

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
to investigate, audit, and review the methods)
employed by **CONSUMERS ENERGY COMPANY**) Case No. U-21305
and **DTE ELECTRIC COMPANY** to secure)
good electric service and ensure the safety of the)
public pursuant to MCL 460.555 and MCL 460.556.)
_____)

At the October 5, 2022 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner
Hon. Katherine L. Peretick, Commissioner

ORDER

On August 29, 2022, a line of squalls with a strong gust front moved east across the southern half of Michigan's Lower Peninsula. Wind gusts reached over 70 mph in southeast Michigan, causing widespread destruction to trees and utility poles, and downing many electric wires. On August 29, 2022, a 14-year old girl contacted a downed 4.8 kilovolt (kV) power line located in a residential area of Monroe and was fatally injured. The next day, 8- and 10-year old brothers contacted a different downed 4.8 kV line near a school in Warren and were critically injured.¹

¹ The Commission also takes note that, in a non-storm-related incident occurring on August 9, 2022, an adult contacted a downed 4.8 kV wire in Hillsdale County and was fatally injured, and an adult who came to assist was critically injured.

As a result of this brief storm, almost half a million Michigan utility customers lost electric service. An estimated 197,000 customers of Consumers Energy Company (Consumers) and 265,000 customers of DTE Electric Company (DTE Electric) lost electric power to their homes and businesses for varying lengths of time. Consumers and DTE Electric had more than 2,500 and 5,000 downed wire calls, respectively. Outages lasted anywhere from a few hours to several days. In addition, dozens of schools in many areas of southeast Michigan were closed as a result of the lack of electric power including two dozen in Detroit alone, and many children missed as much as a week of school.² A significant number of customers also expressed frustration with the communications they received from the utilities, and the Commission observed a marked increase in the number of customers filing informal complaints with the Commission.

Just one year ago, the Commission addressed the responses of the utilities to similar storms, as well as the increase in extreme weather caused by climate change, in the August 25, 2021 order in Case Nos. U-21122 *et al.* (August 25 order). The August 25 order responded to a request from Governor Gretchen Whitmer for the Commission to take action on the issues of outage credits, the updating of technical standards and service quality rules, planning and reporting around system reliability and distribution performance, and emergency preparedness. In the August 25 order, the Commission focused on the issues of reliability, resilience, and readiness for these extreme events, stating that:

[r]atepayers have a right to expect the utilities to anticipate extreme weather events, to provide a hardened grid that can withstand extreme weather, and to be prepared to restore power expediently when the grid fails; and the Commission is committed to implementing improvements in these areas. The Commission has conducted

² The Commission acknowledges the diligence and perseverance of utility employees, including line workers represented by the International Brotherhood of Electrical Workers and the Michigan State Utility Workers Council, as well as downed wire guards, line clearing crews, call center representatives, and mutual aid crews, all laboring under challenging conditions to protect public safety and restore service.

numerous investigations into weather-related events and service quality issues since at least 1991, beginning with Case No. U-9916. *See also*, Case No. U-20169; Case No. U-18346; Case No. U-17542; Case No. U-16462; Case No. U-15605; Case No. U-14603; Case No. U-12769; Case No. U-12270; and Case No. U-10908.

Weather-related events are not uncommon in Michigan, and the August 2021 storms cannot be dismissed as unique or unlikely to ever reoccur. In fact, the pace of climate change dictates that such events will likely only become more frequent and planning must be responsive to this reality. As part of responding to the effects of climate change on the incidence of extreme weather, the Commission has ramped up efforts to examine the reliability and resilience of the distribution system and the impacts of aging infrastructure, and to implement the changes that are required to reduce the potential for death and injury and the possibility of larger and lengthier power outages.

August 25 order, pp. 3-4 (footnote omitted). Yet, despite investigations spanning over two decades, the average reliability scores for system average interruption frequency index (SAIFI) and system average interruption duration index (SAIDI) scores have not improved. Michigan's weighted SAIFI score including major event days (MEDs) increased by approximately 0.1 outages during the period of 2010-2020, actually worsening average system reliability over that period. Michigan's weighted SAIDI score including MEDs, has remained the same over this same period.³ The August 25 order put a number of reporting requirements into place. The Commission issued further directives aimed at distribution planning in the March 3, 2022 order in Case Nos. U-21122 *et al.* and September 8, 2022 orders in Case No. U-20147, the distribution planning docket. Additional ongoing efforts aimed at distribution planning include the adoption of updated tree trimming and vegetation management standards to improve system performance under both normal and extreme weather conditions for both Consumers and DTE Electric.

³ Michigan Reliability Technical Conference, October 22, 2021, https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/workgroups/technical-conference/U-21122_Technical_Conference_Day-1_Session-1_Presentations.pdf (accessed October 4, 2022), slides 20-22.

These efforts have produced some effective measures, particularly in the area of vegetation management. However, the Commission is concerned that not enough progress has been made in the last year to harden the 4.8 kV system or to increase measures that ensure the safety of the public and utility workers who encounter the electrical distribution system. The Commission finds that simply commencing another examination of the response of the utilities to increasingly predictable extreme weather conditions is no longer the reasonable and prudent course of action. As listed in the August 25 order and quoted above, the Commission has taken this route many times, and the results remain unacceptable. Taking the same action yet again and expecting a different result is not working in the best interests of Michigan's customers. Additional measures are necessary.

Background

The performance of the distribution system in Michigan is concerning. For the past several years, the Citizens Utility Board of Michigan (CUB) has issued a report analyzing electric utility reliability data from the Energy Information Administration (EIA) to rank Michigan's performance on a range of utility performance measures.⁴ CUB reports that for 2019, when excluding major weather event days, Michigan ranks as the sixth worst state for annual outage minutes per customer, the 17th worst state for number of annual outages per customer, and the third worst state for the amount of time it takes for power to be restored. CUB Report, pp.6-8. More recently, Climate Central found that Michigan ranks second, behind only Texas and ahead of

⁴ CUB Utility Performance Report, 2021 Edition (CUB Report), available at: <https://drive.google.com/file/d/1Z0C0y6OloXBXlgeMGoBE4zxttdZHqP5QH/view> (accessed October 4, 2022).

California, in total number of outages from 2000 to 2021 (not adjusted for population).⁵ Recent reliability metrics show Michigan to be typically in the second quartile for SAIFI and in the bottom quartile for SAIDI.⁶ Looking at the ten year period from 2011-2020, SAIDI (excluding MEDs) has consistently been in the bottom quartile and has only entered the third quartile twice.⁷

These performance metrics fall behind Michigan's peer states in the Midwest and are unacceptable. Utility self-reporting also contains troubling information. DTE Electric's 2021 System Power Quality and Electric Power Reliability Report self-reports that the company was non-compliant for that year in the areas of (1) wire down relief, (2) service restoration under normal conditions, (3) service restoration under catastrophic conditions, and (4) same circuit repetitive interruption. Case No. U-12270, filing #U-12270-0542, pp. 1-2. Consumers also self-reports non-compliance in the same four areas in its January 1, 2021 through December 31, 2021 Report to the Michigan Public Service Commission Regarding Electric Distribution System Performance Standards. Case No. U-12270, filing #U-12270-0537, p. 2.

A review of storm investigation orders issued over the last nine years reveals the following.

The January 8, 2014 order in Case No. U-17542 commenced an investigation into the responses of DTE Electric and Consumers to the 2013 Polar Vortex event. Following up, the December 4, 2014 order in Case No. U-17542 (December 4 order) directed the two utilities to

⁵ See, <https://www.climatecentral.org/climate-matters/surging-weather-related-power-outages> (accessed September 17, 2022).

⁶ See, Michigan Reliability Technical Conference, October 22, 2021, https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/workgroups/technical-conference/U-21122_Technical_Conference_Day-1_Session-1_Presentations.pdf (accessed September 20, 2022), slides 6-7, 19-26.

⁷ *Ibid.*

increase the reporting already required in the distribution and reliability performance dockets in Case Nos. U-16065, U-16066, and U-12270, stating that:

[t]hese are ongoing dockets in which the utilities file annual reports no later than April 2 of each year. These reports currently focus only on the reliability indices known as system average interruption frequency index (SAIFI), customer average interruption duration index (CAIDI), and system average interruption duration index (SAIDI). . . . The Commission directs Consumers and DTE Electric to provide the following additional information in each of the relevant dockets listed above no later than April 2 of each year:

- (1) a list of their 10 worst performing circuits for the prior year in terms of both SAIDI and SAIFI;
- (2) for each of the 10 worst performing circuits, the utility shall provide the following information: (a) SAIDI and SAIFI excluding major events for the year, (b) circuit name, number and location, (c) length of circuit (miles), (d) number of customers served, (e) substation name, (f) last circuit trim, (g) list of outages and causes, and (h) corrective action plan to improve performance;
- (3) number of customers experiencing multiple interruptions (CEMI) reporting for indices CEMI0 through CEMI10+; and
- (4) number of customers experiencing long interruption durations (CELID) reporting for indices CELID60hrs and CELID8hrs (excluding catastrophic events).

December 4 order, pp. 6-7. The Commission also directed DTE Electric to “refine its restoration estimate method and develop more proactive ways to communicate with its customers regarding restoration estimates.” *Id.*, p. 8. Additionally, the Commission directed the two utilities to “display outage credit information on the front page of their websites after major storms, and [to] provide an application for the credit and an explanation of the filing process once a year to all customers in February of each year beginning in 2015.” *Id.*, pp. 9-10.

The March 28, 2017 order in Case No. U-18346 commenced an investigation into DTE Electric and Consumers’ response to windstorms. Following up, the August 23, 2017 order in Case No. U-18346 (August 23 order) directed the two utilities to work with the Commission Staff

(Staff) to “explore and expedite potential improvements and changes to each company’s storm preparation and response” consistent with the findings and recommendations in the order, including: (1) the integration of the advanced metering infrastructure (AMI) system with the outage management system, (2) increased focus on fast and frequent electronic and social media communications, (3) individualized outreach to customers who experience an outage longer than six days, and (4) increased training for field resources for addressing downed power lines. August 23 order, pp. 8-12.

The May 17, 2018 order in Case No. U-20169 (May 17 order) commenced an investigation into the response of DTE Electric to 2018 storms that produced outages and a fatality involving a downed wire. In the May 17 order the Commission noted that its rules:

including rules located in Technical Standards for Electric Service, R 460.3101 *et seq.*, Electrical Supply and Communication Lines and Associated Equipment rules, R 460.811 *et seq.*, and Service Quality and Reliability Standards for Electric Distribution Systems, R 460.701 *et seq.* . . . include the following:

- (1) R 460.3801 provides that “Each utility shall exercise reasonable care to reduce the hazards to which its employees, its customers, and the general public may be subjected.”
- (2) R 460.3501 provides that “The electric plant of the utility shall be constructed, installed, maintained, and operated pursuant to accepted good engineering practice in the electric industry to assure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property.”
- (3) R 460.3504 provides that “Each utility shall adopt a program of inspection of its electric plant to ensure safe and reliable operation. The frequency of the various inspections shall be based on the utility's experience and accepted good practice. Each utility shall keep sufficient records to verify compliance with its inspection program.”
- (4) R 460.721 provides that “An electric utility shall plan to operate and maintain its distribution system in a manner that will permit it to provide service to its customers without experiencing an unacceptable level of performance as defined by these rules.” An unacceptable level of performance is defined in R 460.722- 460.724. R 460.723(1) provides that

“It is an unacceptable level of performance for an electric utility to fail to respond to a request for relief of a non-utility employee guarded downed wire at a location in a metropolitan statistical area within 240 minutes after notification at least 90% of the time under all conditions.”^[8]

- (5) R 460.3502 and 460.813 require utilities to apply the standards of accepted good practice as adopted in the National Electrical Safety Code, 2017 edition (ANSI-C2- 2017) (NESC). The NESC pertains to the inspection and tests of line and equipment when in service and when out of service. NESC Rule 214.A.5.a addresses the correction of lines that are in service. It provides that “Lines and equipment with recorded conditions or defects that would reasonably be expected to endanger life or property shall be promptly corrected, disconnected, or isolated.”

May 17 order, pp. 3-4. The Commission directed DTE Electric to provide detailed information on its compliance with these rules. The Staff thereafter filed a report in that docket showing that for the five years from June 2013 to June 2018, 100% of incidents involving contact with a downed DTE Electric 4.8 kV wire resulted in a fatal injury in Detroit, and 83% of incidents involving contact with a downed 4.8 kV wire resulted in a fatal injury when occurring outside Detroit. Case No. U-20169, filing #U-20169-0016, p. 2.

The parties to that proceeding entered into a settlement agreement which the Commission approved in the January 18, 2019 order in Case No. U-20169 (January 18 order). In that order, the Commission approved provisions requiring DTE Electric to:

1. Provide additional first responder personnel as necessary to meet timeframes set forth in Mich Admin Code, R 460.723(1) and (2);
2. Participate in a statewide initiative coordinated by the Staff and involving all Michigan utilities to jointly improve downed wire response processes;
3. Develop and implement a process to track causes of downed wires;

⁸ The Commission notes that the changes to the Service Quality and Reliability Standards for Electric Distribution Systems, R 460.701 *et seq.*, proposed in Case No. U-20629 will tighten the criteria defining an unacceptable level of performance by requiring a faster response to downed wires.

4. Contract with the National Energy Foundation (NEF) to deliver education to kindergarten through fifth grade students, as well as provide additional funding to the NEF, and to the Michigan Fire Service Instructors Association to purchase electrical safety equipment and provide training to local fire departments in DTE Electric's service territory;
5. Explore potential opportunities to partner with civil infrastructure renewal projects to eliminate rear-lot distribution construction and associated hazards;
6. File an annual report in this docket that includes all of the following:
 - a. A discussion of the improvements made to DTE Electric's downed wire response times, the total number of downed wires, and number of first responders trained. For each storm having over 50,000 outages, the company shall provide the number of first responders, including the number of Secure First and Wire Guard personnel deployed and a graph of the reported downed wires per hour/day during the storm and the average downed wire response time for the storm;
 - b. A one-time report describing the company's plan to develop and implement a process to track the causes of downed wires;
 - c. The first two annual reports will describe how many students received training and education on the hazards of electricity under the NEF contract and how many fire departments in the company's service territory received training;
 - d. The findings and conclusions of the audit process to validate the quality of securing downed wires as described in DTE Electric's September 7 [2018] report [in the docket];
 - e. Estimated target backlog percentage and other progress toward reducing the company's distribution maintenance backlog; and
 - f. Proof of concept pilot findings to address accessibility and reliability issues related to rear-lot overhead construction as discussed in the September 7 report and in response to the Staff's #5 recommendation to the company.

January 18 order, pp. 3-4 (footnotes omitted).

Most recently, the August 25 order commenced an investigation into the response of Consumers and DTE Electric (along with other investor-owned utilities) to thunderstorms, and responded to directives from Governor Whitmer. In the August 25 order, the Commission again

required extensive reporting, including reporting on the costs and benefits of undergrounding, as follows:

1. A summary of the utility's ongoing vegetation management and grid hardening efforts, including miles trimmed, dollars spent, and all other metrics and milestones included in the utility's annual reporting requirements.
2. Details on how current efforts outlined above have contributed to reliability performance, including – to the extent data is available – a comparison of like circuits that have been recently trimmed/hardened with those that have not. Information should include changes, if any, to SAIDI, system average interruption frequency index (SAIFI), and customer average interruption duration index (CAIDI) as a result of those efforts.
3. A ranked breakdown of the top 10% worst performing circuits in the year 2021 to date in terms of frequency of outages, and the top 10% worst performing circuits in the year 2021 to date in terms of duration of outages, and provide a map illustrating where those circuits are located within the service territory. Include any planned investments in reliability/resiliency on the circuits and note whether these circuits are primarily back lot-constructed overhead, front lot-constructed overhead, or underground circuits.
4. Using data from the beginning of 2020 to the present, a map of the top ten zip codes with both the highest and lowest SAIFI, and the top ten zip codes where most future tree trimming and other reliability/resiliency improvement efforts are planned.
5. A summary of efforts contained in currently filed distribution plans to address outages and system reliability. For Consumers and DTE Electric, this summary shall include information on metrics and financial incentives or penalties as required in the utility's most recent rate case.
6. Plans and/or actions taken following the August 2021 storms addressing outage credits, including plans and/or actions to make the credits automatic, expand the outage credit amounts and/or expand eligibility, as well as any other compensation or customer-focused efforts utilized during the restoration period.
7. A summary of restoration efforts during the August 2021 storms, including the total cost of the outage events (for example, materials costs, overtime pay, mutual assistance, community support, advertisements, etc.), details of customer communications efforts, and opportunities for improvement in storm response and customer communication. This information should

include a description of efforts made to proactively communicate with and support vulnerable customers, if any.

The Commission would also like to understand the costs and benefits associated with moving established overhead electrical lines underground, and additionally directs investor-owned utilities to include the following:

1. A breakdown of the total cost to move a typical overhead back lot-constructed line and overhead front lot-constructed line underground, including a high, low, and average cost estimate depending on the varying circumstances encountered.
2. The difference in cost of maintenance of an overhead back lot, overhead front lot, and underground electric line, on an average annual basis.
3. The average measured reliability of an underground line compared to a comparable back lot and front lot overhead electrical line.
4. A comparison of the average rate and severity of safety incidents that occur both to the public as well as to utility workers associated with underground lines, overhead front lot lines, and overhead back lot lines.

August 25 order, pp. 8-9 (footnotes omitted). Following up, in the March 3, 2022 order in Case Nos. U-21122 *et al.* (March 3 order) the Commission addressed the need for additional publicly accessible information regarding distribution system reliability, customer outages, and storm response. The Commission directed the Staff to develop a webpage dedicated to this purpose to be launched in early 2023, and to work with the utilities to develop a reporting template that would enable the gathering of this information, to be finalized no later than November 18, 2022. That template:

will include annual reliability performance as reported in Case Nos. U-12270, U-16065, and U-16066; reliability metrics that have been proposed in utility distribution plans in Case No. U-20147; and other data or metrics currently reported to public utilities commissions in states that are collecting and/or incentivizing distribution reliability performance, including the Minnesota Public Utilities Commission. The template should also contain data on outages per month and per storm, including number of outages and restoration times, and monthly tree trimming data including miles trimmed and dollars spent. Specifically relating to storms, the Commission would like to see information for individual events relating to storm type, number of customers interrupted, storm duration and restoration in

days, dollars spent per event, dollars paid in outage credits per event, and mutual aid requested and the associated mutual aid costs per event. After reviewing the utility reports filed in Case No. U-21122, the Commission finds that the granularity of data by zip code is especially useful, and that future data should contain the ability to be aggregated by circuit, zip code, and census tract or block.

March 3 order, pp. 83-84 (footnotes omitted). *See, also*, the September 8, 2022 order in Case No. U-20147, pp. 75-76.

Discussion

With this order, the Commission directs Consumers and DTE Electric to provide an update on current compliance with each directive and commitment in the December 4, August 23, January 18 (DTE Electric only), August 25, and March 3 orders discussed above. Consumers and DTE Electric are also directed to report on current compliance with each of the regulations listed by the Commission in the May 17 order, that is, R 460.3801, 460.3501, 460.3504, 460.721, 460.3502, and 460.813. Each utility shall also report on the following issues:

1. Explain in detail how wire down response audits are performed. It is important to verify that resources are responding to downed wires in a consistent manner that complies with regulatory requirements and company procedures. The Commission seeks to understand what processes are in place to verify compliance with internal and external wire down response procedures to ensure public safety.
2. Explain in detail the technologies used and how they impact improved wire down detection for each system voltage the company utilizes (i.e., 4.8 kV, 4.8 kV wye, 13.2 kV, etc.). The Commission seeks to better understand the wire down detection system capabilities, particularly how the advanced distribution management system (ADMS) module, ground detection program, and AMI contribute to this process, and what improvements could be made that will enhance the safety of the distribution system for the public. The company shall present the information so that it can be readily compared across the system voltages to identify the similarities and differences in wire down detection capabilities across the different system voltages used within its territory.
3. Explain in detail the telecommunications networks used to communicate system status for each system voltage the company utilizes (i.e., 4.8 kV, 4.8 kV wye, 13.2 kV, etc.). This information shall discuss and provide data regarding the telecommunications system type, how it is installed (overhead, underground, etc.),

performance during storm events, number of telecommunication outages per year, and what system information is dependent on the telecommunications system.

4. Explain in detail how the technologies being used to monitor and control the grid, including but not limited to ADMS, AMI, and other sensors, perform during an outage, what situations prevent the technology from transmitting data to the utility or performing normally, what information is lost should the technologies not perform, and how operations continue despite missing information and the subsequent impacts on storm recovery.
5. Explain in detail how critical facilities are identified and prioritized for restoration. It is important to improve safety and decrease outage times for schools and other critical facilities. The Commission seeks to better understand how these facilities are identified and responded to in times of crisis, in order to begin to examine potential improvements such as the installation of microgrids or other actions that could supply redundancy to these facilities.
6. Explain in detail the company's procedure, including standby criteria, and the timeline that is employed from the time that a downed wire is identified through de-energization of the downed wire and repair of the downed wire, including the minimum and maximum time for all stages as experienced by the company in the last five years.
7. Explain in detail efforts to educate, outreach to, and train the public and first responders on the danger of downed wires and how to safely respond to downed wires, and provide information on the improvements to education, outreach, and communication efforts as a result of the storm events and downed wire incidents in 2021 and 2022.

The report shall be filed in this docket no later than November 4, 2022.

MCL 460.555 provides as follows:

The commission shall have power to inspect and examine all such electrical apparatus already installed in any public highways, streets or places and all such apparatus hereafter installed, and to investigate from time to time the method employed by persons, firms or corporations transmitting and supplying electricity, and shall have power to order such improvements in such method as shall be necessary to secure good service and the safety of the public and of those employed in the business of transmitting and distributing such electricity, and of any persons liable to be injured by the erection, maintenance and use of such apparatus.

And MCL 460.556 provides as follows:

The commission shall have power in its discretion to order electric current for distribution to be delivered at a suitable primary voltage, to any city, village or

township through which a transmission line or lines may pass; to order service to be rendered by any such electric utility . . . and to see that their property is maintained and operated for the security and accommodation of the public and in compliance with the provisions of law. It . . . shall also have power to require from all electric utilities in the state such information as the commission may need at any time in connection with the performance of the duties imposed upon it by this act. Said commission shall also have power, in connection with any rate or service hearing or investigation, to make such audit and analysis of the books and records of the utility, and such inventory and appraisal of its property as may be necessary in connection with the duties imposed upon the commission by this act; and in any such case the commission shall keep a record of all expenses incurred by it in connection with its investigation of the affairs and property of the said utility and during the progress or at the conclusion of its work, shall state the amount thereof in writing to the said utility and said utility shall pay into the treasury of the state the amount of such expense at such times and in such manner as the commission may by order require. Said moneys when so paid into the state treasury shall go to the credit of the Michigan public utilities commission, and are hereby appropriated to the payment of its expenses.

The Commission recognizes that significant work is ongoing in the distribution planning process, and further recognizes that changes cannot occur overnight. However, given the ongoing challenges relating to both safety and reliability—and the inescapable conclusion that a series of directives contained in orders following significant storms over the past decade and more has not led to a significant improvement in outage prevention and restoration when compared to peer utilities—the Commission finds that an independent review of the adequacy of the electric distribution system operated by Consumers and DTE Electric is necessary to determine measures that may mitigate or avert future crises including the loss of life and the loss of essential public services.

Pursuant to the described statutory powers and the duties imposed upon the Commission by the Legislature, the Commission directs the Staff to commence the process of hiring a consultant to perform an independent third-party audit and review of the distribution systems, including all equipment and operations, of Consumers and DTE Electric. The review shall be comprehensive, and shall include a management audit and a review of internal policies and procedures. The focus

of the review shall be on actions necessary to reduce the total number of outages and the duration of outages, and on the identification of needed improvements to safety particularly with respect to the potential for contact with the electrical distribution system by the public. For both outages and safety topics, the Commission requires a summary of the current state, a comparison to like utilities in the Midwest region, details on best practices, and recommendations from the third-party auditor(s) regarding actions each utility may take to reduce the number of outages and their duration and/or to improve safety, as well as the expected timeline for such measures to result in improvements to performance measurements including SAIDI and SAIFI. If existing utility plans will impact outage numbers, duration, or safety, the Commission expects clarity on the impacts of these plans on these outage and safety metrics, as well as the timeline when such impacts are expected. As provided in MCL 460.556, the Commission shall keep a record of the expense incurred in this investigation and, during the progress of the investigation or at its conclusion, shall provide each utility with the amount. The Staff shall gather information and report to the Commission on the necessary steps in the process, including the need for a request for proposals and the timeline for initiation and completion of the independent third-party audit and review.

The independent third-party audit shall have two parts as follows.

Part 1 will consist of a physical audit of the existing installed infrastructure to determine whether the existing installed infrastructure matches the company's records. This part will involve physical measurements of installed distribution infrastructure to ensure compliance with the utility's engineering standards. Measurements will include a statistically significant sample of infrastructure at a variety of locations and considering a variety of types of distribution infrastructure to get a statistically relevant understanding of the state of the utility's overall

distribution system. This part will include a comparison of the condition of the company's distribution system to that of other utilities in similar climates.

Part 2 will consist of an audit of each utility's programs and processes to determine whether the existing programs and processes for emergency preparedness, storm restoration, distribution system maintenance, and investment are sufficient and equitable, and whether they properly plan for climate change and changing load profiles. This part will include a review of each company's engineering standards and inspection and maintenance programs to ensure they meet the needs of the distribution system, now and into the future. It will include an audit of the accounting process for the distribution system to ensure costs are being accurately managed and recorded. It will also include a review of how the utility manages the operations of the distribution system, including how maintenance prioritization is determined, how personnel are managed during outage recovery, and company management and internal policies and procedures regarding outages, distribution management, safety, and planning.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company and DTE Electric Company shall, no later than November 4, 2022, each file a report in this docket as described in this order.


B. The Commission shall conduct a third-party review of the electric distribution systems of Consumers Energy Company and DTE Electric Company pursuant to MCL 460.555 and 460.556.

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

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION



Daniel C. Scripps, Chair

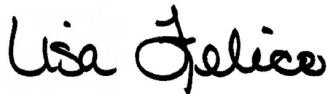


Tremaine L. Phillips, Commissioner



Katherine L. Peretick, Commissioner

By its action of October 5, 2022.



Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

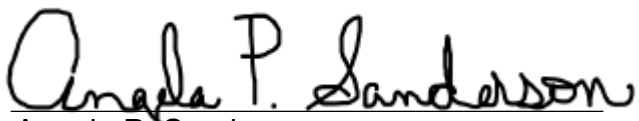
Case No. U-21305

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on October 5, 2022 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 5th day of October 2022.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

GEMOTION DISTRIBUTION SERVICE LIST

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