



March 30, 2023

Lisa Felice, Executive Secretary
Michigan Public Services Commission
7109 West Saginaw Highway
Lansing, MI 48197

CITY COUNCIL

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Bob Gatt

Mayor Pro Tem
Dave Staudt

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Mayor and Council –
Please see the drafted
letter to the MPSC.
This correspondence
will be downloaded
as a comment to the
MPSC on Tuesday
morning if there
aren't any objections
from Council during
Executive Session on
Monday.

- Victor

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org

RE: MPSC Case U-21305: In the Matter, on the Commission's Own Motion, to Investigate, Audit and Review the Methods Employed by Consumers Energy Company 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

Public Comment on Behalf of the City of Novi, Michigan

Dear Ms. Felice:

Please accept and file this letter as a public comment in the above-referenced matter. The City of Novi ("City" or "Novi") thanks the Commission for opening this case and providing an opportunity to comment on issues that the City—and more specifically its residents and businesses—are experiencing with DTE's services. The Commission's Order of October 5, 2022, directs DTE (a) to provide updates on its compliance with prior directives of the Commission and commitments made by DTE, and (b) to report on various other issues outlined in the Order. The Order also directs the Commission Staff to begin the process for an independent third-party audit of both DTE's physical infrastructure and its programs and processes. As a basis for its actions, the Commission notes that it has reached "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...." (Order, pg. 14.) The City wholeheartedly agrees.

The Order does not request specific comments from members of the public or from public entities. But because the Commission's conclusions mirror the lived experience of the City of Novi and its residents over the past many years, the City offers the following.

The decision to file this correspondence with the Commission results in part from the latest round of outages affecting significant portions of the City at the end of February and in early March of this year—particularly a significant ice storm on March 3, 2023, and the failures of DTE during the days that followed. But that storm and related outages were just one instance among many for some areas of the City. While Novi does not specifically track and document each outage experienced by either the City in its public facilities or residents and property owners in their homes and businesses, the City regularly receives information and complaints from affected residents and property owners and can confidently state that over the past few years there have been dozens of power outages and interruptions throughout the City. A significant number of those were experienced in the southeastern-most area of the City, which seems to suffer interruptions and outages not only during storm events, but when

surrounding areas and neighboring communities are not experiencing similar outages.

The City provides a wide variety of municipal services to its citizens, including critical services such as police and fire, and is responsible for maintaining hundreds of miles of local roads, water and sewer lines, and stormwater facilities as well as parks and other public facilities. Service interruptions and power outages affect the City directly because they impair the City's ability to serve the community and increase health and safety risks to the public, which in turn greatly tax the City's resources—impacting everything from municipal employees potentially guarding downed power lines to increased traffic control requirements and emergency response obligations.

As problematic as the loss of power is to a local government entity like Novi, it can be devastating to residents and businesses, particularly those who experience greater-than-typical interruptions, and to the most vulnerable individuals—our elderly and medically compromised. The frequent interruptions over the past few years have negatively impacted both the safety and the quality of life for Novi residents—to the point where residents have sold their houses and left Novi, citing unreliable power as a primary reason.

The City reads the October 5, 2022, Order to be a broad expression of dissatisfaction by the Commission with DTE's efforts to improve its service levels over the past several years and as an attempt to bring a greater sense of urgency and focus on DTE's part. The City supports any such efforts. The Commission, obviously, knows better what information it has asked of DTE and certainly better understands the business of providing electrical service—both technically and practically—than does the City. However, the City suggests that among the myriad issues the Commission will likely get information about, the following deserve particular attention by both the Commission and DTE:

1. *Requiring electric utilities like DTE to do a better job reporting outage causes, frequency, and duration.* One of the things that makes it hard for the City to understand the true extent of the problem of service interruptions within its borders is the lack of detailed information about them—at any time, let alone as they are actually occurring. The City and its residents are often left to their own devices to try to keep track of and to understand what happened and when.

Or even why outages or events have happened—certainly anecdotally it appears that some areas of the City experience a far greater number of outages, and for greater frequency, than others. System-wide metrics and information have value, of course, but detailed information that allows DTE to assess individual area vulnerabilities and needs is ultimately required. Utilities like DTE should be required to track that information and use it to act accordingly to ensure that there is equity and fairness in the level of response by the utility and that comparable levels of attention are being paid to fixing problems that have been identified.

2. *Encouraging even more investment in tree-trimming and vegetation management.* While the City understands from DTE that efforts within

the City have been stepped up—particularly since the storms that swept through the City back in July 2021—it does not appear that all areas of the City have yet been addressed. Despite its awareness of continual service interruptions and complaints by citizens in particular areas of the City, DTE has failed to sufficiently escalate its tree trimming program to address the continual outages in targeted areas.

3. *Focusing on distribution system reliability.* Some of the distribution system infrastructure throughout the City is dated—old or near end of life—and while DTE assures the City that upgrades, replacements, and maintenance will continue to occur, as noted above some areas of the community are simply not benefiting from whatever those efforts are right now.
4. *But also exploring and utilizing system-wide resiliency.* It is not enough to just upgrade what infrastructure DTE now has in older cities like Novi. DTE needs to find new ways to harden infrastructure from the increasing frequency and severity of storm events with different kinds of delivery systems or components. DTE should also be required to assess threats to its distribution system that exist outside of DTE’s rights-of-ways—e.g., trees on private property.
5. *Focusing on burying lines.* Following up on the plan immediately above, it might be time for the Commission to consider some significant rule changes. Two, in particular, seem relevant to the City’s issues. R460.517 sets forth the requirement for the utility to bear the cost of construction only where the utility decides to bury the electric facilities for its own convenience or where underground construction is required by ordinance “in heavily congested business districts.” That limitation allows utilities like DTE to avoid having to look at the obvious solution of undergrounding electric facilities in communities, or areas of communities, where frequent outages are occurring. Cities like Novi cannot typically pay for such things out-of-pocket (nor can affected residents or businesses). But, in some cases, that solution might in fact be the appropriate solution.

R460.516 provides only that a customer may request burying of lines. The Commission should consider amending that rule so that it also allows burying to be required either by ordinance, or where existing overhead distribution and service lines are due for replacement based on maintenance or asset planning requirements, or where existing overhead distribution and service lines are at the end of their useful life.

6. *Devising and implementing programs that protect the most vulnerable among us.* DTE should have better plans for addressing the true public health and safety issues caused by frequent outages and outages of extended duration for those whose medication requires refrigeration, for example. It should expand and update its billing credit programs to address loss of food and other goods, costs for alternative accommodations during events and/or generator service, etc. Whether

these are system-wide improvements or solutions targeted to older or lower-income areas/customers, more needs to be done.

In early 2019, the Commission approved a rate increase of roughly \$273.3 million dollars for DTE. This increase included up to \$282 million dollars for tree trimming through 2021 and \$195.3 million in “capital investments” for DTE’s distribution system. (Case No. U-20162). In May of 2020, the Commission approved a \$183.3 million rate increase for DTE to include new investments in critical infrastructure. The Commission also authorized an extension on of the multi-year tree trimming program through 2020. (Case No. U-20561). In 2022, the Commission approved \$30.5 million of the \$388 million rate request the utility sought. (Case U-20836) These increases were given *on top of* several years and millions of dollars of rate increases granted to DTE by the Commission.

The City and its residents have paid for these rate increases without receiving any measurable gains from them. The tree trimming program in particular has not been implemented effectively within the City. DTE has recently requested a \$622 million dollar rate increase for 2023 which is currently being reviewed and commented on by MPSC Staff and numerous interested parties. (Case U-21297). The residents of Novi are continually asked to fund rate increases for DTE—but they never seem to receive the tangible benefit of reliable electric service from doing so.

The City of Novi hopes that the opening of this case will lead somewhere that the Commission’s efforts to date frankly have not—to the implementation of identifiable and measurable benefits to the captive customers of DTE within the City that have no viable alternative to DTE as an electrical service supplier.

/s/ Bob Gatt

Bob Gatt, Mayor

/s/ David Staudt

David Staudt, Mayor Pro Tem

/s/ Laurie Marie Casey

Laurie Marie Casey, Council Member

/s/ Hugh Crawford

Hugh Crawford, Council Member

/s/ Justin Fischer

Justin Fischer, Council Member

/s/ Brian Smith

Brian Smith, Council Member

/s/ Ericka Thomas

Ericka Thomas, Council Member

cc: Jennifer Whitteaker (jenniferwhitteaker@dteenergy.com)
Matt Paul (matthew.paul@dteenergy.com)
Joe Musallam (joseph.musallam@dteenergy.com)
Bill Hutchinson (william.hutchinson@dteenergy.com)

Gil Salazar (gilbert.salazar@dteenergy.com)
Stephanie Baron (stephanie.baron@dteenergy.com)
Victor Cardenas, Interim City Manager
Cortney Hanson, City Clerk
Thomas R. Schultz, Esq.