MPSC COVID-19 Response

May 8, 2020
✅ Monitoring regulated utility pandemic plans and business continuity planning

✅ Participation in the State Emergency Operations Center incident command structure led by MSP

✅ Participation in the Governor’s task forces
  - State Operations (Chairman Talberg)
  - Economy and Workforce (Commissioner Phillips)
  - Critical Infrastructure (Led by Commissioner Scripps)

✅ MPSC implemented teleworking March 13, 2020

✅ Staff meeting regularly with energy and communications providers and affected stakeholders to identify and elevate issues
Case No. U-20757  (April 15 Order)

**Commission Operations**
- Extending timelines for cases and public comment when possible
- Using web / teleconferences for Commission meetings
- Re-prioritizing workload
- Implementing remote hearings with cross-examination
- Providing regular stakeholder updates
- Handling customer complaints remotely

**Provision of Critical Services**
- Obtaining data related to utility disconnections
- Consultations with utilities regarding customer affordability
- Accounting treatment for COVID-19 related expenses and revenue
- Modifying certain non-urgent regulatory and compliance deadlines during emergency
- Monitoring the response of voice, internet and data services providers across the state
- EWR/DR Program Continuity Plans
Customer & Employee Protection Affirmation

✔ MPSC-regulated electric and gas utilities required to file an affirmation by 4/20/2020 of minimum protections in place for vulnerable customers and employees:

- Suspend disconnections for low-income & senior customers through 6/1/2020; waive late fees for eligible low-income customers receiving energy assistance
- Allow customers medically affected by COVID-19 to have a 30-day medical hold per R 460.130
- Waive deposits & reconnection fees for low-income, seniors and COVID-19 related financial hardship for restoration of service
- Extend access & flexibility of payment plans; connect customers to resources
- Safeguard customers and workforce employees

✔ All MPSC-regulated utilities, and most electric cooperative utilities, affirmed the required protections outlined within the order.
MPSC Staff working with providers to find and reconnect families that don’t have power, with a focus on seniors and low-income customers

Regulated utilities required to submit shut-off data every 2 weeks

Utilities taking action to determine which occupied residences within their service territory do not have natural gas and/or electric service:

- phone calls, emails, mailings, wellness checks/site checks

These actions are being completed with the last customer of record at the time of the disconnect and/or landlord of the address
Total meters disconnected for non-payment* as of 4/30:

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seniors</td>
<td>3</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Low-income</td>
<td>638</td>
<td>964</td>
<td>1,602</td>
</tr>
<tr>
<td>Others</td>
<td>2,976</td>
<td>1,661</td>
<td>4.637</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,617</td>
<td>2,655</td>
<td>6,272</td>
</tr>
</tbody>
</table>

* ~12,000 meters currently disconnected for reasons other than non-payment (unauthorized use, access, safety)

- Each data point represents a meter, not a family or household
- Both DTE and Consumers Energy have customers with combined electric and gas service under one bill, so in some cases data reflect single households with multiple meters (thus, there are **NOT** 6,272 disconnected households)
- Some disconnected meters reported may be at *unoccupied* residences (utility due diligence to confirm occupancy status ongoing and includes field visits, calls, and other outreach)
- Staff working with utilities to identify and reconnect disconnected customers, and to refine future data submissions
### Payment Flexibility

<table>
<thead>
<tr>
<th>What is Offered</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment flexibility plans (varies by utility)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Utilities waiving late fees and deposits</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities waiving payment fees at 3rd party facilities</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactively working to connect customers to resources and assistance</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Large utilities assisting businesses with accessing federal loans and grants</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowing minimum demand charges to be paid off over 6 or 12 months (CE, DTE)</td>
<td>✔</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Utilities waiving power factor charges, allowing deferred CIAC payments, and/or waiving load balancing and withdrawal limits for large customers (CE, DTE)</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>
MPSC Collaboration with Partners

- Working with MDHHS, utilities, and non-profit agencies to streamline the energy assistance process and to broadly disseminate consistent messaging.

State Emergency Relief (SER)

- Household cap was increased by $300 for each commodity.
- Second crisis assist now allowed on both heating and electric commodity.
- MI Bridges phone assistance guidelines revised to provide additional support for customers needing application guidance.

Michigan Energy Assistance Program (MEAP)

- MEAP grantees, utilities, MDHHS, and MPSC are coordinating services to help customers in need of energy assistance.
Energy Assistance Messaging

- Be proactive: Contact your utility provider to ask what kind of protections, funding, flexible payment options, or energy saving tools and resources are available.
- Get Help by Calling 2-1-1: Call 2-1-1 or go to www.mi211.org to learn about agencies in your county that may assist with your energy bill.
- State Emergency Relief (SER): Apply through MI Bridges for bill payment assistance.
- Michigan Energy Assistance Program (MEAP): provides supplemental bill payment assistance and self-sufficiency services to low-income residents statewide.
Leveraged partnerships with other state agencies, utilities, and consumer advocacy groups to help educate utility customers

✔ State agency communications
  - Press releases, media and social media
  - MPSC COVID-19 response webpage
  - Provide ongoing energy assistance information and resources to members of the legislature and other state agencies

✔ Michigan energy providers PSA campaign

✔ Utility bill inserts
Factors that May Affect Affordability

Fuel & Purchased Power
- Lower power supply and gas supply costs
- DTE Energy $30-40 million in electric bill relief for June and July

Cost Drivers
- Sequestration
- Uncollectibles
- Personal protective equipment (PPE)
- Health & safety costs
- Work from home costs
- Shifting capital labor to O&M
- Foregone revenue for late fees, credit card fees, reconnection fees

Cost Containment
- Reductions in:
  - Wholesale market prices
  - Field operations O&M
  - Facilities O&M
  - Travel
  - Training
  - Overtime
Low Natural Gas Prices

Current Natural Gas Futures Strips
Friday, May 1, 2020

Prompt Month
Gas 3-month strip
Gas 6-month strip
Gas 12-month strip
GCR Plan Strip in Dec '19

Low Natural Gas Prices

Friday, May 1, 2020
Low MISO Market Prices

31% decrease in prices from last March driven by reduced gas prices and reduced load due to COVID-19 stay at home orders.
Residential Usage Up - Other Classes Down

- Residential (TN): Plan - Actual, 11% increase
- Commercial Primary (TN): Plan - Actual, 16% decrease
- Commercial Secondary (TN): Plan - Actual, 21% decrease
- Industrial (TN): Plan - Actual, 49% decrease
### MPSC COVID-19 Response

<table>
<thead>
<tr>
<th>Date</th>
<th>Completed Actions and Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 24</td>
<td>All energy utilities under MPSC jurisdiction begin <strong>deferring uncollectible</strong> or bad-debt expense in excess of the amount used to set current rates.</td>
</tr>
<tr>
<td>April 20</td>
<td>Energy utilities statement of <strong>affirmations</strong> regarding minimum customer protections filed.</td>
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<tr>
<td>April 22</td>
<td>Staff to provide the <strong>reporting template</strong> to energy utilities for reporting data on disconnected services.</td>
</tr>
<tr>
<td>April 30</td>
<td>Investor-owned energy utilities to begin <strong>reporting data on disconnected residences</strong> on a bi-weekly basis.</td>
</tr>
<tr>
<td>April 30</td>
<td><strong>Comments due on utility accounting</strong> for COVID-related expenses.</td>
</tr>
<tr>
<td>April 30</td>
<td><strong>Comments due</strong> on COVID-related impacts to <strong>regulatory activities</strong>.</td>
</tr>
<tr>
<td>April 30</td>
<td>Energy utilities consult with MPSC Staff on challenges and opportunities to <strong>improve customer protections</strong>.</td>
</tr>
<tr>
<td>May 13</td>
<td><strong>Reply comments</strong> due on utility accounting for COVID-related expenses.</td>
</tr>
<tr>
<td>June 15</td>
<td>MPSC Staff to file an update on <strong>energy waste reduction and demand response program continuity</strong>.</td>
</tr>
<tr>
<td>Through July 31</td>
<td>Investor-owned energy utilities provide <strong>advance notification</strong> and coordination regarding <strong>planned rate case filing dates</strong>.</td>
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</tbody>
</table>
Thank You!