S T A T E   O F   M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the *ex parte* application of **ALPENA POWER COMPANY**, for accounting authority to defer expenses for the March 2026 extraordinary ice storm event.	)))))	Case No. U-22110

At the July 16, 2026 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER

On April 28, 2026, Alpena Power Company (Alpena) filed an application in this case requesting *ex parte* approval, on an expedited basis, for accounting authority to utilize a regulatory asset to defer the operations and maintenance (O&M) expense associated with the March 2026 extraordinary storm event in Alpena's service territory.

In its application, Alpena states that, "[b]eginning the morning of Sunday, March 15, 2026, and continuing through the afternoon of Monday, March 16, 2026, Alpena's entire service territory, as well as a large portion of northeastern Michigan, experienced multiple rounds of snow, sleet, rain, freezing rain, significant ice accumulation, and strong gusty winds." Application, p. 2.[1] In addition, Alpena asserts that Governor Gretchen Whitmer issued a

[1] The application was not paginated; therefore, the Commission applies pagination in natural order beginning with the first page of the application.

Declaration of State of Emergency for seven northern Michigan counties, including Alpena and Alcona Counties, which are located in the company's service territory. *Id*.

According to the company, the "[t]he storm caused widespread damage to Alpena's distribution system, including broken poles, damaged distribution transformers, broken crossarms, downed primary, secondary, and service wire, and, to the largest extent, trees on primary, secondary, and service wires." *Id*., p. 3. Alpena indicates that it replaced 41 poles, 22 distribution transformers, and removed trees from hundreds of miles of primary, secondary, and service wires. *Id*. Alpena further states that:

> [a]s a result of the ice storm event, about 14,500 of Alpena's 16,800 customers experienced outages. The ice storm resulted in approximately 42,000,000 outage minutes for Alpena's customers. By comparison, the 2025 ice storm resulted in about 94,000,000 customer outage minutes; while this is less than the 2025 storm, over half of the 2025 minutes were due to the transmission grid outage. The third largest storm on record occurred in 2012 and resulted in 2,583,311 customer outage minutes. Alpena has major storm records available since 1998.

Id.

The company states that, "[t]o assist in the restoration, Alpena Power received aid from: Thunder Bay Tree Service, the City of Lowell, Sebewaing Light and Water, the City of Bay City, the City of Sturgis, the City of Lansing, Homeworks Tri County Cooperative, Thumb Electric Cooperative, Hydaker-Wheatlake Company, Premium Utility Contracting, and Kappan Tree Service." *Id*., pp. 2-3. Alpena further states, "[t]hroughout the week, steady progress toward the restoration of power was made, and the last customers that were not disconnected due to damage to customer-owned equipment, such as a broken service mast, and waiting for repairs were restored at about 8:45 pm on Sunday, March 22, 2026." *Id.*, p. 2.

According to the application, "[t]he Company estimates this storm will result in approximately $2.8 million in operating and maintenance ('O&M') expense. This O&M amount is significantly higher than any other storm event O&M amount on record, including the March/April 2025 northern Michigan ice storm." *Id.*, p. 3.

Alpena requests that the Commission approve its request, on an expedited basis, for accounting authority to defer O&M expense associated with the March 2026 storm event as a regulatory asset to be reviewed for recovery in a future rate case or other proceeding. The company asserts that approval of the use of a regulatory asset, as requested, will not increase rates or charges for any customer, and, therefore, it may be approved without notice or hearing. *Id.*, pp. 3-4.

The Commission has reviewed Alpena's application and finds that it is reasonable, is in the public interest, and should be approved. In addition, the Commission finds that approval of the application will not result in an increase in the total cost of service to customers, and, therefore, approval may be granted without notice or hearing pursuant to MCL 460.6a(3).

The Commission finds that the application in this case is approved for accounting purposes only. The Commission notes that by granting approval of the accounting authority, it is not reducing the evidentiary burden the company must meet before it may recover these costs in a future proceeding. The Commission also clarifies that this approval does not extend to recovery of outage credits associated with the March 15-16, 2026 ice storm. Additionally, the Commission expects that the costs associated with this regulatory asset, if ultimately approved for recovery in a future proceeding, will not be included in any future rate case as part of a historical average calculation to inform a test year request. As part of meeting its evidentiary burden, Alpena is directed to provide comprehensive storm data for the March 2026 storm event, including, but not limited to, at a minimum, a breakdown of capital and O&M unit costs for internal and contractor crews, separated by category.

In addition, Alpena is directed to demonstrate how its restoration efforts were conducted in a cost-effective manner and how its customers experienced optimal restoration. This information should be filed in this docket, as well as any other docket in which the company is seeking ultimate cost recovery for these deferred accounting balances. Finally, as part of any filing seeking recovery for any storm-related costs as outlined in this order, the company shall file a comparison of different potential cost-recovery options, including amortization, securitization, return of the regulatory asset—but not a return on the asset—and potentially other recovery methods, as well as a demonstration as to why the company's preferred approach to cost recovery is in the best interests of its customers. The Commission reserves judgment on the ultimate recovery of any deferred storm restoration costs until it has had the opportunity to evaluate the reasonableness and prudence of the costs incurred and the reasonableness and prudence of the method by which the costs are to be recovered.

THEREFORE, IT IS ORDERED that Alpena Power Company's application requesting *ex parte* approval for accounting authority to use a regulatory asset to defer operations and maintenance expense associated with the March 2026 storm event is approved, as set forth in this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirements to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General-Public Service Division at sheac1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General-Public Service Division at 7109 W. Saginaw Highway, Lansing, Michigan 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of July 16, 2026.

Lisa Felice, Executive Secretary

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-22110

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 16, 2026 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

Brianna J. Brown

Brianna Brown

Subscribed and sworn to before me
this 16th day of July 2026.

Angela P. Sanderson

Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-22110

Name	On Behalf Of	Email Address
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Timothy M. Gulden	Alpena Power Company	tmgulden@bfwlawfirm.com