

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for a financing order approving the)	Case No. U-17473
securitization of qualified costs.)	
_____)	

At the July 18, 2019 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
 Hon. Norman J. Saari, Commissioner
 Hon. Daniel C. Scripps, Commissioner

ORDER

In its December 6, 2013 order in this docket (December 6 order), the Commission authorized Consumers Energy Company (Consumers) to securitize up to \$389.6 million of qualified costs pursuant to the issuance of securitization bonds related to the expected costs of early retirement and demolition of BC Cobb units 1-5, Weadock units 7-8, and Whiting units 1-3.¹ Among other issues addressed by the order, the Commission concluded that there must be periodic true-ups of the securitization charges to ensure that the amounts collected are sufficient to service the securitization bonds. The Commission stated:

¹ Consumers filed its application seeking a financing order on September 9, 2013, pursuant to the Customer Choice and Electric Reliability Act, 2000 PA 141; the Michigan Administrative Procedures Act, 1969 PA 306; and 1939 PA 3 that, among other things, permit certain utilities the option of reducing costs through the issuance of securitization bonds. *See*, MCL 460.10 *et seq.*, 24.201 *et seq.*, and 460.1 *et seq.*

True-ups of the securitization charges shall be conducted periodically, in accordance with the schedule and the methodology approved in this order. Midyear true-up results may be implemented immediately for any mid-year true-up that is uncontested.²

As stated in the December 6 order, the 4 coincident peak (CP) 50/25/25 allocator, as calculated in that proceeding, shall determine each customer class' annual responsibility for the total revenue requirement of the securitization.³ Accordingly, in the event that sales attributable to a particular customer class decrease to zero, this directive necessarily means that Consumers will recalculate the allocator using the 4CP 50/25/25 methodology for future true-ups to ensure that the company remains capable of collecting the required revenues sufficient to timely meet the special purpose entity's bond payment obligation.⁴

On June 14, 2019, Consumers filed its fifth annual routine true-up adjustment report to reflect new securitization surcharges for the period August 2019 through July 2020. The proposed surcharges were set forth on page 2 of Attachment A of Consumers' June 14, 2019 application. On June 24, 2019, Consumers filed an application with revised Attachments A through C, and the current and proposed surcharges are set forth on page 2 of revised Attachment A of Consumers' June 24, 2019 application (attached to this order as Exhibit A).

² See, December 6 order, p. 64, ¶ H, approving Rule C9.2 of Consumers' electric rate tariff book. As of October 16, 2017, Rule C9.2 is referenced as Rule C9.1 in Consumers' electric rate tariff book.

³ The December 6 order, pp. 42-43, refers to "allocation of securitization costs to each rate class based on the most recent Commission approved production allocation (currently 4CP 50/25/25), and then spread to customers within a class based on a uniform kWh [kilowatt-hour] surcharge." The most recently approved production allocation as of December 6, 2013, is contained in the June 7, 2012 order in Case No. U-16794, pp. 106-108. As discussed in that order, the 4CP 50/25/25 allocation method consists of a calculation using a formula of 50% weighting of coincident peaks occurring from June through September, 25% weighting of on-peak use, and 25% weighting of total energy use.

⁴ See, December 6 order, p. 62, ¶ D.

The Commission Staff (Staff) reviewed the proposed adjustments contained within the revised application and concluded that the adjustments are routine, the calculations are accurate, and the proposed adjustments conform to the methodology approved by the Commission.

After considering Consumers' filings and the Staff's review, the Commission agrees that the proposed adjustments in the revised application are routine, the calculations are accurate, and the proposed adjustments conform to the approved methodology. Consumers is therefore authorized to implement the adjustments in its revised filing effective for bills rendered on and after the August 2019 billing month.

THEREFORE, IT IS ORDERED that:

A. For bills rendered on and after the August 2019 billing month, Consumers Energy Company shall implement the new securitization charges set forth in revised Attachment C of its June 24, 2019 application, attached to this order as Exhibit B.

B. Prior to the August 2019 billing month, Consumers Energy Company shall file with the Commission a tariff sheet substantially similar to that set forth in Exhibit B.

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 the 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

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Daniel C. Scripps, Commissioner

By its action of July 18, 2019.

Barbara S. Kunkel, Acting Executive Secretary

MICHIGAN PUBLIC SERVICE COMMISSION
CONSUMERS ENERGY COMPANY
U-17473 Securitization True Up

Line	Description	Amount	Source
Next Period Required Securitization Revenue			
1	Principal Due	\$ 26,017,424	Attachment B Page 2 Line 13
2	Interest Due	8,196,302	Attachment B Page 2 Line 12
3	Fees Due (Est)	410,265	Attachment B Page 2 Line 14
4	Capital Subaccount Replenishment	-	Attachment B Page 2 Line 5
5	Total	\$ 34,623,991	
True Up Period Actual Securitization Revenue			
6	Cash Collected	\$ 34,095,530	Attachment B Page 1 Line 2
True Up Period Actual Securitization Costs			
7	Principal Due	\$ 25,655,429	Attachment B Page 1 Line 13
8	Interest Due	8,558,297	Attachment B Page 1 Line 12
9	Fees Due (Est)	392,190	Attachment B Page 1 Line 14
10	Capital Subaccount Replenishment	-	Attachment B Page 1 Line 5
11	Required General Subaccount Funding	(261,938)	Footnote ¹
12	Total	\$ 34,343,978	
13	Next Period Securitization Charge	\$ 34,872,440	Line 5 less Line 6 plus Line 12

Footnotes:

- ¹ To allow for fluctuations in sales while still disbursing cash at required payment dates, additional cash must be added to the forecasted collections. The amount on line 11 represents the additional cash required to maintain cash levels at or above a reasonable level at all times in the forecast period.

Line	Rate Class (a)	Allocation (b)	Allocated Securitization Charge Amount (c)	Sales (d)	Rate (e)	Current Securitization Charge (f)	Proposed Securitization Charge (g)
1	Residential	42.0%	\$ 14,632,476	12,582,893,302	Rate RS	\$ 0.001144	\$ 0.001163
2					Rate RSP	\$ 0.001144	\$ 0.001163
3					Rate RDP	\$ 0.001144	\$ 0.001163
4					Rate RDPR	\$ 0.001144	\$ 0.001163
5					Rate RT	\$ 0.001144	\$ 0.001163
6					Rate RSH	\$ 0.001144	\$ 0.001163
7					Rate REV-1	\$ 0.001144	\$ 0.001163
8					Rate REV-2	\$ 0.001144	\$ 0.001163
9					Rate RPM	\$ 0.001144	\$ 0.001163
10	Secondary	25.3%	\$ 8,815,753	7,269,141,779	Rate GS	\$ 0.001139	\$ 0.001213
11					Rate GSTU	\$ 0.001139	\$ 0.001213
12					Rate GSD	\$ 0.001139	\$ 0.001213
13	Primary	32.4%	\$ 11,288,209	13,496,578,048	Rate GP		
14					CVL 1	\$ 0.000812	\$ 0.000836
15					CVL 2	\$ 0.000812	\$ 0.000836
16					CVL 3	\$ 0.000812	\$ 0.000836
17					Rates GPD, GPTU, EIP and GSG-2		
18					CVL 1	\$ 0.000812	\$ 0.000836
19					CVL 2	\$ 0.000812	\$ 0.000836
20					CVL 3	\$ 0.000812	\$ 0.000836
21					Lighting/Other	0.4%	\$ 136,003
22	Rate GUL	\$ 0.000575	\$ 0.000618				
23	Rate GU-XL	\$ 0.000575	\$ 0.000618				
24	Rate GU	\$ 0.000575	\$ 0.000618				
25	Rate PA	NA	NA				
26	Rate ROA-R	NA	NA				
27	Rate ROA-S	NA	NA				
28	Rate ROA-P	NA	NA				
29	Total	100.00%	\$ 34,872,440	33,568,800,657			

POWER PLANT SECURITIZATION CHARGE

The actual Power Plant Securitization Charge is authorized pursuant to Rule C9.1, Power Plant Securitization Charges, Initial Implementation and True-up Methodology. The Power Plant Securitization Charge is billed to all Full Service customers, shown in the Rate Schedules identified below, based upon usage. This charge shall be shown separately on the customer's bill.

The actual Power Plant Securitization Charge applied to customers' bills is as follows:

<u>Rate Schedule</u>	<u>Power Plant Securitization Charge (Case No. U-17473) Effective beginning with the August 2019 Billing Month</u>
Rate RSP	\$ 0.001163 /kWh
Rate RS	0.001163 /kWh
Rate RDP	0.001163 /kWh
Rate RDPR	0.001163 /kWh
Rate REV-1	0.001163 /kWh
Rate REV-2	0.001163 /kWh
Rate RT	0.001163 /kWh
Rate RSH	0.001163 /kWh
Rate RPM	0.001163 /kWh
Rate GS	0.001213 /kWh
Rate GSTU	0.001213 /kWh
Rate GSD	0.001213 /kWh
Rate GP	
CVL 1	0.000836 /kWh
CVL 2	0.000836 /kWh
CVL 3	0.000836 /kWh
Rates GPD, GPTU, EIP and GSG-2	
CVL 1	0.000836 /kWh
CVL 2	0.000836 /kWh
CVL 3	0.000836 /kWh
Rate GML	0.000618 /kWh
Rate GUL	0.000618 /kWh
Rate GU-XL	0.000618 /kWh
Rate GU	0.000618 /kWh
Rate PA	NA
Rate ROA-R ⁽¹⁾	NA
Rate ROA-S ⁽¹⁾	NA
Rate ROA-P ⁽¹⁾	NA

⁽¹⁾ Customers taking ROA service on December 6, 2013 are excluded from the Power Plant Securitization Charge. This exclusion does not apply to customers first taking ROA service after December 6, 2013 or to customers taking service on December 6, 2013 who discontinue taking ROA service any time after December 6, 2013. Customers who discontinue taking ROA service any time after December 6, 2013 and who return to ROA service will pay the Power Plant Securitization Charge applicable to the customer's otherwise applicable Company Full Service Rate Schedule.

Issued XXXX, XX, XXXX by
Patti Poppe,
President and Chief Executive Officer,
Jackson, Michigan

Effective for bills rendered on
and after the Company's August Billing month

Issued under authority of the
Michigan Public Service Commission
dated XXXX, XX, XXXX
in Case No. U-17473

PROOF OF SERVICE

STATE OF MICHIGAN)

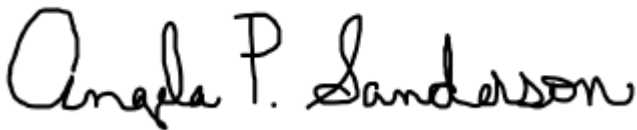
Case No. U-17473

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 18, 2019 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 18th day of July 2019.



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

Service List for Case: U-17473

Name	Email Address
Bret A. Totoraitis	bret.totoraitis@cmsenergy.com
Consumers Energy Company 1 of 2	mpsc.filings@cmsenergy.com
Consumers Energy Company 2 of 2	matorrey@cmsenergy.com