STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of **CONSUMERS ENERGY COMPANY** for approval of the sale of its River Hydroelectric Generating Fleet, related Power Purchase Agreement, and other relief.	))))))	Case No. U-21985

At the November 5, 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

Background

On October 31, 2025, Consumers Energy Company (Consumers) filed an application in this docket, pursuant to Section 6q of Public Act 3 of 1939 (Act 3), MCL 460.6q, requesting approval of the sale of 13 hydroelectric generating facilities to Confluence Hydro, LLC (Confluence), a subsidiary of the private equity firm Hull Street Energy. The application also requested approval, pursuant to Section 6j of Act 3, MCL 460.6j, of an associated 30-year power purchase agreement between Consumers and Confluence for the electric output of the hydro-generating facilities, a financial compensation mechanism, accounting approvals, and other related relief.

A prehearing conference was held on November 24, 2025, before Administrative Law Judge James M. Varchetti (ALJ). The ALJ acknowledged the notice of intervention filed by the

Michigan Department of Attorney General (Attorney General) and granted the petitions to intervene filed by the Association of Businesses Advocating Tariff Equity (ABATE); Confluence; Lake Allegan Association, Inc. (LAA); the Michigan Department of Natural Resources (DNR); Michigan Environmental Council; and Michigan Trout Unlimited, Michigan Steelhead and Salmon Fisherman's Association, Inc., Great Lakes Council of Fly Fishers International, Anglers of the AuSable, Inc., and the Michigan Hydro Relicensing Coalition (collectively, MHRC). Consumers and the Commission Staff (Staff) participated in the proceeding. The ALJ also granted the Grand Traverse Band of Ottawa and Chippewa Indians' motion for extension of time to file a petition for intervention on or before December 17, 2025; adopted a protective order for use in this matter; and established a schedule for the case. Consumers agreed to a limited waiver of the 180-day statutory deadline and agreed to a schedule that would allow a final Commission order on or about September 10, 2026.

On December 12, 2025, Croton Township filed an untimely petition for leave to intervene. The ALJ granted the petition on December 18, 2025.

On December 17, 2025, MHRC filed a motion to hold in-person hearings pursuant to Administrative Hearing Standard No. U-2024-1.

Big Prairie Township filed an untimely petition for leave to intervene on January 2, 2026. The ALJ granted the petition on January 14, 2026, and denied MHRC's petition to hold in-person hearings.

On February 9, 2026, the Staff, ABATE, Big Prairie Township, Croton Township, DNR, LAA, and MHRC filed initial testimony and exhibits. On March 2, 2026, Consumers, ABATE, and MHRC filed rebuttal testimony and exhibits.

An evidentiary hearing was held on March 23, 2026, wherein testimony and exhibits were bound into the record and cross-examination took place.

On March 25, 2026, DNR filed revised direct testimony.

Consumers, the Staff, ABATE, the Attorney General, Big Prairie Township, Confluence, Croton Township, DNR, LAA, and MHRC filed initial briefs on April 13, 2026. Consumers, the Staff, ABATE, the Attorney General, Confluence, DNR, and MHRC filed reply briefs on April 27, 2026.

On May 1, 2026, the Attorney General filed revised testimony and exhibits and a revised initial brief, and MHRC filed revised testimony and exhibits and a revised reply brief.

On June 10, 2026, the ALJ issued a proposal for decision. On June 17, 2026, MHRC filed a motion for an extension of time to file replies to exceptions that was supported by Consumers, the Attorney General, Big Prairie Township, Confluence, Croton Township, DNR, and LAA; the Staff and ABATE did not object to the motion. On June 22, 2026, the ALJ granted MHRC's motion to extend the deadline for filing exceptions to July 22, 2026. On July 1, 2026, Consumers, the Staff, Confluence, Croton Township, LAA, and MHRC filed exceptions. ABATE filed a letter on July 1, 2026, stating that it would not be filing exceptions. On July 22, 2026, Consumers, the Staff, the Attorney General, ABATE, Confluence, DNR, LAA, and MHRC filed replies to exceptions.

On September 8, 2026, Consumers filed a Notice of Further Limited Waiver of Statutory Deadline (September 8 waiver), stating that it "believes there may be an opportunity for the parties to reach a constructive solution in this case that addresses the concerns raised during the course of the proceeding and wishes to engage the parties to discuss such a solution . . . ." September 8

waiver, p. 1. Consumers requested that the Commission extend the deadline for a final order in this matter until November 9, 2026, to allow the parties an opportunity to settle the case.

On September 9, 2026, ABATE and MHRC filed responses to the September 8 waiver, requesting that the Commission reject Consumers' proposed waiver.

On October 6, 2026, ABATE, the Attorney General, DNR, and MHRC (Joint Parties) filed a Joint Response to Consumers Energy's Notice of Further Limited Waiver of Statutory Deadline (October 6 response), asserting "that after several settlement meetings with Consumers Energy and Confluence Hydro, as well as many conversations amongst intervenors, the Joint Parties do not believe a settlement is possible in this case." October 6 response, p. 1.

On November 3, 2026, Consumers filed a second Notice of Further Limited Waiver of Statutory Deadline in this case (November 3 waiver). Consumers states that it "has diligently discussed potential resolution of this case with the other parties collectively and individually since September 8 and continues to believe there continues to be opportunity for a constructive settlement solution in this case that addresses the concerns raised during the course of the proceeding and wishes to continue to engage in negotiations to achieve such a solution . . . ." November 3 waiver, p. 1. Consumers requests that the Commission extend the deadline for a final order in this matter to December 17, 2026, to allow the parties an opportunity to settle the case.

On November 4, 2026, DNR filed in opposition to Consumers' request, asked that the Commission issue its order in the case at the November 5, 2026 meeting, and noted that it "does not believe a decision from the Commission would preclude ongoing discussions and the Department remains open and interested in meeting again with all parties." DNR's Opposition to Consumers Energy Company's Request for Extension, p. 1. Also on November 4, 2026, the Joint Parties filed a Joint Response to Consumers Energy's Second Notice of Further Limited Waiver of

Statutory Deadline (Joint Response), requesting that the Commission reject Consumers' proposed waiver of the statutory deadline. In their Joint Response, the Joint Parties noted that Consumers "did not contact any of the joint parties to discuss our position on this motion" and that Consumers "misrepresents that we have made progress" towards a settlement. Joint Response, pp. 1-2. The Joint Parties further note that, "[s]imply put, this case is not going to settle." *Id*., p. 2.

Discussion

In the November 3 waiver, Consumers states that it has been engaging in settlement discussions, individually and collectively with the parties, since September 8, 2026, and that it believes there continues to be an opportunity to settle this case. While the Joint Parties dispute this, and DNR argues that a final order in this proceeding would not preclude further conversations, the Commission finds it reasonable to provide one final opportunity for the parties to investigate settlement options, consistent with the Michigan Administrative Code's encouragement to parties "to enter into settlements when possible[.]" Mich Admin Code, R 792.10431(1). However, the Commission finds that absent a firm showing that a critical mass of parties beyond Consumers remain interested in settlement, this will be the final extension in this matter. The Commission further finds that any settlement agreement must be filed by 5:00 p.m. (Eastern time (ET)) on December 9, 2026. Any further extension of the waiver of the statutory deadline will require a stipulation from a majority of the parties to this proceeding that must be filed by 5:00 p.m. (ET) on December 9, 2026. If the parties do not file a stipulation or are unable to reach a settlement in this matter on or before December 9, 2026, the Commission will issue a final order on December 17, 2026.

THEREFORE, IT IS ORDERED that Consumers Energy Company's November 3, 2026 request for a limited extension of the statutory deadline under MCL 460.6q to December 17, 2026, is granted as set forth in the 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 requirement 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 Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of November 5, 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-21985

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on November 5, 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 Brown

Subscribed and sworn to before me
this 5th day of November 2026.

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

Service List for Case: U-21985

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