



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

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Memorandum

DATE: 7/13/2017

TO: Stakeholders Interested in Michigan's Electric Choice Implementation

FROM: Heather Cantin, MPSC Staff

SUBJECT: U-15801 – Implementation of MCL 460.10a(1)(c)

On April 28, 2017, the Commission approved the updated electric choice procedures and adopted them as Appendix A in Case No. U-15801. Additionally, the Commission assigned docket numbers to the electric distribution cooperatives requiring them to report their cap information and asked interested parties to submit legal briefs on the correct interpretation and implementation of the final sentence of MCL 460.10a(1)(c), which requires the Commission to reduce the cap for any electric utility serving fewer than 200,000 customers in Michigan if the utility has not had any load served by an alternative electric supplier (AES) in the preceding four years. Specifically the Commission was seeking input as it pertains to the question of whether the cap should immediately be adjusted per the effective date of the law (April 20, 2017) for any of the applicable utilities, which will then remain in effect at that level for two consecutive years, or whether the Commission should wait to adjust the choice cap based on choice participation during 2017 before implementing a choice cap reduction with the January and February 2018 filing dates.

Initial briefs were submitted by Energy Michigan, Inc., MPSC Staff, ABATE and Michigan Electric and Gas Association (MEGA) on May 15, 2017 and reply briefs were submitted by MPSC Staff, MEGA and ABATE on May 26, 2017.

In the June 15, 2017 order, the Commission stated that all applicable utilities shall file, in their assigned docket, their preceding calendar year sales, weather-adjusted retail sales for the preceding year, the resulting cap with all supporting documentation, and the number of customers currently served in Michigan on or before June 15, 2017. Additionally, the June 15 order stated that the Commission would adjust the choice cap to 0% for any utility serving fewer than 200,000 Michigan customers with no load served by an AES during the four-year period of April 20, 2013, to April 20, 2017, for the remainder of 2017, plus the full calendar year of 2018. These caps will automatically be reset to 10% with each utility's final annual February 1, 2019 choice cap filing and will be adjusted every two years thereafter.

The required documentation was filed by all applicable utilities. On June 12, 2017, the Commission issued orders reducing each applicable utility's choice cap to 0% in the following dockets:

[U-18372](#) – Alger Delta Cooperative Electric Association
[U-16086](#) – Alpena Power Company
[U-18373](#) – Bayfield Electric Cooperative
[U-18374](#) – Cherryland Electric Cooperative
[U-18376](#) – Great Lakes Energy Cooperative
[U-16090](#) – Indiana Michigan Power Company
[U-18377](#) – HomeWorks Tri-County Electric Cooperative
[U-18378](#) – Midwest Energy Cooperative
[U-16091](#) – Northern States Power Company-Wisconsin
[U-18379](#) – Thumb Electric Cooperative
[U-18388](#) – Presque Isle Electric & Gas Co-op
[U-18389](#) – Ontonagon County Rural Electrification Association

Pursuant to the June 15 order, each utility shall continue to annually file their respective level of preceding calendar year sales, weather-adjusted retail sales for the preceding calendar year, the resulting cap with all supporting documentation necessary, and the number of Michigan customers being served. This information shall be filed annually even if electric choice caps are set at 0%.