however, the proposal would appear to subject the customer's earlier load additions to the Large Load Provision based on an aggregation extending back as much as 20 years. It is not reasonable to look back potentially 10 or 20 years and impose new requirements on those load additions. To the extent Witness Havumaki is suggesting a new 15-year contract length beginning with the 100 MW, the Company does not believe that to be reasonable either as it would effectively require the earliest loads to remain in service for 25 years or more. I recommend that the Commission reject this proposal.

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Further, the Company confirms that the aggregation criteria apply to contract capacity and not actual demand, as stated in the "Availability of Service" section of the Large Load Provision amendments to D11.

Q9. Can you summarize AG-NS Witness Havumaki's recommendation that "co-located" sites be subject to the terms of the tariff regardless of the load of tenant end users?

A9. Yes. Witness Havumaki says:

> "The Company's applicability criteria appear to exempt co-located data centers (i.e., multiple data centers that are located on the same campus) from being subject to the Large Load Provisions even if the aggregate demand of the data centers at a given site exceeds 100 MW, provided that each entity requesting service has demand under the 100 MW threshold. This potential loophole could allow customers to avoid the Large Load Provisions even when they should in aggregate be subject to the tariff because of their co-location, combined scale, and the potential risks of cost-shifting and stranded assets that they collectively impose on the system". (Pg 12)

He then recommends:

> "These sites should be subject to the same aggregation threshold; if their combined capacity exceeds 100 MW, then the sites should be subject to the Large Load Provisions. Further, they should be subject to the Large Load Provisions even if their average capacity is less than 20 MW, since they are located at the same site rather than dispersed across multiple locations." (Pg 12)

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Q10. Does the Company agree with this recommendation?

A10. No. The Company applies the applicability criteria based on the contract capacity of the entity that requests service and executes the applicable power supply agreement. Where a co-location provider requests service for the facility, executes the power supply agreement, is responsible for payment and compliance with that agreement, the co-location provider is the Company's customer. The Company would execute the power supply agreement with the co-locator and the co-locator would be the customer responsible for billing and compliance with the terms of the power supply agreement and the large load provisions.

A different service arrangement would exist if multiple entities at the same location each separately requested service from the Company, executed separate power supply agreements, and were separately billed and metered by the Company. In that circumstance, each entity would be a separate DTE customer, and the applicability criteria would be applied to each customer based on its own contract capacity.

For example, if ten 10 MW loads are being individually served (billed and metered) by the Company and happen to be at one site, the Large Load Provisions would not apply. A series of 10 MW loads with varying ownership and billing responsibility do not introduce risk consistent with new 100 MW loads under single ownership, and therefore there would be no basis to apply the extended contract term and more rigorous collateral requirements, minimum billing demand and other commercial protections of the Large Load Provision to them. Accordingly, the proposed applicability criteria do not create the loophole described by Witness Havumaki.

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Q11. Can you summarize ABATE Witness Dauphinais' proposal that the proposed tariff apply to contracts executed before the approval of the tariff?

A11. Yes. Witness Dauphinais begins by saying "the Large Load Provision does not apply to existing load contracted for or served before the effective date of the Large Load Provision…As drafted, any contract DTE executes between now and the effective date of the tariff would fall outside the Large Load Provision entirely. That would leave outside the tariff's protections the very set of prospective customers whose presence DTE offers as the reason for approving the tariff on an expedited basis."

Following, he recommends "the Commission require the Large Load Provision to apply to any large load addition, other than those that are the subject of Case Nos. U-21990 and U-22058, that is not already taking service as of the effective date of the tariff approved in this proceeding." (Pg 24)

Q12. Does the Company agree with this recommendation?

A12. No. First, while not making a specific recommendation, Witness Dauphinais characterizes his proposal in part as based on the Company's request for an expedited case schedule. At the time of filing this testimony, briefing is scheduled for more than six months post-filing and there is no target PFD date. The Company's request for expedited approval was not granted and it should not inform the adjudication of this issue or any other issue in the case.

Second, the Company included similar customer protections in both Case Nos. U-21990 and U-22058, absent a generic large load tariff setting the baseline as to what those conditions and protections should be. Going forward, whether before or after the eventual approval of the large load provisions, the Company intends to continue requiring customer protections as part of any power supply agreement with a customer who would, by size, qualify for the large load provisions. In the extraordinarily unlikely circumstances that the Company provides new service to a load which would otherwise qualify for the large load provision but for the timing, and which does not have a special contract with the Company, the Company assumes the large load provision would apply. This is consistent with any other customer taking service on a standard Rate Schedule D11 contract and which is subject to periodic changes in the rules and terms of the tariff.

<u>Changes in contract capacity</u>

Q13. What intervenor positions are you responding to related to the proposed changes in contract capacity?

A13. I will respond to the following positions related to changes in contract capacity:

- GLREA Witness Richter's recommendation that demand above the contract capacity be limited to the lower of 5% or 50MW, and none in the MISO summer months
- GLREA Witness Richter's recommendation that large load customers be allowed a one-time reduction of 10% of their contract capacity and AG-NS Witness Havumaki's recommendation that the inability to reduce contract capacity be added to the tariff

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Q14. Can you summarize GLREA Witness Richter's recommendation that demand above the contract capacity be limited to the lower of 5% or 50MW, and none in the MISO summer months?

A14. Yes. Witness Richter proposes limitations on demand in excess of the contract capacity, saying

> "It would be reasonable and prudent, for the sake of system reliability, for the Commission to require the Company to remove this provision entirely. Alternatively, if the Commission favors giving large load customers some latitude, the provision should be re-written. The cap should be the lessor [sic] of: 5% of the customer's contracted capacity, or 50 MW, and be restricted to the nine non-summer months, as defined in MISO capacity auctions. If, in the future, due to high levels of solar deployment, the critical time for meeting load is in the winter months (with low solar output), the provision may be changed." (Pg 26)

Q15. Does the Company agree with this recommendation?

A15. No, because it is unnecessary. The Company supports the reasonableness of the current time and capacity limited allowance for serving excess customer demands. The Large Load Provision "Availability of Service" section presented in the Company's Exhibit A-1 (proposed tariff) says in part "The Company will make reasonable efforts to serve load beyond the negotiated contract capacity to the extent that the excess load does not persist in more than three of twelve months on a rolling basis and does not exceed the contract capacity by more than 5%. Should the Company be able to serve an overage, the customer will be responsible for all incremental costs of accommodating the overage. Should the overage persist for more than three months or exceed 5%, the Company may, in its sole discretion, increase the contract capacity to reflect that load. At any time, the Company may decline to serve the overage if it is necessary to protect system integrity."

Thus, the Company's proposed tariff addresses all of Witness Richter's apparent concerns. It is limited in duration and not perpetual unless the Company has available capacity and agrees to increase the customer's contract capacity, it is up to 5% of the customer's load as proposed by GLREA, and, critically, the Company in its sole discretion may decline to serve any overage if system integrity is at risk. The Company's ability to decline to serve the overage protects against MISO summer capacity concerns and future, and unexplained, concerns regarding solar deployment. The Commission should reject this recommendation.

Q16. Can you summarize the positions of GLREA Witness Richter and AG-NS Witness Havumaki regarding reductions in contract capacity?

A16. Yes. Witness Richter observes what he terms as vague in the existing Rate Schedule D11 language and then proposes either a one-time 10% reduction or that the Commission eliminate the existing D11 language entirely. Witness Richter refers to the following D11 language: "The contract capacity however established shall not be decreased during the term of the contract and subsequent renewal periods as long as service is required unless there is a specific reduction in connected load." (Pg 18)

Witness Havumaki proposes that the tariff explicitly includes language that does not permit a reduction in contract capacity. (Pg 18).

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Q17. Does the Company agree with these recommendations?

A17. In part. The Company does not agree with Witness Richter's proposal for a one-time reduction of 10% of contract capacity. The Company will need to ensure available resources and infrastructure to serve the original load and that load should remain the basis of the contract.

The Company believes that Witness Havumaki's proposal is generally reasonable. However, the Company recommends that any additional language be included specifically in the Large Load Provision amendments at issue in this case and that the existing D11 language referenced by Witness Richter remain as-is so as not to alter the characteristics of service for "non-large load provision" customers taking service on D11.

Should the Commission adopt Witness Havumaki's recommendation, the Company proposes the following placement of new language in bold italics below:

"The Company will make reasonable efforts to serve load beyond the negotiated contract capacity to the extent that the excess load does not persist in more than three of twelve months on a rolling basis and does not exceed the contract capacity by more than 5%. Should the Company be able to serve an overage, the customer will be responsible for all incremental costs of accommodating the overage. Should the overage persist for more than three months or exceed 5%, the Company may, in its sole discretion, increase the contract capacity to reflect that load. At any time, the Company may decline to serve the overage if it is necessary to protect system integrity. ***Contract capacity may not be reduced during the term of the contract.***"

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Credit and collateral

Q18. What Staff and intervenor positions are you responding to related to the proposed changes in credit and collateral terms?

A18. I will respond to the following positions related to credit and collateral terms:

- Recommendation that default collateral options should not include parent guarantees (Staff, AG-NS, ABATE) and adjacent discussion (GLREA).
- Recommendation that the Company bears responsibility for any shortfall in collateral (Staff, AG-NS, GLREA).

Q19. Can you summarize the recommendations of the parties that parent guarantees should not be included in the Large Load Provision as a default collateral option?

A19. Yes. Staff, AG-NS, and ABATE each make similar recommendations on this topic. GLREA remarks on adjacent topics but makes no clear recommendation to the Commission.

Staff Witness Pung recommends that the Commission assert review and approval authority over any collateral less than the applicable termination fee amount and for any use of parent guarantees. He says:

> "Staff recommends that the Company's proposed "sole discretion" language be modified to remove the word "sole" and to include that it is subject to Commission review and approval. Staff also recommends that the forms of acceptable collateral be modified to align with what the Commission approved in U-21859. In its Order dated November 6, 2025, the Commission approved one or both of the following forms of collateral,

> 1.) a standby irrevocable letter of credit, and 2.) cash. Staff recommends these two forms of collateral also be approved in this case and that the parent guarantee be removed from the tariff language." (Pg 6)

AG-NS Witness Havumaki notes support for the Company's proposal to require collateral equal to the termination fee, and then further recommends any changes to the default collateral or use of parent guarantees be subject to Commission review. He says:

> "any modifications to the amount of collateral required should be subject to Commission review on a case-by-case basis" (Pg 15), and

> "I recommend that the default forms of collateral be limited to an irrevocable letter of credit and/or cash. I recommend that the Commission exclude parent guarantees from the default set of acceptable collateral forms." (Pg 16)

ABATE Witness Dauphinais describes the Company's proposal as "highly problematic" despite the default requirement for collateral equal to 100% of the termination fee and recommends the Commission:

> "Require that DTE's proposed collateral provisions for its Large Load Provision provide the same minimum protections for other customers as it required Consumers to provide in U-21859 by: (i) not allowing DTE to reduce a customer's collateral requirement to less than 50% of the customer's termination fee; and (ii) not permitting the use of parent

guarantees unless DTE seeks and receives approval from the Commission to do so…" (Pg 12)

GLREA Witness Richter describes options the Commission has in his view. The first option he describes is to give the "Company control over the amount and type of collateral accepted and assign the Company full liability if the collateral is insufficient". The second is "require a percentage of the exit fee as collateral in cash or irrevocable letter of credit"…If the Commission chooses this approach, it should increase the collateral amount to 100% of the exit fee. (Pgs 23-24)

Q20. How does the Company respond to these recommendations?

A20. The Company notes that its initial collateral proposal is more stringent than what was approved in Case No. U-21859. That order, and resulting tariff, requires only 50% of the termination fee to be collateralized whereas the Company has proposed, as acknowledged by the parties (with the exception of GLREA), that large load customers be required to provide collateral equal to 100% of the termination fee. The Company had the option to pursue a 50% default collateral requirement and did not as it believes that a default expectation of 100% collateral offers expanded protection to its other customers. Approving Company discretion in determining the amount of the collateral requirement is reasonable.

The Company's proposal for default collateral form is also reasonable and should be approved. The Company's proposal is to assess the appropriate form of collateral, which may include cash or a letter of credit should it be deemed necessary to mitigate credit risk, and not to presuppose a parent guarantee (or any other form or quantity) as the expected outcome. Whether a parent guarantee is ultimately appropriate, and to what extent, will continue to be determined case-by-case. The Company's proposal should be approved.

Q21. Can you summarize the recommendations of the parties that the Company bears responsibility for any shortfall in collateral?

A21. Yes. Staff and AG-NS address this topic.

Staff Witness Pung recommends an outcome consistent with the Commission's December 18 order in Case No. U-21990. Staff summarizes its position as:

> "Staff recommends for the Large Load Provision that if there is a failure to pay the Minimum Billing Demand, or in the event of a termination, default, or other event whereby DTE Electric is required to draw on the parental guarantee, if the Company determines that the specified collateral is not sufficient to cover the full amount of the remaining financial exposure associated with the customer's contract that the Company bear responsibility for any remaining liability. All risk associated with the sufficiency of the collateral should be borne by the Company" (Pgs 7-8)

AG-NS Witness Havumaki indicates support for the Company being able to determine whether cash or an irrevocable letter of credit is more appropriate (while rejecting parent guarantees as described above). In this context, he proposes a somewhat different perspective than Staff, saying:

> "…in the event of large load customer default where collateral is insufficient and results in the Company incurring stranded asset costs, the

Commission should not permit cost recovery for these stranded assets from other customers" (Pg 16)

Q22. Does the Company agree with these recommendations?

A22. No. The Company does not agree that the foregoing recommendations reflect necessary changes.

The Company acknowledges that Staff's recommendation is contingent on Commission approval of a parent guarantee, however, the Order in Case No. U-21990 and its specific discussion of collateral form, amount, and subsequent assignment of risk is not the correct reference point or basis for a recommendation in this case. When the Commission issued its order in U-21990 (and when the Company made its request in that case) it was in the context of a specific contract with a specific set of terms and considerations – the specific facts and decision do not necessarily apply to a generally applicable tariff. To the extent there is an applicable precedent, it is the Commission's Order in Case No. U-21859. Neither the Commission's order in that case nor the resulting tariff includes any language similar to what Staff proposed on pages 7 and 8 of their direct testimony in this case. The U-21859 order instead says, "If either the default collateral or an approved alternative collateral amount is insufficient in the event of a default and results in Consumers incurring stranded costs, and if Consumers then seeks recovery of the stranded costs, then the Commission will address recovery of those stranded costs at that point in time." (Pg 113).

That approach is appropriate for a generally applicable tariff because it preserves the Commission's ability to evaluate the facts surrounding any future default, including the customer's credit profile, the credit support obtained, the Company's administration of the agreement, mitigation efforts, and the prudence of the Company's decisions. It is both unnecessary and unreasonable for the Commission to preemptively assign the risk of future large customer default in this generic Large Load Provision tariff proceeding—especially considering that the Commission (or a future Commission many years from now) retains its authority to determine the appropriate ratemaking and recovery treatment of any future costs resulting from a customer default, if it occurs. Thus, the Commission should not adopt the recommendations of Staff or AG-NS and should maintain consistency with prior precedent in Case No. U-21859.

Minimum billing demand (MBD) and minimum monthly charges (MMC)

Q23. What intervenor positions are you responding to related to proposed changes in minimum billing demand and minimum monthly charges?

A23. I will respond to the following positions related to MBD and MMC:

- AG-NS Witness Havumaki's recommendation to set the MBD at 90% of contract capacity
- AG-NS Witness Havumaki's recommendations to further modify the MMC to "ensure it recovers sufficient revenue"
- ABATE Witness Dauphinais' recommendation to require the MMC be calculated using full service D11 demand charges in effect at the time

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Q24. Can you summarize AG-NS Witness Havumaki's recommendation to set the MBD at 90% of contract capacity?

A24. Yes. Witness Havumaki characterizes his recommendation as a "departure" from the Commission order in Case No. U-21859 and then asserts that "[n]otwithstanding the Commission's decision in the Consumers case, the Company's monthly minimum charge proposal is deficient and risks under-recovering the fixed costs associated with serving large load customers, which could result in cost-shifting." (Pg 17).

The recommendation flows from Witness Havumaki's perspective that "any level under 100% of contract capacity creates some risk of cost shifting" and an observation that two other jurisdictions have set higher minimum billing demands. (Pg 17).

Q25. Does the Company agree with this recommendation?

A25. No. The Company disagrees for two reasons.

- Witness Havumaki acknowledges the prior precedent and while he proposes a change, there is no evidence of how the Commission may have erred in setting MBD at 80% in Case No. U-21859 or what specific risk or exposure a 90% MBD alleviates. In setting the 80% MBD in that case, the Commission said, "Combined with the minimum contract term, the Commission finds that an 80% MBD reasonably balances Consumers' and ratepayers' interests in ensuring sufficient financial support for the necessary investments and large load customers' interests in flexibility and a fair assessment of the risk." The Company notes the subsequent

Commission approval of 80% MBD in Case No. U-21990 as well. Further, the referenced minimum contract term from the U-21859 order is the same one proposed by the Company in this case.

- The Kentucky and Wisconsin decisions are not applicable to Michigan. Witness Havumaki references the MBD decisions from those states but does not discuss why they are applicable to this case or why they should carry greater weight than prior precedent in Michigan. In addition, the Kentucky order appears to have other substantially different requirements, including a collateral requirement of only 24 months of bills, and the Wisconsin decision of 100% MBD only applies to "Transmission Service" and not broadly to all demand charges as Witness Havumaki appears to propose.

The Commission should therefore reject this recommendation.

Q26. Can you summarize AG-NS Witness Havumaki's recommendations to further modify the MMC to "ensure it recovers sufficient revenue"?

A26. Yes. Witness Havumaki broadly proposes to expand the minimum monthly charge to include energy revenues. He says:

> "The Company appears to recover a portion of its fixed costs through energy rates and riders. In separate discovery responses, the Company confirmed that it recovers a portion of its production revenue requirement through energy charges and that it recovers some of its base rate costs through various riders. Yet confusingly, the Company also stated that 'there is no specific assignment of fixed or variable costs to demand or energy charges'

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> and that "there is no specific assignment of fixed (or variable) costs to these riders." (Pgs 18-19, internal citations omitted).

Witness Havumaki continues with two specific recommendations. First, he says "The Company should clarify the extent to which the costs of production, transmission, and distribution infrastructure are recovered through energy rates and through riders." Then he adds, "It should also modify its minimum monthly charge to ensure that it recovers sufficient revenue from large load customers to fairly defray the costs of serving them and prevent cost-shifting to other customers." (Pg 19).

Q27. How does the Company respond to these recommendations?

A27. The Company assumes Witness Havumaki is referring only to Rate Schedule D11 with the request for clarification as to which costs are recovered through energy rates.[1]

In summary, the Company cannot specifically tie production cost types to recovery method.

In detail, in the cost-of-service process, costs are determined to be either distribution related or production related. All such distribution costs are recovered for Rate Schedule D11 via demand charges or fixed charges. Production costs are split between capacity and non-capacity costs in the cost-of-service process – this split is based on a methodology initially approved in Case No. U-18248 and most recently approved in Case No. U-21860. Broadly speaking, it reflects the implied

[1] Essentially all residential and commercial secondary costs are recovered through energy rates

value of the Company's production assets based on relative energy market value. Thus, the split between capacity and non-capacity designations is not directly based on the Company's actual cost structure or underlying assets. In rate design, Rate Schedule D11 capacity costs are recovered via demand charges. Non-capacity costs are recovered through a combination of energy and demand charges. The exact balance of demand and energy charges is determined by the Commission's decision in Case No. U-21297 which prescribes the method for setting the relative share of revenue recovered on a demand basis and on an energy basis.

Notwithstanding the above process, the current base fuel and purchased power expense assumed in rates and calculated on a volumetric basis is 3.368 cents/kWh[2]. The approved Rate Schedule D11 transmission non-capacity energy rates are 3.41 cents/kWh on a weighted basis[3]. Thus, said differently, energy-driven costs are roughly equal to energy-based recovery.

Beyond the lack of any gap between cost causation and cost recovery, Witness Havumaki does not substantiate the concern he raises beyond pointing to a different pending tariff, only saying the MMC should "fairly defray the costs of serving them and prevent cost-shifting to other customers" (Pg 19). Witness Havumaki does not suggest how the Commission should accomplish that beyond generally changing the MMC as described above. The Commission included no energy charges in the minimum monthly charge established in Case No. U-21859 and approved a similar minimum monthly charge, with no energy component, in Case No. U-21990.

[2] See proposed exhibit A-13 Sch C4 in Case No. U-21860 as adjusted for the ordered update to the loss factor
[3] Sales weighted average of U-21860 approved rates, adjusted for transmission discount

The Commission should therefore reject the recommendation to modify the proposed minimum monthly charge.

Q28. Can you summarize ABATE Witness Dauphinais' recommendation to require the MMC be calculated using full service D11 demand charges in effect at the time?

A28. Yes. Witness Dauphinais speculates that a customer could reduce its minimum monthly charge (and therefore the termination fee and collateral requirement) by changing its supply agreement from Rate Schedule D11 to another rate. He explains that a customer may elect to change to retail open access service or decide to take service on another tariff rate. (Pg 21). He therefore recommends:

> "that the Commission require the Large Load Provision to provide that the MMC, the termination fee and the collateral requirement of a Large Load Provision customer shall be calculated using the full service Rate D11 demand charges then in effect, without regard to any subsequent change in the customer's power supply arrangement, unless a change to the calculation for these amounts is explicitly approved by the Commission. In addition, any election by a Large Load Provision customer of an alternative supply arrangement should require the consent of DTE and notice to the Commission."

Q29. How does the Company respond to this recommendation?

A29. The Company shares Witness Dauphinais' interest in ensuring that large load customers are served with appropriate protections for other customers, including maintaining an appropriate MMC. That said, there is no need for the changes

Witness Dauphinais is recommending. The proposed tariff requires customers to take service on D11 and the Large Load Provision. The Availability of Service section of the proposed tariff begins with "The large load customer provisions (LLP) ***are required*** for customers seeking or receiving service for incremental load…" (emphasis added) The Large Load Provisions are within the D11 tariff, and the Provisions effectively require a customer of a certain size to take service on the Provisions, and therefore on Rate Schedule D11. Combined with the minimum contract term of fifteen years, the customer would be tied to their full service Rate Schedule D11 contract for that duration. Any attempt to unilaterally change rates would be considered a termination. Thus, the intent of the recommendation is well founded but the tariff already manages for that concern.

<u>Termination notice and termination fees</u>

Q30. What intervenor positions are you responding to related to termination notices and fees?

A30. I will respond to the following positions related to termination notices and fees:

- AG-NS Witness Havumaki's recommendation that the termination notice for non-renewal and other termination be set at four years
- AG-NS Witness Havumaki's recommendation that the termination fee should be calculated as remaining months multiplied by MMC, inclusive of any extension period

Q31. Can you summarize AG-NS Witness Havumaki's recommendations that the termination notice for non-renewal and other termination be equivalent, and that they be set at four years?

A31. Yes. Witness Havumaki explains that the notice for contract non-renewal (at the end of the term) and the elective early termination notice should be the same and he sees no reason why they should be different. (Pg 20). He recommends they be aligned.

Witness Havumaki then recommends that both should be four years, versus the three years (non-renewal) or two years (elective termination) proposed by the Company. The basis for the four year recommendation is the order in Case No. U-21859.

Q32. Does the Company agree with these recommendations?

A32. In part. The Company has no objection to aligning the two notice terms. However, the three years proposed by the Company is an appropriate length of time for a customer to provide notice. The Company clarifies that regardless of the ultimate notice period and whether or not they are ultimately aligned, the termination fee is separately calculated and is unchanged with changes to the termination notice period.

Q33. Can you summarize AG-NS Witness Havumaki's recommendation that the termination fee should be calculated as remaining months multiplied by MMC, inclusive of any extension period?

A33. Yes. Witness Havumaki describes the Company's proposed termination fee as insufficient and makes this argument in the context of the order in Case No. U-21859. He recommends that the termination fee be calculated as the remaining months multiplied by the minimum monthly charge. Confusingly, he also says "I

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support the Company's proposal for a minimum termination fee equal to two years of minimum bills" while characterizing his recommendation. (Pg 21).

Q34. Are there important differences between the Company's proposal and the U-21859 order as it concerns termination fees?

A34. Yes. Noting that Witness Havumaki has proposed adopting the Consumers Energy's termination fee language, the termination fee must be considered in the context of collateral requirements, and not as a wholly standalone matter. Because the collateral requirements are different, changing the termination fee methodology also potentially impacts total collateral.

The Company's proposal, which no party takes issue with, is to require default collateral of 100% of the termination fee. The termination fee itself begins at a minimum of 15 years and gradually decreases to a minimum of two years (unless a more stringent fee is agreed upon by the Company and a customer).

The U-21859 Order requires collateral equal to 50% of the termination fee, and the default termination fee is effectively 15 years given the minimum contract term and the remaining months * MBD construct.

	DTE Proposed	U-21859 Order
Collateral	100%	50%
Termination Fee	Initial 15 years	Remaining months
Minimum Contract Term	15 years	15 years

Assuming a fifteen-year contract for each approach, the termination fee is the same while the Company's default collateral requirements under the Large Load Provision are 100% of the Customer's termination fee. Expanding the termination fee to a remaining months basis would potentially impair the Company's ability to secure contracts longer than 15 years. A hypothetical 20-year DTE contract would require almost three times[4] the collateral of a standard U-21859 contract. This is both unreasonable and, given the total collateral requirements approved in U-21859, unnecessary. The Commission should reject this proposal and adopt the Company's proposed basis for the termination fee.

<u>Administrative Fee</u>

Q35. What Staff and intervenor positions are you responding to related to the Company's proposed administrative fees?

A35. I will respond to the following positions related to the administrative fee:

- Recommendation that the administrative fee be reconciled to actual costs incurred (Staff, AG-NS).

[4] U-21859 collateral basis: 50% of 15 years = 7.5 years of MBD as collateral
DTE collateral with remaining months approach: 100% of 20 years = 20 years MBD as collateral
20/7.5 = 2.7

- ABATE Witness Dauphinais' recommendation that the Company's proposed administrative fee be established as a non-refundable amount with any overage being reconciled to actual study costs that would then be billed to the customer.

Q36. Can you summarize Staff Witness Pung, AG-NS Witness Havumaki, and ABATE Witness Dauphinais' recommendations regarding the administrative fee?

A36. Yes. Staff Witness Pung proposes that Staff has no concern with the amounts and thresholds proposed by the Company but recommends that the fees be reconciled to actual costs. Specifically, he says "Staff recommends that the administrative fee amount charged to the customer be reconciled to actual costs upon completion of all projects associated with serving that customer." (Pg 5)

AG-NS Witness Havumaki similarly proposes a reconciliation of actual incurred costs to the fees paid by the customer. He says "The Company may retain an initial upfront charge, but any amount collected should be trued up to actual cost—with refunds where actual costs are lower and additional payment where they are higher—so that the costs of evaluating prospective large load customers are neither over-recovered from those customers nor shifted to other ratepayers." (Pgs 23-24)

Lastly, ABATE Witness Dauphinais proposes that the fees proposed by the Company become non-refundable while any overage to those fees is reconciled to actual cost. More specifically he "recommend[s] that the Commission require that the administrative fee operate as a non-refundable minimum deposit against the actual cost of the studies performed, with any cost in excess of the fee billed to the prospective customer." (Pg 23)

Q37. What is the Company's perspective on these proposals?

A37. The purpose of the administrative fee is in part to dissuade highly speculative interest from potential large load customers, as I described in my direct testimony. There, I said "the presence of the administrative fee may dissuade speculative customers from seeking one or more studies upon which they do not intend to act" (Pg 15). The Company appreciates the perspectives of Staff and AG-NS that the Company's other customers are not left with the costs of administering studies or other evaluative work. However, the administrative fee's ability to dissuade speculation is significantly reduced when the costs are subject to downward reconciliation. The Company stands by its initial proposal of a fixed fee approach. However, should the Commission disagree, it should in the alternative adopt ABATE's recommendation to set the proposed fees as non-refundable with any excess costs being the responsibility of the requesting customer.

<u>Cost of Service and Rate Design</u>

Q38. What Staff and intervenor positions are you responding to related to cost of service?

A38. I will respond to the following positions related to cost of service:

- Staff Witness Pung's recommendation that the Company update the six large load cost of service and rate design studies in each subsequent rate case using the projected test year

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- AG-NS Witness Havumaki's recommendation that incremental costs should be directly assigned to large load customers
- GLREA Witness Richter's recommendation to create a new tariff separate from Rate Schedule D11

Q39. Can you summarize Witness Pung's recommendation that the Company update the six large load cost of service and rate design studies in each subsequent rate case using the projected test year?

A39. Yes. Witness Pung says in summary "Staff is recommending that the Company continue to be required to provide six cost allocation and rate design studies along with all the data necessary to allow recreation of the proposals as ordered by the Commission in Case No. U-21990. However, Staff proposes to modify the six studies to specify that the data used to populate the six studies should be the same data as the Company used to populate its proposed test-year COSS and Rate Design in its currently filed rate case." (Pg 8)

Q40. Does the Company agree with this recommendation?

A40. No, not in this case. The Company understands the purpose of the recommendation but believes this matter is the wrong venue to further explore or modify the six cost of service studies. This is the third active docket in which this topic is now being debated (in addition to DTE Electric's general rate case in Case No. U-22046 and DTE Electric's special contract filing in Case No. U-22058). While no proposals have yet been made in Case No. U-22046, owing to timing of Staff and intervenor testimony, that is where the original studies are filed and where it is most appropriate to debate class cost of service and rate design issues. In the interest of regulatory efficiency, it would be most appropriate to centralize this discussion so all perspectives and information can be considered, and adding or changing requirements here, without the benefit of resolving the rate case, could potentially confuse the issue later. Moreover, adopting this recommendation would effectively establish additional filing requirements in an otherwise unrelated case.

To the extent the Commission does consider this proposal, the Company has substantial timing concerns with being required to file six alternate cost of service and rate design studies aligned to the rate case projected test year. In the context of developing a rate case, cost of service and rate design are the final items to be completed as they rely on completed capital, O&M costs and revenue requirement. This is one of the reasons the Company did not use the projected test year in development of the six alternative cost of service and rate design studies that the Commission directed the Company to file in the ongoing DTE Electric rate case. However, if the Commission adopts this proposal, the Company strongly recommends the six large load cost of service and rate design studies be filed at least one month after the filing of the subject future rate case.

Q41. Can you summarize AG-NS Witness Havumaki's recommendation that incremental costs should be directly assigned to large load customers?

A41. Yes. Witness Havumaki first describes the six cost of service and rate design studies currently under consideration in Case No. U-22046, saying "DTE presented its evaluation of a set of cost allocation and rate design proposals for large load customers; the specific scenarios evaluated by the Company were established by the Commission in Case No. U-21859. That modeling, if done correctly, should help demonstrate the extent of any cost-shifting from large load customers and identify cost allocation approaches to remedy or prevent cost-shifting." (Pg 24)

He continues, saying "the Commission should directly assign any incremental production, transmission, and distribution costs of serving each new large load customer to that customer, while also requiring large load customers to contribute their fair share of embedded system costs. I anticipate that implementation details for a direct assignment framework will be further developed within DTE's rate case" (Pg 25).

Q42. What is the Company's response to Witness Havumaki?

A42. The Company agrees that the six cost of service and rate design studies are pending in Case No. U-22046 and agrees with Witness Havumaki's apparent acknowledgment that issues of cost allocation and rate design, including the recommendation for direct cost assignment and requirements of "fair share" contributions, are most appropriately dealt with in rate cases. Thus, the Company emphasizes that cost allocation should be handled not in this matter but in a rate case. And large load cost allocation specifically is an active issue in Case No. U-22046 and should remain in that context.

Q43. Can you summarize GLREA Witness Richter's recommendation to create a new tariff separate from D11?

A43. Yes. Witness Richter says "[t]he Commission should order that a new tariff should be created that applies only to enterprise data centers, as defined in MCL 205.54ee(10) (e)(i) through (iii). Terms and conditions added to D11 for large loads in the Company's proposal should instead be applied to the new tariff, which would copy the rates in D11, until they may be changed in a rate case." (Pg 83)

Q44. Does the Company agree with this recommendation?

A44. No. The Company has two concerns with this recommendation. First, rates and tariffs generally are established on characteristics of electric usage and not on statutory definitions of certain types of end users. Such a determination would be without precedent as far as I know. In addition, the specific statute cited is a tax exemption statute that is not a condition of service with the Company nor required of large loads in Michigan generally. Its applicability in defining electric rates is, at best, limited. The proposed restriction to enterprise data centers is also inconsistent with the end-use neutral structure approved in U-21859. The relevant risks arise from the magnitude, timing, and service characteristics of the load, not solely from the customer's business classification or eligibility for a tax exemption.

Second, to the extent the Commission wishes to consider new or additional tariffs on this topic, a rate case with full information on the various considerations is the correct place to do so. It is outside of the scope of this case, which the Commission defined in its order in Case No. U-21990, saying "DTE Electric Company shall file an application for approval of a generally applicable large load customer tariff that aligns with the findings in the November 6, 2025 order in Case No. U-21859". One of the key elements of the Case No. U-21859 Order is that it applied to Consumers Energy's standard large industrial rate and was not a new or additional rate as suggested by Witness Richter. The Commission should reject this proposal.

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Future approval of large load contracts

Q45. What intervenor positions are you responding to related to future Commission approval of contracts subject to the proposed tariff?

A45. I will respond to the following positions related to approval of large load contracts by the Commission:

- GLREA Witness Richter's proposal that future power supply agreements should be reviewed by the Commission in a contested case
- ABATE Witness Dauphinais' proposal that all future contracts subject to the terms of the large load provision should be filed for approval with the Commission on an ex parte basis, and AG-NS Witness Havumaki's similar recommendation that the Commission should require the Company to make a filing before each new large load customer commences service

Q46. Can you summarize GLREA Witness Richter's proposal that future power supply agreements should be reviewed by the Commission in a contested case?

A46. Yes. Witness Richter says "…this provision makes no mention of requiring Commission approval of contracts for all new customers. The absence of any such reference could be interpreted as allowing a new large load customer to connect to DTEE's grid without any Commission approval, just as other industrial customers on the D11 tariff may connect without Commission approval." (Pg 27).

He then recommends that all further large load contracts (described by Witness Richter as power supply agreements) should be "…subject to review by the Commission, in a contested case" (Pg 27).

Q47. Does the Company agree with this recommendation?

A47. No. There is no basis for requiring a contested case each time a customer takes service on an established tariff. Requiring a new contested case for every customer taking service under an approved tariff would substantially diminish the standardization and certainty that the proposed Large Load Provision is intended to establish. This proceeding will determine the generally applicable minimum terms governing qualifying large load customers under Rate Schedule D11. Once those terms are approved, a customer contract that complies with the approved tariff should not require a contested case merely because the customer is subject to the Large Load Provision.

The Commission considered and rejected a similar proposal in Case No. U-21859. Its November 6, 2025 order requires an ex parte filing before each large load customer begins taking service under Consumers' tariff, demonstrating compliance with the approved tariff and that the customer's costs will not be borne by other customers, supported by any relevant modeling or cost-of-service studies. That framework provides customer-specific Commission review without automatically requiring a contested case for every customer taking service under an approved tariff.

Case No. U-21990 further demonstrates that Commission review of large load customer contracts does not inherently require a contested case. There, the Commission conditionally approved customer-specific contracts on an ex parte basis after considering the applicable contracts, customer protections, and supporting information. The Commission should therefore reject Witness Richter's

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proposal to require every future large load customer contract to be adjudicated in a contested case.

Q48. Can you summarize the proposals of ABATE Witness Dauphinais and AG-NS Witness Havumaki regarding requirements to file future large contracts for approval with the Commission?

A48. Yes. ABATE Witness Dauphinais broadly summarizes the Commission's November 6, 2025 Order in Case No. U-21859. He then says of the Company's proposed minimum monthly charge and termination fee "they are not based on the actual cost of the incremental production, transmission, and distribution costs DTE will incur to serve Large Load Provision customers" and because of this "they also present a significant cost subsidy risk to the utility's existing customers" (Pg 9). He concludes saying, "Central to these issues is knowing the projected incremental fixed costs that will need to be incurred by the utility to serve each load addition – something that cannot be known for each Large Load Provision customer until DTE actually enters into a proposed contract with that customer" (Pgs 9-10). He continues with two recommendations:

- *Procedural* – "the Commission should require DTE, prior to each new customer subject to the Large Load Provision taking service, to make an ex parte filing in a new docket that demonstrates both compliance with the Large Load Provision tariff requirements approved by the Commission in this proceeding and…", which continues with the substantive commentary.
- *Substantive* – "…that costs caused by the interconnecting customer to be served under the Large Load Provision are not being paid for by other

customers…" and "…DTE should include in its filing any modeling or cost of service studies that support that demonstration." (Pg 10)

Witness Havumaki argues that the proposed large load provisions will not "prevent cost shifting" but that "require[ing] the Company to make a filing before each new large load customer commences service" would "materially reduce the risk to other customers" (Pg 25). Witness Havumaki does not specify whether the recommendation is for a contested filing or an ex parte filing, however, given the references to the order in Case No. U-21859, the Company assumes the recommendation is for an ex parte filing.

Q49. What do you recommend regarding ongoing contract review and approval?

A49. Consistent with the framework established and reaffirmed in Case No. U-21859, the Company does not oppose making an ex parte filing before each customer subject to the Large Load Provision begins taking service. In both of its executed large load contracts, the Company has submitted the proposed large load customer contracts to the Commission for review and approval – Case No. U-21990 was filed on an ex parte basis and the pending request for special contract approval in Case No. U-22058 is a contested matter. Both filings included a presentation from the Company regarding the benefits of the contracts to other customers, the lack of cost imposition on other customers, and the contract protections included for the benefit of the Company's other customers. Therefore, the Company takes no exception to filing future large load contracts (defined by the applicability of this tariff) on an ex parte basis. As a matter of protecting other customers and ensuring no cost shift to other customers, the Company will demonstrate (as it has in its previous large

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load filings) the overall benefits of serving the new customer, that the benefits will exceed the costs caused by serving the new customer, and will not be paid by other customers. The Company does not agree that such an ex parte filing should include Witness Dauphinais' proposed requirement for the Company to demonstrate that the "proposed termination fee and collateral amount are sufficient to recover the remaining unrecovered incremental cost". As explained above, the determination of the actual sufficiency or insufficiency of collateral, and any resulting assignment of cost responsibility, is most appropriately addressed at the time of a default, should one occur.

Additional Topics

Q50. What additional Staff and intervenor positions are you responding to?

A50. I will additionally address the following items:

- ABATE Witness Dauphinais' recommendation related to ongoing reporting of customers subject to or potentially subject to the proposed tariff
- AG-NS Witness Havumaki's proposal to eliminate CIAC allowances for large load customers
- GLREA Witness Richter's proposals related to demand response
- ABATE Witness Dauphinais' commentary on the language of the tariff
- Staff Witness Higgins' proposals with respect to the Company's pending emergency procedures docket

Q51. Can you summarize ABATE Witness Dauphinais' recommendation related to ongoing reporting of customers subject to or potentially subject to the proposed tariff?

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A51. Yes. Witness Dauphinais recommends the Commission adopt reporting requirements, termed in his testimony as an annual "Large Load Report to the Commission". The recommended requirements are framed in the context of the annual reporting required of Consumers Energy in Case No. U-21859. Witness Dauphinais adds to these proposed requirements "Any instance in which DTE agreed to terms less protective of other customers than the Large Load Provision tariff defaults, and the basis for doing so; Administrative fees assessed as compared to the actual cost of the studies performed" (Pg 14). There is no explanation or support for the additions.

Q52. Does the Company agree with this recommendation?

A52. In part. The Company has no objection to reporting consistent with what was required in Case No. U-21859, subject to any confidentiality considerations that would require the Company to file the report under a protective order or other protection. Similar timing as the Case No. U-21859 Order should apply, with the first such report being filed no more than 12 months from the date the Company enters into a contract with a prospective customer under the Large Load Provision of Rate Schedule D11.

Regarding the proposed reporting provisions added by ABATE:

- The proposed requirement to include deviations from the default terms, particularly those which are "less protective" is moot in light of the Company's willingness to file future large load contracts for Commission approval on an ex parte basis. Any explanation of differences in terms may occur in that proceeding. In addition, the concept of "less protective" is arguably ambiguous in any event. This proposal therefore should be rejected.

- Administrative fee reconciliation. This is proposed without explanation for its purpose or why it should be further included in annual reporting. It was not included in Case No. U-21859 Order requirements.

Q53. Can you summarize AG-NS Witness Havumaki's proposal to eliminate CIAC allowances for large load customers?

A53. Yes. Witness Havumaki recommends that the Commission approve no CIAC allowances for large load customers. The recommendation is based on an observation that "the record in this proceeding does not support acceptance of the Company's CIAC proposal" and it is "inconsistent with the Consumers case result".

Q54. Does the Company agree with this recommendation?

A54. No. The Commission should reject this recommendation, and adopt the Company's proposal, for two reasons:

- As explained in my direct testimony, the Company's currently approved CIAC policy offers allowances based on the blended revenues of the rate schedule and not on the distribution voltage. The effect of this is that a large customer taking service today, without the Company's proposed change, would be due substantial CIAC allowances. For example, a 500 MW customer on D11 would be offered between $65 million and $285 million in allowances based on their contract duration[5]. The Company's proposal would offer, based on currently approved rates, approximately $11 million

[5] See approved CIAC allowances in Section C6.2(4)(a) of the Company's rate book for Rate Schedule D11

of allowances. Thus, the Company's proposal represents a substantial reduction in available allowances while maintaining alignment with the underlying approach to CIAC allowances.

- There is no inconsistency with prior precedent in Case No. U-21859. The record in that case reflects a general debate about what CIAC does and does not cover and where and how customer connection costs are best recovered. There is no discussion of allowances to offset CIAC in the Commission order but for the recitation of the parties' positions. The Company's proposal here is simply to reduce the available allowance – it takes no position on cost allocation and other items addressed under the "CIAC" topic in the Consumers case as those are, as the Commission pointed out, more suitable for a general rate case.

Q55. Can you summarize GLREA Witness Richter's proposals related to "capacity adequacy" and "self power"?

A55. Yes. Witness Richter describes that large load customers (which he refers to as data centers) have the option to build behind the meter generation. He then opines on what large load customers value the most, asserting it is speed to power and on that basis, they should have a preference for behind the meter generation but for its cost. (Pg 64) He then asserts that "when negotiating power supply agreements DTEE has an informational advantage", leading to the following two recommendations. He proposes:

"The Commission should ensure that the customer is aware of their options. This could be done with a directive that Staff hold discussions with prospective data center customers to ensure the customer is aware of their alternatives. Alternatively, the Commission could have DTEE include language about large load's options for DR, onsite generation with grid standby power (rider 3), or onsite generation with no interconnection to the grid." (Pg 65)

Similarly, Witness Richter also offers a third recommendation:

"The Commission should order that any tariff approved in this case (D11 revisions or a new tariff) include a customer option which specifies that the service is not firm; putting the large load customer into a two-tiered demand response (DR) program".

Q56. Does the Company agree with these recommendations?

A56. No. The first recommendation from Witness Richter is that the Commission, potentially via the Staff, should engage with prospective customers during contract negotiations to "ensure the customer is aware of their alternatives". While the Company's activities related to the provision of electric service are generally regulated, contract negotiations between the Company and a prospective customer are fundamentally a commercial activity. Moreover, Witness Richter describes many examples of large load customers nationally developing their own resource solutions (albeit in states with different regulatory constructs than Michigan) while simultaneously asserting that "data centers much prefer grid power" (Pg 63). It stands to reason, based on Witness Richter's testimony, that prospective large load customers are well aware of their service options and apparently prefer to be served by the utility. The Commission should reject the recommendation that Staff or the

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Commission itself participate in commercial negotiations between the Company and its customers.

The second recommendation, that the large load provision contain descriptions of DR options or non-interconnected behind the meter generation, is duplicative and unnecessary. The Company's demand response options are both described in its rate book and can be explored during commercial discussions without a tariff describing it. The Company's contract in Case No. U-22058 includes a substantial demand response element, achieved without a tariff requiring its discussion. Rider 3 is available for review by prospective customers and should any part require clarification, the customer may inquire with the Company. And lastly, a customer seeking to develop a site without any grid interconnection is outside of the purview of DTE Electric service and any of its tariffs. Thus, this recommendation should be rejected.

The third recommendation, that customers have an option to take non-firm service, is already available by mutual agreement. In the hours of service on Rate Schedule D11, it says "subject to interruption by agreement" (Sheet No. D-48.01). Customers already have the option to take less than firm service while paying regular rates. Moreover, Witness Richter acknowledges that the proposal is essentially similar to the pending revisions to the Company's emergency procedures in Case No. U-22059. (Pg 69) Given the existing availability of non-firm service, and duplication of the pending emergency procedure revisions, the Commission should reject this recommendation.

Q57. Can you summarize ABATE Witness Dauphinais' commentary on the language of the tariff?

A57. Yes. Witness Dauphinais describes four items he broadly characterizes as "defects and ambiguities" within the tariff Exhibit A-1. The first is described as an incongruity between testimony and Exhibit A-1 with respect to the termination fee and whether 15 years is a minimum or a maximum. He says of the tariff exhibit "If approved as written, it would both bar DTE from negotiating a longer termination fee where the incremental investment warranted one and arguably permit DTE to agree to a termination fee of less than fifteen years of MBD." (Pg 25) He recommends the Commission "require the language in Exhibit A-1 be revised to provide that the applicable termination fee will be not less than fifteen years of MBD plus applicable ramp" (Pg 26).

The second is regarding the definition of the ramp period. Specifically, Witness Dauphinais notes that testimony indicates contract execution as the beginning of the ramp period, while the exhibit indicates initial service as the beginning of the ramp period (Pg 26).

The third is regarding the proposed CIAC terms in the exhibit. Witness Dauphinais identifies that the tariff does not say "annual" ahead of the revenue calculation forming the basis of the proposed CIAC allowance within the tariff.

The fourth is a substantive recommendation and not an "ambiguity". Witness Dauphinais believes the Company's proposed assignment language in the tariff should be expanded because, commenting on the requirement for the Company's prior written consent to assign the contract capacity, he says "it creates no standard governing that consent". He then recommends the Commission condition consent on the requirement that the assignee assume all contractual obligations of the assignor, and that any assignment be included in the annual report proposed by Witness Dauphinais and described above. (Pg 28)

Q58. What is the Company's response to these observations and recommendations?

A58. Regarding the first recommendation, the Company does not agree with Witness Dauphinais' interpretation that the testimony and the exhibit are inconsistent. While Witness Dauphinais believes the testimony establishes a minimum and the tariff a maximum, the Company interprets them as consistent. The relevant portion of the tariff says "the applicable termination fee will be up to fifteen years of minimum billing demand (plus applicable ramp) as described below…After the ramp period, the termination fee is the greater of the remaining MBD * prevailing demand charges through year fifteen of the post ramp contract term, or two years of MBD * prevailing demand charges". This simply describes the default expectation of a 15-year termination fee basis. However, should the Commission find it appropriate to include clarifying language within the termination fee section of the tariff which says, "The initial termination fee may exceed 15 years of the customer's applicable minimum monthly charges, subject to mutual agreement of the Company and Customer", the Company has no objection.

Regarding the definition of ramp period, the Company clarifies that it begins at the time the contract is fully executed, including any applicable regulatory approvals.

Regarding the recommendation to include "annual" ahead of the revenue basis for calculating the CIAC credit, the Company has no objection.

Regarding the assignment language, the Company has no objection to noting any assignments in an annual report, should the Commission order such an annual report. However, the Company does not agree that the assignment provision is deficient or requires additional conditions within the tariff. This recommendation should be rejected.

Q59. Can you summarize Staff Witness Higgins' proposal regarding the pending emergency procedures docket Case No. U-22059?

A59. Yes. Witness Higgins highlights that the Company's pending proposal in Case No. U-22059 includes a reference to the Large Load Provision at issue in this case, and that there is not yet an order in the emergency procedures case. He then makes a contingent recommendation, saying, "If the Commission does not approve the proposed amendment to emergency procedures in MPSC Case No. U-22059, Staff recommends that the Commission require DTE amend the large load provisions of rate D11 to include language to address the Commission's concerns it laid out in the above-referenced U-21990 order." (Pg 4)

Q60. Does the Company agree with this recommendation?

A60. The Company views the emergency procedures docket (Case No. U-22059) as the more appropriate proceeding to discuss these updates, in an effort to keep similar requirements in a similar place. That said, the Company does not have a substantive concern with including similar language in the Large Load Provision in the

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alternative if the Commission does not approve the proposed amendments in U-22059.

Q61. Does this conclude your rebuttal testimony?

A61. Yes, it does.

STATE OF MICHIGAN

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	)	

REBUTTAL TESTIMONY

OF

MICHAEL J WITKOWSKI

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Q1. What is your name, business address and by whom you are employed?

A1. My name is Michael J Witkowski. My business address is One Energy Plaza, Detroit, Michigan 48226. I am employed by DTE Electric Company ("DTE Electric" or "Company").

Q2. What is your current position with the Company?

A2. I am the Manager of Large Load Engineering within DTE Electric's Distribution Operations organization.

Q3. On whose behalf are you testifying?

A3. I am testifying on behalf of DTE Electric Company (DTE Electric or Company).

Q4. What is your educational background?

A4. I earned a Bachelor of Science degree in Industrial and Systems Engineering in 2006 and a Master's degree in Business Administration in 2010, both from the University of Michigan, Dearborn.

Q5. What is your work experience?

A5. I began my career with DTE Electric in 2005 as a Distribution Planning and Reliability Engineer, focusing on capacity, voltage, and reliability improvements. In 2013, I became an overhead area leader, supervising daily activities of DTE's overhead linemen at our Ann Arbor Service Center. In 2014, I returned to the Distribution Planning team as an Engineering Supervisor, leading DTE's southwest region. In 2018, I began an assignment as Engineering Supervisor of DTE's Meter Engineering team overseeing equipment calibration, metering and AMI processes.

In 2019, I returned to the Planning Engineering leadership role as Manager, and established the Central Distribution Engineering team to oversee the strategic projects for capacity and reliability of the distribution system. This role expanded in 2024 to include the Industrial Power team which supports dedicated substations for DTE's largest customers. In 2025, I transitioned to my current role as Manager of DTE's Large Load Engineering team with a focus on project development for data center (and other large load) customer requests.

Q6. What are your current duties and responsibilities?

A6. In my current position as the Manager of Large Load Engineering, my responsibilities include the oversight of:

1. System reviews of customer requests for large load electric services including analysis of current and future system conditions.
2. Feasibility Study process for large load customers including collaboration with DTE's electric engineering and resource planning teams as well as ITC's engineering team.
3. Development of method of service responses for customer requests along with resulting scope, cost and schedule reviews in partnership with Project Management Organization.
4. Development of operating parameters for large load customers.

Q7. Have you previously sponsored testimony before the Michigan Public Service Commission?

A7. No, I have not.

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Q8. Did you file direct testimony in this proceeding on behalf of DTE Electric Company (DTE Electric or Company)?

A8. No.

<u>Purpose of Testimony</u>

Q9. What is the purpose of your rebuttal testimony?

A9. The purpose of my rebuttal testimony is to respond to operational and reliability-related recommendations made by Clean Energy Organizations (CEO) Witness Lee Shaver and Great Lakes Renewable Energy Association (GLREA) Witness John Richter. In particular, I address proposals that recommend the Commission expand this Rate D11 tariff proceeding to prescribe detailed technical reliability requirements, require public or case-by-case disclosure of customer-specific studies and operating parameters, mandate application of future reliability standards before the applicability and implementation provisions of those standards are known, or create a separate Commission-administered technical oversight process for future large load interconnections.

I also explain how DTE Electric evaluates and manages customer-specific reliability impacts through technical studies, binding operating parameters, coordination with International Transmission Company (ITC), participation in applicable Midcontinent Independent System Operator, Inc. (MISO) Large Load Working Groups, and compliance with applicable North American Electric Reliability Corporation (NERC), Federal Energy Regulatory Commission (FERC), MISO, and other enforceable requirements as they become effective.

Q10. Are you sponsoring any exhibits in this proceeding?

A10. No. However, I am incorporating by reference Confidential Exhibit CEO-6, sponsored by CEO Witness Lee Shaver, which is DTE Electric's response to CEODE-3.1 providing the Company's Confidential Large Load Facility Initial Operating Parameters ("Operating Parameters"). The Company's Operating Parameters document will apply to all new large load customer interconnections that request electric service under the Company's Large Load Provision amendments to Rate Schedule D11, as presented for Commission approval in this proceeding. The Company's Operating Parameters document contains non-public, proprietary, commercially sensitive, and potentially security sensitive information, and was appropriately filed by CEO under seal pursuant to the protective order issued August 4, 2026 in this proceeding.

<u>Scope of Reliability Issues Raised in This Tariff Proceeding</u>

Q11. Do you have any general observations regarding the testimony and recommendations presented in this tariff proceeding regarding DTE Electric's current approach to addressing the reliability characteristics of large load customers?

A11. CEO and GLREA both argue that the reliability risks of serving new data center and other large load customers support the Commission imposing an array of new filing requirements and other reliability-related directives on the Company in this proceeding. Witness Shaver alleges that DTE Electric appears to be taking a "wait and see" approach to planning to reliably interconnect new large load customers because the Company stated that it will revise its operating protocols as needed to remain consistent with applicable NERC or MISO requirements as those requirements are revised. (CEO Shaver Direct, p. 24). GLREA Witness Richter highlights potential risks to the reliable operation of the grid associated with serving new data center loads and questions whether DTE Electric is appropriately planning for and managing these risks. (GLREA Richter Direct, pp. 27-52, 82-83)

As the Company's Manager of Large Load Engineering who works on these issues daily, I disagree with the assertions by Witness Shaver and Witness Richter that DTE Electric is not being proactive in managing these risks. As I explain further below, DTE Electric has proactively developed a customer-specific Operating Parameters framework and prescribed required operating requirements for two large load customers, and coordinates regularly with ITC on technical studies and operating requirements. DTE Electric is also actively engaging with ITC and MISO regarding how to reliably interconnect and serve these new large load customers.

The Company also disagrees with CEO and GLREA that action by the Commission in this tariff proceeding is needed to oversee the Company's technical reviews and interconnection process for large load customers. The Company does not believe this tariff proceeding is the proper mechanism to prescribe broad bulk power system technical standards, to require public disclosure of customer-specific technical studies, or to anticipate the outcome of ongoing regional and national reliability-standard development.

Q12. Why should the Commission distinguish between evaluating the reasonableness of the proposed Large Load Provision for inclusion in the retail D11 tariff and independently prescribing bulk power system technical requirements?

A12. As Company Witness Willis explains, this proceeding concerns DTE Electric's proposed generally applicable Large Load Provision under Rate D11. The Company recognizes that the Commission may consider whether the proposed tariff reasonably protects the reliability of the system for all customers. However, the specific technical and operating requirements that will apply to an individual large-load customer depend on the detailed, customer-specific reliability studies, the service configuration, the point of interconnection, the customer's equipment and operating characteristics, transmission-system conditions, and requirements established through the MISO, NERC and other relevant reliability and transmission processes that are ongoing. Fixed technical values should not be selected in this proceeding without the information and analyses necessary to determine whether those values are appropriate for the facilities to which they would apply.

Accordingly, the Commission should evaluate the proposed Large Load Provision modifications to Rate Schedule D11 without using this record to prescribe fixed technical standards or to impose new reporting requirements or a separate technical compliance process that would duplicate or potentially conflict with customer-specific studies that DTE Electric develops in coordination with ITC as the transmission-owner. Further, the ongoing regional, and federal reliability standard development processes are the appropriate forums to establish new technical and reliability standards that the Company will apply to continue to safely and reliably integrate large load customers. Recommendations that duplicate or would cause the Company to deviate from these processes should be rejected.

<u>CEO Recommendation to Establish Generally Applicable Interconnection Requirements</u>

Q13. CEO Witness Shaver states that his "main concern" regarding how DTE Electric is handling the reliability impacts of large loads is an alleged "lack of generally applicable requirements," which he suggests results in a lack of transparency regarding individual customers' requirements. (CEO Shaver Direct, p. 26) Is this a reasonable concern based on DTE Electric's approach to studying large load interconnections?

A13. No. The Company has developed a customer- and site-specific study process for assessing the impacts of large load customers on the grid. Witness Shaver even acknowledges at page 26 of his testimony that the Company "follow[s] a detailed process for developing requirements for individual customers, based on various studies coordinated with ITC and MISO, and codified in the operating agreements with each customer" seeking to interconnect and take service from the Company.

Q14. Can you describe in more detail the site-specific study process DTE Electric uses today to assess the potential reliability risks associated with large load customers?

A14. Yes. DTE Electric evaluates reliability impacts through site-specific technical reviews and engineering studies that address power factor, load ramping, oscillations, voltage and frequency ride-through, harmonics, load shedding,

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telemetry, modeling, and other operating requirements. DTE Electric coordinates with ITC on studies necessary to evaluate reliable interconnection requirements in accordance with applicable planning criteria established by the transmission network system operators such as ITC and MISO. The results of those studies inform the customer-specific Operating Parameters, which must be completed before initial energization of the customer's facility.

Q15. Can you describe the Operating Parameters framework that large load customers will be subject to if they request service under the Large Load provision?

A15. Yes, all transmission voltage-connected large load customers seeking service under the Large Load Provision of Rate Schedule D11 would be subject to the Company's Operating Parameters framework, similar to the framework developed for the customer in Case No. U-22058. Once the technical reviews and reliability studies are completed, the study results are then incorporated into an Operating Parameters document as part of the customer's power supply agreement or line extension agreement, as applicable. These service agreements allow the Company to ensure reliable operations and, if needed, to take appropriate action under Commission rules and the service agreements if a customer's operations deviate from prescribed operating requirements.

These customer-specific Operating Parameters are developed based on the customer's facility design, load characteristics, point of interconnection, system topology, ITC/MISO coordination, applicable IEEE standards, and study results, rather than through one-size-fits-all reliability requirements. The Operating Parameters framework identifies categories such as power factor, load ramping, load block oscillations, ride-through, harmonics, under-frequency load shed, manual load shed, and other operating parameters, with the study scope aligned to those categories. The applicable limits and implementation requirements are then determined through the studies for the individual customer's project proposing to interconnect and take service from the Company.

Q16. Does the Company's current technical review process for performing customer-specific studies and establishing binding Operating Parameters reasonably address Witness Shaver's concerns at page 26 about setting generally applicable reliability standards?

A16. Yes. DTE Electric's Operating Parameters framework provides a common starting point by identifying the technical subjects to be addressed for each applicable large load customer, while the customer-specific studies determine the limits and requirements necessary for the individual large load customer interconnection. A separate process to develop suggested minimum interconnection requirements is therefore unnecessary as an outcome of this proceeding. Further, due to site-specific limitations, customer equipment, loading profiles, and operating characteristics, individual sites must each be studied, which may result in different requirements needed to ensure grid reliability.

Q17. Is DTE Electric waiting for NERC or MISO to act before addressing reliability risks and establishing operating requirements associated with interconnecting new large load customers?

A17. No. CEO Witness Shaver characterizes DTE Electric as appearing to take a "wait and see" approach (Shaver Direct Testimony, page 24). This is not accurate. DTE

Electric has already developed a detailed customer-specific Operating Parameters framework and is finalizing the required operating parameters for two large load customers in coordination with ITC on technical studies and operating requirements.

The Company also continues to participate in the MISO Large Load Working Group (LLWG). DTE Electric actively participates in the MISO LLWG by attending sessions, reviewing documentation, and providing feedback to MISO. For example, MISO's proposed reliability requirement categories recently presented to stakeholders on June 29, 2026, identify many of the same subjects as DTE Electric's current Operating Parameters framework, including ramp limits, ride-through, and stability assessments.[1] Establishing an Operating Parameters framework prior to the pending MISO proposals going into effect demonstrates DTE Electric's proactive approach to addressing potential reliability risk rather than postponing action until those proposals are final.

Q18. Witness Shaver points to MISO's proposed implementation timeline for new MISO and federal reliability requirements as a "key shortcoming" as they are not expected to be finalized and become effective until December 2026 creating a "gap" in their implementation. (CEO Shaver Direct, p. 20) Is DTE Electric ignoring or not taking into account developing NERC and MISO requirements because they are not yet final?

[1] MISO, "Large Load Interconnection Reliability Requirements," Slide 6, June 29, 2026, https://cdn.misoenergy.org/20260629%20LLWG%20Item%2007%20Large%20Load%20Interconnection%20Reliability%20Requirements%20(LLWG-2026-3)765705.pdf

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A18. No. DTE Electric is actively monitoring and participating in relevant NERC, MISO, and industry processes and will comply with applicable requirements once effective. As I mentioned earlier, DTE Electric is actively participating in the MISO LLWG and monitors relevant NERC and industry developments. DTE Electric intends to comply with applicable MISO requirements once effective, and will apply final requirements to new large load customer interconnections to the extent those requirements are applicable.

DTE Electric will revise its operating protocols, operational modeling, forecasting, and related capabilities as needed to comply with applicable NERC or MISO standards as they are revised and approved. Recognizing that MISO's new large load tariff and associated business practice manuals applicable to large load interconnections are anticipated to be completed by December 2026, it would be duplicative and unnecessary for the Commission to initiate a new reliability oversight process or impose additional filing requirements based on proposals that are not yet final in this proceeding.

CEO Recommendation for Reliability Study and Operating Parameter Compliance Filing

Q19. Can you summarize CEO Witness Shaver's recommendations for the Commission to impose reliability-related compliance requirements as part of this tariff proceeding?

A19. Yes. Witness Shaver recommends that the Commission require DTE Electric to provide detailed minimum interconnection requirements, draft operating parameters, and sample study reports to the Commission. He further recommends

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that DTE Electric file with the Commission customer-specific study results and operating parameters when it seeks to serve new large load customers and that DTE Electric later demonstrate compliance with NERC and MISO requirements, including possible retroactive application of future requirements to existing, planned, or under-construction large loads. (CEO Shaver Direct, pp. 4-5, 31-32).

Q20. Does the Company agree that the Commission should require DTE Electric to file detailed technical standards and sample studies in this tariff docket?

A20. No. The appropriate operating parameters for a large load customer depend on that customer's specific facility design, electrical configuration, point of interconnection, load characteristics, protection settings, ramping characteristics, backup systems, onsite generation, system location, nearby transmission conditions, and study results. A generic tariff provision is not the correct procedural or engineering mechanism to determine those requirements.

The materials relied upon by Witness Shaver recognize that large load risks vary based on both load characteristics and local system conditions. For example, NERC's Large Loads Task Force White Paper presented by Witness Shaver as Exhibit CEO-2 identifies (starting at page 13) a large load's peak demand, ramp rate, voltage sensitivity, load predictability, internal segmentation, power-electronics load, and modeling accuracy as characteristics that affect reliability risks. To the extent the Commission is interested in reviewing generic documents related to the large load technical review process, CEO Witness Shaver has also already submitted the Company's Operating Parameters framework as Confidential Exhibit CEO-6, which provides the Commission with evidence of DTE Electric's framework for large load customer interconnection requirements to ensure grid reliability.

Q21. Witness Shaver also recommends DTE Electric be required to file finalized operating parameters and study results in future dockets where the Company seeks to serve a new large load customer under the Large Load Provision tariff along with a "detailed explanation of how the chosen parameters adequately address the reliability risks of that customer." (CEO Shaver Direct, p. 31) Should the Commission require filing and disclosure of customer-specific studies and operating parameters?

A21. No. The Company does not believe this recommendation is necessary or appropriate. Witness Shaver recognizes that the materials may be sensitive and recommends that Commission Staff be given the resources to review them confidentially. (CEO Shaver Direct, pp. 31-32.) The Company's concern therefore is not limited to public disclosure. The proposed filing requirement would create a separate Commission review process for customer-specific engineering determinations without identifying a deficiency in the existing technical process or an objective standard the Commission would apply in determining whether each set of parameters "adequately addresses" reliability. The applicable requirements are developed through technical studies and coordination among DTE Electric, the customer, ITC, and, as applicable, MISO, and are made binding through the customer's service arrangements before energization.

Filing customer-specific technical studies and operating parameters (or even providing a "detailed explanation" of such parameters as Witness Shaver recommends) can also reveal sensitive information about the electric grid, including system constraints, contingency performance, protection and control assumptions, operating limitations, customer facility configuration, and mitigation measures. Public disclosure of such information could undermine grid security, expose commercially sensitive customer information, or disclose information that may constitute Critical Energy Infrastructure Information (CEII) or otherwise warrant confidential treatment. Operating parameters are appropriately established between DTE Electric and the customer, developed in partnership with ITC and with MISO's participation or awareness as applicable.

The absence of a routine filing requirement does not mean that the process lacks accountability. DTE Electric remains responsible for reliable service, must comply with applicable tariffs and enforceable reliability requirements, coordinates with ITC and MISO as applicable, and establishes binding customer-specific requirements before energization. The Commission also retains its existing authority to request information when warranted in a particular matter.

Incorporating Future MISO and NERC Reliability Requirements in Large Load Customer Operating Parameters

Q22. Should the Commission in this proceeding predetermine the application of future reliability requirements to existing, planned, or under-construction facilities, as suggested by Witness Shaver at page 32?

A22. No. Future NERC, FERC, or MISO requirements may establish their own applicability thresholds, effective dates, transition provisions, and compliance schedules and DTE Electric will incorporate these new requirements, as appropriate. DTE Electric will evaluate the final MISO and NERC reliability requirements applicable to the Company and determine what changes, if any, are required or otherwise appropriate for its operating protocols and customer-specific Operating Parameters. It would be premature in this tariff proceeding to prescribe the application of requirements that are not yet final, particularly where the appropriate requirements may depend on a facility's design, construction status, or operating characteristics.

<u>Response to GLREA Reliability-Related Recommendations</u>

Q23. What reliability-related positions of GLREA Witness Richter are you responding to?

A23. Witness Richter raises concerns regarding data center load volatility, simultaneous UPS transfers, harmonics, ramp rates, power-quality monitoring, demand response, onsite generation, and non-firm service. He recommends tariff provisions addressing ramp-rate limits, monitoring equipment, customer options for demand response and onsite generation, and for the Commission to direct a Staff study group regarding UPS ride-through issues. (GLREA Richter Direct, pp. 27-52 and 83-85).

Q24. Does DTE Electric's current study process and Operating Parameters process address the ramp rates, UPS transfers, harmonics, and power quality raised by GLREA Witness Richter as relevant operational considerations for large load customers?

A24. Yes. Those subjects will be evaluated through technical studies and addressed in customer-specific Operating Parameters. Witness Richter recommends tariff provisions addressing ramp rates and monitoring equipment, including monitoring for harmonic and other power-quality issues. (GLREA Richter Direct, pp. 37, 51-52). DTE Electric agrees that these are appropriate subjects for technical review and customer requirements, but disagrees that those topics should be addressed by generic one-size fits all requirements codified in a Commission-approved retail tariff as proposed by Witness Richter. As introduced above, DTE Electric has developed a framework of Operating Parameters for all large load customers that includes ride-through requirements for voltage and frequency conditions, and the Company will comply with new ride-through or other requirements established by an applicable regulatory body such as MISO or NERC. The Operating Parameters framework also establishes requirements for customer power factor, load ramping, load block oscillations, ride-through, harmonics, under-frequency load shed (UFLS), manual load shed (MLS), and other operating parameters. Including these requirements in the Company's Operating Parameters framework demonstrates that DTE Electric is appropriately addressing these issues.

Q25. How does DTE Electric respond to GLREA Witness Richter's recommendation that the Commission should direct DTE Electric to install power-quality monitoring equipment (at the customer expense) to measure potential power quality issues caused by a data center customer (GLREA Richter Direct pp. 51-52)?

A25. DTE Electric already measures and monitors relevant power-quality information and is developing enhanced active monitoring for large load customers through the Operating-Parameters process that will address power quality issues such as harmonics. DTE Electric records power factor information as part of the standard billing process and an active monitoring process for large load customers will be established to ensure compliance with the minimum power factor requirements in each customer's final Operating Parameters agreement. In summary, DTE Electric has existing measurement capabilities and is developing large-load-specific monitoring through customer-specific operating parameters, as a result of these steps by the Company, GLREA's power factor and power quality concerns are already being addressed and no further direction from the Commission is needed. DTE Electric also confirms that the cost of installing metering and power quality monitoring equipment is charged to the large load customer.

Q26. Should the Commission direct the Large Load Provision in Rate Schedule D11 to include ramp-rate limits as recommended by Witness Richter at page 37?

A26. No. Appropriate ramp-rate limits should be determined on a site-specific basis, informed by system studies, customer operating characteristics, applicable MISO requirements, and coordination with ITC. Operational load ramp limits for both normal operations and abnormal or post-disturbance operations will be determined on a site-specific basis, with alignment to MISO reliability requirements. To the extent Witness Richter suggests that ramp-rate requirements may be addressed in "other agreements," DTE Electric is developing Operating Parameters for each large load customer, including permissible ramp rates for load up and down during the starting and stopping of computational load, as well as ramp-rate limitations for computational load oscillations. Each new transmission voltage-connected large load customer subject to the Large Load Provision will be required to comply with the customer-specific ramp-rate requirements established through this process.

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Q27. Should the D11 tariff Large Load Provision be modified to expressly require monitoring equipment for ramp limits and to prescribe power-quality requirements as suggested by Witness Richter at pages 37 and 52 of his testimony?

A27. No, including these detailed technical requirements in a generic retail tariff applicable to all large load customers is not necessary and would inhibit the Company's flexibility to establish appropriate customer-specific requirements. Monitoring and telemetry requirements will be established, as applicable, for a particular customer depending on the project and study results, or as required by applicable final MISO requirements. Real-time and disturbance-recording requirements are under development and may include SCADA, utility meters/recorders, phasor measurement units (PMU), digital fault recorders (DFR) or equivalent high-resolution monitoring, and customer-provided data. Subject to design changes, any recording equipment deemed necessary would be designed on the utility side of the point of interconnection.

Q28. Should the Commission order Staff to create a separate study group regarding UPS ride-through issues in this proceeding, as Witness Richter recommends at pages 44 and 85 of his testimony?

A28. No. While DTE Electric agrees that ride-through behavior is an important technical subject for large computational loads, NERC, MISO, and other industry bodies are already actively addressing large load ride-through, modeling, telemetry, and operating requirements. DTE Electric and ITC are already participating in the MISO process. DTE Electric is also addressing ride-through for large load customers through its large load customer study process and Operating Parameter framework. The Operating Parameters framework explicitly includes ride-through requirements for voltage and frequency conditions including low/high voltage ride through (LVRT/HVRT) and frequency ride-through curves/tables, with customer protective relay settings required, as applicable, to coordinate with minimum ride-through requirements. The customer will be required under its final Operating Parameters and applicable agreements to provide data and demonstrate capability through design information, relay/protection settings, models, testing, and post-energization validation as applicable. Therefore, directing Staff to establish a new, separate study group to consider this topic is unnecessary and would duplicate existing industry processes and DTE Electric's customer-specific technical review.

Recommended Commission Action in Response to CEO and GLREA Reliability Recommendations

Q29. How do you recommend the Commission address the reliability recommendations offered by CEO Witness Shaver and GLREA Witness Richter?

A29. I recommend that the Commission reject CEO's and GLREA's recommendations that would impose new technical and operational requirements and study processes and convert this Rate Schedule D11 tariff proceeding into a generic reliability standards proceeding. The Commission should evaluate the proposed Large Load Provision without using this record to establish fixed technical standards or to impose new reporting requirements or a separate technical compliance process that would duplicate or potentially conflict with customer-specific studies that DTE Electric develops in coordination with ITC as the transmission-owner. The Company has demonstrated in this proceeding that it uses a common Operating

Parameters framework, performs customer- and site-specific engineering studies, coordinates with ITC and MISO as applicable, and establishes binding customer-specific operating requirements before energization.

I recommend that the Commission recognize that DTE Electric's study-driven, customer-specific Operating Parameters process is the appropriate engineering mechanism for identifying and implementing reliability requirements for large load customers. DTE Electric will continue to coordinate with ITC, participate in applicable MISO and industry processes, and comply with applicable NERC, FERC, MISO, and other enforceable requirements as they become effective.

Q30. Does this conclude your rebuttal testimony?

A30. Yes, it does.

STATE OF MICHIGAN

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	)	

PROOF OF SERVICE

ESTELLA R. BRANSON states that on August 25, 2026, she served a copy of DTE Electric Company's Rebuttal Testimony of Witnesses, Aaron Willis and Michael J. Witkowski, in the above-captioned matter, via electronic mail upon the persons listed on the attached service list.

Estella R. Branson

Digitally signed by Estella R. Branson
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