

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-20889
securitization of qualified costs.	)	
_____	)	

At the September 11, 2025 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER

In its December 17, 2020 order in this docket (December 17 order), the Commission authorized Consumers Energy Company (Consumers) to securitize up to \$688.3 million in qualified costs pursuant to the issuance of securitization bonds related to the expected costs of the early retirement of the D.E. Karn Units 1 and 2. *See*, December 17 order, pp. 142-149; MCL 460.10h-460.10o. Among other issues addressed by the December 17 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:

True-ups of the securitization charges shall be conducted periodically, in accordance with the schedule and the methodology approved in this financing order. Semiannual true-up and potential additional interim true-up results may be implemented immediately for any such true-up that is uncontested provided, however that any contest of a semi-annual or interim true-up shall be subject only

to confirmation of the mathematical computations contained in the proposed true-up adjustment.

December 17 order, p. 145; *see also, id.*, p. 133.

On July 28, 2025, Consumers filed an application in this docket to request the Commission's approval of its annual routine true-up adjustment report to reflect new securitization surcharges for the period of October 2025 through September 2026 (July 28 report). On August 12, 2025, Consumers filed an amended application that revised Attachment A and Attachment C of the July 28 report to address incorrect line loss percentages that were used to calculate the new securitization charges (August 12 report).

Consumers' computation of its proposed surcharges is outlined in Attachment A of the August 12 report (attached hereto as Exhibit A). Consumers' proposed new tariffs reflecting the securitization charges after the true-up are outlined in Attachment C of the August 12 report (attached hereto as Exhibit B). For the period of October 2025 through September 2026, Consumers' proposed surcharges result in a total securitization surcharge of \$112,122,494. *See*, August 12 report, Attachment A, p. 1.

The Commission Staff (Staff) reviewed the proposed adjustments contained within the application, as revised, 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' filing and the Staff's review, the Commission agrees that the proposed adjustments in the application, as revised, are routine, the calculations are accurate, and the proposed adjustments conform to the approved methodology. Consumers is therefore authorized to implement the adjustments effective for bills rendered on and after the October 2025 billing month.

THEREFORE, IT IS ORDERED that:

A. For bills rendered on and after the October 2025 billing month, Consumers Energy Company shall implement the new securitization charges set forth in Attachment C of its amended application and attached to this order as Exhibit B.

B. Prior to the October 2025 billing month, Consumers Energy Company shall file with the Commission tariff sheets essentially the same as those set forth in Exhibit B. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, Consumers Energy Company shall promptly file the final tariff sheets in this docket and serve all parties.

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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@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

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of September 11, 2025.

Lisa Felice, Executive Secretary

MICHIGAN PUBLIC SERVICE COMMISSION
 CONSUMERS ENERGY COMPANY
 U-20889 Securitization True Up

Attachment A - REVISED
 Page 1 of 2

Line	Description	Amount	Source
Next Period Required Securitization Revenue			
1	Principal Due	\$ 89,796,713	Attachment B Page 2 Line 13
2	Interest Due	25,381,171	Attachment B Page 2 Line 12
3	Fees Due (Est)	715,200	Attachment B Page 2 Line 14
4	Capital Subaccount Replenishment	-	Attachment B Page 2 Line 5
5	Total	\$ 115,893,083	
True Up Period Actual Securitization Revenue			
6	Cash Collected	\$ 124,652,150	Attachment B Page 1 Line 2
True Up Period Actual Securitization Costs			
7	Principal Due	\$ 84,704,503	Attachment B Page 1 Line 13
8	Interest Due	30,151,894	Attachment B Page 1 Line 12
9	Fees Due (Est)	678,567	Attachment B Page 1 Line 14
10	Capital Subaccount Replenishment	-	Attachment B Page 1 Line 5
11	Required General Subaccount Funding	5,346,597	Footnote ¹
12	Total	\$ 120,881,561	
13	Next Period Securitization Charge	\$ 112,122,494	Line 5 less Line 6 plus Line 12

Footnotes:

- ¹ Cash balances are impacted by fluctuations in sales and scheduled payments. The amount on line 11 represents the cash adjustment necessary to maintain cash balances at a reasonable level at all times in the forecast period

EXHIBIT A

MICHIGAN PUBLIC SERVICE COMMISSION
 CONSUMERS ENERGY COMPANY
 U-20889 Securitization True Up

Attachment A - REVISED
 Page 2 of 2

Line	Rate Class	Allocation	Allocated Securitization Charge Amount	Sales	Rate	Current Securitization Charge	Proposed Securitization Charge
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Residential	45.7%	\$ 51,262,404	12,659,147,000	Rate RSP	\$ 0.004556	\$ 0.004049
2					Rate RSH	\$ 0.004556	\$ 0.004049
3					Rate RSM	\$ 0.004556	\$ 0.004049
4					Rate RPM	\$ 0.004556	\$ 0.004049
5	Secondary	23.1%	\$ 25,844,235	7,057,818,562	Rate GS	\$ 0.004103	\$ 0.003662
6					Rate GSTU	\$ 0.004103	\$ 0.003662
7					Rate GSD	\$ 0.004103	\$ 0.003662
8	Primary	2.1%	\$ 2,388,209		Rate GP		
9				3,440,211	CVL 1	\$ 0.004173	\$ 0.003522
10				31,315,947	CVL 2	\$ 0.004222	\$ 0.003564
11				629,148,908	CVL 3	\$ 0.004268	\$ 0.003599
12		11.9%	\$ 13,353,789.09		Rate GPTU		
13				465,293,390	CVL 1	\$ 0.004183	\$ 0.003375
14				500,248,508	CVL 2	\$ 0.004231	\$ 0.003415
15				2,921,417,721	CVL 3	\$ 0.004278	\$ 0.003449
16		11.3%	\$ 12,703,478.62		Rate GPD, GSG-2 & LED		
17				2,610,749,507	CVL 1	\$ 0.002417	\$ 0.001795
18				1,542,693,442	CVL 2	\$ 0.002445	\$ 0.001817
19				2,841,167,195	CVL 3	\$ 0.002472	\$ 0.001835
20		0.9%	\$ 953,041.20		Rate EIP		
21				340,039,182	CVL 1	\$ 0.003266	\$ 0.002370
22				54,410,014	CVL 2	\$ 0.003304	\$ 0.002398
23				6,886,734	CVL 3	\$ 0.003340	\$ 0.002422
24		4.7%	\$ 5,303,394	2,762,357,000	Rate LTILRR	\$ 0.002274	\$ 0.001920
25	Lighting/Other	0.3%	\$ 313,943	203,873,384	Rate GML	\$ 0.001728	\$ 0.001540
26					Rate GUL	\$ 0.001728	\$ 0.001540
27					Rate GU-LED	\$ 0.001728	\$ 0.001540
28					Rate GU	\$ 0.001728	\$ 0.001540
29					Rate PA	NA	NA
30					Rate ROA-R	NA	NA
31					Rate ROA-S	NA	NA
32					Rate ROA-P	NA	NA
33	Total	100.00%	\$ 112,122,494	34,630,006,705			

KARN 1 AND 2 SECURITIZATION CHARGE

The actual Karn 1 and 2 Securitization Charge is authorized pursuant to Rule C9.2, Karn 1 and 2 Securitization Charges, Initial Implementation and True-up Methodology. The Karn 1 and 2 Securitization Charge is billed to all full service customers, shown in the rate schedules identified below, based upon usage⁽¹⁾. These charges shall be shown separately on the customer's bill.

The actual Karn 1 and 2 Securitization Charge applied to customers' bills are as follows:

Karn 1 and 2 Securitization Charge (Case No. U-20889) Effective for the October 2025 2024 through September 2026 2025	
<u>Rate Schedule</u>	<u>Billing Month</u>
Rates RSP, RSH, RPM and RSM	\$ 0.004049 0.004556 /kWh
Rates GS, GSTU and GSD	0.003662 0.004103 /kWh
Rate GP	
CVL 1	0.003522 0.004173 /kWh
CVL 2	0.003564 0.004222 /kWh
CVL 3	0.003599 0.004268 /kWh
Rate GPTU	
CVL 1	0.003375 0.004183 /kWh
CVL 2	0.003415 0.004231 /kWh
CVL 3	0.003449 0.004278 /kWh
Rates GPD and GSG-2	
CVL 1	0.001795 0.002417 /kWh
CVL 2	0.001817 0.002445 /kWh
CVL 3	0.001835 0.002472 /kWh
Rate EIP	
CVL 1	0.002370 0.003266 /kWh
CVL 2	0.002398 0.003304 /kWh
CVL 3	0.002422 0.003340 /kWh
Rate LED	
CVL 1	0.001795 0.002417 /kWh
CVL 2	0.001817 0.002445 /kWh
CVL 3	0.001835 0.002472 /kWh
Rate LTILRR	0.001920 0.002274 /kWh
Rates GML, GUL and GU-LED	0.001540 0.001728 /kWh
Rate GU	0.001540 0.001728 /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 17, 2020 are excluded from the Karn 1 and 2 Securitization Charge. This exclusion does not apply to customers first taking ROA service after December 17, 2020 or to customers taking service on December 17, 2020 who discontinue taking ROA service any time after December 17, 2020. Customers who discontinue taking ROA service any time after December 17, 2020 and who return to ROA service will pay the Karn 1 and 2 Securitization Charge applicable to the customer's otherwise applicable Company Full Service Rate Schedule.

Issued XXXXXX XX, 2025 by
Garrick J. Rochow,
President and Chief Executive Officer,
Jackson, Michigan

Effective for bills rendered on and after
the Company's October 2025 Billing Month

Issued under authority of the
Michigan Public Service Commission
dated XXXXXX XX, 2025
in Case No. U-20889

PROOF OF SERVICE

STATE OF MICHIGAN)

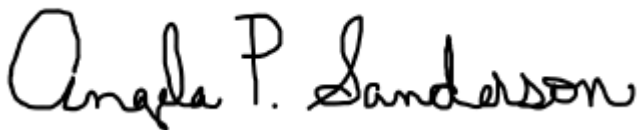
Case No. U-20889

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 11, 2025 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 11th day of September 2025.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-20889

Name	On Behalf Of	Email Address
Amit T. Singh	MPSC Staff	singha9@michigan.gov
Celeste R. Gill	Department of Attorney General	gillc1@michigan.gov
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com
Ian F. Burgess	Consumers Energy Company	ian.burgess@cmsenergy.com
Jennifer U. Heston	Hemlock Semiconductor Operations, LLC	jheston@potomacclaw.com
John R. Liskey	Citizens Utility Board of Michigan	john@liskeypllc.com
Jonathan F. Thoits	ALJs - MPSC	thoitsj@michigan.gov
Margrethe Kearney	Vote Solar	mkearney@elpc.org
Margrethe Kearney	Solar Energy Industries Association, Inc.	mkearney@elpc.org
Margrethe Kearney	Environmental Law & Policy Center	mkearney@elpc.org
Margrethe Kearney	The Ecology Center	mkearney@elpc.org
Michael C. Rampe	Consumers Energy Company	mike@mibroadband.org
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
Michael J. Pattwell	Association of Businesses Advocating Tariff Equity	mpattwell@clarkhill.com
Nicholas Q. Taylor	MPSC Staff	taylorn10@michigan.gov
Stephen A. Campbell	Association of Businesses Advocating Tariff Equity	scampbell@clarkhill.com
Stephen A. Campbell	Association of Businesses Advocating Tariff Equity	scampbell@clarkhill.com