

124 West Allegan Street, Suite 1000
Lansing, Michigan 48933
T (517) 482-5800 F (517) 482-0887
www.fraserlawfirm.com

Douglas J. Austin	Jennifer Utter Heston	Jean E. Kordenbrock	Retired
Michael E. Cavanaugh	Marlaine C. Teahan	Melisa M. W. Mysliwicz	Donald A. Hines
Gary C. Rogers	Mark E. Kellogg	Emily M. Vanderlaan	John J. Loose
Michael H. Perry	Ryan K. Kauffman	Amanda S. Wolanin	David E. S. Marvin
Thomas J. Waters	Paula J. Manderfield		Mary M. Moyne
Michael S. Ashton	Paul V. McCord	OF COUNSEL	Archie C. Fraser
H. Kirby Albright	Brian T. Gallagher	Stephen L. Burlingame	(1902-1998)
Graham K. Crabtree	Jonathan T. Walton, Jr.	Mark A. Bush	Everett R. Trebilcock
Michael P. Donnelly	Laura S. Faussié	David S. Fry	(1918-2002)
Edward J. Castellani	Norbert T. Madison, Jr.	Max R. Hoffman	James R. Davis
Jonathan E. Raven	Aaron L. Davis	Darrell A. Lindman	(1918-2005)
Peter D. Houk	Paul C. Mallon, Jr.	Thomas L. Sparks	Ronald R. Pentecost
Elizabeth H. Latchana	Jared A. Roberts	Brandon W. Zuk	(1932-2008)
Thaddeus E. Morgan	David J. Houston		Mark R. Fox
Brian P. Morley	Shaina R. Reed		(1953-2011)

Peter L. Dunlap, P.C.

jheston@fraserlawfirm.com
(517) 377-0802

July 9, 2020

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48917

RE: MPSC Docket No. U-20650

Dear Ms. Felice:

Attached herewith for filing in the above-referenced matter, please find the **Reply Brief of Retail Energy Supply Association** and Certificate of Service of same.

If you have any questions, please feel free to contact my office. Thank you.

Very truly yours,

Fraser Trebilcock Davis & Dunlap, P.C.



Jennifer Utter Heston

JUH/ab
Attachments
cc: All counsel of record

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY for)
authority to increase its rates for the)
distribution of natural gas and for other)
relief)
_____)

Case No. U-20650

REPLY BRIEF OF
RETAIL ENERGY SUPPLY ASSOCIATION

NOW COMES the Retail Energy Supply Association (“RESA”)¹, by and through its attorneys, Fraser Trebilcock Davis & Dunlap, P.C., and pursuant to the schedule adopted by Administrative Law Judge Jonathan Thoits (“ALJ”), hereby respectfully submits this reply brief on Consumers Energy Company’s (“Consumers”) application for authority to increase its rates for the distribution of natural gas and for other relief.

I. INTRODUCTION.

In this reply brief, RESA will respond to certain specific positions advanced by Consumers and the MPSC Staff in their initial briefs filed June 19, 2020. Positions advanced by the other parties to this proceeding in their initial briefs of concern to RESA were largely anticipated and addressed in RESA’s initial brief and will not be repeated herein. The positions advanced by the other parties do not dissuade RESA. RESA continues to support the positions

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.



identified in its initial brief for the reasons contained therein, and for the reasons discussed further below. There are, however, a few claims and assertions made by Consumers that warrant a response. For the reasons stated in RESA's initial brief and further below, the Commission should adopt RESA's recommendations.

II. THE COMMISSION SHOULD ADOPT RESA'S RECOMMENDATIONS WITH RESPECT TO CONSUMERS' PROPOSED NATURAL GAS DEMAND RESPONSE PROGRAMS.

In its Application in this proceeding, Consumers includes \$4 million in O&M expenses and \$0.5 million in capital expenses to fund natural gas DR pilot programs that it proposes to implement for the 2020/2021 winter season. Consumers, however, did not include any DR program tariffs or form contracts in its filing. Consumers indicated that the terms and conditions of the proposed DR programs are under development.²

RESA expressed several concerns with Consumers' DR program proposals. RESA recommends that the Commission should direct Consumers to do the following: 1) engage in open collaborative discussions with a wide variety of interested stakeholders, such as the MPSC Staff, customer groups, and gas suppliers, on DR program design; 2) because Consumers intends for GCC and EUT customers to pay for the DR programs through their distribution rates, Consumers should include GCC and EUT customers in the natural gas DR pilot programs; and 3) file proposed DR program tariffs with the Commission for public comment and Commission review and approval prior to DR program implementation.³

In their initial briefs, several parties recommend that Consumers collaborate on its proposed DR programs. ABATE supports a DR collaborative.⁴ The MPSC Staff are not

² Exhibit RES-1 (BAL-1).

³ 3 Tr. 306.

⁴ ABATE's Initial Brief, p. 62.

opposed to a DR collaborative, so long as the collaborative is not related to establishing a financial incentive mechanism.⁵ Importantly, no party opposes further collaboration.

To clarify RESA's position, however, RESA is seeking to collaborate on DR program design and communication protocols. RESA was not proposing a collaborative to establish a DR financial incentive mechanism. Thus, the MPSC Staff's concern does not apply to RESA's recommendations. The Commission should make clear that GCC and EUT customers be included in Consumers' DR programs. At the conclusion of the collaborative process, Consumers should file program tariff and form contracts for review and approval.

III. THE COMMISSION SHOULD ADOPT RESA'S RECOMMENDATIONS WITH RESPECT TO CONSUMERS' GCC AND EUT TARIFF AMENDMENTS.

RESA recommends GCC and EUT tariff changes that would ensure the provision of accurate, timely and reliable usage data by Consumers to gas suppliers. RESA's witness Mr. Rittmann described the difficulties gas suppliers experienced obtaining from Consumers customer consumption data needed to serve GCC and EUT customers. RESA's proposed tariff amendments are intended to memorialize Consumers' current data sharing practices and provide suppliers with an opportunity to have their concerns be heard by the Commission if data access issues arise again in the future.

Only Consumers opposes RESA's tariff proposals.⁶ Consumers argues that the proposed tariff provisions are not necessary, that it provides accurate information to suppliers, and that RESA's proposals would require Consumers to provide data more frequently than it does today.⁷ RESA anticipated Consumers' concerns in its initial brief and will not repeat those

⁵ MPSC Staff's Initial Brief, pp. 160-161.

⁶ Consumers' Initial Brief, pp. 330-334.

⁷ *Id.*

arguments here. Importantly, RESA is not seeking more information or more frequent information than what Consumers provides to suppliers today when Consumers' business processes are functioning as intended. RESA stands behind its concerns and recommendations for the reasons stated in its initial brief.

RESA, however, offers the following revised tariff proposals to further address Consumers' stated concerns. The below tariff provisions are modified slightly from the tariff proposals contained in RESA's Initial Brief. For Consumers' EUT program, RESA recommends the following for Section E2 Records, Accounting and Control:

E2.3 Customer Data.

The Company will make a reasonable effort to provide the Customer, or its designated agent, with accurate individual customer consumption data no later than 6 business days after the conclusion of the calendar month.

For Consumers' GCC program tariffs, RESA recommends the following provision be inserted in the F1 General Provisions section of Consumers' tariff:

X. The Company will make a reasonable effort to provide the Supplier with accurate individual customer consumption data on a monthly basis no later than 5 business days after the conclusion of the calendar month.

These adjusted tariff provisions further address Consumers' concerns, including Consumers' timing concerns. If approved, these revised tariff provisions would be satisfactory to RESA.

As noted in RESA's initial brief, if the Commission does not approve RESA's tariff proposals, then the Commission should expressly state in its order in this case that Consumers is required to timely provide monthly GCC and EUT customer usage information to gas suppliers thereby providing a clear basis for complaints to be filed at the Commission for

violating the Commission's order in this case when Consumers fails to provide such information.

IV. CONCLUSION AND PRAYER FOR RELIEF.

For all the reasons explained in the preceding sections of this reply brief and in RESA's initial brief, RESA respectfully requests that the Honorable Administrative Law Judge issue a proposal for decision recommending that the Commission adopt RESA's demand response recommendations and GCC and EUT tariff proposals.

Respectfully submitted,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
ATTORNEYS FOR RETAIL ENERGY SUPPLY ASSOCIATION



Date: July 9, 2020

By: _____
Jennifer Utter Heston (P65202)
124 W. Allegan, Suite 1000
Lansing, MI 48933
Telephone: (517) 482-5800
E-mail addresses: jheston@fraserlawfirm.com



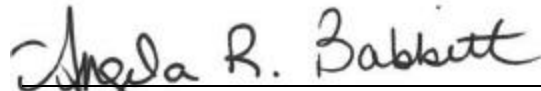
STATE OF MICHIGAN
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CERTIFICATE OF SERVICE

Angela R. Babbitt hereby certifies that on the 9th day of July, 2020, she served the *Reply Brief of Retail Energy Supply Association* and this Certificate of Service on the persons identified on the attached service list via electronic mail.



Angela R. Babbitt

Service List for U-20650

Administrative Law Judge

Honorable Jonathan Thoits
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48917
thoitsj@michigan.gov

Counsel for Consumers Energy Company

Michael C. Rampe
Gary A. Gensch, Jr.
Anne M. Uitvlugt
Theresa A.G. Staley
Ian F. Burgess
Bret A. Totoraitis
One Energy Plaza
Jackson, MI 49201
Michael.Rampe@cmsenergy.com
Gary.genschjr@cmsenergy.com
Anne.uitvlugt@cmsenergy.com
Theresa.Staley@cmsenergy.com
Ian.burgess@cmsenergy.com
Bret.totoraitis@cmsenergy.com
Mpsc.filings@cmsenergy.com

Counsel for Attorney General

Celeste R. Gill
Office of the Attorney General
525 W. Ottawa St., Williams Bldg. 6th Fl.
Lansing, MI 48909
Gillc1@michigan.gov
AG-ENRA-Spec-Lit@michigan.gov

Counsel for MPSC Staff

Heather M.S. Durian
Spencer A. Sattler
Monica M. Stephens
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48917
durianh@michigan.gov
sattlers@michigan.gov
stephensm11@michigan.gov

Counsel for Citizens Utility Board of Michigan (CUB)

Christopher M. Bzdok
Lydia Barbash-Riley
Olson, Bzdok & Howard
420 E. Front St.
Traverse City, MI 49686
chris@envlaw.com
lydia@envlaw.com
kimberly@envlaw.com
karla@envlaw.com

John R. Liskey
John Liskey Attorney at Law
921 N. Washington Ave.
Lansing, MI 48906
john@liskeypllc.com

Counsel for Midland Cogeneration Venture, LP

Jason T. Hanselman
John A. Janiszewski
Dykema Gossett
201 Townsend St., Ste. 900
Lansing, MI 48933
jhanselman@dykema.com
jjaniszewski@dykema.com

Counsel for Michigan State University

Peter H. Ellsworth
Nolan J. Moody
Dickinson Wright
215 S. Washington Sq., Ste. 200
Lansing, MI 48933
pellsworth@dickinsonwright.com
nmoody@dickinsonwright.com

Counsel for Lansing Board of Water & Light

Richard J. Aaron
Courtney Kissel
Dykema Gossett
201 Townsend St., Ste. 900
Lansing, MI 48933
raaron@dykema.com
ckissel@dykema.com

Justin K. Ooms
Varnum Law
333 Bridge St., NW
Grand Rapids, MI 49504
jkooms@varnumlaw.com

Counsel for Residential Customer Group

Don L. Keskey
Brian W. Coyer
Public Law Resource Center
University Office Place
333 Albert Ave., Ste. 425
East Lansing, MI 48823
donkeskey@publiclawresourcecenter.com
bwcoyer@publiclawresourcecenter.com

Counsel for ABATE

Michael J. Pattwell
Bryan A. Brandenburg
Clark Hill
212 East Cesar E. Chavez Ave.
Lansing, MI 48906
mpattwell@clarkhill.com
bbrandenburg@clarkhill.com

Stephen A. Campbell
Clark Hill
500 Woodward Ave., Ste. 3500
Detroit, MI 48226
scampbell@clarkhill.com

Counsel for Energy Michigan, Inc.

Timothy J. Lundgren
Laura A. Chappelle
Varnum Law
201 N. Washington Sq., Ste. 910
Lansing, MI 48933
tjlundgren@varnumlaw.com
lachappelle@varnumlaw.com

