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STATE OF MICHIGAN
UTILITY CONSUMER PARTICIPATION BOARD

- - -

MEETING OF FRIDAY, AUGUST 25, 2017

12:45 P.M.

611 West Ottawa, 4th Floor
Lansing, Michigan

- - -

PRESENT: Jim MacInnes, Board Chair
Paul Isely, Board Member
Brian Vilmont, Board Member
Susan Licata Haroutunian, Board Member
Kelly Jo Kitchen, Board Assistant
David Shaltz, Residential Ratepayer Consortium (RRC)
John Liskey, Citizens Against Rate Excess (CARE)
Douglas Jester 5 Lakes Energy
Christopher Bzdok, Michigan Environmental
Council (MEC)
Don Keskey, Residential Customer Group (RCG) and
Great Lakes Renewable Energy Association (GLREA)
Christopher Bzdok, Michigan Environmental
Brian Coyer, RCG and GLREA.
Council (MEC)
John Janiszewski, Attorney General Bill Schuette
Joel King, Attorney General Bill Schuette
Shawn Worden, LARA
Jim Wilson, LARA

- - -

REPORTED BY: Lori Anne Penn, CSR-1315
33231 Grand River Avenue
Farmington, Michigan 48336

1 Lansing, Michigan

2 Friday, August 25, 2017

3 At 12:45 p.m.

4 - - -

5 MR. MacINNES: Okay. I guess we have a
6 quorum here, so I'd like to bring the meeting to order
7 and start out with a roll call of the members and
8 attendees. And do you want to start?

9 MR. VILMONT: Brian Vilmont representing
10 the board.

11 MR. KING: Joel King and John Janiszewski
12 here representing the Attorney General's office.

13 MR. WILSON: Jim Wilson, LARA.

14 MR. KESKEY: Brian Coyer and Don Keskey
15 representing the Great Lakes Renewable Energy Association
16 and the Residential Customer Group.

17 MR. BZDOK: Christopher Bzdok on behalf
18 of Michigan Environmental Council.

19 MR. JESTER: Douglas Jester, 5 Lakes
20 Energy, on behalf of CARE.

21 MR. LISKEY: John Liskey on behalf of the
22 Citizens Against Rate Excess.

23 MS. WORDEN: Shawn Worden with LARA.

24 MS. LICATA HAROUTUNIAN: Susan Licata
25 Haroutunian, member of the board.

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1 MS. KITCHEN: Kelly Kitchen, board
2 assistant.

3 MR. MacINNES: And Jim MacInnes, the
4 chair.

5 Okay. I'd like to begin with approving
6 the agenda, and which would include the minutes. But I
7 do -- I would like to adjust the agenda some as follows.
8 Hopefully everyone has a copy. I'd like to have, after
9 the consent items, I'd like to have an update on the
10 budget from LARA. The next thing I'd like to do is I
11 would like to move the Attorney General report under that
12 to tell us what cases they're going to be intervening in
13 to kind of give us an idea of how we should be spending
14 our money. And then I'd like to, under that, move the
15 approval of the annual report, and once we complete those
16 items, then move into the business items and public
17 comment and the rest of the agenda.

18 So do we have a motion to approve the
19 agenda as modified?

20 MS. LICATA HAROUTUNIAN: So moved.

21 MR. VILMONT: Second.

22 MR. MacINNES: Is there any discussion?
23 All those in agreement, please say aye.

24 BOARD MEMBERS: Aye.

25 MR. MacINNES: Opposed, same sign. Okay.

1 Thank you.

2 Okay. So let's go ahead with the LARA
3 budget update.

4 MS. WORDEN: Well, the '17 budget hasn't
5 changed since our last meeting, so I didn't reprint
6 anything. What did change is how we discussed that you
7 thought you had to appropriate that money that was left
8 over because you thought you couldn't spend it in '18,
9 but you can.

10 MR. MacINNES: Oh, we can?

11 MS. WORDEN: Yeah. What we were alluding
12 to before is where your authority can't go over your
13 revenue amount, and we had reduced the revenue by your
14 payment back to the AG's office. And what that really
15 does is reduce your authority, but you had this new
16 revenue coming in because it was left over, so that would
17 increase your revenue available to spend in '18. So it's
18 still available to be spent in '18.

19 MR. MacINNES: Okay. So if we don't
20 spend it now, we can spend it in '18?

21 MS. WORDEN: Correct.

22 MR. VILMONT: And that's the 16,000 that
23 we've been talking about?

24 MS. WORDEN: Yes.

25 MR. MacINNES: Yeah. Okay. And so could

1 you remind everyone what the amount is that we have
2 available?

3 MS. WORDEN: Oh, it didn't change, so I
4 didn't print it, so I'm sorry about that. I can go get a
5 copy of it.

6 MR. MacINNES: I think we need to have --
7 I think every meeting, every meeting, whether it's the
8 same, we need to have that number.

9 MS. WORDEN: Okay.

10 MR. MacINNES: So next time, I mean even
11 if it just stays the same, I want everybody to be
12 reminded what that number is so that we don't overspend.
13 Does anybody have that?

14 MS. KITCHEN: I do.

15 MR. VILMONT: Is that the 7 --

16 MS. KITCHEN: 16,528.

17 MR. MacINNES: No. But the total amount
18 that we have to spend for -- what I'm looking for is what
19 we can spend for 2018.

20 MR. VILMONT: I believe we had 750,000 as
21 a starting budget, minus the 37,500, correct, for admin,
22 and then minus another, the 70,000?

23 MS. KITCHEN: I think they put an
24 interest in that 70,000, though, from my -- looking at
25 your budget sheets, it's not 70,000 flat, it's like

1 there's a little added. Is there interest in that to pay
2 back the AG?

3 MS. WORDEN: Well, the payment amount was
4 70,905.

5 MR. MacINNES: Yeah, it was roughly
6 70,000.

7 MS. WORDEN: Yeah, it was roughly 70,000.

8 MR. MacINNES: We just divvied it up over
9 four years.

10 MS. KITCHEN: Okay.

11 MS. WORDEN: Yeah.

12 MR. MacINNES: So what's the bottom line,
13 how much money do we have to spend, excluding the 16,000
14 and change? That's what I need to know. That's what we
15 all need to know. Who has that number?

16 MS. KITCHEN: I do not.

17 MR. VILMONT: I believe it is just under
18 642,000.

19 MR. MacINNES: Okay.

20 MS. KITCHEN: I sent that in a -- I can
21 look. According to my calculations --

22 MR. MacINNES: See, this is why we don't
23 need this. That's a bad way to -- we need the number.

24 MS. KITCHEN: We haven't seen the number
25 for 2018 on your budget sheet yet, correct, because it

1 hasn't been allocated yet? Because I have your other --
2 I have your former budget sheet in front of me, and it's
3 not --

4 MS. WORDEN: Yeah, that's fiscal year
5 '17.

6 MS. KITCHEN: Correct.

7 MR. MacINNES: Could you go back and get
8 us that number, please?

9 MS. WORDEN: Yeah. Yeah.

10 MS. KITCHEN: Thank you.

11 MR. MacINNES: Okay. I'm sorry for that
12 delay, but we've got to get the right number before we
13 can do anything else, before we can spend the money
14 anyway.

15 Okay. The next item would be hearing
16 from the -- one thing I might comment is we're --

17 MR. VILMONT: Consent items?

18 MR. MacINNES: We approved all that,
19 that's all done. That was approved in the motion.

20 So we have a lot of materials to cover
21 today, so I'm going to try and move it along, so I might
22 have to cut people off, so try not to -- try to be
23 precise in your, in what you're doing here, because we
24 have a lot of stuff to think about.

25 What I'd like to do is go through with
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1 the AG's office here the cases that I see coming at us
2 from our list from the grantees and find out which ones
3 you all will be intervening in and any comments you might
4 have.

5 MR. JANISZEWSKI: Yes.

6 MR. MacINNES: So I'm just going to go
7 down my list here and -- which Chris Bzdok was nice to
8 lay out, it's a good, nice summary here, but there are
9 others to talk about, too. First of all would be the DTE
10 general rate increase, Case No. U-18255.

11 MR. JANISZEWSKI: Right. So the Attorney
12 General's office, our bread and butter is rate cases,
13 that really our wheelhouse there, and that is a case that
14 we have been involved in and will continue to be involved
15 in.

16 MR. MacINNES: Is that a, you know,
17 that's your -- you're going to go at it full bore?

18 MR. JANISZEWSKI: Yeah. We spend a great
19 deal of time in rate cases, but it's really important,
20 also, rate cases are the, obviously the biggest puzzle
21 piece we deal with, having the entire utility's business
22 plan in front of us, and the more intervenors in those
23 cases, the better from our perspective. But it -- rate
24 cases, we always do spend a great deal of time on and
25 analyzing the core aspects of the filing.

1 MR. MacINNES: Okay. The next item was
2 the DTE Gas, gas cost recovery plan, Case U-18152.

3 MR. JANISZEWSKI: Right. We are involved
4 in -- we will be involved in all GCR plan and
5 reconciliation cases in terms of DTE Gas, Consumers
6 Energy, SEMCO, and MGUC.

7 MR. MacINNES: Okay. So you guys are big
8 into the gas, all the gas cases pretty much?

9 MR. JANISZEWSKI: Yes, we have
10 traditionally intervened in all of those cases, yes.

11 MR. MacINNES: Okay. Have you had much
12 success in reducing their requests in those cases?

13 MR. JANISZEWSKI: No. A lot of times in
14 the GCR context we have traditionally argued over fixed-
15 price purchasing strategies and the right balance between
16 spot, the spot market and fixed-price purchasing; and in
17 the reconciliation context, over the past five years we
18 occasionally do identify disallowances and argue over
19 those. So we haven't seen as much intervenor
20 involvement. I know that the, what was it, the
21 Residential Ratepayer Consortium had been involved in
22 those cases a lot, but --

23 MR. MacINNES: And that I think had to do
24 with the spot versus --

25 MR. JANISZEWSKI: Yeah. That issue is
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1 still alive. Consumers, we're a little bit more
2 satisfied with their quartile strategy right now.

3 MR. MacINNES: What is their strategy
4 right now?

5 MR. JANISZEWSKI: They've changed it to,
6 it's where they do this quarterly fixed-price purchasing
7 method that's sort of locked in based on a formula that
8 we've argued over for some time. We're pretty satisfied
9 with that.

10 MR. MacINNES: Is it like 75/25 kind of
11 thing, or what is it?

12 MR. JANISZEWSKI: Well, that's
13 traditionally what we've argued over with DTE Gas, that's
14 reflective in DTE Gas's ratio. Consumers is a little bit
15 different, it's not too far away from that, but it's a
16 little bit more fluid.

17 MR. MacINNES: I'm dealing with this in
18 my own propane purchases, and I purchased about 75
19 percent of my winter, I do pre-buy 75 percent of my
20 winter usage, and I buy the summer on spot market.

21 MR. JANISZEWSKI: Yeah. Consumers has a
22 little bit more of a fluid strategy. DTE Gas
23 traditionally has locked itself in a little bit more.

24 MR. MacINNES: Okay. How about DTE CON
25 and IRP case?

1 MR. JANISZEWSKI: Yeah, that's a big one
2 that we are currently evaluating our participation in in
3 terms of getting the right expert on board. We're
4 definitely going to be involved in that case, and we hope
5 to see involvement from other intervenors. It is going
6 to be a big ticket case, and our focus as of right now,
7 our initial strategy is to see what types of alternative
8 proposals come in from alternative generators and
9 potential competitors since they are now allowed to fully
10 intervene in the CON.

11 MR. MacINNES: Who do those proposals go
12 to?

13 MR. JANISZEWSKI: This is sort of a case
14 of first impression in that regard, but they will be
15 filed in the official docket before the Commission and
16 will be reviewed hopefully within the first 150 days of
17 the proceeding itself. We only have 270 days total to
18 litigate the case to a final Commission order. The AG
19 wants to see what types of alternative proposals are
20 submitted and take a big picture view of seeing if
21 there's alternative PPAs or potential existing gas plants
22 for purchase.

23 MR. MacINNES: So everyone will see that,
24 it's public information?

25 MR. JANISZEWSKI: Yes, that's my
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1 understanding that it will be public information in the
2 docket, yes. And we will be advocating for transparency
3 in that regard for sure. So as of right now, we don't
4 have a specific strategy hammered out with an expert in
5 that case; we do know that we will be heavily involved
6 and we know we will be interested in any and all
7 alternative proposals that are submitted to the
8 Commission, and we do look forward to other intervenors
9 participating.

10 MR. MacINNES: Okay. What about the --
11 of course, let's see, what about the Consumers Energy
12 renewable energy, U-18231.

13 MR. JANISZEWSKI: We do not plan on
14 intervening. Traditionally we have not intervened in
15 renewable energy plans, and I do not believe we will be
16 intervening in that case.

17 MR. MacINNES: What about Consumers
18 Energy 2018 PSCR plan? I don't know if we have a case
19 number on that.

20 MR. JANISZEWSKI: Yeah, I think that
21 might be filed at the end of September. We will be
22 intervening in that case.

23 MR. MacINNES: And the DTE Electric 2018
24 PSCR plan?

25 MR. JANISZEWSKI: Same.

1 MR. MacINNES: And the gas utilities' GCR
2 plans, 2018 and 2019?

3 MR. JANISZEWSKI: Yes, we traditionally
4 intervene in those and plan on doing so.

5 MR. MacINNES: Okay. And then what about
6 the DTE and CEC0 waste reduction plans?

7 MR. JANISZEWSKI: We've had some initial
8 discussions within the office regarding those cases.
9 Preliminarily, I do not believe we'll be intervening in
10 those cases.

11 MR. MacINNES: Okay. What about the 6w
12 cases for both?

13 MR. JANISZEWSKI: Right. So we have
14 intervened in the DTE and Consumers 6w cases. In terms
15 of other utilities, that's a question mark. I'm not sure
16 if we will be intervening in additional 6w cases.

17 MR. MacINNES: Okay. How about the Filer
18 City, Case U-18392?

19 MR. JANISZEWSKI: Yes, our office has
20 intervened in that case, Michael Moody is covering it,
21 and I'm not sure if we're going to hire an expert in it,
22 though, we may just be monitoring the case.

23 MR. MacINNES: Okay. How about the UMERC
24 and UPPCo 2018 plan cases and 2017 reconciliation cases?

25 MR. JANISZEWSKI: We traditionally have
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1 not intervened in UPPCo or UMERC plan and reconciliation
2 cases, I don't believe we will be intervening in those
3 unless something changes.

4 MR. MacINNES: How about the UPPCo or
5 UMERC rate case?

6 MR. JANISZEWSKI: That's a bigger
7 question mark. I'm a little bit ignorant on this topic.
8 Have those been filed yet?

9 MR. LISKEY: No. Just speculating.

10 MR. JANISZEWSKI: No. Okay. If one gets
11 filed, it would be on a case-by-case basis, we would have
12 to review it, see the actual proposal itself.

13 MR. MacINNES: The same with UPPCo IRP
14 case?

15 MR. JANISZEWSKI: Yes, same thing, we
16 would have to see what exactly is being proposed.

17 MR. MacINNES: Would you normally
18 contemplate going into an IRP case?

19 MR. JANISZEWSKI: Traditionally we have
20 not. Under the new statutory scheme, it's a little bit
21 more unclear. I think we want to get more involved in
22 the IRP cases if our resources -- more from a staffing
23 aspect, if we have the staff to cover those cases, we're
24 becoming more interested in those, but on a case-by-case
25 basis.

1 MR. MacINNES: UMERG or UPPCo 6w cases?

2 MR. JANISZEWSKI: Right. I don't have a
3 definitive answer to that. My -- you know, we have been
4 involved in the Consumers and DTE 6w cases, but we've
5 mostly been monitoring those cases, so I'm not quite sure
6 if we would intervene in those or not, the UPPCo or
7 UMERG, I'm not sure.

8 MR. MacINNES: Anything else that we
9 should know about?

10 MR. JANISZEWSKI: The general rate cases
11 have been getting filed like clockwork at the Commission,
12 particularly from Consumers Energy, and DTE Electric and
13 DTE Gas has been filing frequent general rate cases as
14 well, so our focus continues to be heavily involved in
15 those cases. And I know that Consumers Energy on a gas
16 side will be filing a general rates case on September 1,
17 they've already announced that, that's something that
18 we'll be heavily involved in as well. So that's always
19 on our radar.

20 MR. MacINNES: Okay. Good. Well, that's
21 a good report, and we really appreciate you being able to
22 supply that information. I think the more that you can
23 communicate, we can communicate together, on what you're
24 doing, which cases you're in, you're not in, it helps us
25 decide how to spend our limited resources.

1 MR. JANISZEWSKI: Yeah, absolutely, we
2 agree.

3 MR. MacINNES: Okay. Well, that's --
4 that takes care of the Attorney General report.

5 I would like -- Shawn, I wonder if you
6 could go back and present to us now on these budget
7 items, please.

8 MS. WORDEN: All right. We'll talk about
9 the '16 first. That shows the available balance, the
10 16,527.

11 MR. MacINNES: This is from the 2017
12 budget?

13 MS. WORDEN: Yes, yep. So it's available
14 for you to grant out now as requested, or you can grant
15 it out in '18.

16 MR. MacINNES: Uh-huh. And then the '18?

17 MS. WORDEN: The '18, the 750,000 is your
18 appropriated amount, and then the 70,905 is the amount of
19 the repayment to the AG's office, and the 37,500 is the 5
20 percent for board support, which leads you to 641,595 for
21 grants.

22 MR. MacINNES: Okay. And that does not
23 include the '16 because we --

24 MS. WORDEN: Correct.

25 MR. MacINNES: -- because we don't know

1 what's going on. So the bottom line is we have 641,595
2 that's adjusted available for grants in 2018?

3 MS. WORDEN: Yes.

4 MR. MacINNES: All right. Okay. Thank
5 you.

6 MS. WORDEN: Okay.

7 MR. MacINNES: Okay.

8 MS. WORDEN: And Jim, if you have anymore
9 questions, Jim can come find me.

10 MR. MacINNES: Okay. I think we're good,
11 this should do it. Thank you.

12 MS. WORDEN: Okay.

13 MR. MacINNES: The next item is to
14 approve the annual report. I don't see a copy of it
15 there. Normally we would like to have that. I have a --
16 I didn't get a copy. You've reviewed it, I've reviewed
17 it a couple of times, but I know there was quite a few
18 changes.

19 MS. KITCHEN: Yep. You want me to ask to
20 see if we can get some more copies for us?

21 MR. MacINNES: Well, I don't think we can
22 read it right now, but it probably wouldn't hurt to have
23 some copies. Oh, you have a copy. It probably would be
24 good to have them if we want to approve this. This is
25 the final copy?

1 MR. VILMONT: Yes.

2 MR. MacINNES: Because this says hundreds
3 of millions in savings.

4 MS. KITCHEN: Yeah, that should have been
5 taken out.

6 MR. MacINNES: That should have been
7 taken out. So maybe we're not in a position to approve
8 this. This was true in the past, but I think we've gone
9 beyond that in terms of the -- I'm not sure that's a
10 correct number, so maybe we'll hold off on that until
11 we -- because there were several versions of this. If
12 that's still in there, then we're not ready to approve
13 that.

14 Okay. What I'd like to do is go through
15 the applications now and try to have -- give everyone
16 about 15 minutes to talk about their proposals, and then
17 we'll have maybe some questions, but we want to kind of
18 keep it down to -- we want to keep it tight here. So I
19 thought maybe we could start with you, Don.

20 MR. KESKEY: Well, thank you,
21 Mr. Chairman. Did you want to start with GLREA or did
22 you want to start with RCG?

23 MR. MacINNES: Let's start with RCG.

24 MR. KESKEY: Okay.

25 MR. MacINNES: One second. We're going

1 to try --

2 MS. KITCHEN: She wasn't at her desk.

3 MR. MacINNES: We're going to try and
4 keep it down. I think until we see that, that it has
5 been changed, I'm not ready to approve that. We're going
6 to try and keep this down to 15 minutes presentation
7 total per --

8 MS. KITCHEN: Okay.

9 MR. MacINNES: -- and then we'll go from
10 there and see where it goes after that. So Don is
11 starting off with the RCG.

12 MR. KESKEY: With respect to RCG, first
13 of all, we've asked for a grant for the upcoming
14 Consumers Energy PSCR plan and five-year forecast which
15 will be filed on or before September 30 of this year, and
16 that is for the calendar year 2018, and so the case would
17 start effectively October 1.

18 And with respect to, for example,
19 Consumers Energy Company, we're in the midst of -- we
20 have been in the midst of heavy discovery and hearings
21 and briefing in the Consumers Energy proposal on the
22 Palisades buyout of the PPA and securitization, and with
23 that goes the so-called replacement power plan proposed
24 by Consumers Energy Company, which affects both the
25 current PSCR and particularly the one that's upcoming.

1 And the replacement power plan, if the Palisades PPA
2 proposal is approved, is going to contain a number of
3 impacts on the PSCR, and Consumers has a number of these
4 related cases in which we're all in; the Filer City
5 application, which is an application to expand Filer
6 City, the parent company of Consumers Energy owns
7 50 percent of that, so there's the affiliated transaction
8 problem, we believe it's a higher cost than the Palisades
9 PPA and PURPA PPAs as proposed. There has been quite a
10 bit of discussion in meetings and in discovery about the
11 prospect that Consumers Energy would try to buy a
12 800-megawatt gas plant from its parent company, which is
13 again affiliated transaction, or enter into a capacity
14 and energy agreement with that plant. As part of their
15 replacement power plan, they also propose to enhance
16 energy waste reduction for the business class, in which
17 case we've been involved in U-1771 [sic] and the upcoming
18 one which we're involved in has a very time sensitive
19 deadlines because the Commission is supposed to decide
20 those on an expedited basis, so the hearings are going to
21 go on, I think they're in October, with briefing
22 thereafter. So that's all -- there's all these
23 components of the so-called energy waste reduction plans
24 and the Filer City and the possibility of a DIG proposal,
25 possibility of Consumers Energy entering into other

1 purchased power agreements for either capacity or energy
2 or both, and so -- and they're all upcoming, they're
3 either started, we've intervened in them all, or the PSCR
4 cases start effectively October 1.

5 MR. MacINNES: So one question I have is,
6 on the -- so you mentioned the big gas turbine projects.
7 Are you talking about the -- you're saying Consumers,
8 Consumers Energy gas turbine project?

9 MR. KESKEY: There's the Dearborn
10 Industrial Gas plant which Consumers Energy's parent
11 Company, CMS, owns.

12 MR. MacINNES: So that's tied in with the
13 Filer City, did you say?

14 MR. KESKEY: It's a separate plant. The
15 Filer City is a proposal to expand the capacity of that
16 plant from I think around 60 megawatts to somewhere
17 around 200 or more, convert it from coal to gas, extend
18 the contract out 20 or more years, and that --

19 MR. MacINNES: How is that tied to the
20 gas plant?

21 MR. KESKEY: They're two separate plants,
22 different locations. But see, Consumers needs to come
23 up -- if the PPA termination with Palisades is approved
24 either now or if the Commission delays it and approves it
25 soon, they're going to need 800 megawatts of capacity

1 replaced and they're going to need replacement of a high
2 capacity factor base load energy producer at low cost.
3 And so there are various elements to the replacement
4 power plan; one is the idea of expanding Filer City
5 affiliated transaction, or buying or entering into a PPA
6 with its parent company gas plant in southeast Michigan,
7 which is the Dearborn Industrial Gas plant, being
8 successful on their energy waste reduction plans, which
9 entail surcharges to customers, the results of which
10 won't necessarily be known, and other negotiations that
11 they've been having with respect to third-party capacity
12 purchase agreements and energy purchase agreements, and
13 of course one of the related factors in all of this are
14 the ongoing 6w cases for both Consumers and Edison, which
15 we have intervened in, filed comments in, and wish to
16 participate in any settlement or briefing process, and
17 those cases are dealing with capacity reliability and
18 surcharges to customers and also whether or not,
19 particularly if the Palisades power purchase termination
20 is approved, whether the whole Region 7 of MISO would be
21 capacity deficient, which then would affect everybody in
22 Region 7. So Consumers has got to come up with a number
23 of proposals to sort of put a Humpty Dumpty together to
24 replace Palisades. We're involved in all of those cases,
25 they're all ongoing, the 6w cases are ongoing, PSCR is

1 going to start, Filer City is ongoing --

2 MS. KITCHEN: Hello, is this Paul?

3 MR. KESKEY: -- in that case. Everything
4 has been announced.

5 (Multiple speakers.)

6 MS. KITCHEN: Hi, Paul. This is Kelly.
7 Can you hear me? I'm going to put you on speaker.

8 MR. ISELY: I can hear you just fine.

9 MR. MacINNES: Paul, how are you doing?

10 MR. ISELY: Very well.

11 MR. MacINNES: Thanks for joining us by
12 telephone. And we'll try to -- I'm going to try and put
13 the speaker over near the presenter here to the extent I
14 can, so. We have Don Keskey up. Now, we just started
15 the presentations --

16 MR. ISELY: Excellent.

17 MR. MacINNES: -- and we're starting with
18 the Residential Customer Group. And so Don was kind of
19 right in the middle of his presentation. So go ahead,
20 Don.

21 MR. KESKEY: Yeah. As I was indicating,
22 that we're involved in all the dockets that are known or
23 have been filed that relate to Consumers Energy's various
24 proposals for what they call a replacement power plan,
25 presuming under CECO's position that their PPA

1 termination with Palisades is approved, and there's a
2 number of elements to that: The Filer City case, which
3 we've intervened, we have intervened in; the energy waste
4 reduction plans for Consumers Company and DTE both with
5 respect to 2017, but also the three-year period of 2018
6 to 2021, which has a very fast schedule; and we have been
7 heavily involved obviously in the ongoing PPA and
8 securitization proposal of Consumers relating to
9 Palisades, that's 18250, the reply briefs are due
10 September 1, the Commission is going to be deciding that
11 on a fast track, and so all these cases are related.

12 Now, the other thing we've applied for is
13 two PSCR cases for Edison and for Consumers Energy, which
14 includes the five-year forecasts. And Consumers Energy,
15 their PSCR that's upcoming is going to have all these
16 related impacts from all these other dockets and from the
17 Palisades proposals that are going to come to fruition
18 and how it's going to affect their PSCR costs and their
19 forecasts, and it's going to impact their reconciliation,
20 but that's not filed till the end of April.

21 We have also pointed out in our proposal
22 that, and this has been a lingering concern for several
23 cases, we've talked about it some in the past, but that
24 with respect to CECO and DTE, they seem to be negative in
25 terms of their revenue and cost relationships with their

1 MISO transactions, and there needs -- there should be
2 some expiration as to why this is. Are they bidding
3 their coal plants, for example, into the system lower
4 than the production costs so that they can run the plants
5 more than they should be run, and then they're passing
6 the coal costs through their PSCR and they're passing --
7 then when they've got a deficit with MISO and they have
8 to pay MISO, then they have to pay those through, and
9 those have been flowing through the PSCR, but at some
10 point if you have enough capacity but you're running your
11 coal plants more than you need to in an uneconomic
12 must-run basis and perhaps not reducing your coal
13 purchases and cutting back on that coal production, you
14 are -- and if you can flow it through the PSCR without
15 any challenge, you are just having the ratepayer
16 unnecessarily subsidize you with respect to an uneconomic
17 operations. So to get down to the bottom of that, there
18 needs to be quite a bit of discovery, quite a bit of
19 discovery with respect to each Consumers and DTE, but
20 also MISO and trying to determine why that situation
21 exists.

22 MR. MacINNES: Well, don't the utilities
23 have the ability to just designate the plant as must run
24 on their own?

25 MR. KESKEY: Well, they -- utilities can
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1 do a lot of things under the so-called management
2 prerogative, however, as the Union Carbide Michigan
3 Supreme Court case clearly stated, that doesn't control
4 the ratemaking, the Commission has the power, the full
5 power to protect the ratepayers with respect to the rate
6 setting to ensure that uneconomic decisions are not
7 passed through to the ratepayer. So no, we can't tell
8 Consumers how to run their plants, but we certainly can
9 get rate eliminations and deductions and refunds for
10 uneconomic operations that they have put into the rates;
11 and we successfully did so, by the way, with respect to
12 Consumers Energy with respect to their uneconomic burning
13 of oil contracts some time ago, many years ago, which
14 resulted in that Union Carbide decision where
15 subsequently some 30 or more million dollars was required
16 to be refunded by Consumers because they were running
17 their oil plants on a must-run basis because they wanted
18 to burn up high-cost oil that they had purchased too much
19 of. So that's one aspect of the PSCR that is true for
20 both Edison and Consumers, besides the unique additional
21 items with Consumers with respect to this whole Palisades
22 situation and the replacement power plant plan. And I
23 don't think I need to get any more detail.

24 Like I said, we're involved in all the
25 energy waste reduction plans, we're involved in Filer
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1 City, we're involved heavily in the Consumers PPA and
2 securitization, U-18250.

3 MR. MacINNES: So maybe if I could go
4 back to the AG for a minute here. So the AG doesn't, is
5 not getting involved in this waste reduction, from my
6 notes here?

7 MR. JANISZEWSKI: No, we do not plan on
8 getting involved in the waste reduction cases.

9 MR. MacINNES: And why is that?

10 MR. JANISZEWSKI: More of a staffing
11 issue, resources.

12 MR. MacINNES: So it's just a
13 prioritization?

14 MR. JANISZEWSKI: Correct.

15 MR. MacINNES: Okay. What do you think,
16 I mean is there opportunity there, or I mean if we were
17 to go into these, since you're not going in there, we
18 wouldn't be double-dipping, so to speak?

19 MR. JANISZEWSKI: Right. I think it's an
20 important issue that has arisen out of the new
21 legislative amendments last December, and it's something
22 that is an important part of the new energy legislation,
23 so it I think should be productive and should have some
24 involvement from the intervenors here, I think that would
25 be useful.

1 MR. MacINNES: And then but as far as the
2 6w and Filer City cases, you are going to be in those?

3 MR. JANISZEWSKI: So we are involved in
4 the Consumers Energy and DTE 6w cases, and the Filer City
5 case, we are involved in, I'm not sure if we're going to
6 be hiring an expert in.

7 MR. MacINNES: Okay.

8 MR. JANISZEWSKI: And I can speak to a
9 lot of the stuff that Mr. Keskey had talked about
10 regarding the Consumers Energy replacement plan that is
11 stemming the Palisades case, there are multiple
12 components to it, and it's currently unclear exactly
13 which direction the Company's going in regarding how they
14 would replace the Palisades PPA capacity and energy, if
15 and when that has to be done, but I know Mr. Keskey and a
16 lot of the other intervenors in the Palisades
17 securitization case have done an exceptional job, and I
18 know those issues will keep popping up in the PSCR cases
19 for Consumers Energy, so I can speak to the usefulness of
20 Mr. Keskey getting involved in that case to cover that
21 issue, it's going to be a real important issue that will
22 pop up in the Consumers Energy PSCR cases moving forward.

23 MR. MacINNES: Okay. So, well, I was
24 talking about the 6w and Filer City cases, and you were
25 just commenting on the PSCR.

1 MR. JANISZEWSKI: Right. So Filer City
2 we are involved in, and it's unclear if we're hiring an
3 expert, and we will remain involved in the DTE Electric
4 and Consumers Energy 6w cases.

5 MR. MacINNES: Okay. Anything -- does
6 the board have any other questions for Don on this?

7 MR. VILMONT: Not at the moment.

8 MR. MacINNES: Okay. Why don't we go
9 ahead and move into the GLREA, Don, and have you present
10 15 minutes on that, up to 15 minutes.

11 MR. KESKEY: The GLREA proposal focuses
12 on separable -- separate issues with respect to both the
13 DTE and CEC Co PSCR and five-year forecast cases which are
14 to be filed by the end of September. And there, with the
15 new energy acts having been passed and providing for
16 increased development of renewable energy, that there
17 would be an important issue in the upcoming PSCR and
18 forecast cases as to how each utility, which are the most
19 major utilities in Michigan, are going to address the
20 increased energy, the renewable energy component and how
21 are they going to address compliance with the new energy
22 acts, and in fact, how are they going to show in the PSCR
23 plan the impact on PSCR costs, there's a whole range of
24 costs, fuel costs, purchased power costs, transmission,
25 congestion, any number of costs, how would the expanding

1 solar energy and wind energy, but particularly solar
2 energy, impact their costs and their forecasts and help
3 to address peak load costs. I note that on July 31 the
4 Commission had issued a press release talking about a new
5 program for large industrial customers to take advantage
6 of some pilot solar energy programs, and there Consumers
7 Energy has been undertaking negotiations with some of its
8 large customers.

9 So with respect to solar energy
10 development, the cost of solar energy has been declining
11 very dramatically in the last five years, continues to do
12 so. The new energy acts essentially promote it. There
13 are three kinds of solar energy classifications
14 basically, could be utility-owned projects or it could be
15 community-owned projects or it could be customer-owned
16 projects, ranging from residential customers to you name
17 it, but the more that this happens, the more that solar
18 energy develops as another one of these diverse
19 components of the overall energy supply, it's going to
20 favorably impact and affect the PSCR costs. And there's
21 a difference between the renewable energy plan cases and
22 PSCR cases, they're synergetic, they're complementary in
23 some respects, but the renewable energy plan cases which
24 we propose to get into which are going to start in
25 September for one of the utilities and January for the

1 other, those focus basically on the renewable energy
2 plans of the utility.

3 The universe that Act 304 and the
4 five-year forecast covers is a bigger universe, that is
5 all impacts of what's going on that affect PSCR costs,
6 not just what the -- not just what the utility may be
7 planning under its business model to try to control as
8 much as it can, but on a wider universe of what are the
9 communities doing, what are the customers doing, what
10 kind of public policies are promoting things like solar
11 energy, ranging from federal tax credits to the new
12 energy acts to Commission discussions, how do that -- how
13 is that going to affect peak load costs and PSCR costs
14 and the five-year forecasts. The previous plans for both
15 utilities that we have been in on this issue have
16 suggested five-year forecasts of flat solar resources for
17 five years; that's just not realistic. I mean -- and so
18 the importance here is to look at both of them, both
19 utilities, and focus in on let's be realistic about solar
20 energy development and what the universe is doing about
21 it and what's going to happen, how is it going to affect
22 your costs.

23 And this also is directly relevant to
24 your 6w cases, your system reliability cases, your IRP
25 cases, which is integrated resource planning cases, which

1 the Commission under the new act has to address, which is
2 again another case that we propose intervention in on
3 behalf of GLREA, and in fact we are participating because
4 we've been to two collaborative work groups in August,
5 there are more scheduled. The next step is for the Staff
6 to issue a strawman proposal or document or a report and
7 then all the parties are going to impact on that over the
8 next month or two.

9 MR. VILMONT: Don, I have a quick
10 question a second. Regarding, let's -- you're saying
11 that the five-year forecasts are showing in essence flat
12 projections for the renewable, for the solar --

13 MR. KESKEY: In the past.

14 MR. VILMONT: -- in the past, and if
15 you -- I guess the point is to be arguing that that's
16 maybe not realistic and that there should be an increase
17 in those capacities and that will ultimately affect some
18 of the rates. But from an overall rate impact
19 perspective, I think that solar, that is a small
20 component of overall energy use, so even if you were
21 successful in changing what that forecasting would be,
22 how much of an impact do you think it might actually have
23 on that rate structure?

24 MR. KESKEY: In the last, the very last
25 series of cases we proposed outright rate factor

1 adjustments in the immediate plan cases to show that
2 difference and then projected it out for five years, and
3 it shows the expansion of how their rate factors under
4 the PSCR are higher than they should be right now, and
5 then how it would increase with the proper analysis. But
6 what's --

7 MR. VILMONT: But the magnitude of that
8 change, is it -- I mean I'm not arguing that there
9 wouldn't be any change. I guess my question is, what
10 would be the magnitude related to other efforts regarding
11 PSCR?

12 MR. KESKEY: I don't have that testimony
13 before me, the exact figures, but I would be comfortable
14 in saying that that impact would be equal to any of the
15 adjustments, the downward adjustments that have been won
16 in the past cases by anybody. In other words, the
17 utilities would like to say in Michigan it's a small
18 impact because they want to build a huge gas plant; if
19 you look at other states, even neighboring states, and if
20 you even look at I&M Power, some other utilities,
21 Minnesota even, certainly out west, it's a large impact.
22 In Michigan, it shouldn't be all that far different from
23 places like Indiana or Minnesota. In fact, it's going to
24 be larger, it's larger now, it's going to grow, and as
25 you -- as the Commission just announced these pilot

1 programs for large industrial and commercial entities who
2 are really wanting solar, some of them we cite in our
3 plan, they're trying to go to a hundred-percent
4 renewables, this is going to have a dramatic effect on
5 utility plans and forecasts, including the one that's
6 going to be filed.

7 Now, one other aspect to your question is
8 that one of the reasons we think it's worthwhile to bring
9 up this issue is because by sort of ignoring the issue in
10 the PSCR plans and forecast cases, it's another way that
11 sort of signals basically utility opposition to solar
12 facilities unless they own it or control it. And the
13 point is that the cases can be used to shift the policy
14 to require the utilities to at least discuss it and
15 analyze it and put it in their case and be consistent
16 with what's going on with these new programs --

17 MR. VILMONT: Right. But their response
18 to that will probably be market based more than anything
19 else, correct; as the industries are demanding more of
20 that power source, they will be the ones that will push
21 the demand for that power source to grow, right? Because
22 that leads kind of to my other question about it. It
23 seems like some of these cases allude to the idea that
24 the power companies then want to build into the rates the
25 cost for expanding some of those services as they look,

1 whether it's gas or solar, and if they expand solar, that
2 gets spread across the rates, but the primary beneficiary
3 of that technology is more business and industry rather
4 than residential. So my question kind of circles back
5 around to, is it so important -- what's the importance of
6 arguing a projection of the use as opposed to spending
7 more time looking at, which could be handled maybe in a
8 reconciliation issue rather than up front, and then now
9 focus on how are those costs for that technology being
10 distributed among the user base?

11 MR. KESKEY: Okay. First of all, there's
12 probably two or three answers to that. Number one is
13 customer-owned solar by residential customers and
14 community-owned solar which are essentially owned by
15 residential customers are expanding significantly.
16 Secondly, the federal policies are providing a 30-percent
17 tax credit for a number of years, extended for
18 residential solar programs. There's a net metering
19 program and there's going to be a distributed energy
20 tariff going to be developed by the Commission, and
21 hopefully a solar, a value of solar tariff that again is
22 promoting solar for the residential class.

23 MR. VILMONT: Agreed. But it goes back
24 to that question again, what's the true value and big
25 picture of those, because if I have a penny today, I can

1 double my money with another penny tomorrow which means I
2 have two pennies, but it's still only two pennies. So
3 agreed, it seems like that market is growing, but again,
4 putting money into fighting that battle now is my
5 question, is that -- is now the real time to do that, or
6 does it make sense to wait?

7 MR. KESKEY: I think this is the perfect
8 strategic time to -- and when you say fight it, it can be
9 done in a way that you try to get the utilities to come
10 along with this. But the thing is, first of all, it's
11 more significant than we think it is, it's going -- it's
12 going to be ever more significant in terms of market
13 relationships. Solar is one of the most economic sources
14 of energy according to Staff reports now, so it is
15 beating the market, and one of the reasons why the
16 utilities are trying to get to their bigger customers,
17 just like they did with Customer Choice, is to try to not
18 lose their big customers to a hundred-percent renewables.
19 So the more that they forthrightly present this in their
20 plan cases, and if they do it or accept it, a rate factor
21 reduction that we would propose, the better that people
22 can realistically focus on this.

23 MR. VILMONT: Okay. That helps.

24 MR. KESKEY: So what I'm saying, as a
25 public policy, this body is trying to implement and

1 administer Act 304 and a wider number of cases under the
2 new energy acts, but Michigan's energy policy has now
3 been set forth in Act 341 and 342 to enhance renewable
4 energy, including solar, and this is one of your policy
5 directives. The Governor's energy plan that predated the
6 new energy acts also wants to promote both energy waste
7 reduction and renewable energy, and we're far behind a
8 lot of other states, and it's not a climate situation,
9 we're far behind the other states, and the fact is it is
10 much more significant than we think it is, there's a real
11 adjustment that can be made, and if the utilities sort of
12 start realistically coming to grips with this issue,
13 that's going to benefit everyone. And the reason it's
14 timely is because now it's the energy acts, all these
15 cases are going on because the new energy acts require
16 it; 6w cases, system reliability, IRP, the whole -- and
17 that's why now is the time.

18 Now, the last thing I would mention is
19 about the IRP plan cases is that the whole process on
20 that -- in those cases is going on now, the
21 collaboratives are going on now. The Staff report's
22 going to be coming out, the parties have to reply to
23 that, then there's going to be more collaboratives and
24 it's going to be -- it's all going to lead to a
25 Commission IRP plan. Yes, it's probably early, it has to

1 be by early 2019, but that's all being done now, it's not
2 being done in 2019.

3 MR. MacINNES: So getting back to the
4 subject Brian was on, my sense is that the utilities have
5 not been very favorable to residential solar and, you
6 know, they -- maybe that's being nice -- but they, you
7 know, they've come up with these plans that charge, you
8 know, charge you for the distribution system and all
9 that, and where is that? When are they going to come up
10 with a value of solar that's really reflective of the
11 value of solar, the full values of solar, like other
12 states have?

13 MR. KESKEY: Yeah. They have had some
14 meetings on in the past and, you know, there's been a
15 wide divergence of utility rating the value very low, in
16 contrast to Minnesota which has got a realistic value of
17 solar tariff. But the Commission is looking at a
18 distributed energy tariff, which probably will be coming
19 into effect within the next 12 months or less, which
20 hopefully will wrap in with a value of solar tariff
21 concept.

22 MR. MacINNES: So do you see this
23 impacting that, how that turns out?

24 MR. KESKEY: I think it does, I think it
25 all impacts because the new energy act train has left the

1 station and it's going down the tracks at a rather high
2 speed, it's all happening right now. If you want to
3 get -- wait two years and get into it, you've already
4 missed the train. So I'm not asking you how much you
5 might want to put into the cases, or if you want to, you
6 know, do partial budgets and see how things are going,
7 but I do think it's a very strategic time to pursue the
8 issues.

9 MR. MacINNES: I think you're right, it's
10 just a question of we have limited funds, as hard as we
11 tried to get more funds, we got a little bit more, but
12 they're still quite limited, and that's the challenge,
13 but I think you made a lot of good points, because it's
14 the new law and now is the time to be in there if we can.

15 Are there any other questions for Don?
16 John, did you have a comment?

17 MR. LISKEY: Not about Don, but in terms
18 of who's next. Douglas needs to step out for a phone
19 call in a bit, and if it doesn't matter to you, we'd like
20 to go next.

21 MR. MacINNES: You are next.

22 MR. LISKEY: Thank you. You didn't mind,
23 did you?

24 MR. BZDOK: I see how you are.

25 MR. MacINNES: Actually, that was my

1 plan.

2 MR. LISKEY: Okay. Good.

3 MR. MacINNES: As long as nobody else
4 objects, that works for you?

5 MR. BZDOK: That's okay.

6 MR. MacINNES: Okay.

7 MR. LISKEY: Now, do you want me to also
8 talk about the UMERC case, the \$7,000, at this time?

9 MR. MacINNES: What I'd rather have you
10 do is -- I guess I'd like to have you stick with the,
11 with your 2018, and then we have the UMERC case, maybe we
12 can have you do that next.

13 MR. LISKEY: Okay.

14 MR. MacINNES: So let's start with the
15 2018. This is your list.

16 MR. LISKEY: Yep. Very good. Thank you.
17 One detail that I'd like to mention, I'll mention it now
18 and then the board can decide how to handle it, but we'd
19 like to add a lawyer to our identified legal team, and
20 that would be Lydia Barbash-Riley, who you approved last
21 meeting. CARE uses Olson, Bzdok & Howard on a regular
22 basis, and so we'd like to get her name added, and when
23 we submitted this, we --

24 MR. MacINNES: In any particular case
25 or --

1 MR. LISKEY: No. We've just --

2 MR. MacINNES: Just in general?

3 MR. LISKEY: Yeah, just in general. And
4 then I'm happy to also report that we'd like to add Dale
5 Osborn to our expert team on our -- for our MISO
6 application.

7 MR. MacINNES: Okay.

8 MR. LISKEY: And for those of you that
9 don't know Dale, he's just retired from MISO, Jim talked
10 about him at the last meeting, and we've been in regular
11 contact with him and are thrilled that he's willing to
12 help us.

13 MR. MacINNES: He's a talented
14 individual. I spent hours with him at the IEEE
15 conference.

16 MR. LISKEY: Right. So and then in terms
17 of what we're requesting for today --

18 MR. MacINNES: I wonder if I could just
19 put the hold button just for a second.

20 MR. LISKEY: Yep.

21 MR. MacINNES: There were a couple of
22 things that just came to my mind with Don, they're just
23 quick.

24 MR. LISKEY: Sure, no problem.

25 MR. MacINNES: Don, on both of your
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1 cases, your RCG and GLREA, what other -- are there other
2 resources that are going to be deployed besides our
3 funds --

4 MR. KESKEY: Well --

5 MR. MacINNES: -- on those?

6 MR. KESKEY: I believe in all of the
7 cases we're currently in, we're well into pro bono at
8 this point, so I guess that's one resource, not only by
9 ourselves as lawyers, but by experts. And pro bono is
10 incurred because oftentimes you have to get engaged in a
11 matter before the board even considers a budget, because
12 intervention deadlines are very short, you've got to get
13 in.

14 MR. MacINNES: Okay. That's good. I get
15 that. So anybody else, are there any other -- do you
16 have any other groups that you're working with that would
17 be providing funding on either of these?

18 MR. KESKEY: Well, in the past we've had
19 donations from persons interested in RCG which have
20 helped support, not a large degree, but it has, you know,
21 helped with some of the funding and the filing fees and
22 some of the expert fees and so forth, but right as of yet
23 I can't add to that except for the fact is that RCG is
24 going to be seeking perhaps foundation funding, but they
25 don't have any applications in yet.

1 MR. MacINNES: Okay. That's all I
2 wanted, just wanted to clarify. Sorry.

3 MR. LISKEY: No problem.

4 MR. MacINNES: Let's go back now to CARE.

5 MR. LISKEY: So in our proposal you'll
6 see what we see the whole fiscal year '18, and we
7 estimated a total of 235,000 for the entire year;
8 however, at today's meeting, consistent with your past
9 practice, we are asking for 67,500, and that would be for
10 the first round of PSCR plan cases in the amount of
11 \$50,000, and 17,500 for the first six months of our MISO
12 participation. With regards to the PSCR plan cases, one
13 of the changes to the energy law was a requirement that
14 utilities that serve under 100,000 customers now
15 contribute to the fund, which means that the customers of
16 Northern States Power and Alpena Power and UMERCA and
17 UPPCo will now be contributing to the fund indirectly,
18 and it is for that reason we're requesting to intervene
19 in all four PSCR plan cases of those four companies,
20 because those customers will be contributing for what we
21 feel we should intervene in those. Last year I think we
22 only intervened in two, the two large ones.

23 MR. MacINNES: Of course, we can say that
24 we've intervened in some of these cases before when they
25 weren't paying in, right, because I remember talking with
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1 the head of Alpena Power, told them we were intervening,
2 and he says, what do you want to do that for, I said,
3 well, just trying to keep your pencil sharp. So we've
4 spent money even though they didn't contribute.

5 MR. LISKEY: That's right. That is
6 absolutely true. And we would do a case in those
7 instances, I can recall, for as little as \$750, we'd
8 intervene and Douglas could look at it or something. So
9 but I put this in as a package of \$50,000 for all four
10 cases, not knowing which one is going to be the most
11 litigious. Now, it's pretty good prediction that it's
12 going to be probably UPPCo and/or UMER, so that's where
13 we see the lion's share of the money going in those
14 instances. The issues, I'll let Doug elaborate more, but
15 the issues are the special contracts that both UMER and
16 UPPCo have and the cost allocation that is a result of
17 those contracts, and those are million-dollar issues that
18 we have to keep fighting for.

19 Do you want me to go and also talk about
20 the long view in terms of like the IRP case coming down
21 the road next year or --

22 MR. MacINNES: Well, let's just -- I
23 guess one question I have now, so you were just talking
24 about the plan cases, right?

25 MR. LISKEY: Yes.

1 MR. MacINNES: When do you see the
2 reconciliation cases?

3 MR. LISKEY: They're filed next March.

4 MR. MacINNES: Okay. So we -- these will
5 all be later?

6 MR. LISKEY: Yes. That's across the
7 board.

8 MR. MacINNES: So no decisions on that --

9 MR. LISKEY: No.

10 MR. MacINNES: -- we don't have to make
11 any decisions.

12 MR. LISKEY: No.

13 MR. MacINNES: And the plan cases will be
14 filed?

15 MR. LISKEY: September 30.

16 MR. MacINNES: Okay. Let's go into the
17 UMERG -- let's just kind of go down your little
18 spreadsheet here.

19 MR. LISKEY: Okay.

20 MR. MacINNES: What about the UPPCo or
21 UMERG rate case, that's future?

22 MR. LISKEY: Right. We don't know for
23 sure if either of those will be filed, but we thought it
24 prudent that we should at least list it so as you're
25 allocating funds, you know that that's out there.

1 MR. MacINNES: Right.

2 MR. LISKEY: Either one of those could,
3 would likely -- maybe likely is not the right word.
4 Either one of those could file or both could file for a
5 rate increase. We know that UPPCo wants to, they wanted
6 to this last year, but they didn't. Depending on what
7 happens in our current UMERCON case, the certificate of
8 need case, that could result in UMERCON, with regards to
9 the cost of allocation issues, if we're successful on
10 those, I could see UMERCON wanting to file a rate case
11 sometime next year.

12 MR. MacINNES: But for now we're just
13 guessing?

14 MR. LISKEY: Yeah.

15 MR. MacINNES: Okay. UPPCo IRP case.

16 MR. LISKEY: We're fairly confident that
17 that's going to happen, we're estimating like next June,
18 July, August, something like that. The IRP issue is a
19 critical issue for the Upper Peninsula. We are
20 supporting, as is the Governor's office, a U.P. wide IRP.
21 The Governor's office has actually offered the utility
22 companies to do it for free, but it's hard to get buy-in
23 up there in terms of -- but that's really what needs to
24 be done.

25 And this kind of segues into our MISO

1 grant request in terms of -- and this is where we would
2 use Dale Osborn -- and there's currently under way a MISO
3 study called the Michigan Study that the Governor's
4 office requested.

5 MR. MacINNES: Is this the E-Gas or a
6 different study, this is the Northern Area Study?

7 MR. LISKEY: Yeah.

8 MR. JESTER: This is a specific study
9 related to the potential to improve transmission in the
10 eastern Upper Peninsula, but it then will flow into what
11 they call the RTOS, Regional Transmission Overlay Study,
12 which is also under way, but on a slightly slower track.

13 MR. MacINNES: Where does the E-Gas Study
14 fit in that Valerie has asked for and that it's due in,
15 due out in October?

16 MR. LISKEY: December.

17 MR. MacINNES: December now?

18 MR. LISKEY: December.

19 MR. JESTER: Yeah. This overlaps with
20 that, it's the same. MISO likes to break things up into
21 lots of pieces, so it's the same request from the
22 Governor's office, there just are different activities at
23 MISO.

24 MR. LISKEY: I have a handout that will
25 give you more detail on -- these are 16 different routes

1 that --

2 MR. JESTER: So these are the routes that
3 will be studied, preliminary results available toward the
4 end of September, early October, and then a published
5 report in December, and this is in response to Valerie
6 Brader's request or the Governor's office request.

7 MR. MacINNES: So this is from Canada?
8 Am I reading this right?

9 MR. LISKEY: Yes.

10 MR. JESTER: It's both Canada, and if you
11 look a little further down, it also strengthens
12 transmission to the Lower Peninsula if you look at the
13 options on numbers 9 through 16.

14 MR. MacINNES: Right. All the way down
15 to Gaylord.

16 MR. JESTER: Yeah.

17 MR. MacINNES: Wow, that would be sweet.

18 MR. JESTER: So those results, as I say,
19 will be available. And then MISO is doing a Regional
20 Transmission Overlay Study looking at sort of big picture
21 questions like this that this will be folded into. The
22 results on these transmission ideas might look different
23 in the context of transmission projects that might be
24 done in the western Upper Peninsula. They're
25 connected --

1 MR. MacINNES: Sure, it's all --

2 MR. JESTER: -- which is why the two-part
3 study.

4 MR. MacINNES: So now how does this -- so
5 where does this flow into your --

6 MR. LISKEY: This flows into both the IRP
7 and our request for MISO, so that we feel that any
8 integrated resource plan should consider transmission as
9 well, and that's an issue that's front and center now in
10 the UMERG case, the certificate of need case. We're
11 hoping the Commission denies that certificate of need
12 until some of these other options are considered, because
13 if they grant the certificate of need, that's \$277
14 million that kind of locks the U.P. into that to that
15 path.

16 MR. MacINNES: When is there a decision
17 due on that?

18 MR. LISKEY: October 28.

19 MR. MacINNES: Wow. Do they have time --

20 MR. LISKEY: And the IR --

21 MR. MacINNES: Is this bringing that --
22 is this coming in too late for them to consider it or --

23 MR. LISKEY: Well, the MPSC is part of
24 this study, so the Staff is certainly aware of it, as are
25 the Commissioners.

1 MR. MacINNES: So you think they'll have
2 the results of the study before they decide?

3 MR. LISKEY: No.

4 MR. MacINNES: No, they won't.

5 MR. LISKEY: And that's one of the
6 reasons we think their granting of the certificate of
7 need is premature. But that's getting into the U MERC
8 case.

9 MR. MacINNES: That's the existing U MERC
10 case?

11 MR. LISKEY: Yeah, that we're going to be
12 asking \$7,000 to complete.

13 MR. MacINNES: Oh, okay. Okay. So
14 that's the next one.

15 MR. LISKEY: The U MERC?

16 MR. MacINNES: Yeah. So before we go to
17 that, how does Dale Osborn fit into this?

18 MR. LISKEY: He will help us evaluate --
19 he will work with Douglas and help us evaluate these
20 transmission, this report, and there's also the NARIS,
21 N-A-R-I-S, report that, as you know --

22 MR. MacINNES: North American Renewable
23 Integration Study, big report coming out of NREL is it?

24 MR. JESTER: That's right.

25 MR. LISKEY: And how Michigan can benefit
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1 from that, so he's going to help us analyze that.

2 MR. MacINNES: Uh-huh. He's not going to
3 do any modeling, though, he doesn't have the capability I
4 don't think?

5 MR. LISKEY: No, he's not. No.

6 MR. JESTER: No. So for modeling we have
7 been talking to GridLAB, which is a new foundation-
8 supported organization, to provide technical assistance
9 on transmission matters, and also to Vibrant Clean
10 Energy, Chris Clark.

11 MR. MacINNES: Okay. Well, Dale I know
12 could definitely, he's a great resource. But I do think
13 it would be nice to have -- did you bring his background
14 or resume information or --

15 MR. LISKEY: I didn't, but I can bring it
16 for the next meeting.

17 MR. MacINNES: How soon do we need to
18 approve him?

19 MR. LISKEY: This study is not coming out
20 until the end of December, so we could do it at the
21 December meeting.

22 MR. MacINNES: Okay. I mean I know him,
23 he's fine with me, but I think the board needs to review
24 his credentials to make sure they're comfortable --

25 MR. LISKEY: Sure.

1 MR. MacINNES: -- with him. And the
2 other lawyer that, Chris, her name again is?

3 MR. BZDOK: Lydia Barbash, B-a-r-b-a-s-h,
4 Riley, R-i-l-e-y.

5 MR. MacINNES: And you're requesting that
6 she be --

7 MR. LISKEY: She'd be added to our team.

8 MR. BZDOK: John uses us from now and
9 again for overflow, so if they get tight, so it's usually
10 on short notice.

11 MR. MacINNES: Okay. Any questions from
12 the board on what John's had to say so far?

13 Okay. Complicated. Let's go ahead and
14 then gets into your UMER, this is Case 18224.

15 MR. LISKEY: Yes. Okay. And our request
16 here is for an additional \$7,000 to finish the case. At
17 the last meeting I was requested to calculate a net
18 present value of savings, and Douglas and I worked on
19 that. A year one cash-on-cash savings if we were
20 successful on the main two issues would be \$3 1/2
21 million. The net present value of that at 7.3-percent
22 discount rate over 30 years is \$42 million. Now, I'm not
23 going to sit here and tell you that we have a hundred --
24 high likelihood on winning on these issues, but if we win
25 just on the property tax issue, that's still a \$1.7

1 million savings for residential customers per year.

2 And let me explain that issue. According
3 to the proposal, 100 percent of the property taxes on
4 these \$277 million plants are being charged to the
5 non-Tilden customers. Non-Tilden customers only take
6 30 percent of the volume, yet they're being asked to pay
7 for a hundred percent of the property taxes. Of that
8 figure, 43 percent of that volume are residential
9 customers, and that's how we calculate \$1.7 million.

10 MR. MacINNES: This seems to be a
11 recurring theme, whether it's from Don or, you know,
12 where the money is spent, it benefits, you know, the COS
13 cases, right?

14 MR. LISKEY: Yep.

15 MR. MacINNES: And the residential, it
16 gets shifted over to the residential ratepayer, this
17 happens, this happened many times. Right?

18 MR. LISKEY: There's no end in sight.

19 MR. MacINNES: Yeah, I see that. It
20 happens over and -- well, it's happened with the COS
21 cases, the big guys, they've come back three times,
22 right, each, to re -- and try to get it into the new
23 energy law, so it's --

24 MR. KESKEY: Well, ABATE not only got
25 that review through the legislature, Chris was involved

1 in, but in their cases now, they keep wanting to change
2 it further.

3 MR. MacINNES: Yeah, it's never ending.
4 Okay. And you're asking for \$7,000 for that?

5 MR. LISKEY: Yes. And out of the FY17.

6 MR. MacINNES: And out of the 16,000 and
7 change that we have?

8 MR. LISKEY: Exactly.

9 MR. MacINNES: Okay. Does the board --
10 you know, one of -- I will say that I continue to be
11 concerned about the U.P., and the ratepayers there are
12 just paying an awful lot of money, and we need to look at
13 some new ideas, solutions, possible solutions, and try
14 get them some relief, however, we haven't been very
15 successful, we've intervened in many of these UPPCo
16 cases, we've spent hundreds of thousands of dollars on
17 UPPCo, and we can't seem to get a very favorable decision
18 on --

19 MR. LISKEY: Well, but we saved \$3 1/2
20 million a year on the UPPCo rate case.

21 MR. MacINNES: Well, we'd like to save
22 more, there's a lot more money there.

23 MR. LISKEY: I didn't do a net present
24 value of that.

25 MR. MacINNES: You didn't need to. But
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1 there's a lot that we haven't been able to get on --

2 (Multiple speakers.)

3 MR. LISKEY: Oh, absolutely, they're at
4 the highest rates in the country.

5 MR. MacINNES: -- from the MPSC, so yeah.
6 So anymore questions on that? Good
7 stuff.

8 MR. VILMONT: Does that seem to be the
9 general gist of that, that I guess is your take that the
10 results from MPSC discussions have undercut a lot of
11 that, or where is it that you think -- or why is it you
12 think that we aren't having as much success as we'd like?

13 MR. LISKEY: We're on the record here.

14 MR. JESTER: Let me give you a bit of an
15 answer. To a great extent, we're dealing with the
16 present-day consequences of things that have been decided
17 in the past where no one was there on behalf of
18 residential ratepayers and often the Attorney General's
19 office was minimally participating, so things like merger
20 and acquisition activity between utilities, the special
21 contract that we're dealing with in, you know, that has
22 such a big effect on UPPCo customers dates from 2005, so
23 it's just things like that that we're trying to clean up
24 a mess and it's hard.

25 MR. MacINNES: Good question.

1 MR. LISKEY: I would also add on the
2 UPPCo rate case, we're not satisfied with that result,
3 and that's why we appealed it, and there's a \$70 million
4 issue there that we feel was wrongly decided on that.

5 MR. MacINNES: Right. You know, and I
6 mean I know that in terms of the scheme of the dollars
7 that the ratepayers pay over there is much smaller than
8 with Consumers and DTE, but they're paying some pretty
9 high, very high prices, some of the highest in the
10 country, especially in UPPCo territory, and it looks like
11 there was some M and A shifting around that we need to --

12 MR. LISKEY: 6,000 retirees were pushed
13 on to the new company so -- is that right, is it 6,000?
14 Well, the ratio was six to one.

15 MR. JESTER: I think it's about 750.

16 MR. LISKEY: But anyway, so the ratio of
17 working employees to retirees in the new company is now
18 one to one, and previously it was six to one, and that
19 kind of thing.

20 MR. MacINNES: So how long has MISO been
21 working on these transmission options?

22 MR. LISKEY: This process, again, at the
23 Governor's request started in January.

24 MR. MacINNES: So the Governor initiated
25 this?

1 MR. LISKEY: Yes.

2 MR. MacINNES: Very good.

3 MR. LISKEY: Through Valerie Brader.

4 MR. JESTER: And I've been participating
5 in the related stakeholder process based on the grant
6 you've given.

7 MR. MacINNES: What -- do you know, do
8 you have some background on this; I mean what power is
9 available in Canada, do you know?

10 MR. JESTER: There's interconnection to
11 large hydro power projects in northern Ontario into this
12 area of Canada, and there also is a relatively idle
13 natural gas plant in Sault Ste. Marie.

14 MR. VILMONT: Owned by whom?

15 MR. JESTER: It used to be Ontario Hydro,
16 I've lost track of the -- they've gone through naming.

17 MR. BZDOK: Hydro One? It's on the
18 refrigerator at my father-in-law's.

19 MR. MacINNES: So there's fair capacity
20 up there?

21 MR. JESTER: Yes.

22 MR. MacINNES: I wonder why we haven't
23 looked at this before.

24 MR. LISKEY: I think in general utilities
25 prefer to build their own plant and get a rate of return

1 as opposed --

2 MR. MacINNES: Besides that. We know
3 that. But what about dealing with Canada, I mean how do
4 they feel about that?

5 MR. JESTER: MISO up until now has acted
6 like that seem between MISO and the Ontario System
7 Operator is kind of a wall, they treat it as a zero-value
8 resource, even the limited connections we have. They've
9 been at and forced by FERC to rethink their approach to
10 sources from outside of MISO over the last couple of
11 years, and so this is starting to be more viable.

12 MR. MacINNES: But now MISO has a lot of
13 transmission experts that understand power flows. Why
14 would they --

15 MR. JESTER: It's not about the physics,
16 it's about the institutional arrangements, who pays for
17 what, that kind of thing.

18 MR. LISKEY: I should point out,
19 Manitoba, the province of Manitoba is part of MISO.

20 MR. MacINNES: Right. And maybe we could
21 roll Ontario in there, too. Okay. Well, that's really
22 great, I'm really glad to see us -- it sounds like
23 there's going to be several -- and then you've also got
24 the loop flow problem, that's separate from this, but it
25 would be considered in the E-Gas Study I guess.

1 MR. JESTER: Yes. The loop flow has
2 largely been addressed through phase angle regulators
3 that have been installed in the last 18 months I think it
4 became active.

5 MR. MacINNES: Really.

6 MR. JESTER: Yeah. But there's still
7 more work to be done, so but big steps have been taken.

8 MR. MacINNES: Huh.

9 MR. VILMONT: Would that, those -- that
10 transmission line then be part of the IRP case, then?

11 MR. JESTER: It should be.

12 MR. VILMONT: Okay.

13 MR. LISKEY: We hope so.

14 MR. MacINNES: And this is in -- is this
15 UPPCo? Whose territory is this?

16 MR. JESTER: This is mostly on -- I just
17 like to be --

18 MR. LISKEY: Cloverland.

19 MR. MacINNES: Cooperative.

20 MR. JESTER: Yes. But it's connected
21 through to the west, so it will have some influence, we
22 just -- we won't know until the studies are done.

23 MR. MacINNES: And the Cooperative is
24 supplied by Wolverine?

25 MR. JESTER: Mostly they are supplied by
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1 hydro power out of the Sault Rapids hydro, you know,
2 hydro plants.

3 MR. MacINNES: But is that through
4 Wolverine or is that --

5 MR. JESTER: No. They own it,
6 Cloverland --

7 MR. MacINNES: So are they a separate --
8 they're separate from Wolverine?

9 MR. JESTER: Yeah. They do get some
10 power from Wolverine, but they traditionally --

11 MR. MacINNES: And I'm sure Wolverine,
12 having talked with some of the Wolverine people, would be
13 interested in some of these scenarios here.

14 MR. JESTER: Yes. Yep.

15 (Mr. Isley entered.)

16 MR. MacINNES: Paul, welcome.

17 Okay. Might be time to take a break.

18 MS. KITCHEN: It would be a great time to
19 take a break.

20 MR. MacINNES: Unless there are anymore
21 questions. Now that Paul's here, we'll go on break.
22 He's probably going to scramble. Okay. We're going to
23 take a break.

24 (At 2:10 p.m., there was a ten-minute recess.)

25 MR. MacINNES: Okay. Let's go ahead and
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1 restart the meeting. And we have the Michigan
2 Environmental Council, Chris Bzdok. Chris.

3 MR. BZDOK: Thank you, Mr. Chairman,
4 members of the board. I'm going, given the desire for
5 brevity, I'm going to start by just sort of giving you a
6 high-level overview, and then I will circle back and we
7 can talk about as much detail as the board has a
8 tolerance for and as time allows on some of these cases.

9 So we have presented to you a list of
10 what we've called the Phase 1 grant requests for 2018,
11 there's a list on the first page of our grant application
12 that has those cases. One of our struggles is that there
13 is a staggering amount of stuff going on as a combination
14 of the board's increased scope, the new energy
15 legislation, and the various activities that we're
16 involved in, and so trying to get a sense of where to
17 prioritize has been a struggle, and so we've tried to
18 show you our work, you know, so to speak. So we've
19 provided you with a list of Phase 1 cases for 2018.

20 The current DTE Electric general rate
21 increase case, which is a continuation, when we asked you
22 for money that case in FY17, we told you that we're
23 asking for what we feel is an amount available that you
24 could grant to us, but we're going to have to come back
25 in '18 on a continuation, and I can talk about some

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1 details in that case because we're filing testimony from
2 five witnesses next week in that case. So there is a lot
3 to talk about there. DTE Gas, the gas cost recovery plan
4 case, again is one of these where we have been trying to
5 stitch together funds in pieces. The primary focus there
6 is the NEXUS issue, but there is a related issue having
7 to do with Vector Pipeline that I can also talk about,
8 that's a continuation request for \$10,100. The DTE
9 Electric certificate of necessity integrated resource
10 plan case, Mr. Janiszewski talked about that a little bit
11 already. This is our largest request, this is also the
12 most expensive case we've ever participated in as we are
13 generally chalk-boarding it. Most of the funds are
14 coming from outside, MEC is providing \$30,000 of internal
15 funds as well, as they provided 15,000 of internal funds
16 to that DTE Gas case. The integrated resource planning
17 docket, which we do have a case number for now, is 18418,
18 that's the 6t IRPs. You'll hear me talk about 6s IRP,
19 which is the DTE Gas plant case, which is resource
20 planning that revolves around a specific plant
21 construction or power purchase agreement, and then there
22 are the 6ts, which are the more programmatic IRPs which
23 have to happen every four or five years to look at all
24 the utility's resources. And the planning, as Mr. Keskey
25 indicated, for some of the scenarios and assumptions and

1 studies that are going to be done for those 6t dockets is
2 under way now, so we have a small request there.

3 Consumers Energy renewable energy plan case, which is to
4 be filed September 29; Consumers Energy 2018 PSCR plan
5 case, which we don't have a docket for yet, which is
6 September 30; DTE Electric PSCR plan case, no docket yet,
7 September 30; and then Gas Utility GCR plans, a proposed
8 review and evaluation and recommendation on one of those,
9 to the extent that the board is interested in seeing
10 representation in gas cases. I didn't wake up in the
11 morning dying to, you know, do those as our first
12 priority, but I also recognize this has been an item of
13 discussion and we feel that prioritization ought to be
14 sort of a two-way street, not just to be us pitching and
15 you catching when it comes to statements of priorities,
16 but when you tell us you're interested in getting and
17 having some representation in gas cases, we're trying to
18 put together plans for meeting that. One of them is the
19 current DTE Gas cost recovery case, which is continuing,
20 and one of them is maybe looking at trying to do
21 something in 2018.

22 In addition -- so on all of these cases
23 for which I provided bullet points, we have a memo under
24 Tab J that provides details on all of the issues that we
25 are anticipating in those cases as of the date on this

1 memo -- oh, no, that's a different memo. It's memo under
2 Tab 2, so the July 27, 2017, memo is as of that date our
3 understanding of the issues in those cases in 14 pages
4 worth of detail.

5 In addition to that, on page 15 of that
6 memo we've provided a table of other cases that we have
7 been watching or are otherwise participating in; those
8 include -- but are not seeking money for Phase 1 of 2018
9 from you today. That includes the Consumers Energy and
10 DTE PSCR reconciliation cases for 2016. The board
11 provided us with 4,000 and change for each of those
12 cases, we've been doing some discovery in those cases, we
13 don't have any recommendations yet, but that's just sort
14 of something that's ongoing. They're not the high, at
15 the top of the priority stack by any means. If we had
16 more resources, we would definitely want to be doing more
17 in those cases. The Consumers Energy and the DTE Energy
18 Electric energy waste reduction plan cases, I am in those
19 cases for two other organizations, Natural Resources
20 Defense Council and the National Housing Trust. NRDC
21 does energy efficiency cost effectiveness, the incentive
22 mechanisms, the cost allocation; and NHT, National
23 Housing Trust, does low-income energy efficiency
24 programming, especially related to multifamily housing.

25 I will talk about that a little more when we get back to

1 the DTE rate case. Consumers Energy and DTE 2017 PSCR
2 reconciliation cases, which will be filed next March,
3 certainly no pending request, it's something we're going
4 to look at when they come in, and it's a ways off. So
5 these are the cases that we know about that we're not
6 asking for any money for, but again, understanding that
7 the board wants to direct some priorities as well, we're
8 just letting you know what else is out there. And one
9 that I wrote down because it's come on my radar since
10 last time is Consumers Energy gas rate case to be filed
11 September 1 of 2017. Again, if the board wants to be
12 involved in gas cases, that may be something to look at
13 rather than the GCR cases, but I have no information for
14 you or no recommendation for you on that other than to
15 just flag that it's out there.

16 MR. VILMONT: Along that line, I have a
17 quick question. Just generally speaking, again more for
18 my information, do we seem to get a better, a higher
19 return on time investment on a GCR case or is it
20 reconciliation case or vice-versa? I know that will
21 depend, but generally speaking, is it you'll spend a lot
22 of time up front on a GCR case arguing projections and
23 things like that when they end up -- you end up in the
24 proof in the pudding on the reconciliation case?

25 MR. BZDOK: Sure, so I can try to answer
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1 that, Brian. Historically, and now GCR is new us to, but
2 as far as PSCR, the same issue, plans versus
3 reconciliations, plans are the, I would agree that plans
4 are the projections. Plans are where we have I would say
5 in the long run concentrated more resources relative to
6 the reconciliations. Part of what we have done in the
7 plan cases is we have gone and said, this forecast is
8 wrong, this strategy is wrong, this tactic is wrong, and
9 then the Commission has said, well, we think you're
10 probably right about that, and so if there is an excess
11 cost in the reconciliation, we're putting the utility on
12 notice that we're not going to allow the utility to pass
13 that through. And so there is this -- you know, there is
14 this relation between the two, whereas if you hadn't been
15 in the plan, an example is in Consumers' 2015 PSCR plan,
16 the market -- this is something we've talked about
17 before -- the market energy price forecast we said is too
18 high, the Commission agreed and said, if there are costs
19 associated with that in the reconciliation, we're not
20 going to let you pass those through; when the
21 reconciliation was filed, they said our net purchase and
22 savings cost was higher than anticipated and our net
23 generation was lower than anticipated and one reason was
24 market energy prices were lower than we forecasted, and
25 now we're arguing about, well, how much of that is just

1 inevitable versus how much of that is tied to specific
2 decisions that, you know, that Consumers made. But the
3 plan in that sense set up the reconciliation. So that's
4 largely why we've probably put more resources in the
5 plan. When you reduce costs in the plan, you're reducing
6 a maximum amount of cost they can charge per month per
7 unit; when you get disallowances in the reconciliation,
8 you're getting actual dollars. So to the extent that's
9 helpful. Our priority, and that's consistent with what
10 we're presenting here, is heavier on plans and lighter on
11 reconciliations.

12 MR. VILMONT: So it seems like you
13 would -- through involvement in the plan, we reduce a lot
14 of the extreme fluctuations in the differences between
15 projections and actual?

16 MR. MacINNES: You might have more --

17 MR. BZDOK: Yep.

18 MR. MacINNES: -- clout setting up the
19 process, understanding, you know, here's the procedure,
20 and rather than later it's more unclear. There's a
21 lot -- it's a little foggier maybe.

22 MR. BZDOK: And if nobody called it into
23 question and the Commission took no action on it, there's
24 really nothing that could be done about it necessarily in
25 the reconciliation in some cases. So it's -- you'd want

1 to be in all of them all the time. The Attorney General,
2 for Consumers and DTE, is basically in both plan and
3 reconciliation in every instance and does a lot of heavy
4 lifting in those cases, and that's where we would like to
5 be, historically sometimes that's where we've been; you
6 know, just the vast amount of need, you know, is forcing
7 some of these prioritizations now.

8 MR. VILMONT: Thank you.

9 MR. BZDOK: Speaking of which, so as to
10 what we called Phase 1 for 2018 is basically every case
11 that is a priority to us that will be -- that is either
12 pending or will be filed in calendar year 2017. If the
13 board want -- and those cases, the requests on those
14 cases total \$303,000, a third of which is the IRP
15 certificate of necessity case. Of those, if the board
16 wanted to carve out a Phase 1-A, that Phase 1-A would be
17 the DTE Electric, and by that I mean cases where we
18 basically need a decision before October 2, guidance from
19 the board before October 2, that would be the DTE
20 Electric general rate case, the DTE Gas case, both
21 continuations, the certificate of necessity integrated
22 resource plan case, because that is now going on and the
23 prehearing is in about a week and a half, the integrated
24 resource planning docket, 6t, because comments on that
25 are going to be due in October, that's a smaller amount,

1 and then the DTE Electric 2018 PSCR plan case just
2 because we know if the board wants to continue doing the
3 NEXUS fight, it's going to happen there. If the board
4 wants to deal with this other issue that we've outlined
5 in our memo having to do with capacity, DTE is basically
6 saying that there's capacity shortfalls now and dealing
7 with what are the options for dealing with those on a
8 short-term basis, two-, three-year basis, that's
9 something we really think -- basically we know we want to
10 be that case, whereas the Consumers plan case we can sit
11 back and we can wait and look at it.

12 MR. MacINNES: What's the case number on
13 that?

14 MR. BZDOK: We don't have case numbers on
15 the PSCR plan cases until they're filed.

16 MR. MacINNES: And that's not going to be
17 filed until late September?

18 MR. BZDOK: September 30. So the
19 distinction I'm drawing between DTE and Consumers is we
20 know we want to be in DTE, we know what the two issues
21 are going to be; Consumers, we're saying here are some
22 issues we think have potential, but it's harder for me to
23 say those rise to the level of priority that the DTE ones
24 do.

25 MR. MacINNES: How much did you want for
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1 that case?

2 MR. BZDOK: 50. So the Phase 1-A is
3 total 202, half of which is the certificate of necessity
4 IRP.

5 Talking about some specific issues on the
6 most imminent cases, and I'll just talk about some
7 specific issues until you've decided I've used too much
8 time, and then feel free to cut me off.

9 On the DTE general rate case, like I
10 mentioned, we're filing testimony by five witnesses.
11 We're filing testimony on DTE's, first of all, on DTE's
12 request to rate base, to put into rate base about \$30
13 million of planning and development and siting costs for
14 the new gas plant for which DTE is seeking full recovery
15 in, or full authorization for recovery in the IRP case.
16 We fought that issue in the last DTE general rate case,
17 it was at 13 million then, the Commission did deny it, it
18 was MEC and the Attorney General, Staff supported DTE
19 recovering those costs, and so we got a denial on that
20 last time, and we're seeking a -- well, by a denial,
21 saying don't deal with this until you get into the IRP
22 case because it's inappropriate to just give them these
23 costs without going through all of the standards that
24 have to be weighed in the IRP case and looking at their
25 certificate of necessity. So that's issue one. We are,

1 second, filing testimony on issues related to the oldest
2 coal units, both the economics of those units and then
3 also on DTE's claim that, irrespective of economics,
4 those units should continue to operate because of
5 reliability because there's not enough capacity available
6 in Michigan, and then we're -- that we're getting into
7 the ability to import capacity, the ability to obtain
8 capacity for the kind of time horizon we're talking about
9 here, which is like a three-year to five-year time
10 horizon.

11 MR. VILMONT: Can I back up just a
12 second, a quick question. Sorry, Jim.

13 MR. MacINNES: Go ahead.

14 MR. VILMONT: You mentioned in the, the
15 question of allocating the cost for the planning and the
16 siting of that plant, that the Commission had agreed that
17 that was not appropriate at this time.

18 MR. BZDOK: Correct.

19 MR. VILMONT: But the AG's office --

20 MR. BZDOK: No, we were aligned with the
21 AG on that.

22 MR. VILMONT: Aligned with the AG on that
23 one. Okay.

24 MR. BZDOK: Yep. It was the Staff, the
25 Commission Staff supported recovery of those costs.

1 MR. VILMONT: Okay. Thank you.

2 MR. BZDOK: So that would be an issue of
3 where it was really the intervenors who made that happen.

4 MR. VILMONT: Thank you.

5 MR. BZDOK: And so the second set of
6 testimony is by the experts from Synapse, who you
7 approved at your last meeting as new experts for us.

8 The third issue on which we are filing
9 testimony is the issue of fixed-charge increases, which
10 is an issue we've talked about before, basically how much
11 of the utility bill is just a flat monthly charge;
12 increasing those moves the needle we think in the wrong
13 direction as to what's your incentive to conserve energy;
14 if you're going to pay the same, you know, if you're
15 going to pay more irrespective of conservation, what
16 sense does it make to conserve. They also have a
17 disproportionate impact on lower usage customers who
18 tend, based on DTE's own data, to be lower income -- you
19 know, there's a relationship there between usage and
20 income; bigger houses, more appliances, more, you know,
21 different lifestyles.

22 The fourth issue on which we are filing
23 testimony is a new set of issues for us, which I'd like
24 to talk to you about in more depth some other time, which
25 is basically affordability of DTE's rates for low-income

1 customers, and specifically what is DTE doing relative to
2 customers who are vulnerable to shutoffs, and what is it
3 doing relative to energy efficiency low-income programs.
4 So more or less -- their expert's name is Roger Colton,
5 the board's not providing any money for Mr. Colton in
6 this case, but some of the legal costs are going towards
7 this issue because it's an addition our scope from what
8 we were doing before. But basically the idea here is
9 that the draft testimony, which I have, it's like 60
10 pages, and it's analyzing a rate increase not just as how
11 much per month, how much per annual, but a rate increase
12 as a proportion of sort of what, what portion of income
13 actually has flexibility in it. There's a better way of
14 saying that, but again, this is somewhat new to me and
15 I'd be interested in presenting this to you in more
16 detail at a future meeting when there was more time. But
17 how do we gauge affordability of a rate increase for the
18 lowest income customers, of which there are many, I mean
19 that's why DTE is an issue of national interest on this
20 item; and then also how is DTE approaching the issue of
21 shutoff notices of customers who are vulnerable to
22 shutoff; how is DTE dealing with low-income EE programs.

23 So typically EE programs for regular
24 customers are incentives, right, buy this new
25 refrigerator, mail in the coupon, get, you know, a credit

1 back, a rebate back. Low-income EE programs are these
2 customers, it doesn't matter what the payback is over
3 three years, they don't have the disposable funds to
4 invest in the first place, so those programs are
5 providing weatherization, providing upgrades, and this
6 issue is especially tricky when it comes to the
7 multifamily construction because these are renters, they
8 don't have control over many of the decisions about, you
9 know, efficiency. So it's kind of this combination of
10 how is DTE looking at its customers who are in the
11 150 percent of poverty, you know, sort of levels that are
12 eligible for DTE low-income programs, and how is DTE
13 looking at its customers who are most vulnerable to
14 shutoffs or on shutoff warnings or in arrears or on
15 payment programs, and to what extent is it tailoring, you
16 know, availability of other ways of meeting bill payments
17 and also reducing usage and reducing bills. So kind of
18 looking at this whole set of issues there is something
19 that we're interested in and that we're filing testimony
20 on in this case.

21 And then the fifth issue is rate design
22 and distribution system cost effectiveness from Douglas
23 Jester, which is an issue we've talked about in the past
24 and is a continuation.

25 And I will stop at any time you want to
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1 stop me, I'm kind of trying to give you some hits now.

2 On the gas cost recovery plan case, that
3 again is NEXUS, that again is Jim Wilson. In addition to
4 NEXUS and Jim Wilson, an issue that has turned up is that
5 part of the savings that DTE is claiming in the gas
6 case -- so gas is a little bit different than on the
7 electric side. The issues about the affiliate
8 transaction for NEXUS are similar, but there also is
9 obviously -- you know, DTE Gas can use all the gas it can
10 get, right, or more likely DTE Gas has other gas
11 commitments and contracts and arrangements that it can
12 substitute out if it gets NEXUS gas, that's really what
13 the picture is. So one of the propose -- a lot of the
14 savings that are claimed for NEXUS, out of \$124 million
15 of savings over 15 years, most of that, or a hundred and,
16 I think the number is 113 -- 103 million comes from
17 restructuring the portfolio to eliminate a Vector
18 contract to deliver gas from Chicago citygate, and what
19 Wilson's telling us is there's no reason you should be
20 getting 75,000 decatherms a day of gas from -- through
21 the Vector system from Chicago when all the cheap gas is
22 coming from the east, not the west. So that's a
23 portfolio restructure they should be doing irrespective
24 of NEXUS. So that's why I say there's NEXUS, but then
25 there's plus more of what I would consider to be more of

1 a traditional GCR ratepayer advocacy piece in that case
2 as well.

3 MR. MacINNES: So on the NEXUS, how much
4 of the decision on the NEXUS pipeline is a function of
5 the MPSC versus FERC?

6 MR. BZDOK: FERC has approval of the
7 pipeline certificate of public convenience and necessity,
8 so in other words, authorization to construct the
9 pipeline. In order to construct the pipeline, FERC has
10 to determine that its environmental impacts have been
11 sufficiently evaluated and that it has sufficient market
12 support. In terms of environmental impacts, there's a
13 new issue that's popped up in the D.C. circuit on a
14 southern pipeline, I don't remember the name of it, just
15 last week said that there was an insufficient
16 consideration by FERC of climate-related impacts from the
17 construction of that pipeline, which is going to create a
18 lot of litigation over FERC pipelines on the
19 environmental side, and I don't know to what extent it's
20 creating additional review or additional process at FERC
21 on these pipelines that are still pending.

22 MR. MacINNES: But it seems to me that
23 FERC is going to be leaning strongly toward approval that
24 pipeline.

25 MR. BZDOK: I have no doubt that FERC has
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1 a mission. The other part of that, though, is the market
2 support and the question about how much is your market
3 support -- as we've talked about in the past, NEXUS has
4 less market support than, for example, Rover did -- and
5 how much of that market support is affiliate transactions
6 versus sort of true market support, and so that's where
7 the MPSC part of this continues to play a role. And then
8 even if the pipeline is approved, then there's the
9 separate question of if there are excess costs associated
10 with transport on that pipeline, should DTE regulated
11 customers be paying those costs or should those costs
12 be -- should those costs be passed through to the
13 customers.

14 MR. MacINNES: I guess my concern is, you
15 know, with the new FERC situation, are we -- how much
16 money should, more money should we be throwing at this.
17 I mean I think it's -- you know, I'm glad we did it, but
18 I think that climate has changed, so to speak, with that
19 pipeline with FERC coming in and I think there's a much
20 stronger chance that's all going to happen.

21 MR. BZDOK: Yeah. So the amount we're
22 asking for is \$10,100, and we have both the NEXUS issue,
23 which goes to approval of the pipeline or not, and then
24 separately the issue of whether DTE Electric -- or
25 sorry -- DTE Gas customers should be paying any excess or

1 whether they should be held harmless from that, and then
2 we also have this related issue that's popped up as to
3 the Vector pipeline from the west. So we think the
4 incremental investment of the 10,100, we would submit
5 that it's well justified in this circumstance.

6 MR. MacINNES: And would that be the end?

7 MR. BZDOK: That's the end. That puts
8 the case at a total of 20 legal, 20 expert, 15 of which
9 is being paid for by MEC.

10 MR. MacINNES: Okay.

11 MR. BZDOK: So we think that's good board
12 use of leveraging of dollars.

13 The integrated resource planning
14 docket -- or sorry -- certificate of necessity integrated
15 resource plan, which is the big ticket item, and then
16 I'll stop talking about details unless you have
17 questions. So that is -- when we've submitted our
18 materials, we didn't have a filing yet, so we weren't
19 able to get -- so we were sort of saying we expect it's
20 going to be around a thousand megawatts, it's 1,100
21 megawatts is the proposal, the cost is 989 million --
22 give me a second.

23 MR. MacINNES: Give or take a billion
24 dollars. Close enough.

25 MR. BZDOK: Pretty close to that. It is
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1 the first of two such plants at 1,100 megawatts that are
2 projected, one for 2022 and then a second in 2029. The
3 major issues that we are going to -- that we are
4 evaluating in this case are, under the law, and we
5 provided you some of this in the long memo that we sent
6 to you, that there is a requirement to get the
7 certificate of necessity is that you have to do an
8 integrated resource plan, and in the integrated resource
9 plan, you have to show this is the most reasonable and
10 prudent option for your customers, in addition to showing
11 other things, and in order to do that, the IRP has to
12 have these various analyses in them. Among these
13 analyses are, the ones that are of most interest to us,
14 are an analysis to the availability and cost of other
15 electric resources that could defer, displace, or
16 partially displace the proposed facility. So we're
17 interested in defer, and we're also interested in
18 partially displace. So does it need to be 1,100
19 megawatts, or are there other things that could partially
20 offset that power demand; does it need to be built in
21 2022, or could it be pushed to 2023. One example there,
22 DTE's own filing says that in a -- they're projecting a
23 1.5-percent annual energy efficiency savings, which is
24 consistent with law. At a 2-percent energy efficiency
25 savings, the plant gets deferred a year. So it's a year,

1 but it's also an 1,100 megawatt plant. So that half
2 percent of EE makes a big difference. So those are
3 issues we're interested in. Sorry. Go ahead.

4 MR. MacINNES: Well, I think the idea of
5 deferral is really beneficial because things change in a
6 year, and the longer you can put this off, I mean, like
7 new alternatives might arrive, there might be some other
8 alternatives, or we find that demand isn't as strong as
9 we thought it was, and so it could defer another year.
10 So I think that's a good thing, even if we got deferral
11 on it, that's probably what we want.

12 MR. BZDOK: Yeah. So we will have an
13 energy efficiency potential expert, and I do not think we
14 will ask the board for any money, I think that money will
15 be sourced elsewhere as we're putting this team together,
16 and that will be an item of interest for new additional
17 renewable energy; that deals with both are there
18 additional renewables that you could obtain and acquire,
19 and then also, as Mr. Keskey talked about in another
20 context, are your projections for what your renewable
21 permutation is going to be, are they realistic as to
22 distributed generation, also as to voluntary renewable
23 generation. Under Section 61 of the new law, you know,
24 utilities basically have to provide customers with an
25 option to buy as much renewable energy as they want. And

1 that's another proceeding, I could have put it on this
2 table, we're watching it, we may be involved in it, we're
3 not asking you for money for it because it's not
4 eligible, among other reasons, but that's an issue that
5 we're, you know, that we're interested in.

6 MR. VILMONT: Are you also saying that
7 the IRP plan, does that have any link to any of the
8 transmission discussion? I know we stopped, mentioned by
9 Gaylord it stops, but that could tie into other pieces of
10 the grid.

11 MR. BZDOK: Yep. That was next on my
12 list. Electric transmission options is option for
13 deferring, displacing, or partially displacing. And so
14 our anticipation there is that we are going to have an
15 expert on the team for that, we're going to talk to the
16 people that CARE is talking to, we're going to come back
17 to you. What we're looking to do right now in this case
18 is to figure out how much funding can we put together
19 from the various sources we can obtain it, and then we
20 put the team together, and then I would probably come
21 back to you on this piece, because I know this piece is a
22 priority for the board, and ask for approval of an
23 expert. So in other words, put the funding in place now
24 and then come back with an amendment to name that expert
25 based on where else we're going. And then also demand

1 response, and I know Douglas is going to be the expert
2 for the group of organizations I'm working for in that
3 case on demand response. Are they doing as much that can
4 do with demand response? So those are the -- those are
5 major issues for us.

6 I think the Attorney General talked about
7 the proposals by other generating facilities; that's an
8 issue that we're also going to advocate on, but I think
9 we're going to cede the major part of that ground to the
10 Attorney General for purposes of economizing and
11 coordinating, and we're going to focus more on kind of
12 this other set of pieces about defer, displace, or
13 partially displace energy efficiency renewables, load
14 management and demand response and transmission-related
15 options.

16 MR. MacINNES: Good way to break it up.

17 MR. BZDOK: So we'll be there, we'll make
18 arguments, you know what I mean, but we'll also try to,
19 try to stretch, you know, capacity to handle. So that's,
20 you know --

21 MR. VILMONT: So that ties into then I
22 guess CARE's, is it Item C in yours, is that kind of the
23 UPPCo IRP review as well? Does it overlap is what I'm
24 trying to understand?

25 MR. LISKEY: Well, in terms of the
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1 expert? We're talking about virtual clean energy, that
2 Chris Clack?

3 MR. BZDOK: Or Osborn or the grid.

4 MR. LISKEY: We have a meeting scheduled
5 after this meeting, so I don't know if it will -- to what
6 extent that would tie over for use of this --

7 MR. MacINNES: But, you know, I mean to
8 the point I think, you know, we alluded to at the last
9 meeting, to the extent we can look at the bigger picture,
10 like you're already talking about for the U.P., and if we
11 could take that down even and to the extent we look at
12 these transmission alternatives, bringing in other
13 renewables or hydro or whatever, other generation from
14 other areas so that we are less subject to the
15 monopolistic behavior by the two big utilities.

16 MR. LISKEY: Right.

17 MR. BZDOK: So everything I'm telling you
18 is what we're trying to do, what we're attempting to do;
19 getting funding in place is the first step, and then, you
20 know, we talk to people, we're identifying people, we're
21 identifying sources, but our goal would be to try to use
22 the same people CARE uses for the MISO for the specific
23 cases because these people are going to be dealing with
24 MISO -- with issues that have overlap, right, there's a
25 broad piece of this and then there is a more focused

1 piece of this as to a specific case and a specific
2 proposal, so that's our goal. You know, so that's our
3 goal.

4 MR. MacINNES: Okay. We're into this 25
5 minutes now.

6 MR. BZDOK: Yeah, I'm done, unless you
7 have questions.

8 MR. MacINNES: Lots of stuff, I know.
9 Does the board have any, have some questions from Chris
10 -- for Chris?

11 MR. VILMONT: Just a quick question, I
12 guess it would be relating to the, I think it's Case
13 U-18231, the renewable energy plan. There was some
14 mention in there about regulatory liability balance and
15 future surcharges, and it mentioned that one of the
16 things you're going to be looking at would be, depending
17 on which way things went, that you would advocate for a,
18 potentially a greater spend-down of precollected funds.

19 MR. BZDOK: Correct.

20 MR. VILMONT: And I was curious as far as
21 how much influence you thought you guys might have on
22 how -- whether you can just advocate for a spend-down or
23 if you can actually advocate for particular areas that
24 spend-down occurs, because it seemed like those funds
25 would be collected from both residential and business

1 industrial consumers, however, there might be some I
2 guess more tendency for the companies to spend more on
3 their industrial users than they would on the
4 residential, even though that money is collected from all
5 of them? So curious how that might work.

6 MR. BZDOK: So those are insightful
7 questions, and they cover a couple different items, and
8 so I'll try answer it as best I can. On the question of
9 how much can we get done, the preliminary intro of our
10 section and memo about that kind of covers in a broad
11 sense what we have been involved in on the renewable
12 cases the last time around.

13 So in 2008 the law was passed that the
14 utilities had to get to 10-percent renewable by 2015, and
15 then the new law says they have to get to 15-percent
16 renewable by 2021 I think it is, it's some near-term time
17 horizon, somewhere in that framework. In order to do
18 that, the utilities were collecting money from customers
19 in two ways, one is through the PSCR, and one was through
20 the surcharges. We did a series of cases with the board
21 support, I mean the board paid for all of this, in which
22 we argued that the surcharges needed to come down; they
23 needed to come down because for Consumers the costs of
24 renewable were too high, for both utilities the
25 depreciation rates on renewable were too fast, and so

1 we -- and we've got some good decisions on those issues.
2 We also dealt with whether the amount collected through
3 the PSCR was enough or too little, and the reason why we
4 want more collected through the PSCR is that customers
5 pay in the PSCR by how much energy they use, customers
6 pay in the surcharge just a flat monthly fee, so
7 proportional -- and proportionately those surcharges were
8 loaded so that residential customers paid proportionately
9 more of the total cost of the renewable program than the
10 amount of energy that they used. So moving more of that
11 to the PSCR was beneficial to residential customers, it
12 shifted some of the costs back from the residential to
13 large commercial customers; and then we started arguing
14 about, look, they've already collected too much money,
15 they've got these balances that are over \$100 million.
16 And so those arguments at that time were used to say,
17 okay, you need to wipe out these surcharges, and now the
18 surcharges got down to zero for both utilities. And I'm
19 not saying that was all us, some of that was the
20 utilities recognizing and getting there, but we had some
21 role in lowering these costs in these various ways. Now
22 that they have to get this incremental five percent, we
23 know that Consumers has a lot of money in the bank
24 already, and so we're very interested to see, as you're
25 going to now get the additional five, at what rate are

1 you going to be spending down that balance versus
2 collecting -- you know, what's your balance of how much
3 more money you're going to collect from customers versus
4 how much you're going to spend down the balance that you
5 have.

6 MR. VILMONT: But is there any concern
7 about where they or how they get that five percent or
8 what group they spend that on?

9 MR. BZDOK: That concern is really in the
10 second bullet point in our memo as to the voluntary
11 renewable programs, and there what we're interested in is
12 to what extent -- so Consumers right now has a pilot
13 renewable tariff program, and in order to do that pilot
14 renewable tariff program they are adding on to a wind
15 park that was built with renewable energy plan dollars,
16 and they're also using some of the funds that they've
17 accumulated in the bank, and so there's going to be
18 accounting, right, to make sure, but there's a concern
19 about to what extent is the renewable program that's
20 mandatory, is it subsidizing or not the voluntary
21 programs, the pilot, and then also the Section 61. I
22 don't have answers to any of that, I'm flagging those as
23 potential issues, which is why I've said, to the extent
24 we're talking about a Phase 1-A, Consumers would really
25 be on the Phase 1-B if the board was not prepared to deal

1 with all of these requests today, because I know it's a
2 lot, we're happy to deal with that, you know, look at
3 that in October once we have a filing.

4 MR. VILMONT: Okay. Thank you.

5 MR. BZDOK: But those that -- yeah, so
6 those are our issues.

7 MR. MacINNES: So to just summarize, that
8 one that we were just talking about, the DTE 2018 --
9 let's see, which one, which of these last four were ones
10 you thought you could defer until October?

11 MR. BZDOK: The Phase 1-Bs -- I gave
12 you -- I listed the Phase 1-As before, but if we were
13 listing the Phase 1-Bs, it would be Consumers renewable
14 energy plan, 18231, Consumers Energy 2018 PSCR plan, case
15 number not known, and the GCR plans.

16 MR. MacINNES: GCR. Okay.

17 MR. BZDOK: I don't need decisions on any
18 of those today.

19 MR. MacINNES: So 1, 2, and 4?

20 MR. BZDOK: Right.

21 MR. MacINNES: Okay. Does the board have
22 anymore questions? You've given us a lot to think about.

23 MR. BZDOK: I'd say thank you, but I'm
24 not sure if that's the right response or not.

25 MR. MacINNES: Okay. Well, I think we'd

1 like to try and knock this out in the next hour here. We
2 need to -- we have 641,595, plus 16,000 and some change.
3 Let's see. 600 -- yeah, 658,122. 658,122 funds
4 available.

5 So does anybody have, any of the board
6 members that is, have any recommendations or motions they
7 would like to make to start things off?

8 MR. ISELY: Can we just take a little bit
9 of time to discuss how much representation we want in a
10 particular plan in cases. I mean we have a lot of, a lot
11 of looking at same types of cases, and I had know that
12 they're looking at different things, I've listened to --
13 that they're doing that, but do we need to have as much
14 in one case? I'd like to hear what others in the board
15 have to say.

16 MR. MacINNES: What do others in the
17 board have to think about that?

18 MS. LICATA HAROUTUNIAN: How much of the
19 funds that we have available at this point do we want to
20 spend at this point? It's perhaps better to see what we
21 have to work with and then go from there.

22 MR. VILMONT: And I think, also,
23 considering that, I mean in earlier discussions with the
24 Attorney General's staff, too, there was a general idea
25 that the Attorney General does appreciate extra eyes in
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1 some of these cases, some extra intervenors, it does
2 help.

3 MR. JANISZEWSKI: Particularly, yeah,
4 these, some of these PSCR plan cases, the 2018 ones, will
5 have specific issues that have been spoken about already
6 that intervenors, such as RCG -- well, Mr. Keskey's
7 clients and Mr. Bzdok's clients, they do a great job
8 analyzing, particularly in the Consumers 2018 PSCR plan,
9 the replacement power plan issues that are stemming from
10 the Palisades securitization case, and we also appreciate
11 Mr. Bzdok's handling of the NEXUS case as well. That
12 issue we've collaborated on, it's something that I don't
13 know if the AG is going to be able to focus on as much in
14 the upcoming PSCR plan, so that's something that's always
15 appreciated as well. So those are just things off the
16 top of my head regarding the PSCR plans specifically.

17 MR. KESKEY: I would just like to say
18 that Consumers Energy has 1.8 million residential
19 customers, and I think Edison has something similar, and
20 the PSCRs collect billions of dollars every year, and so
21 you -- and I think if you really dissect these proposals
22 and look at past experience, there is really no
23 duplication, there's separate use being focused on how
24 you can focus on those costs. So a very large amount of
25 what's being collected from the public is from Edison and

1 Consumers, and a lot of it is through the PSCR.

2 MR. ISELY: Can you speak to me a little
3 bit about the overlap in the renewable energy case? Are
4 you both in that, or is that two different cases? I
5 don't have the case numbers in front of me.

6 MR. BZDOK: Our propose -- so we have
7 flagged -- we have flagged DTE's renewable plan as the
8 case we're going to watch, but we're not asking for
9 anything for at this time. We have flagged Consumers as
10 a case that we are happy waiting until like a Phase 1-B.
11 My understanding from what I've heard today is that Don's
12 focus in that case is on solar issues, our focus in that
13 case is on surcharges and the relationship between making
14 sure that renewable energy plan dollars are not bleeding
15 over into voluntary, and/or if voluntary programs are
16 being capitalized with renewable plan dollars, that
17 that's appropriate, you know, there's something
18 appropriate flowing back to the plan. So I don't view
19 those as overlap. I don't mean to speak for Don, but
20 that's --

21 MR. KESKEY: On the REP cases, the Edison
22 REP case, U-17793, we had advocated for additional
23 investment in solar facilities. The Commission in that
24 case just accepted Edison's plan, but then Edison amended
25 that same plan in U-1811 [sic], and essentially adopted

1 in large part our recommendation by proposing an
2 expansion of their plan by another 250 or 300 megawatts,
3 including both wind and solar. And then with respect to
4 the last PSCR case, 17920, we had recommended, as I
5 indicated to the board generally, that there should be
6 more focus on solar in the plan and the forecast cases,
7 and that they didn't include it in their PSCR plan and
8 forecast case, and in this last filing that we're in,
9 18143, for Edison, Edison has done that for, in part for
10 the residential class, but not for industrial and the
11 commercial class, and so we recommend that they do that
12 for that, too, because that's important to get the proper
13 PSCR costs in the plan and the forecast. So Edison has
14 actually been moving favorably on our recommendations, at
15 least in significant part, when you go from one case to
16 the next. Consumers Energy has been more, I don't want
17 to say intransigent, but less willing to move in that
18 direction as of yet.

19 So our focus are different issues,
20 although we very much agree that residential customers
21 have paid into the renewable energy plan funds and
22 there's surpluses, and yet the perception of the public
23 when it first came on the bills was renewable is
24 uneconomic and we got to subsidize it because here's a
25 surcharge on a bill. They don't realize that the

1 utilities are holding very significant funds in the bank
2 of customer money. So there's a -- there's different
3 issues, but there's a dovetailing, because some of that
4 money to be used for more renewables, it could be more
5 wind, it could be more solar, it could be any number of
6 things that would benefit the system, the utility's own
7 operational system, along with all the other benefits.
8 But there's money there, and renewable is becoming the
9 most economic source of power, capacity and --

10 MR. MacINNES: Okay.

11 MR. ISELY: The reason I'm pushing this
12 is we have \$200,000 more in ask than we have money, and
13 we still don't know what we don't know about this year
14 there, so it seems to me where we see double-ups are some
15 of the places where it's, we at least have somebody in
16 the room, are places that are low-hanging fruit.

17 MR. VILMONT: And it seems like before we
18 were talking about how there's been a trend in the board
19 to also approach these a little more incrementally, which
20 also helps us and the organizations vet out where money
21 makes sense to them, to allocate it.

22 MR. MacINNES: Yeah, I think that's -- I
23 agree with that.

24 MR. ISELY: All right. So you want a few
25 motions so we can debate specific ones?

1 MR. MacINNES: Got to start somewhere.

2 MR. ISELY: Okay. I think I'm going to
3 start with CARE.

4 MR. MacINNES: Okay.

5 MR. ISELY: So I'm going to move that we
6 approve \$17,500 for their MISO FERC request.

7 MR. VILMONT: I would second that.

8 MR. MacINNES: Okay. So that's -- then
9 that's going to be used to look at some, at these
10 transmission --

11 MR. LISKEY: That -- as well as the
12 participation that Douglas and others do on a monthly
13 basis.

14 MR. MacINNES: Do we -- how much of that
15 do we need to do? I guess I have a question on that.
16 How much of that do we need to do versus getting in
17 and -- in other words, it's kind of a monitoring
18 question?

19 MR. LISKEY: Well, not really, because
20 last year the Governor's office asked us to file comments
21 in two FERC cases, which we did, and so that came out of
22 this, and that was -- those were million-dollar issues
23 related to the White Pine SSR case in the U.P., and it
24 was a situation where Michigan was taking a position that
25 MPSC took the similar position, MAE took the position,
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1 AG, we were the only consumers, you know, citizen group
2 that also weighed in to be a consistent position. There
3 are several issues that come before the MISO planning
4 board where the Michigan position -- and we get a vote
5 because we're at the table.

6 MR. MacINNES: Well, it's a small vote,
7 though, right? I mean when I talk to the Governor --

8 MR. LISKEY: It's the same vote as --

9 MR. MacINNES: When I talk to the
10 Michigan Energy -- Agency for Energy, I get the, hey,
11 we're watching MISO, don't spend a lot of money on it
12 kind of thing comment.

13 MR. LISKEY: Yeah, I would agree with
14 that.

15 MR. MacINNES: I mean that we're, being
16 them, so we shouldn't spend a lot of money on it.

17 MR. LISKEY: I would agree with that. I
18 don't think this is a lot of money.

19 MR. MacINNES: It's all relative I guess.

20 MR. LISKEY: Yeah. I mean 17,500 for six
21 months is --

22 MR. MacINNES: No, I mean in the whole
23 scheme of things, it isn't, but we don't have a lot of
24 money compared to the demand. I guess I just throw that
25 out. I mean I -- you know, I like the grid, the

1 transmission stuff, I think that's important, and MISO is
2 there, is involved in all that.

3 Any other thoughts by other board
4 members? We've got a motion on the table with a second
5 to spend 17,500. And this would be potentially adding
6 Dale Osborn or --

7 MR. LISKEY: Yes.

8 MR. MacINNES: -- and Lydia?

9 MR. LISKEY: Lydia wouldn't be
10 participating in the MISO stuff.

11 MS. LICATA HAROUTUNIAN: It seems to me
12 that if we ignore the MISO/FERC questions, they're making
13 decisions --

14 MR. MacINNES: Yeah.

15 MS. LICATA HAROUTUNIAN: -- if we have no
16 eyes and ears and voice there, they say, there you go.

17 MR. MacINNES: I hear you. Yep.

18 Okay. All those in favor, please say
19 aye.

20 BOARD MEMBERS: Aye.

21 MR. MacINNES: Opposed, same sign.

22 Okay. So we've just allocated \$17,500 to
23 the MISO/FERC. How do we want to -- what's the best way
24 to describe that MISO/FERC?

25 MR. LISKEY: The statute refers to it as
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1 participation in federal proceedings.

2 MR. MacINNES: Participation in federal
3 proceedings. Okay. So we'll have to make sure we get
4 that in the minutes here. \$17,500 to CARE.

5 MS. KITCHEN: What goes in the minutes?

6 MR. MacINNES: For participation in
7 federal proceedings. That's been approved. Okay.

8 MR. VILMONT: Do we need to I guess
9 clarify, in the MISO and FERC proceedings?

10 MR. LISKEY: Yep.

11 MR. MacINNES: Yeah, we could say MISO
12 and FERC.

13 MR. VILMONT: Only because that's the way
14 it's referenced in the application.

15 MR. MacINNES: Okay. While we're on
16 CARE, I'm wondering if we should take this issue up,
17 which was the request for -- how much was it?

18 MR. LISKEY: 7,000.

19 MR. MacINNES: \$7,000 out of our current
20 funds on this UPPCo power plant proposal issue.

21 MR. ISELY: Just for clarification, since
22 I wasn't here right at the start, is that added into that
23 658,102 that we have available?

24 MR. MacINNES: Yes, that's already --

25 MR. ISELY: Okay.

1 MR. MacINNES: I mean this is the total
2 available if we add this 16,000, we would be
3 subtracting -- actually, yeah, it would come out of this
4 amount, but it's what we have for 2017, this is the 2017
5 issue.

6 MR. LISKEY: Correct.

7 MR. ISELY: Okay.

8 MR. MacINNES: So out of our remaining
9 16,900, whatever that figure is, we would take \$7,000.

10 MR. ISELY: Okay.

11 MR. MacINNES: And that would be case,
12 what's the case on that?

13 MR. LISKEY: U-18224.

14 MR. MacINNES: And that would be in the
15 amount of -- so that would be the --

16 MS. KITCHEN: UMERK case.

17 MR. MacINNES: -- UMERK case --

18 MR. LISKEY: U-18224. It's the UMERK
19 certificate of necessity case.

20 MR. MacINNES: And that would be \$7,000.
21 So we have a motion on -- I'm making a motion I guess in
22 this case.

23 MR. ISELY: Support.

24 MR. MacINNES: Do we have any further
25 discussion?

1 All those in favor, please say aye.

2 BOARD MEMBERS: Aye.

3 MR. MacINNES: Opposed, same sign.

4 Okay. Those are out of the way.

5 MR. ISELY: I think I'm going to continue
6 down the CARE piece so we get this one done.

7 MR. MacINNES: Okay.

8 MR. ISELY: All right. And I'm going to
9 move that we approve \$40,000 for the plan cases, to be
10 allocated as he sees fit between the four. I think the
11 two big ones are important, I'm a little less sure about
12 the two smaller ones.

13 MR. MacINNES: Okay. We have a motion.
14 Do we have support?

15 MS. LICATA HAROUTUNIAN: Support.

16 MR. MacINNES: Okay. Discussion?

17 I guess I'd question whether we really
18 need to throw the money at the Alpena and NSP, Northern
19 States Power; I'd be more concerned with UMERG and UPPCo,
20 and I'm wondering if we could shave that off a little
21 bit, maybe do 30,000 to be split between those cases as
22 they see fit.

23 MR. ISELY: I would accept that
24 amendment.

25 MR. MacINNES: Okay. Save a little money

1 here. Okay. We have an amendment on the table. Is
2 there support for the amendment?

3 MS. LICATA HAROUTUNIAN: Support.

4 MR. MacINNES: Okay. So the proposal is
5 to award a total of \$30,000 in grants for the 2018 plan
6 cases for UMEREC and UPPCo to CARE. Do we have case
7 numbers?

8 MR. LISKEY: Not yet.

9 MR. MacINNES: Okay. Those are coming
10 yet.

11 How you doing on that?

12 MS. KITCHEN: Good.

13 MR. MacINNES: So anymore discussion?

14 All those in favor, please say aye.

15 BOARD MEMBERS: Aye.

16 MR. MacINNES: Opposed, same sign.

17 Okay. The other cases are -- we can
18 defer on some of those it looks like. So that would be
19 we'd be done with CARE.

20 MR. ISELY: Right.

21 MR. MacINNES: Okay. Where would we like
22 to go next?

23 MR. ISELY: Well, I'm going to make us
24 talk about the big one.

25 MR. MacINNES: Good.

1 MR. ISELY: So I'm going to move that we
2 approve \$100,000 for the CON case.

3 MR. MacINNES: Okay. We have a motion on
4 the table. Is there support?

5 MS. LICATA HAROUTUNIAN: Support.

6 MR. MacINNES: Any discussion?

7 MR. VILMONT: I guess the question is,
8 does that make sense to allocate that, or what effect
9 will that have on you if we did not allocate the entire
10 amount now?

11 MR. BZDOK: We will take whatever you
12 approve and we will pool it with whatever else we can get
13 and we will say this is how much we have for experts and
14 so this is how many experts we can hire and we will get
15 budgets from them, but we will make those decisions now.
16 I won't go to an expert and say, if you'll take this on,
17 I've got 10 for you now and then maybe I can get 10 for
18 you later. Just the case is going to go fast, it's a
19 270-day case, and we need a lot of experts. So I'm not
20 trying to upsell you by saying that, I'm more saying
21 that's kind of the way we're handling this, because we're
22 trying to get money from, as much money as we can from as
23 many sources as we can, and based on that, we'll hire as
24 many experts in as many subject areas as we can within
25 the scope of the list I gave you.

1 MR. MacINNES: Any other questions?

2 MR. ISELY: Can you just help me
3 understand the full upside to this; so if you were highly
4 successful, what's your expectation that this would save
5 ratepayers? It doesn't have to be perfect, just a
6 magnitude.

7 MR. BZDOK: It's -- I wish I could give
8 you an answer for that that was backed by any -- it's a
9 huge plant, it's a 40-year plant, it could be 1,100, it
10 could be smaller than 1,100, it could be an RFP proposal
11 instead that could save money, it could be deferred a
12 couple years and then who knows what's happened. So I
13 guess I'm -- it's such a large universe of possibilities,
14 the reason we're all in on it is really two-fold; one is
15 because it's the biggest, you know, piece of power
16 generation, it was billed to be the biggest things built
17 in Michigan in, you know, decades, and it has a long
18 go-forward time horizon, and the IRP statute allows us
19 to -- a very broad array of ways to go after it and argue
20 that there are other pieces that could be done better and
21 more cost-effectively. So I'm just trying to -- I don't
22 have really a way of giving you a number right now other
23 than to tell you it's bigger than what we normally deal
24 with here.

25 MR. JANISZEWSKI: I should add that one
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1 of the biggest I think ratepayer wins that we've had in
2 the past handful of years was a previous certificate of
3 necessity case, that Consumers Energy Thetford case,
4 where they came in and proposed a 700-odd megawatt plant
5 for, you know, around between \$700 and \$800 million, and
6 through the course of that litigation, we pushed the
7 Company into considering purchasing the existing Jackson
8 plant for I think around \$150 million, roughly, and we've
9 always viewed that as one of the biggest consumer wins
10 that we've had. So yeah, the stakes are usually pretty
11 high in the certificate of necessity cases.

12 MR. VILMONT: And how much of that work
13 will -- I don't want to say benefit is the right word --
14 but may influence or become part of the FERC work, you
15 know, looking at the transmission capacity and how much
16 of that will tie together? I guess what I'm looking for
17 is is there some good connection where information or
18 testimony in one can help in another?

19 MR. BZDOK: Yes. So in the 6s, which is
20 what the DTE CON IRP case, where you're dealing with
21 plant, you look at transition options for defer,
22 displace, partially displace, so that's advocacy we can
23 do. You look in the 6t cases, which are the longer-term,
24 more programmatic IRPs which then have implications for
25 building plants in the future, and again, you can look,

1 transmission options as one of the specifics. So to the
2 extent that at a planning level CARE is getting involved
3 in transmission import capability, transmission import
4 enhancements and improvements and those become options
5 for saving dollars in the 6s and 6t dockets, that's where
6 kind of our interest is, and that's where maybe there's
7 some overlap in the analysis.

8 MR. MacINNES: Yeah. My thinking on this
9 is that as long as we are transmission constrained, we're
10 going to be subject to monopolistic tendencies. I mean,
11 you know, look at Iowa, Iowa's got a huge amount of wind,
12 and they've got transmission lines going all over, and
13 they've got some of the lowest rates in the country. I
14 mean it's physics, it's just -- and until we -- and it
15 may take a while to get there, it may take years to get
16 there, but until we start opening up the flow gates, so
17 to speak, I think we're going to be fighting, you know,
18 fighting all these little things. I mean I wouldn't say
19 they're little, but that's a big picture idea that I
20 think needs to be worked on, and I've been pushing,
21 pushing for it for years with the state, but it looks
22 like they're finally doing some things on that, but I
23 think more needs to be done, we need to accelerate that
24 process. And, also, there's opportunities to bring in
25 clean energy, low-cost clean energy from Canada, which I

1 think Dale Osborn may have spoken with you about. He
2 spoke to me about that at the IEEE show, so.

3 MR. LISKEY: Yep, yep.

4 MR. MacINNES: Okay. Any other
5 discussion on that? Questions?

6 We have a motion and support for, what
7 was it, 101,000?

8 MR. ISELY: Uh-huh.

9 MR. MacINNES: \$101,000 for the DTE CON
10 IRP case, U-18419. If there's no more discussion, then
11 all those in favor, please say aye.

12 BOARD MEMBERS: Aye.

13 MR. MacINNES: Opposed, same sign.

14 Okay. So there's the full deal.

15 MR. BZDOK: Thank you. We'll make good
16 use of it.

17 MR. MacINNES: Yeah, I'm sure you will.

18 MR. VILMONT: Before I make another
19 motion, does that, then, also connect in essence with the
20 IRP docket that's the 18418 as well?

21 MR. BZDOK: So they are -- there is a
22 loose connection between them, but not a tight connection
23 between them. The other one is, it's basically
24 determining -- they're doing studies of issues like how
25 much energy efficiency potential is there, what kind of

1 scenario should be analyzed in these longer IRP, and the
2 longer IR -- the way the law is going to work is if you
3 have a longer IRP approved and it includes generation,
4 then you won't have to go through the full 6s process
5 again, so it more kind of sets the stage or facilitates,
6 so that's our interest in that one.

7 MR. VILMONT: But that one would set the
8 groundwork for the cost models from the getgo?

9 MR. BZDOK: Yep.

10 MR. VILMONT: Okay.

11 MR. MacINNES: Okay. Let's keep moving
12 here. Do we have another motion?

13 MR. VILMONT: I'd like to make a motion
14 to approve the integrated resource planning docket, which
15 now has a case number, U-8418 [sic], for \$10,100.

16 MS. KITCHEN: That's U-18418?

17 MR. VILMONT: Correct.

18 MR. MacINNES: Do we have a second?

19 MS. LICATA HAROUTUNIAN: Second.

20 MR. ISELY: Support.

21 MR. MacINNES: Is there any discussion on
22 that?

23 MR. VILMONT: Only in that my motion for
24 that case was because I like the idea of us setting that
25 groundwork for those cost models up front and being

1 involved in that rather than having to fight those
2 battles later, and it seems like it makes a lot of sense,
3 you get a good bang for the buck right up front.

4 MR. MacINNES: Okay. Any other comments
5 or questions on that?

6 All those in favor, please say aye.

7 BOARD MEMBERS: Aye.

8 MR. MacINNES: Opposed, same sign.

9 Okay. We're on a roll, let's keep moving
10 here.

11 MR. ISELY: So I'll add that I will move
12 that we approve the \$10,100 for the DTE GCR gas plan.

13 MR. MacINNES: And that's the one we
14 don't know the case number of, the 2018 PSCR?

15 MR. ISELY: No, it's here.

16 MR. MacINNES: Which one are you --

17 MS. KITCHEN: 18152.

18 MR. MacINNES: 18152. Is that what
19 you're saying?

20 MR. ISELY: Yep.

21 MR. MacINNES: Okay. Gas cost recovery
22 plan, it's included -- it's involved with the NEXUS
23 process. And that was how much?

24 MR. ISELY: 10,100.

25 MR. MacINNES: Okay. Is there a second?

1 MS. LICATA HAROUTUNIAN: Second.

2 MR. MacINNES: Okay. The MEC proposed
3 10,000 of its own funds, so they're helping. Is there
4 any discussion on that? Questions?

5 All those in favor, please say aye.

6 BOARD MEMBERS: Aye.

7 MR. MacINNES: Opposed, same sign.

8 Okay. Do we have another motion? We
9 haven't covered the general rate increase case, 18255?

10 MR. ISELY: Nope.

11 MR. MacINNES: Anybody want to make a
12 motion on that one? Or I guess the two we haven't
13 covered that would need to be looked at now would be that
14 one and the DTE Electric 2018 PSCR plan, which we don't
15 have a case number on yet.

16 MR. BZDOK: Correct.

17 MR. MacINNES: So those are the two
18 remaining requests by MEC. That's also the NEXUS, the
19 DTE, that's NEXUS pipeline related.

20 MR. ISELY: Uh-huh.

21 MR. MacINNES: I'm not hearing anything.

22 MR. ISELY: Well, that's -- let's at
23 least look at them.

24 MR. MacINNES: Should we move on and come
25 back or --

1 MR. ISELY: I think from my perspective,
2 it would be good to spend some time on the PSCR plan
3 cases because that's our bread and butter, or at least it
4 has traditionally been, I want to make sure that we've
5 thought seriously about those.

6 MR. MacINNES: Well, there's a request
7 for \$50,000 on that one, on the DTE Electric PSCR plan
8 case.

9 MR. ISELY: And we have --

10 MR. MacINNES: We've spent 206,000.

11 MR. ISELY: I again want to take a few
12 seconds to think about the fact that we have PSCR plan
13 listed on three of these for these for this particular
14 case.

15 MR. MacINNES: Yeah. The AG's in this
16 one.

17 MR. ISELY: The AG's in this one. So I
18 want to make sure we think about this just a little bit.

19 MR. MacINNES: Okay.

20 MR. ISELY: So as we are right now, we
21 have -- so let's do the -- let's just take a few seconds
22 and focus on DTE. So we have -- we have MEC, and you
23 said how much was MEC?

24 MR. MacINNES: 50,000.

25 MR. ISELY: 50,000.

1 MS. KITCHEN: 500.

2 MR. MacINNES: That's their request.

3 MR. ISELY: That's the request. We have
4 Great Lakes Renewable that's requesting 38.7, and we
5 have --

6 MS. KITCHEN: RCG.

7 MR. ISELY: -- RCG that's requesting 33,
8 just over 33,000, and I think all of these are different
9 issues, but that gives us the, including the AG, four
10 sets of eyes on what's undoubtedly a very important set
11 of cases.

12 MR. MacINNES: Does the AG's office have
13 any thoughts on this?

14 MR. JANISZEWSKI: So we're specifically
15 talking about DTE's PSCR plan?

16 MR. MacINNES: 2018. We've got four,
17 you're looking at it, RCG's looking at it, GLREA's
18 looking at it, or wants to look at it, and MEC wants to
19 look at it.

20 MR. JANISZEWSKI: Yeah. And in an ideal
21 world, it's good to have as many participants as
22 possible. I was one thing interested in Mr. Bzdok's
23 continued focus on the NEXUS case, it will be a hot topic
24 in that case. Even though FERC has much of the decision-
25 making authority, there still are these very hot-button

1 issues regarding DTE's customer base and these long-term
2 contracts with the NEXUS pipeline affiliate, so we have
3 affiliated transactions and also these long-term
4 contracts that are going to be reviewed in the PSCR case,
5 and I don't know how in-depth the Attorney General wants
6 to get in that case next year, so I think having a second
7 set of eyes on that specific issue will be very useful in
8 that docket. But that's the main comment I have.

9 MR. MacINNES: Okay. Chris, are you
10 going to have any help on this case?

11 MR. BZDOK: I don't know.

12 MR. MacINNES: You don't know?

13 MR. BZDOK: I don't know. I'm not
14 anticipating MEC internal funds. We have had small
15 contributions from the Sierra Club to the NEXUS issue,
16 but they've been in the range of like five, I'm not even
17 sure what those numbers were, maybe five, five, and five.

18 MR. MacINNES: What if we were to
19 allocate a portion and have you come back for more?

20 MR. BZDOK: That's fine. In that case,
21 that's fine.

22 MR. MacINNES: Does that help you?

23 MR. ISELY: Sure. What's a portion?
24 What's a portion that doesn't cause problems moving
25 forward?

1 MR. BZDOK: I can understand -- the
2 reason I distinguish this one from the Consumers plan is
3 that I know we want to do this case, and so if you
4 allocate some now, I will come back and probably want the
5 same total amount later, but I also understand you're
6 trying to be judicious and figure out. So I guess what
7 I'm saying is, you can backload that and that's fine with
8 me, you don't have to frontload it.

9 MR. MacINNES: Why don't we just split it
10 in two?

11 MR. ISELY: I want to take one more step
12 here and just explore one other component. So that has a
13 lot of synergies with the other money that we're already
14 allocating for you, so there's a lot of reason for you to
15 be there. Would there be a reason to be thinking a
16 little bit about going all in with MEC on DTE and maybe
17 using the other resources on the Consumers side?

18 MR. MacINNES: Well, let me see here.
19 One thing I would say is one of MEC's successes, several
20 of its successes have related to wind power, which is
21 what they're talking about for the Consumers Energy 2018
22 PSCR plan, so if we decided not go with them on that,
23 then we wouldn't, you know -- I mean --

24 MR. ISELY: But he also wasn't asking for
25 a -- for us to rule on that one today, right?

1 MR. MacINNES: That's true. That's true.
2 But if we were to tentatively make a decision, hey, we're
3 going with DTE, MEC on DTE and somebody else on
4 Consumers, and I think they have demonstrated success on
5 wind big time, so --

6 MR. VILMONT: Do you have a preference
7 for either one of those two?

8 MR. BZDOK: On the Consumers Energy PSCR
9 plan case, we have flagged issues that we think are going
10 to come up, but I have no problem whatsoever looking at
11 that case and coming back to you with actuals, so I have
12 no problem whatsoever deferring that and tailoring, you
13 know, a request at that time. It's in our Phase 1
14 because it's going to be filed in, you know, two months,
15 but I don't have any problem because of my uncertainty
16 about what the specifics on some of our issues might look
17 like at that time.

18 MR. MacINNES: So if you're willing to
19 wait on that, we, you know, we would be -- I don't know,
20 Don, I mean, can you wait, too?

21 MR. KESKEY: Well, I was listening to
22 everything, and I think that, for example, just to jump
23 ahead, Consumers Energy cases are all happening right
24 now, so that's, with all the Palisades and all the
25 replacement power stuff, that's a very important case,

1 series of cases.

2 On the Edison side, I think there's some
3 syner -- for example, GLREA, there's some synergy on the
4 solar issues to view Consumers and Edison together; in
5 other words, once you do think of the kind of discovery
6 and the kind of concepts and modeling that you're going
7 to want to do, it's benefiting both cases. And then with
8 respect to RCG on the issues of why are we paying so much
9 more over MISO than the -- for production costs of these
10 utilities than what the MISO energy cost is, there's
11 synergy there, too, between Consumers and Edison.

12 So I think to do this gradual approach
13 that you like to do as cases develop, that our budget
14 request here would be regarded as the full case, but for
15 this phase of it, let's say if we were to, each one of
16 the -- for the Edison case, if we were to for RCG and
17 GLREA at this point cut it in half, we would design the
18 budget to put primary emphasis on the expert budget to
19 get them started early, the PSCR cases are filed
20 October 1, and then there will future meetings to come
21 back with all that's coming.

22 MR. MacINNES: So you're saying half and
23 half, or to be -- what about if we were to do one amount
24 and you split between those two -- well, there are two
25 different organizations, so --

1 MR. KESKEY: Well, what I'd suggest is
2 50-percent authorization now for Edison for GLREA of
3 their request for their budget proposal, and 50-percent
4 for RCG. So for GLREA, if it's 38.7, at this point the
5 authorization would be less than 20; and for RCG, it's
6 33, it would be less than 17, and then we would determine
7 a split between expert and legal.

8 MR. ISELY: So I want to -- I'd like to
9 hear, if we choose to do the incremental approach and
10 spread it broadly, at least as I'm counting things here,
11 somebody's not going to get the back half, so how will
12 that affect things?

13 MR. KESKEY: Well, the reconciliation
14 cases arguably will spill over into the next budget year
15 in part. The gas cases cycle behind the electric cases;
16 in other words, they're filed later and their
17 reconciliations are later, as I recall, so there's that
18 to be considered, too, there's that kind of flexibility
19 or options. One thing I mentioned about DTE is that
20 GLREA has had a lot of success in moving Edison on
21 renewable issues for their plan cases, their renewable
22 energy plan cases, and so more progress can be made with
23 Edison on that perhaps on that issue; however, Consumers
24 Energy PSCR plan case and all the cases related to their
25 replacement power plan and the Palisades and all that

1 makes that very, Consumers very important on those
2 separable matters.

3 MR. JANISZEWSKI: I just want to concur
4 with that, that's something the AG is really concerned
5 about is having a proper review of the Consumers PSCR
6 plan because they have the potential to really load a lot
7 of issues in that case regarding the replacement power
8 plan if the Palisades securitization is approved and the
9 Palisades PPA is terminated.

10 MR. MacINNES: And that's under the --
11 that would be under our RCG in your case?

12 MR. KESKEY: It would be under RCG.

13 MR. MacINNES: PSCR plan. Did you say
14 recon or --

15 MR. JANISZEWSKI: The Consumers Energy
16 PSCR plan.

17 MR. MacINNES: Plan. Okay.

18 MR. KESKEY: And even if the Commission
19 were not today to approve the PPA termination of
20 Palisades, it's likely that Consumers will come back
21 early next year, or there's only four years left on the
22 PPA, there's going to have to be planning now as to when
23 the Palisades is going to go offline, presuming that
24 Palisades is not going to operate after four years, and
25 that's, you know, you can't absolutely say that's going

1 to happen, but that's what the situation is.

2 MR. MacINNES: Well, maybe we should
3 start on that one, that plan case, recognizing the
4 urgency with the Palisades, because that's a big issue;
5 this Palisades thing, it's big.

6 MR. ISELY: Yep. So --

7 MR. MacINNES: Allocating some amount to
8 RCG on the PSCR plan case for CECo. Does that have a
9 case number?

10 MR. KESKEY: That is going to be filed
11 October, before October 1, so that's when we'll know what
12 the case number is.

13 MR. MacINNES: Okay. All right.

14 MR. ISELY: So I will move that we
15 approve, I think particularly so experts can get into
16 place, I'm going to move that we approve 25,000 to
17 Residential Consumer Group for the PSCR plan case for
18 CECo.

19 MR. MacINNES: Is there support?

20 MS. LICATA HAROUTUNIAN: Support.

21 MR. MacINNES: Is there any discussion?

22 All in favor, please say aye.

23 BOARD MEMBERS: Aye.

24 MR. MacINNES: Opposed, same sign.

25 Okay. That's Residential Customer Group,

1 25,000, CECo 2018 PSCR plan.

2 MR. ISELY: I will then move that we
3 approve MEC for \$25,000 for the PSCR plan for DTE.

4 MR. MacINNES: Is there support?

5 MS. LICATA HAROUTUNIAN: Support.

6 MR. MacINNES: Is there discussion?

7 All in favor, please say aye.

8 BOARD MEMBERS: Aye.

9 MR. MacINNES: Opposed, same sign.
10 Okay. So that's the DTE 2018 PSCR plan
11 case.

12 MR. ISELY: My addition isn't keeping up.
13 Where are we on total spend?

14 MR. MacINNES: 256. Okay. We still
15 haven't covered the DTE general rate case for MEC, I
16 don't think.

17 MR. JANISZEWSKI: I do apologize, I'm
18 getting summoned back at the office. Is that --

19 MR. MacINNES: Okay. Yeah, I think
20 you've been very helpful. Thank you for being here.

21 MR. JANISZEWSKI: I appreciate it.

22 MR. MacINNES: Okay.

23 MR. ISELY: And let's see, the rate case
24 was asking, it was DTE, asking --

25 MR. MacINNES: Continuation funds on
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1 that.

2 MR. ISELY: Right. And that was at
3 10,000?

4 MR. MacINNES: That was at 30.

5 MR. VILMONT: 30,000.

6 MR. ISELY: And there was NEXUS
7 components to that as well?

8 MR. BZDOK: No. That was the five
9 witnesses and the five subjects.

10 MR. ISELY: Okay. I'm caught up again.

11 MR. MacINNES: Monthly service charges,
12 development costs for the new gas plant.

13 MR. VILMONT: Question, though. Did
14 GLREA also requested for the CEC0 2018 PSCR, correct?

15 MR. KESKEY: For both --

16 MR. ISELY: Correct.

17 MR. KESKEY: -- DTE and CEC0.

18 MR. MacINNES: Yeah. But you were going
19 to look at different stuff on that.

20 MR. KESKEY: Actually, the synergy
21 between -- for GLREA for both is trying to make further
22 progress on the solar issues. So I had suggested
23 50 percent of our request at this point, and then update
24 the board later and be able to get the experts rolling on
25 that.

1 MR. VILMONT: Because right now we have,
2 right, CARE's in -- no. MEC is in the game and so is RCG
3 right now, correct?

4 MR. ISELY: Okay.

5 MR. MacINNES: Is that correct?

6 MR. VILMONT: Is that correct?

7 MR. ISELY: Uh-huh. So to help me think
8 a little bit about GLREA, can you tell me about the
9 synergies between the PSCR and the renewable energy plan?

10 MR. KESKEY: The renewable energy plan is
11 where the utility proposes what they want to do, which is
12 a subset of the universe. The PSCR plan looks at the
13 PSCR costs, the peak load costs, and all the costs, which
14 are billions of dollars, and to what is going on overall
15 and how it's going to affect Consumers Energy and DTE,
16 and that includes community solar and customer solar,
17 which has nothing to do with the -- it doesn't -- it's
18 not the utility doing it, it's somebody else, plus what
19 the utility is doing. And solar, when properly done, can
20 offset and reduce the PSCR costs and peak load costs
21 particularly. So they're not the same subset. We would
22 encourage Edison and Consumers in an REP case to do more
23 as a utility for solar, but we would in the PSCR plan
24 case say that their plans and forecasts need to be more
25 complete to demonstrate what is happening in the world,

1 in their world, including what their customers are doing
2 and what others are doing that's going to affect their
3 costs that they're asking to be charged in the PSCR.

4 MR. ISELY: But both sides --

5 MR. KESKEY: But the synergy is that some
6 of the discovery and some of the research, there's some
7 overlap in those two subsets, so that you can -- you can
8 make progress by being in both the REP cases for both
9 utilities and the PSCR cases for both utilities.

10 MR. ISELY: For my memory, can you remind
11 me when the filings are for the PSCR, the renewable plan,
12 and the integrated resource plan that GLREA is --

13 MR. KESKEY: Okay. The PSCR plans have
14 to be filed on or before September 30 for each utility,
15 the REP plan for Consumers I believe is at the end of
16 September, and for Edison, it's going to be in January,
17 according to what the schedule, the Commission, unless
18 they change it, has been -- they've got -- all the
19 utilities have different schedules. So those are coming
20 on quite quickly. The integrated resource plans are
21 effectually going on now, we've already been to two
22 collaboratives in August, and that the Staff is going to
23 come out with a report they promised by the end of
24 August, but it may be later, and everybody's going to
25 comment on that, there will be more collaboratives, and

1 this process is ongoing now, and that's going to lead to
2 an IRP plan for both Consumers and Edison, and there are
3 going to be for other utilities, but we're talking about
4 Consumers and DTE.

5 MR. ISELY: Okay. Thank you. That
6 helped.

7 MR. KESKEY: Now, one of the things about
8 the IRP plans, again, is, you know, as Chris mentioned,
9 you know, Edison's all excited about going with an 1,100-
10 megawatt gas plant and having another one within a decade
11 after that. Well, the point is, if there's not enough
12 consideration of renewables, all the renewable
13 possibilities, which public policy now is encouraging
14 greatly, you see that's going to be a vacuum and it's
15 going to get shut out of the process. It's going to be,
16 again, what is the utility going to do, not what -- what
17 other options, what other alternatives are there that
18 should be considered and modeled and fully explored, so
19 that's why it's very important to be in the IRP process
20 now.

21 MR. ISELY: You want to do a motion or
22 should I?

23 MR. VILMONT: Go ahead, you start that.

24 MR. ISELY: Okay. I'm going to -- I will
25 make a motion that we support \$16,000 for the PSCR plan
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1 Detroit Edison for GLREA.

2 MR. MacINNES: Do we have support?

3 MR. VILMONT: I'll support.

4 MR. MacINNES: Is there further
5 discussion?

6 So this is for GLREA, 16,000 for the PSCR
7 plan case for 2018.

8 MR. VILMONT: The DTE.

9 MR. MacINNES: Excuse me. DTE, yeah.
10 All those in favor, please say aye.

11 BOARD MEMBERS: Aye.

12 MR. MacINNES: Opposed, same sign.

13 MR. ISELY: We're getting harder now.
14 The DTE renewable energy plan you said was filing in
15 January, right?

16 MR. KESKEY: That's right.

17 MR. ISELY: Okay. Well, just so that we
18 can talk about it, I will move that we approve \$16,000
19 for the PSCR plan case for CECO for the Great Lakes
20 Renewable Energy Association.

21 MR. MacINNES: Is there support?

22 MS. LICATA HAROUTUNIAN: Support.

23 MR. MacINNES: Is there discussion?

24 MR. ISELY: It's still a matter of we're
25 not going to be able to support all of these on the
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1 second half, so are we willing to spend money for
2 exploration to see who's got the best case and fund one
3 or two of those, or do we keep more powder dry for the
4 types of cases that we've never seen before because we're
5 allowed to do them this year?

6 MR. VILMONT: I think that also plays
7 into, Jim, your earlier question about what alternate
8 funding sources are available, because if some of those
9 are, then I guess I'd view this initial as a get the ball
10 rolling on at least to get somebody started and maybe
11 make the case to other funding sources as well. I guess
12 that's a question for you guys is, you know, that is a
13 good use I think of our upfront, gets the ball rolling,
14 we have that ability, and if that helps provide support
15 later from other organizations, that's, I think it's a
16 good thing.

17 MR. MacINNES: Yeah, I think that's
18 right.

19 MS. LICATA HAROUTUNIAN: Is that a
20 reasonable assumption, that you can pick up other funding
21 later?

22 MR. MacINNES: I don't know if it is.
23 It's possible. Probably not likely, but it might be
24 likely. It's hard to say. I don't know. There are
25 other organizations out there that are, particularly on

1 the renewable side, that might be interested. I mean I
2 don't know.

3 MR. VILMONT: That's really a question,
4 whether you guys care to answer that or not, that's up to
5 you, but it would be helpful.

6 MR. BZDOK: We can and will pick up other
7 finding on the CON IRP that you've already funded, we
8 will more than double those funds.

9 MR. MacINNES: But that's a big one.

10 MR. BZDOK: And that's why. On the
11 general rate cases, we pick up other money for different
12 issues; NRDC is helping with fixed charges, Sierra Club
13 is funding this low-income project that I talked to you
14 about a little bit, which again, I'd love to present that
15 in detail later. So again, because those are large cases
16 with a variety of issues and different organizations are
17 interested in them. When things are quiet, we can
18 sometimes pick up other money for the PSCR plan cases,
19 but when there are CON IRPs and rate cases going on, that
20 money gets directed to those. So that's kind of, you
21 know, our situation.

22 MR. MacINNES: Okay. We've granted
23 272,000. And, you know, I guess I don't feel -- I mean
24 it's like making investments, you know, you got your core
25 that you really, you know, you have to, and then you've

1 got a few trials, some of which are going to fail. So,
2 you know, see how the money goes and that's -- you know,
3 I don't think -- I mean I think we have to recognize that
4 and make those decisions when they come.

5 MR. ISELY: Okay.

6 MR. MacINNES: I mean I don't know how
7 everybody else feels, but that's my way of looking at it.

8 MR. ISELY: All right.

9 MR. MacINNES: That doesn't mean we just
10 keep rolling and throwing money out, just to clarify
11 that.

12 MR. VILMONT: So what's the total? I
13 think I may have missed a number.

14 MR. MacINNES: What number, what's our
15 total here, 272?

16 MS. KITCHEN: 272.

17 MR. VILMONT: So we've got so far -- do
18 you have a list, Kelly Jo?

19 MS. KITCHEN: I do.

20 MR. VILMONT: So CARE, we've had the
21 17,500?

22 MS. KITCHEN: Let me get back to the top
23 here. 17,500.

24 MR. VILMONT: Plus a 7,000?

25 MS. KITCHEN: Yep.

1 MR. VILMONT: And a 30,000?

2 MS. KITCHEN: I have the 30,000, yep, for
3 the two utilities.

4 MR. VILMONT: Correct. And then go to --

5 MS. KITCHEN: 101 for MEC, 40,400 for the
6 IRP case for MEC.

7 MR. MacINNES: That's Case 18 --

8 MS. KITCHEN: Yeah, 18418.

9 MR. VILMONT: 40,400?

10 MR. BZDOK: 10,100.

11 MR. VILMONT: No, 10,100. That's what I
12 have for that, it's Case IRP 18418.

13 MS. KITCHEN: Yeah, I've got it on my
14 sheet as 40,400, but it's only what?

15 MR. VILMONT: 10,100.

16 MR. MacINNES: 10,100.

17 MS. KITCHEN: Sorry, Chris.

18 MR. MacINNES: Chris just wants the
19 truth, right?

20 MR. VILMONT: So then we give that and
21 then we continue to another case, 18152, 10,100?

22 MS. KITCHEN: Yep.

23 MR. VILMONT: Then the DTE Electric PSCR
24 for 25,000?

25 MS. KITCHEN: Yep. I'll re-add this up.

1 MR. VILMONT: And we keep going down to
2 GLREA, we've got for the DTE PSCR 16,000?

3 MS. KITCHEN: Yep.

4 MR. VILMONT: And the CECo PSCR with 16?

5 MS. KITCHEN: 16,000. And if you --

6 MR. ISELY: We haven't voted on that one
7 yet.

8 MS. KITCHEN: Right, we're paused on that
9 one. But if you go back up, I have DTE, the GSCR [sic],
10 10,100 for MEC, and then for RCG, the PSCR CECo case,
11 25,000?

12 MR. VILMONT: Correct.

13 MR. ISELY: Correct.

14 MS. KITCHEN: And then MEC DTE case,
15 25,000?

16 MR. ISELY: Uh-huh.

17 MS. KITCHEN: I don't know if you said
18 both of those.

19 MR. VILMONT: Yes.

20 MS. KITCHEN: Okay. Then we're good.
21 I'll re-add this up and tell you where we're at.

22 MR. VILMONT: This includes this 16,
23 which we have not yet voted on.

24 MR. MacINNES: Okay. What about these
25 waste reduction 6w cases?

1 MR. VILMONT: I was going to ask, we
2 haven't voted on this?

3 MS. KITCHEN: No. You have a motion and
4 a second.

5 MR. MacINNES: Okay. This is the CECO
6 16,000 --

7 MR. VILMONT: Correct.

8 MR. MacINNES: -- with GLREA PSCR plan
9 case?

10 MR. VILMONT: Correct.

11 MR. MacINNES: We have a motion and
12 support. Is there anymore discussion on that?

13 All in favor, please say aye.

14 BOARD MEMBERS: Aye.

15 MR. MacINNES: Opposed, same sign.

16 So that takes care of that.

17 MR. VILMONT: So given that, I would have
18 our total at 257,700?

19 MS. KITCHEN: I'll tell you what I have
20 in just a moment. Did you get 257,700?

21 MR. VILMONT: Correct.

22 MS. KITCHEN: That's what I got.

23 MR. VILMONT: All right. Thank you.

24 MR. MacINNES: Okay. Don, so what's --
25 well --

1 MR. KESKEY: The energy waste reduction
2 cases, as you recall, the one for 2017 --

3 (Multiple speakers.)

4 MR. KESKEY: RCG, as I reported to you
5 last meeting, we were successful to be an instrumental
6 force in reversing the allocation of 34.5 million of
7 surcharges for the energy waste reduction plan, which is
8 going to be spent on the industrial and business group,
9 but charged to the residential customers, we got that
10 reversed to the concept that if you're going to spend
11 \$500,000 on the residential customers, then they should
12 pay 500,000, there should be a proportionality between
13 the rate surcharges --

14 MR. MacINNES: Right. So why is -- why
15 are we --

16 MR. KESKEY: Those were the 2017 energy
17 waste reduction cases, that was Consumers Energy was
18 17771. The subsequent cases, energy waste reduction
19 cases for both Edison and Consumers, you granted a small
20 starter budget, I think it was \$2,000 at the last
21 meeting, and -- the meeting before that, and we've
22 intervened in all those cases, we're participating in all
23 those cases that are on very short schedules that are
24 leading to hearings this year and briefing shortly
25 thereafter, and these are the energy waste reduction

1 plans that are going to be approved for the years 2018 to
2 2021, three-year effectiveness. So at the same -- the
3 same goal is there's going to be surcharges for energy
4 reduction to the customers and there's going to be
5 allocation issues about which customer classes are going
6 to carry the weight for that, will it be proportional or
7 not, just like we went through with U-17771.

8 MR. MacINNES: And how much did we spend
9 on the other cases?

10 MR. KESKEY: What we did in 17771 was a,
11 you granted a budget for 2,000, and virtually the next
12 day after you approved that, we filed testimony, and but
13 we had been to settlement meetings before that opposing
14 the misallocation, and the hearing was held and we got a
15 partial settlement in accordance with what we wanted, and
16 then the briefing continued, which we filed briefs,
17 initial and reply briefs. The Commission issued its
18 order on the 23rd of August on that last issue and they
19 agreed with our position on that, and that dealt with the
20 incentives to be paid to the utility for their showing
21 achievement on the program, and Consumers wanted it to
22 start on January 1, and we said no, the statute wasn't
23 effective until April 20, 2017, so therefore their
24 achievement should be looked at prospectively with the
25 statute, and the Commission has agreed with that

1 position. Now, there's lot of pro bono work in this, it
2 wasn't a \$2,000 case, but --

3 MR. MacINNES: So now they're \$16,000
4 cases?

5 MR. KESKEY: But they're for three years
6 and they're ongoing, and I believe you approved \$2,000
7 for each of these cases.

8 MS. KITCHEN: I have three --

9 MR. MacINNES: How much was it?

10 MS. KITCHEN: Three.

11 MR. MacINNES: Three for each case?

12 MR. KESKEY: You started with one and
13 there was 2,000 added, I believe, yeah.

14 MS. KITCHEN: Right, it was three total.

15 MR. KESKEY: But the cases that are
16 ongoing now are dealing with now not 2017, either Edison
17 or Consumers, what they're dealing with now is the three-
18 year period 2018 to 2021.

19 MR. MacINNES: Uh-huh. Well, are they
20 going to be the same for three years?

21 MR. KESKEY: That's correct, it will be a
22 three-year, one the Commission decides --

23 MR. MacINNES: So it's not like two cases
24 three times, it's two cases?

25 MR. KESKEY: No. One case for Edison and
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1 one case for Consumers.

2 MR. MacINNES: So the 16,000, that seems
3 like a lot to me. I mean, I don't know.

4 MR. KESKEY: Well, for \$2,000, \$2,000 or
5 \$3,000 on the 17771, you got 34.5 million, which I don't
6 know --

7 MR. MacINNES: You never sent me -- you
8 said you were going to send me some documentation on
9 that; you never did.

10 MR. KESKEY: I sent you an e-mail a
11 couple days ago.

12 MR. MacINNES: Yeah, but that wasn't
13 really sufficient.

14 MR. KESKEY: Well, the Commission didn't
15 issue its order until two days ago, so.

16 MR. MacINNES: Yeah. What I'd like to
17 see is I would like to see what they proposed in
18 writing --

19 MR. KESKEY: Okay.

20 MR. MacINNES: -- here's what Consumers
21 Energy asked for, here's what the ruling was --

22 MR. KESKEY: Okay.

23 MR. MacINNES: -- because I may use that,
24 I'm going to testify before the house energy policy
25 committee sometime this fall, and I may use that one.

1 MR. KESKEY: No, that's good to use.

2 MR. MacINNES: I may put that out, but I
3 need the facts on that.

4 MR. KESKEY: Yes, we'll get that to you.

5 MR. MacINNES: But I need it soon.

6 MR. KESKEY: Okay.

7 MR. ISELY: So help me as I think about
8 the waste cases, second note. Did I hear right, that the
9 AG office is in the 6w cases?

10 MS. KITCHEN: They're not sure is my
11 note, they're not sure.

12 MR. ISELY: They're not sure. All right.

13 MR. KESKEY: I guess I just would add one
14 other point, and that is, again, the new energy acts
15 places strong public policy emphasis on energy waste
16 reduction.

17 MR. MacINNES: I'm showing --

18 MR. KESKEY: And it's the cheapest form
19 of capacity and energy.

20 MR. MacINNES: Yeah, it is. I'm showing
21 no AG on my notes at this point.

22 MR. ISELY: Okay. I heard that wrong.
23 Thank you.

24 MR. VILMONT: So if that was done for
25 \$3,000, why are we asking for \$16,000 now?

1 MR. MacINNES: You're right. Right.

2 MR. KESKEY: Well --

3 MR. MacINNES: Because they did a lot of
4 pro bono work.

5 MR. KESKEY: There was a lot of pro bono
6 work, and also, you know, a good portion of this is for
7 experts, you got to have expert testimony otherwise
8 you're not going to get as far as what you should get.

9 MR. MacINNES: So I guess before we -- so
10 shouldn't, I mean are these, in the case in the last
11 time, one case and the other case you found a common
12 problem and you were able to kind of amortize that
13 investment over two cases?

14 MR. KESKEY: Yeah. In the Edison case,
15 which we participated in for the 2017, we reached the
16 settlement agreement with Edison --

17 MR. MacINNES: Yeah.

18 MR. KESKEY: -- and so we've invested in
19 that beyond the budget. But the point is that, you know,
20 in that process, the Consumers was the real outlier in
21 terms of what was being proposed.

22 MR. VILMONT: I guess what it seems like
23 is those, I'd be curious to see if we can get a similar
24 return maybe on an investment in that work, and that one
25 needs to happen soon. Well, you submitted a lot of it

1 already, but you've got hearings in October here. So
2 looking at that, I'm looking back at our other, the other
3 cases, the 2017 PSCR reconciliation case, that doesn't
4 need to be filed until April, so if we're looking this,
5 the waste reduction plan case, both CECo's and DTE's both
6 seem a little more immediate, and if it seems like we've
7 got a good return on that effort, that -- it makes some
8 sense.

9 MR. MacINNES: Well, and this is kind of
10 the new stuff, right, isn't this with the new law and
11 everything?

12 MR. KESKEY: It's a very heavy emphasis
13 on the new laws.

14 MR. MacINNES: See, that's one of the
15 things that's happening here is there's a lot coming at
16 us because the law changed, and there's not -- I mean
17 we're having to kind of work our way through this. So I
18 think you're headed in the good direction. Do you have a
19 recommendation that you want to --

20 MR. VILMONT: I guess I'll put that out
21 as a motion. I'd make a motion that we approve \$16,665
22 for the CECo Energy waste reduction plan for RCG.

23 MR. MacINNES: Okay. We have a motion.
24 Do we have support?

25 MR. ISELY: Support.

1 MR. MacINNES: Discussion?

2 I think I'd be more inclined to cut that
3 in half and just say, hey, you know, 16,600, come back
4 and talk to us for the rest. I don't know how you feel
5 about that, or some different number that's not \$32,000.

6 MR. VILMONT: Wasn't that the total they
7 asked for was 16,665?

8 MR. MacINNES: Yeah, but I'm talking for
9 the two cases --

10 MR. VILMONT: Oh, gotcha.

11 MR. MacINNES: -- because they're both,
12 you know, you're going to do one, you're probably going
13 to do the other, just that would get them started.

14 MR. ISELY: Keep them in it.

15 MR. MacINNES: Or maybe there's some
16 other number that you all are comfortable with rather
17 than the full boat.

18 MR. ISELY: I would support 20,000
19 distributed across the two cases as they saw fit.

20 MR. MacINNES: Okay. Do we have support
21 for that?

22 MR. VILMONT: Yeah, I would support that.

23 MR. MacINNES: That change. Okay.
24 \$20,000, would we allow the grantee to decide how to
25 spend that money between the two cases?

1 MR. ISELY: I think so.

2 MR. MacINNES: Okay.

3 MR. VILMONT: Agreed.

4 MR. MacINNES: For the waste reduction
5 plan for Detroit Edison and CECo.

6 Is there -- do we have support for that?

7 MS. LICATA HAROUTUNIAN: Support.

8 MR. MacINNES: Is there any further
9 discussion? Getting all this?

10 MS. KITCHEN: Yep.

11 MR. MacINNES: Okay. All those in favor,
12 please say aye.

13 BOARD MEMBERS: Aye.

14 MR. MacINNES: Opposed, same sign.

15 Okay. I think that's good.

16 MR. VILMONT: All right.

17 MR. MacINNES: So we've got the Filer
18 City 6w cases, and we still have the DTE general rate
19 increase continuation for MEC, as I understand it, well,
20 at least that we would need to make decisions sooner than
21 later.

22 MR. VILMONT: All right. I didn't see
23 the timing that's required under the Filer City case.

24 MR. KESKEY: Just one minute.

25 MR. MacINNES: The AG is in that case,
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1 and the AG is in the 6w cases --

2 MR. VILMONT: Correct.

3 MR. MacINNES: -- by the way.

4 MR. ISELY: In U-18392.

5 MR. KESKEY: Yeah. Just one minute, I
6 can give you the schedule, because my memory, I know what
7 the schedule is by my memory, but I just don't want to --
8 the schedule has been changing. Of course, the
9 prehearing in that case has already been set. It's
10 another case that is on sort of an expedited schedule
11 because Consumers is trying to assert that it's necessary
12 for their replacement power plan and --

13 MR. MacINNES: You know, I'm just going
14 to blurt out here that I think because the AG's in this
15 case, the 6w cases, I think we ought to keep some powder
16 dry here on that, on these.

17 MR. KESKEY: The -- on that case -- did
18 you have a schedule?

19 THE REPORTER: I have September 21 and 22
20 for cross, unless it's changed.

21 MR. KESKEY: Yeah, that's correct. The
22 AG said that he didn't know whether he was going to hire
23 an expert. Well, the testimony was filed on August 11,
24 rebuttal testimony is September 1, the hearings are
25 September 21 and September 22, and the briefs, initial

1 briefs October 20, and reply briefs November 17. So as
2 it stands, while we've participated in the case up to
3 now, we did not file expert testimony, nor did the AG,
4 but we participated in the hearings up to that point, we
5 do plan on attending and participating in the
6 cross-examination, that would be pro bono without a
7 budget, but it has a very close relationship to the whole
8 Palisades thing and the replacement power plan and the
9 PSCR case. I mean we learn things from being in this
10 case, this is very important.

11 MR. MacINNES: I'm sure you do. I'm
12 concerned about our funding, running out of money for the
13 next phase.

14 MR. KESKEY: And then what we would be
15 able to do effectively is file the brief on October 20
16 and November 17, and tie in not only the evidence in that
17 case, but also tie-ins to the Palisades PPA case and all
18 the other cases that are going to be relevant.

19 MR. MacINNES: Well, I think we funded a
20 lot of Palisades stuff. I guess I'm not --

21 MR. KESKEY: Well, I'm just looking at
22 the budget we asked for, and I'm just saying that because
23 it is moving so quickly as to what we asked for and
24 whether there could be a smaller budget to effectively
25 still participate in the case. We asked for 16,665, and

1 I think that with two days of hearings and for the
2 briefing, you could cut that in half, but it could be
3 very effectively used.

4 MR. MacINNES: I think we should stop
5 spending, that's my -- but it's up to the board, what the
6 board wants to do. But that's my take, I think we've --

7 MR. ISELY: Well, I think let me take a
8 step back and go back to 40,000 feet. The way I see
9 things right now, we got -- we're getting close to having
10 spent half, we have another \$50,000, 60,000 we can spend
11 and still be under half. If we -- if I think about today
12 spending half, we've got about 60,000 more to go, I
13 personally think the rate case is important, and I think
14 the IRP cases for GLREA are more important than this
15 case.

16 MR. MacINNES: Okay.

17 MR. ISELY: So that's just a general
18 statement from me.

19 MR. MacINNES: Okay.

20 MR. VILMONT: I would agree with that as
21 well, looking at that as, you know, for the IRP case for
22 GLREA looked like a key issue.

23 MR. MacINNES: Okay. So this is -- so
24 the IRP case for -- let's see, which one are we in with
25 MEC?

1 MR. ISELY: MEC is the rate case.

2 MR. VILMONT: DTE in the --

3 MS. KITCHEN: And IRP.

4 MR. VILMONT: -- general rate case.

5 MR. MacINNES: They've got an IRP case,
6 18418. I wish, Don, when, you know, you need to put the
7 case numbers on here.

8 MS. KITCHEN: I don't think that was
9 available then.

10 MR. KESKEY: I think they're mentioned
11 here.

12 MR. MacINNES: No, but on this.

13 MR. KESKEY: Oh, I see.

14 MR. MacINNES: We have to wade through
15 volumes, and I'm focusing on this. So what's the case
16 number for that, for --

17 MR. KESKEY: Just a minute.

18 MR. VILMONT: Is that this one, Jim?

19 MR. MacINNES: It's the IRP, GLREA IRP
20 for DECo and CECo; does that have a case number or not?

21 MR. KESKEY: Well, the IRP process --

22 MR. MacINNES: Doesn't have a case
23 number.

24 MR. KESKEY: -- is ongoing, it's being
25 treated not as starting with a contested case, it's being

1 treated as collaboratives, which we've been attending, in
2 August we had two of them, and it's going to then have
3 this report by the Staff and there's going to be comments
4 and there's going to be reply comments, and so what I'm
5 saying is it's an in-depth collaborative process, it's
6 not a contested case docket per se right now, although
7 the Commission, the statute has a deadline for issuing
8 it.

9 MR. MacINNES: But we funded an IRP case
10 for --

11 MR. VILMONT: MEC.

12 MR. MacINNES: -- MEC, right, and that's
13 18418.

14 MR. VILMONT: Correct.

15 MR. KESKEY: I guess when I did this
16 report and I was attending these meetings, I -- I'm not
17 sure if there's an overall comment docket.

18 MR. MacINNES: I guess I'm just wondering
19 how --

20 MR. ISELY: Are they the same one?

21 MR. MacINNES: Are they the same one?
22 That's what I'm --

23 MR. VILMONT: Chris, do you think?

24 MR. BZDOK: So there's collaborative
25 activity that's going on and work groups and such, and

1 that may be what Don is speaking of. I have not attended
2 those. There is a docket that's been filed that is
3 required by the law, which is described in our long memo,
4 in which Staff will be filing a proposal and then there
5 will be responses filed to that proposal, and that goes
6 to what are the modeling scenarios that have to be
7 addressed, you know, how is the energy efficiency
8 potential study going to be done, those issues that I've
9 talked about before. So there may be -- I mean I haven't
10 looked at what Don is proposing, he may be talking about
11 the work groups and I may be talking about the docket. I
12 know what I'm talking about, but --

13 MR. MacINNES: No, it's not your job to
14 know --

15 MR. VILMONT: No, that okay.

16 MR. MacINNES: -- what he's doing.

17 MR. KESKEY: The IRP processes that we've
18 been involved in have been these collaboratives, and I'd
19 have to doublecheck the docket numbers they have. But
20 again, you have Edison wanting to build this big, huge
21 gas plant, eventually two, and there's got to be some
22 focus on renewable resources in this planning process.

23 MR. MacINNES: Right. But which is why
24 we're funding -- and it seems like all these things, I
25 mean they're all integrated, they're all related, I

1 understand that, but we've put a lot of money into this,
2 what you just talked about already.

3 MR. KESKEY: Okay. The U-18418 docket is
4 the subject of the Commission's July 31, 2017, order of
5 notice for the opportunity to comment, so that is the
6 docket that was just -- well, at the time we filed this
7 report, there was not a docket number by the time we
8 filed our --

9 MR. VILMONT: So your item No. 3, the IRP
10 docket, that is now related to U-18418?

11 MR. MacINNES: I mean I think we've
12 already got MEC is studying this, that's going to be part
13 of what they do with the CON and IRP case --

14 MS. KITCHEN: AG is in it as well.

15 MR. MacINNES: -- for DTE, right?

16 MR. ISELY: Right.

17 MR. MacINNES: So why do we need to fund
18 that twice I guess is --

19 MR. KESKEY: Well, I would suggest that
20 the GLREA has a unique perspective on promoting renewable
21 energy and --

22 MR. MacINNES: Well, but that's not our
23 job here. Well, I guess it is with the new law, but
24 we're not allowed to do it for environmental reasons,
25 right?

1 MR. VILMONT: No, it's --

2 MR. KESKEY: Well, it's not an
3 environmental, it's part of --

4 MR. MacINNES: No, it's the mandate --

5 MR. KESKEY: -- best mix of energy
6 resources.

7 MR. MacINNES: But they're already going
8 to be looking at that kind of stuff, that's what I
9 believe.

10 MR. VILMONT: From my perspective, I
11 guess when I was looking at that, that would be, from my
12 perspective, if GLREA was looking, if they provide a
13 unique perspective for a new -- for another energy
14 source, if it's the renewable side of things, I guess it
15 would be an important perspective to include if it was
16 different from MEC's perspective.

17 MR. KESKEY: We have not asked for a
18 grant for the certificate of necessity on the gas plant
19 because we did not want to duplicate MEC, I think that's
20 their primary focus, there's many elements, as Chris
21 explained. It's a big plant, it's a huge decision.

22 MR. MacINNES: And you would replace it
23 with a lot of, potentially a lot of things that could
24 include renewable.

25 MR. KESKEY: But we focus on, you know,
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1 why isn't -- why aren't these collaboratives discussing
2 renewables more, why is it always focusing on what Edison
3 and Consumers want to do, and that's a problem. The
4 discussion and the planning and the modeling is going too
5 much solely to the direction of the, what the utilities
6 want to do and what they're modeling.

7 MR. MacINNES: Which is why we funded,
8 you know, intervention with others. But, you know, I'm
9 just making my case here. Let's --

10 MR. ISELY: I'm going to make a motion.

11 MR. MacINNES: Yeah, let's do that, let's
12 keep moving.

13 MR. ISELY: I'm going to jump back to the
14 rate case, which we haven't funded yet, which is 18255,
15 right, and was on your A, not your B timeframe, right?

16 MR. VILMONT: For MEC, right?

17 MR. BZDOK: Correct.

18 MR. ISELY: So I'm going to move that we
19 fund MEC, U-18255, the DTE Electric Company rate case,
20 for \$30,300.

21 MR. MacINNES: So we've already spent
22 25,000 on that case.

23 MR. ISELY: Uh-huh.

24 MR. VILMONT: So I'll make a second for
25 discussion.

1 MR. MacINNES: Okay. Susan, do you have
2 anything you want to add to this?

3 MS. LICATA HAROUTUNIAN: No, you seem to
4 be covering it.

5 MR. ISELY: So Chris, would there be any
6 ability to do a first tranche on this one, or is this one
7 where we have to do all the experts up front?

8 MR. BZDOK: So we're in the middle of
9 this case. We did an initial indicating we'd have to
10 bridge to the next one. Can you just give me -- can you
11 give me like one minute? I can defer 10 of the 30.

12 MR. ISELY: So I would revise to saying
13 \$20,000.

14 MR. MacINNES: Okay. Is there support
15 for that?

16 MR. VILMONT: Support for that.

17 MR. MacINNES: Okay. All in favor,
18 please say aye.

19 BOARD MEMBERS: Aye.

20 MR. MacINNES: Opposed, same sign.

21 MS. KITCHEN: And that was 25,000?

22 MR. VILMONT: 20.

23 MR. MacINNES: 20.

24 MS. KITCHEN: 20,000 for U-18255.

25 MR. ISELY: Correct.

1 MR. VILMONT: For the MEC.

2 MS. KITCHEN: Yep.

3 MR. ISELY: I am then going to make
4 the -- I am then going to make the motion that we approve
5 \$30,000 for the DT -- Detroit Edison and CECo renewable
6 energy plans for GLREA to be allocated as they see.

7 MR. MacINNES: Okay. Is there support?

8 MS. LICATA HAROUTUNIAN: Support.

9 MR. MacINNES: Discussion?

10 How would you feel about \$25,000?

11 MR. ISELY: I would be -- I would look
12 amenable to that.

13 MR. MacINNES: Okay. Do we have support
14 for that revised amount?

15 MR. ISELY: Support.

16 MR. VILMONT: I'll support.

17 MR. MacINNES: Okay. So we have a
18 proposal to support the IRP process for --

19 MR. ISELY: No. Renewable energy plan.

20 MR. MacINNES: Oh, renewable energy plan
21 for GLREA.

22 MR. ISELY: Uh-huh.

23 MR. MacINNES: So Consumers -- so MEC is
24 also proposing to get in that case.

25 MR. ISELY: Uh-huh.

1 MR. MacINNES: And they have experience
2 in the wind side, very successful.

3 MR. ISELY: Correct.

4 MR. MacINNES: So do we think we're going
5 to end up funding both of those?

6 MR. VILMONT: Pull in the solar side? I
7 guess the only reason I like that -- well, not the only
8 reason -- but I like it because it looks at another
9 energy source, and I hate to exclude those if it seemed
10 like it's a viable one, seems like it makes sense to
11 explore it a little bit and see where that --

12 MR. MacINNES: You mean the solar --

13 MR. VILMONT: Right.

14 MR. MacINNES: -- versus the wind?

15 MR. VILMONT: Well, you know, MEC has
16 experience with the wind side and they bring that
17 perspective, and maybe GLREA brings in the solar side,
18 and that way we aren't leaving a potential energy source
19 behind.

20 MR. ISELY: And I think solar is going to
21 have a higher impact on residential in the very near
22 future, so I'm comfortable spending a little bit of money
23 there right now.

24 MR. MacINNES: You're more optimistic
25 than I am in those utilities.

1 MR. ISELY: I think there's going to be
2 more action.

3 MR. MacINNES: There's going to be more
4 action whether -- you know, I don't think they want
5 solar, and we keep putting money at it because it's good.
6 We get a lot of pushback. So you want to keep putting
7 money at it is what you're saying?

8 MR. VILMONT: I'd like to try it, yeah.

9 MR. MacINNES: Okay. So this is a grant
10 to GLREA, renewable energy plan for DECo and CECo, total
11 of \$25,000 to be split between the two, allow the grantee
12 to split that up as they see fit. Is that right?

13 MR. VILMONT: Correct.

14 MS. KITCHEN: That's U-18231 and U-18232?

15 MR. VILMONT: Correct.

16 MR. MacINNES: Okay. All in favor,
17 please say aye.

18 BOARD MEMBERS: Aye.

19 MR. MacINNES: Opposed, same sign. Okay.

20 MR. ISELY: I am going to make the motion
21 that we approve zero dollars for the integrated resource
22 plans for GLREA.

23 MR. MacINNES: I don't think we need to
24 make the motion.

25 MR. ISELY: Well, just making sure that

1 we have the discussion.

2 MR. MacINNES: Okay. Well, you know, we
3 can discuss it without having to -- I don't think you
4 have to make a motion on that.

5 MS. KITCHEN: Bye.

6 MR. VILMONT: Thank you.

7 MR. MacINNES: Thank you.

8 (Grants completed.)

9 (At 4:35 p.m., the meeting continues with
10 Ms. Kitchen creating notes.)

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1 STATE OF MICHIGAN)
)
 2 COUNTY OF MACOMB)

3 I, Lori Anne Penn, certify that this
 4 transcript consisting of 153 pages is a complete, true,
 5 and correct record of the proceedings held on Friday,
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7 I further certify that I am not
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 10 signature.

11 I also certify that I am not a relative
 12 or employee of or an attorney for a party; or a relative
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 14 interested in the action.

15
 16
 17 September 11, 2017
 18 Date

Lori Anne Penn

 Lori Anne Penn, CSR-1315
 Notary Public, Macomb County, Michigan
 My Commission Expires June 15, 2019