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**Contact:** **Nick Assendelft** **517-284-8300 (office)**

**517-388-3135 (cell)**

**Customer Support: 800-292-9555**

[**www.michigan.gov/mpsc**](http://www.michigan.gov/mpsc)

**Rick Snyder, Governor**

**Sally Talberg, Chairman**

**Norm Saari, Commissioner**

**Rachael Eubanks, Commissioner**

**FOR IMMEDIATE RELEASE**

**Jan. 23, 2018**

**MPSC makes further requests for ratepayer relief**

**following passage of new federal tax law**

LANSING, Mich. – The Michigan Public Service Commission (MPSC) has asked the Federal Energy Regulatory Commission (FERC) to direct interstate natural gas pipeline operators to adjust their rates in response to lower corporate rates under the federal tax law changes.

The request follows a Commission order in December that all 13 rate-regulated utilities in Michigan report to the MPSC how their savings from the new tax law will benefit ratepayers ([Case No. U-18494](https://mi-psc.force.com/s/case/500t0000008eg4nAAA/in-the-matter-on-the-commissions-own-motion-to-consider-changes-in-the-rates-of-all-michigan-rate-regulated-electric-steam-and-natural-gas-utilities-to-reflect-the-effects-of-the-pending-federal-tax-cuts-and-jobs-act-alpena-power-company-consumers)). All utilities have filed their proposals and the public and other stakeholders have until Feb. 2 to respond. The Commission will then determine how and when savings will flow back to ratepayers.

In a letter sent Jan. 11 to FERC, the MPSC requested the federal board “take immediate action directing all interstate natural gas pipelines” to either voluntarily adjust their rates effective Jan. 1 or be subject to the FERC Natural Gas Act, Section 5, which allows for an investigation into whether rates are just and reasonable.

“The Michigan Public Service Commission contends that such action is in the public interest,” according to the letter signed by Chairman Sally Talberg and Commissioners Norman Saari and Rachael Eubanks.

Under the Tax Cuts and Jobs Act, the corporate tax rate dropped from 35 percent to 21 percent, effective Jan. 1. Savings realized by interstate pipeline operators could be passed on to ratepayers in the form of a reduced gas cost recovery charge, which is how much a utility pays for the gas it supplies to its customers.

In separate actions, Michigan joined letters to FERC from the Organization of MISO States (OMS) and the Organization of PJM States Inc. (OPSI) asking FERC to study how changes in the tax law could affect the electric transmission costs that consumers pay. Michigan customers pay transmission costs through their utility bills, but FERC has jurisdiction over rates.

PJM and MISO are regional transmission organizations that run the electric transmission systems in 28 states, including Michigan. MISO covers all of the state except for the southwest portion, which is served by Indiana Michigan Power Co. and is under PJM’s jurisdiction. Talberg is on the OMS Board of Directors and Eubanks is secretary of OPSI.

**In other action:**

**Meeting schedule approved:** The MPSC released dates of its regular meetings for the rest of the year. The scheduled dates (all meetings begin at 1:30 p.m. unless otherwise noted): Feb. 5 and 22; March 15 and 29; April 12, 18 and 27 (10:30 a.m.); May 17 and 30; June 28; July 24; Aug. 23; Sept. 13 and 27; Oct. 11 and 25; Nov. 8 and 21 (10:30 a.m.); and Dec. 6 and 20.

**No extension for DTE facility case:** The Commission granted DTE Electric’s request to adhere to a 270-day timeline for a decision on its proposed natural gas fueled electric power plant in St. Clair County ([Case No. U-18419](https://mi-psc.force.com/s/case/500t0000008eg3aAAA/in-the-matter-of-the-application-of-dte-electric-company-for-approval-of-certificates-of-necessity-pursuant-to-mcl-4606s-as-amended-in-connection-with-the-addition-of-a-natural-gas-combined-cycle-generating-facility-to-its-generation-fleet-and-for-rela)). Under state law, the MPSC must rule on a utility’s Certificate of Necessity within nine months of its filing. Commission Staff won approval from an administrative law judge for a four-week extension. The MPSC today reversed the ALJ’s ruling.

**Lifeline program extension granted:** Telecommunications providers were given a six-month extension to continue using the Michigan Lifeline Eligibility Database while the State aligns its Lifeline eligibility criteria with the rules of the Federal Communications Commission (FCC) and updates its eligibility database ([Case No. U-18213](https://mi-psc.force.com/s/case/500t0000008eg0GAAQ/in-the-matter-on-the-commissions-own-motion-of-the-federal-communications-commissions-order-granting-a-waiver-of-certain-lifeline-eligibility-rules)). The Commission also ruled that eligible carriers should continue to include membership in the Veterans and Survivors Pension Benefit Program as eligible criteria for potential Lifeline customers.

**Consumers EWR surcharge OK’d:** The Commission approved a settlement agreement in Consumers Energy’s 2018-21 electric and natural gas energy waste reduction (EWR) plan costs ([Case No. U-18261](https://mi-psc.force.com/s/case/500t0000008eg12AAA/in-the-matter-on-the-commissions-own-motion-regarding-the-regulatory-review-revisions-determinations-andor-approvals-necessary-for-consumers-energy-company-to-fully-comply-with-public-act-295-of-2008-and-public-act-342-of-2016)). Starting this month, residential customers using 500 kilowatt hours of electricity will see a 2-cent increase in their bills, while customers using 10,000 cubic feet of natural gas will see an 11-cent increase.

**Extension granted for filing:** DTE Electric was given a two-month extension to file its renewable energy plan (REP), which was due Jan. 31 ([Case No. U-18232](https://mi-psc.force.com/s/case/500t0000008eg0ZAAQ/in-the-matter-on-the-commissions-own-motion-regarding-the-regulatory-reviews-revisions-determinations-andor-approvals-necessary-for-dte-electric-company-to-fully-comply-with-public-acts-295-of-2008)). The Commission set a new deadline of March 30. DTE said the extra time will allow it to evaluate the impact of the new federal tax law changes and incorporate any changes into its REP.

**Telecom company temporary license:** Network Billing Systems L.L.C., doing business as Fusion and Solex, was granted a temporary license to provide telephone service ([Case No. U-18469](https://mi-psc.force.com/s/case/500t0000008eg4OAAQ/in-the-matter-of-the-application-of-network-billing-systems-llc-dba-fusion-and-dba-solex-for-temporary-and-permanent-licenses-to-provide-basic-local-exchange-services-throughout-the-state-of-michigan)). Network bought BNC Telecom Inc. and plans to serve former BCN subscribers.

**UPPCO finalizes PURPA contract parameters:** Under a settlement agreement approved by the Commission, Upper Peninsula Power Co. (UPPCO) resolved final issues related to the Public Utility Regulatory Policies Act (PURPA), under which utilities contract for power from smaller power producers.In a previous order, the Commission established capacity rates, and today it set energy rates based on alocational marginal price forecast for contracts of five, 10, 15 or 20 years that cover on-peak and off-peak power generation ([Case No. U-18094](https://mi-psc.force.com/s/case/500t0000008efyLAAQ/in-the-matter-on-the-commissions-own-motion-establishing-the-method-and-avoided-cost-calculation-for-upper-peninsula-power-company-to-fully-comply-with-the-public-utilities-regulatory-policy-bract-of-1978-16-usc-2601-et-seq-br)).

***DISCLAIMER:*** *This document was prepared to aid the public’s understanding of certain matters before the Commission and is not intended to modify, supplement, or be a substitute for the Commission’s orders. The Commission’s orders are the official action of the Commission.*

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