

STATUS OF ELECTRIC COMPETITION IN MICHIGAN

Report for Calendar Year 2013

John D. Quackenbush, Chairman
Greg R. White, Commissioner
Sally A. Talberg, Commissioner

MICHIGAN PUBLIC SERVICE COMMISSION
Department of Licensing and Regulatory Affairs

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Introduction

The Customer Choice and Electricity Reliability Act (Public Act 141 of 2000, referred to throughout as Act 141) requires the Michigan Public Service Commission (Commission or MPSC) to file a report with the Governor and the Legislature by February 1 each year. The report is to include a discussion of the following topics, pursuant to MCL 460.10u:

- a) The status of competition for the supplying of electricity in Michigan.
- b) Recommendations for legislation, if any.
- c) Actions taken by the Commission to implement measures necessary to protect consumers from unfair or deceptive business practices by utilities, alternative electric suppliers, and other market participants.
- d) Information regarding consumer education programs approved by the Commission to inform consumers of all relevant information regarding the purchase of electricity and related services from alternative electric suppliers.

An important goal of Act 141 is to have competition within the electric industry by offering Michigan customers the opportunity to purchase electric generation services from their incumbent utility or an Alternative Electric Supplier (AES). The Commission does not regulate the prices charged by an AES for its services. Customers may choose between an unregulated AES rate or a regulated utility rate.

Public Act 286 of 2008 (Act 286) was enacted on October 6, 2008 and amended Act 141. Section 10a(1)(a) of Act 286, MCL 460.10a, provides that no more than 10 percent of an electric utility's average weather-adjusted retail sales for the preceding calendar year may take service from an alternative electric supplier at any time.¹ As a result, the Commission outlined the specific procedures pertaining to the implementation of the 10 percent cap and established a Cap Tracking System that utilities are required to make available online.²

¹ With the exception of Section 10a(1)(d) of Act 286 which excludes iron ore mining or processing facilities.

² Order dated September 29, 2009 in Case No. U-15801.

I. Status of Competition for Electric Supply

A. Overview

Retail Open Access (referred to throughout as “ROA”, “electric customer choice” or “electric choice”) for all customers of Michigan investor-owned electric utilities took effect on January 1, 2002. AESs currently serve electric choice customers in the Consumers Energy Company (Consumers Energy), DTE Electric Company f/k/a Detroit Edison (DTE), Upper Peninsula Power Company (UPPCo), Wisconsin Electric Power Company (WEPCo) and Wisconsin Public Service Corporation (WPSC) territories. As of April 2013, Indiana Michigan Power Company (I&M) no longer has customers participating in electric choice.

Michigan is one of 16 jurisdictions that had full or limited restructuring of retail electric markets in 2013.³ In Michigan, Act 286 caps electric choice participation at 10 percent of an electric utility’s average weather-adjusted retail sales for the preceding year. The 10 percent cap is reset annually to reflect the average weather-adjusted retail sales for the preceding year.

Specific information pertaining to the status of electric choice participation can be found at the respective websites for Consumers Energy, DTE, I&M, UPPCo, WEPCo and WPSC.⁴

1. Michigan’s Electric Customer Choice Program

Electric customer choice is available to all customers of regulated electric utilities, excluding members of electric cooperatives with loads of less than one megawatt (MW).⁵ Michigan’s current retail electric market maintains regulation of most utility generation and distribution while allowing for competitive energy supply. Until 2013, AESs served in

³ Chart 1 (Appendix 1, p. 22)

⁴ http://www.dleg.state.mi.us/mpsc/electric/restruct/faq/cap_data.html

⁵ MCL 460.10x and MCL 460.10y outline different requirements for implementation of customer choice for cooperatively owned and municipal electric utilities. MCL 460.10x allows any retail customer of a rural electric cooperative with a peak of 1 megawatt or above to select an alternative electric supplier. MCL 460.10y provides that the governing body of a municipally owned utility determines whether it will permit choice programs in its service territory.

Consumers Energy, DTE, I&M and UPPCo service territories. During 2013, AESs began serving in WEPCo and WPSC territories as well.

As of December 2013, there were approximately 6,660 customers participating in the electric choice programs (compared to 6,800 in 2012). This represented approximately 2,410 MWs of electric demand, which is an increase of about 396 MW from 2012. As of December 2013, approximately 11,400 customers remain in the queue.

Commercial and industrial customers in the service territories of Consumers Energy, DTE, I&M, UPPCo, WEPCo and WPSC accounted for all of the participation in the electric choice programs during 2013. Despite being allowed for retail customers of a rural electric cooperative with a peak load of one MW or above, retail competition has yet to occur in areas served by rural electric cooperatives.

2. Utility Specific Cap Data

Below is a summary of cap related data for both Consumers Energy and DTE for 2011 – 2013. To date, both service territories are fully subscribed at the 10 percent cap.

Consumers Energy			
	2011	2012	2013
Weather-Adjusted Retail Sales	36,690,837 MWh	37,398,498 MWh	37,298,206 MWh
Participation Level	3,978,005 MWh	3,913,906 MWh	4,011,850 MWh
Participation Percent	10.84%	10.47%	10.77%
Customers in Service	1,069	1,064	1,065
Customers in Queue	3,739	5,867	6,074
Total Load in Queue	3,074,504 MWh	5,048,847 MWh	5,338,503 MWh
<i>Participation Percent w/o Cap</i>	<i>19.22%</i>	<i>23.97%</i>	<i>25.07%</i>

DTE Electric Company			
	2011	2012	2013
Weather-Adjusted Retail Sales	46,721,674 MWh	47,093,408 MWh	46,830,494 MWh
Participation Level	5,200,608 MWh	5,316,260 MWh	5,163,132 MWh
Participation Percent	11.13%	11.29%	11.03%
Customers in Service	5,976	5,672	5,491
Customers in Queue	2,646	4,600	5,295
Total Load in Queue	1,793,505 MWh	4,382,423 MWh	5,181,881 MWh
<i>Participation Percent w/o Cap</i>	<i>14.97%</i>	<i>20.59%</i>	<i>22.09%</i>

As seen above, the number of customers and load in each queue has increased each year. Consumers Energy experienced a four percent increase in the number of customers in the queue from 2012 to 2013 (six percent load increase), while DTE experienced a 15 percent increase in the number of customers in the queue from 2012 to 2013 (18 percent load increase). Hypothetically, if the cap did not exist, choice participation would be approximately 25 percent for Consumers Energy and 22 percent for DTE, respectively, at year end 2013.

Below is a summary of cap related data for I&M for 2012-2013. No electric choice load was being served at year-end 2013.

Indiana Michigan Power Company		
	2012	2013
Weather-Adjusted Retail Sales	2,839,271 MWh	2,835,839 MWh
Participation Level	163,950 MWh	0 MWh
Participation Percent	5.8%	0%
Customers in Service	122	0
Customers in Queue	0	0
Total Load in Queue	0 MWh	0 MWh
<i>Participation Percent w/o Cap</i>	<i>N/A</i>	<i>N/A</i>

Below is a summary of cap related data for UPPCo for 2012-2013. The current level of choice participation is approximately 9.99 percent. Hypothetically, if the cap did not exist, choice participation would be approximately 11 percent.

Upper Peninsula Power Company		
	2012	2013
Weather-Adjusted Retail Sales	795,049 MWh	847,567 MWh
Participation Level	13,732 MWh	84,686 MWh
Participation Percent	1.7%	9.99%
Customers in Service	4	39
Customers in Queue	0	31
Total Load in Queue	0	10,289 MWh
<i>Participation Percent w/o Cap</i>	<i>N/A</i>	<i>11.21%</i>

Below is a summary of cap related data for WEPCo. In 2013, two mining facilities migrated to choice within WEPCo's service territory which, combined with several other industrial

customers that began being served by AESs in 2013, resulted in approximately 85 percent of WEPCo's load taking choice service. Act 286 provides that any customer operating an iron ore mining facility, iron ore processing facility, or both, located in the Upper Peninsula of this state, is permitted to purchase all or any portion of its electricity from an AES, regardless of whether the sales exceed 10 percent of the serving electric utility's average weather-adjusted retail sales.

Wisconsin Electric Power Company		
	2012	2013
Weather-Adjusted Retail Sales	2,935,546 MWh	2,549,536 MWh
Participation Level	0 MWh	2,173,619 MWh
Participation Percent	0%	85.26%
Customers in Service	0	51
Customers in Queue	0	2
Total Load in Queue	0 MWh	1,350 MWh
<i>Participation Percent w/o Cap</i>	<i>N/A</i>	<i>85.31%</i>

Below is a summary of cap related data for WPSC. In 2013 the current level of choice participation is approximately 7.52 percent.

Wisconsin Public Service Company		
	2012	2013
Weather-Adjusted Retail Sales	285,174 MWh	286,303 MWh
Participation Level	0 MWh	21,537 MWh
Participation Percent	0%	7.52%
Customers in Service	0	13
Customers in Queue	0	0
Total Load in Queue	0 MWh	0 MWh
<i>Participation Percent w/o Cap</i>	<i>N/A</i>	<i>N/A</i>

3. Michigan Renewable Energy Programs

In accordance with PA 295 of 2008 (Act 295), the Commission is required to review electric provider renewable energy plans every two years. For AESs with initial renewable energy plans approved in 2009, the second biennial reviews were required in 2013. AESs currently serving customers filed applications requesting approval of renewable energy plan biennial review filings. For AESs not currently serving customers, the biennial review consists of a letter filed with the Commission indicating the AES does not serve any customers.

In 2013, there were 21 AESs required to file biennial reviews or letters. Twelve of these AESs had approved orders issued by the Commission, eight have pending orders that should be issued in early 2014 and one AES had its license revoked. Additionally, one AES licensed in December 2012 filed its initial renewable energy plan in 2013.

B. Alternative Electric Suppliers

There were 27 licensed AESs with 12 of those actively serving customers as of December 2013.⁶ The Commission issued four new AES licenses in 2013 for Santanna Energy Services, Interstate Gas Supply, Inc. d/b/a IGS Energy, LLC, energy.me Midwest, LLC d/b/a energy.me and TERM Power & Gas, LLC d/b/a ENCOA. The Commission revoked one AES license in 2013 as a result of non-compliance for Nordic Marketing, LLC while Exelon Energy Company and GearyEnergy, LLC voluntarily relinquished their AES licenses.⁷

C. Load Served through Electric Customer Choice Programs

As noted, mainly commercial and industrial loads take advantage of ROA. Typical choice participants are large industrial manufacturers and mid-size commercial customers including retailers, restaurants, healthcare facilities, school systems and other service providers. The number of residential choice customers participating in the electric choice program is negligible. However, during 2013 residential customers were placed into the queues for both Consumers Energy and DTE.

1. Consumers Energy Electric Customer Choice Program

The number of customers and the electric demand served by each AES in the Consumers Energy service territory at the end of each year is shown in Chart 2 (Appendix 1, p. 23). The electric choice load served in the Consumers Energy service territory at year-end 2013 totaled

⁶ See Appendix 1: Chart 2 (p. 23), Chart 4 (p. 25), Chart 6 (p. 27), Chart 8 (p. 29), Chart 10 (p. 31), Chart 12 (p. 33).

⁷ See Appendix 2 for a complete list and further detail on these orders.

787 MW. This compares to 776 MW in 2012. There were 1,065 customers served by AESs at year-end 2013 compared to 1,064 in 2012.⁸

Additional information depicting trends in the Consumers Energy electric customer choice program is included in Appendix 1. Chart 3 (Appendix 1, p. 24) shows the number of customers participating and the load served on a monthly basis from July 2012 through December 2013.

2. DTE Electric Company Electric Customer Choice Program

The number of customers and the electric demand served by each AES in the DTE service territory at the end of the year is shown in Chart 4 (Appendix 1, p. 25). The electric choice load served in the DTE service territory at year-end 2013 totaled 1,191 MW compared to 1,199 MW in 2012. The number of customers served by AESs totaled 5,491 at year-end 2013 compared to 5,672 in 2012.⁹

Additional information depicting trends in the DTE electric customer choice program is included in Appendix 1. Chart 5 (Appendix 1, p. 26) shows the number of customers participating and the load served on a monthly basis from July 2012 through December 2013.

3. I&M Electric Customer Choice Program

In February 2012, Case No. U-17032 was initiated by the Commission to establish a state compensation mechanism for AES capacity in I&M's Michigan service territory. In May 2012, customers began taking choice service in I&M's service territory and by June 2012, I&M's choice program was fully subscribed at the 10 percent cap. In September 2012, the Commission approved the creation of a state compensation mechanism for AES capacity in I&M's Michigan service territory in Case No. U-17032. Since April 2013, there has been no choice participation in I&M's territory.

⁸ Chart 2 (Appendix 1, p. 23)

⁹ Chart 4 (Appendix 1, p. 25)

The number of customers and the electric demand served by each AES in the I&M service territory at the end of the year is shown in Chart 6 (Appendix 1, p. 27). No electric choice load was being served at year-end 2013 compared to 36 MW served (122 customers) in 2012.¹⁰

Additional information depicting trends in the I&M electric customer choice program is included in Appendix 1. Chart 7 (Appendix 1, p. 28) shows the trend in the number of customers participating and the load served in I&M's electric choice program on a monthly basis, from August 2012 through December 2013.

4. UPPCo Electric Customer Choice Program

The number of customers and the electric demand served by each AES at the end of the year is shown in Chart 8 (Appendix 1, p. 29). The electric choice load served in the UPPCo service territory at year-end 2013 totaled 15.378 MW compared to 2.52 MW in 2012. The number of customers served totaled 39 at year-end 2013 compared to four in 2012.¹¹

Additional information depicting trends in the UPPCo electric customer choice program is included in Appendix 1. Chart 9 (Appendix 1, p. 30) shows the number of customers participating and the load served on a monthly basis from January 2012 through December 2013.

5. WEPCo Electric Customer Choice Program

The number of customers and the electric demand served by each AES at the end of the year is shown in Chart 10 (Appendix 1, p. 31). The electric choice load served in the WEPCo service territory at year-end 2013 totaled 411.9 MW for 51 customers served.¹²

¹⁰ Chart 6 (Appendix 1, p. 27)

¹¹ Chart 8 (Appendix 1, p. 29)

¹² Chart 10 (Appendix 1, p. 31)

Additional information depicting trends in the WEPCo electric customer choice program is included in Appendix 1. Chart 11 (Appendix 1, p. 32) shows the number of customers participating and the load served on a monthly basis during 2013.

6. WPSC Electric Customer Choice Program

The number of customers and the electric demand served by each AES at the end of the year is shown in Chart 12 (Appendix 1, p. 33). The electric choice load served in the WPSC service territory at year-end 2013 totaled five MW for 13 customers served.¹³

Additional information depicting trends in the WPSC electric customer choice program is included in Appendix 1. Chart 13 (Appendix 1, p. 34) shows the number of customers participating and the load served on a monthly basis during 2013.

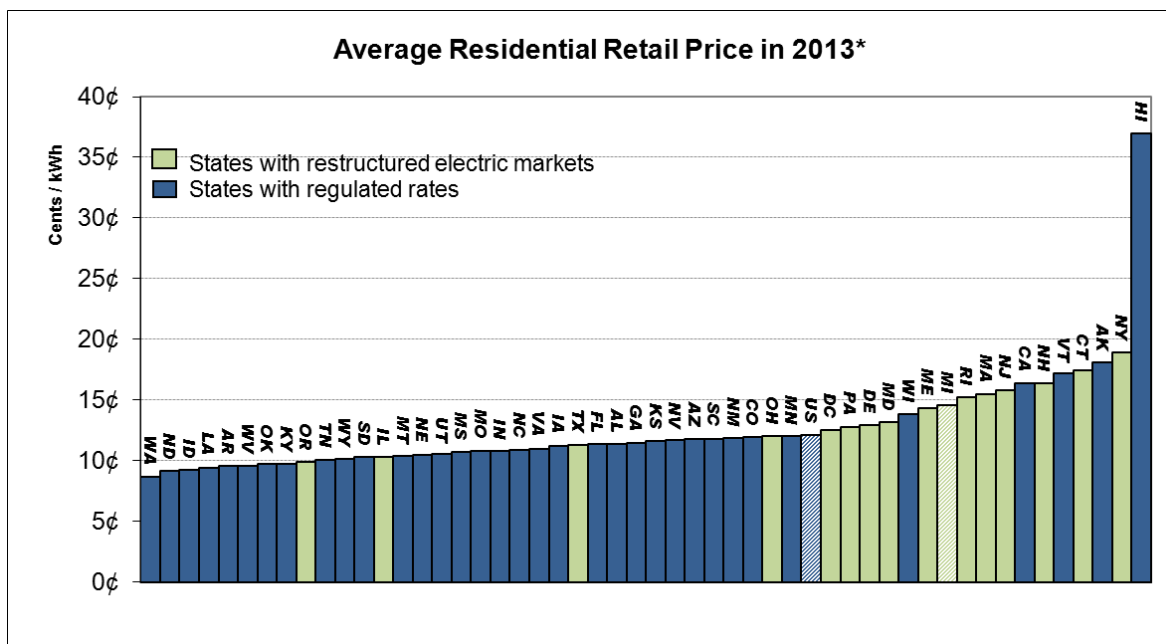
D. Benchmarking Michigan's Electric Prices

This report provides benchmark data that compares Michigan's electric prices to those of other jurisdictions based on customer class. The data shown in the following charts for 2013 reflects January – August 2013.

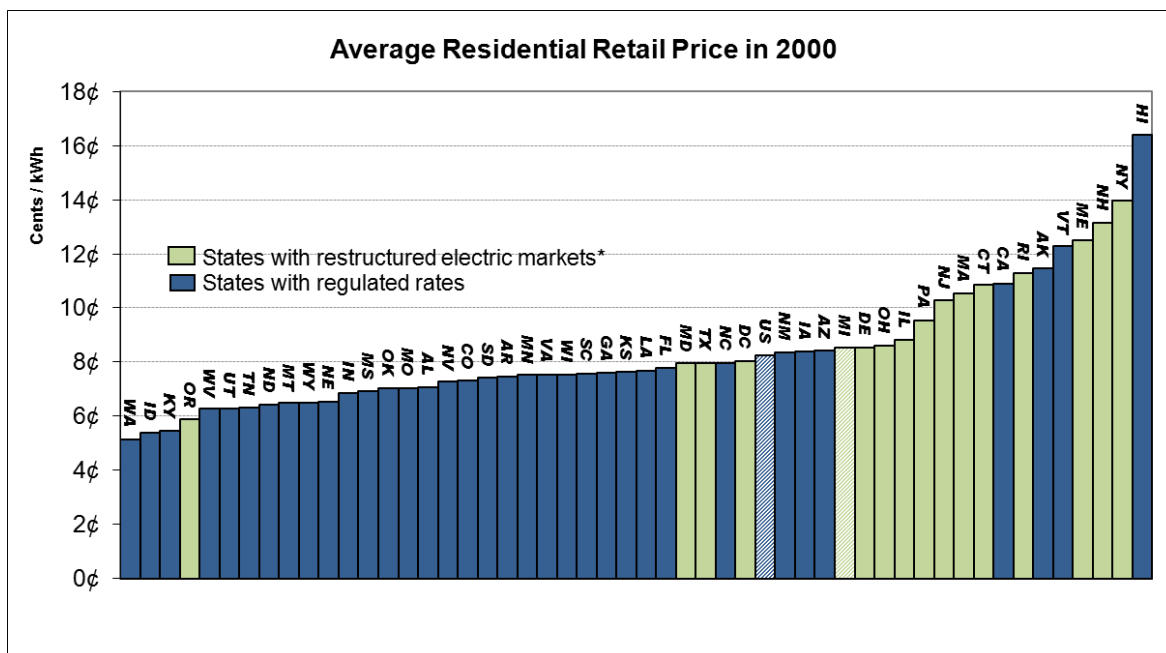
1. Residential Rates

The charts below reflect the 2000 and 2013 average residential retail rates. In 2013, Michigan's average residential retail rates ranked seventh highest among the 16 jurisdictions with restructured markets at \$0.1460/kWh. Michigan ranked fifth lowest in 2000.

¹³ Chart 12 (Appendix 1, p. 33)

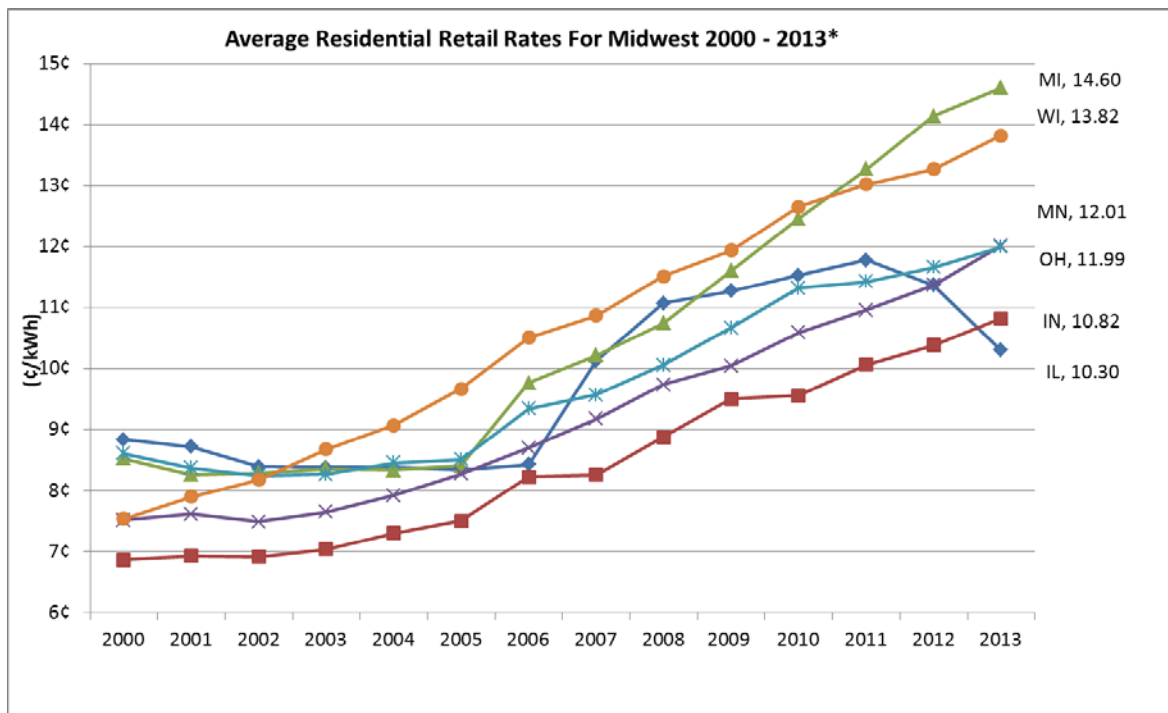


Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *2013 data is only through August and will change.



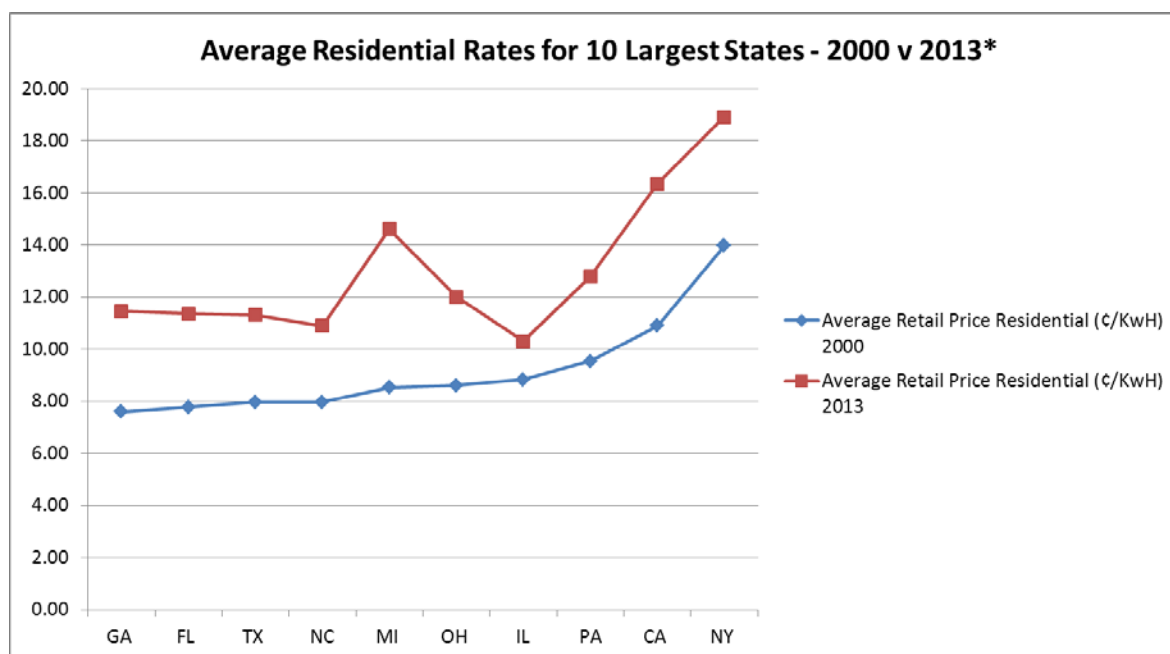
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). Based on 2010 market structure.

The chart below reflects the average residential retail rates for the neighboring Midwest states from 2000 - 2013. In 2013, Michigan's average residential retail rates ranked the highest among six Midwest states at \$0.1460/kWh.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2013 data is only through August and will change.

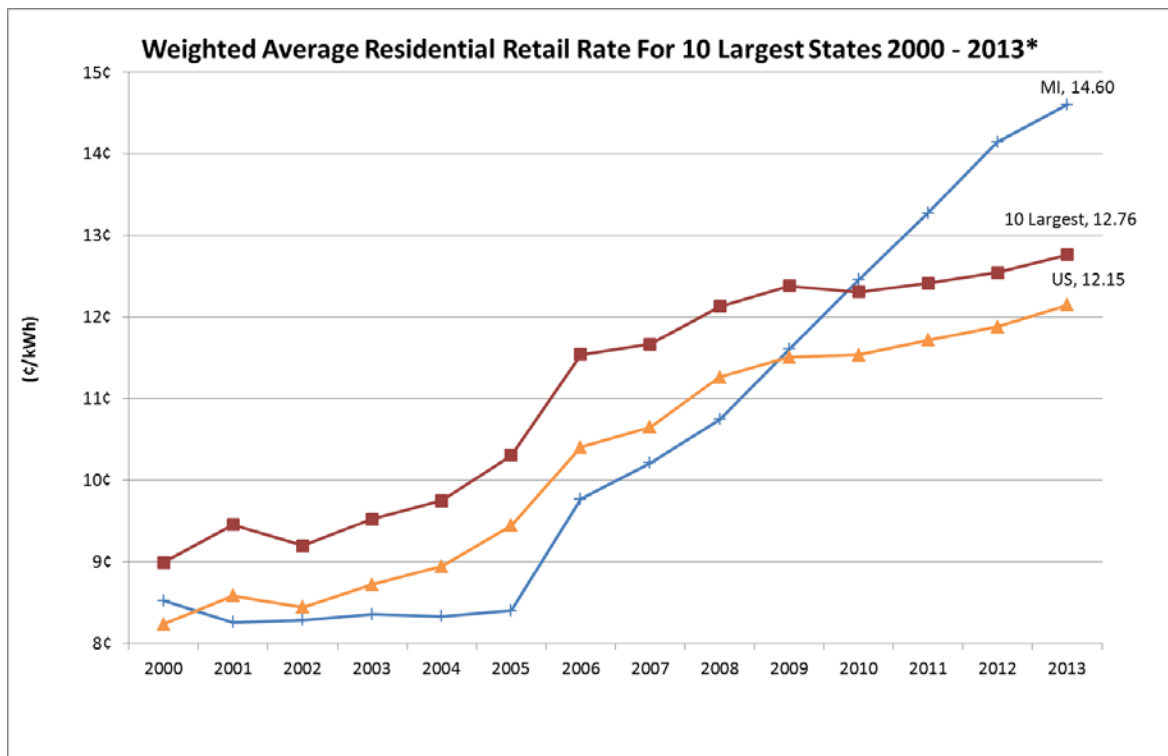
The chart below compares the average residential retail rates for the 10 largest states by population for 2000 and 2013. Michigan's rates were third highest among these states in 2013 at \$0.1460/kWh. Michigan ranked fifth lowest in 2000.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2013 data is only through August and will change.

The chart below reflects the weighted average residential retail rates for the 10 largest states, as well as the national average, from 2000 to 2013.¹⁴ Michigan's weighted average residential retail rate was below the national average from 2001 to 2008 and has been above the national average since 2009. Similarly, Michigan was below the 10 largest average from 2000 to 2009 and has been above the 10 largest average since 2010.

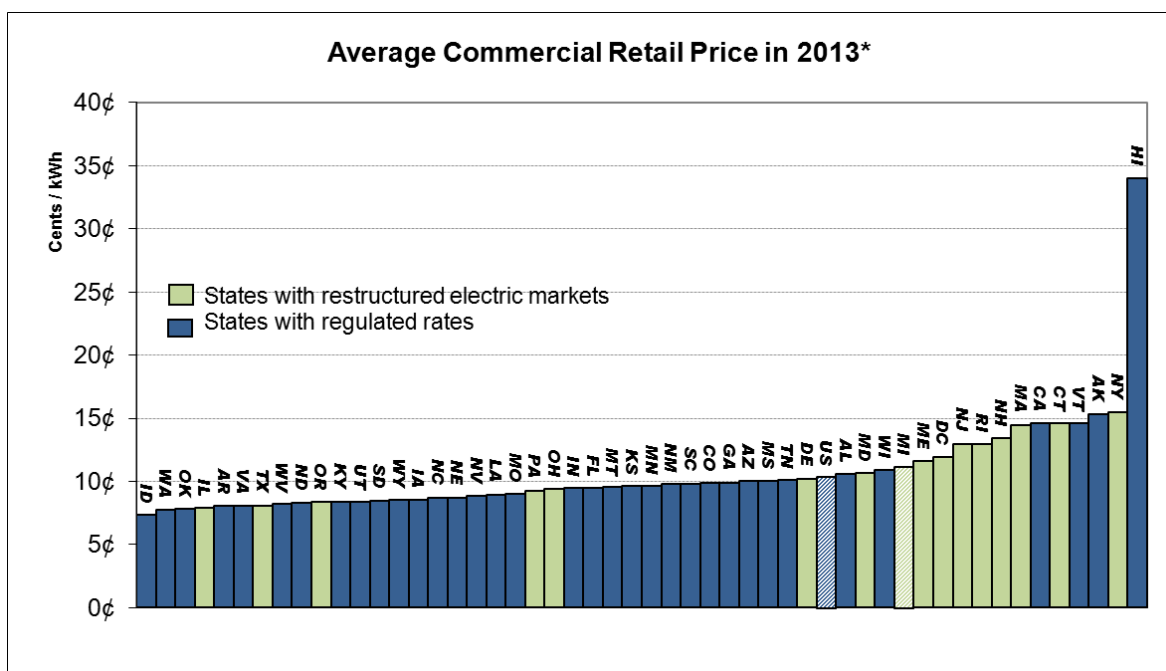
¹⁴ Weighted average is determined by taking total revenue divided by total sales.



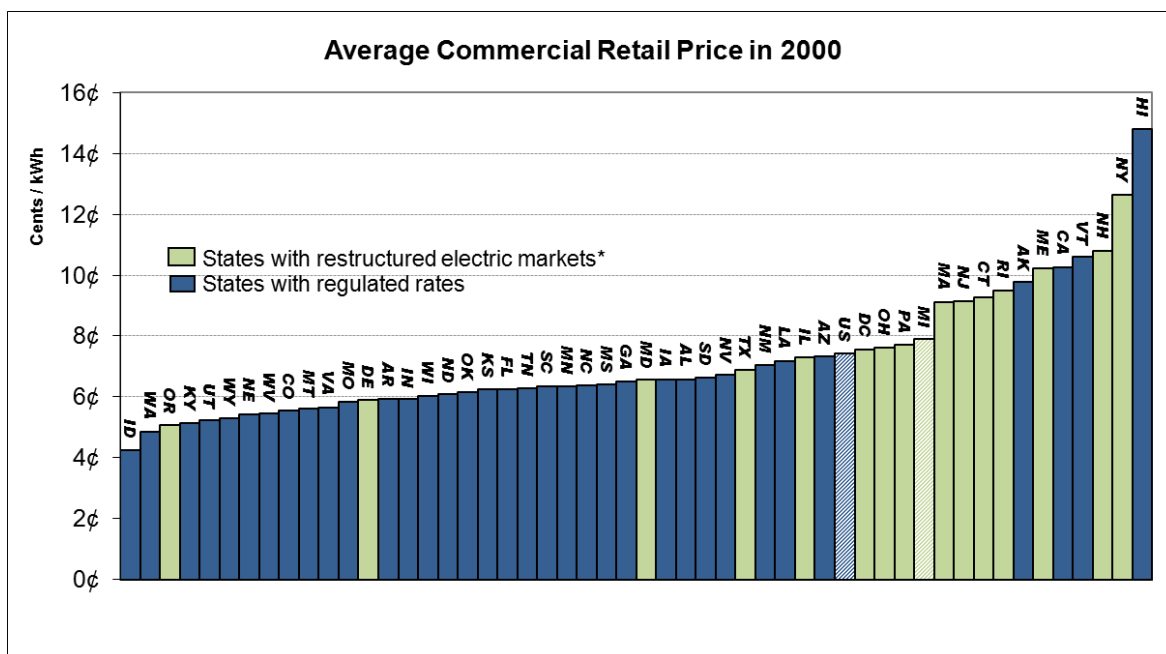
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2. Commercial Rates

The charts below reflect the 2000 and 2013 average commercial retail rates. In 2013, Michigan's commercial average retail rates ranked eighth lowest among the 16 jurisdictions with restructured markets at \$0.1113/kWh. Michigan ranked eighth highest in 2000.

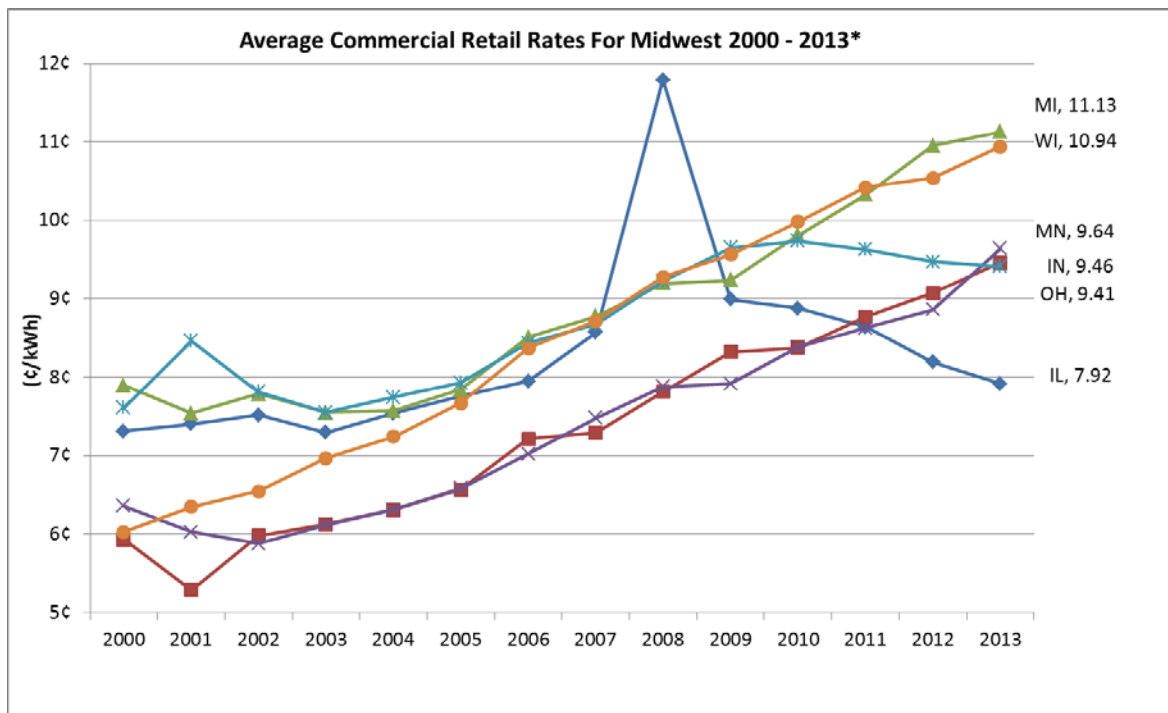


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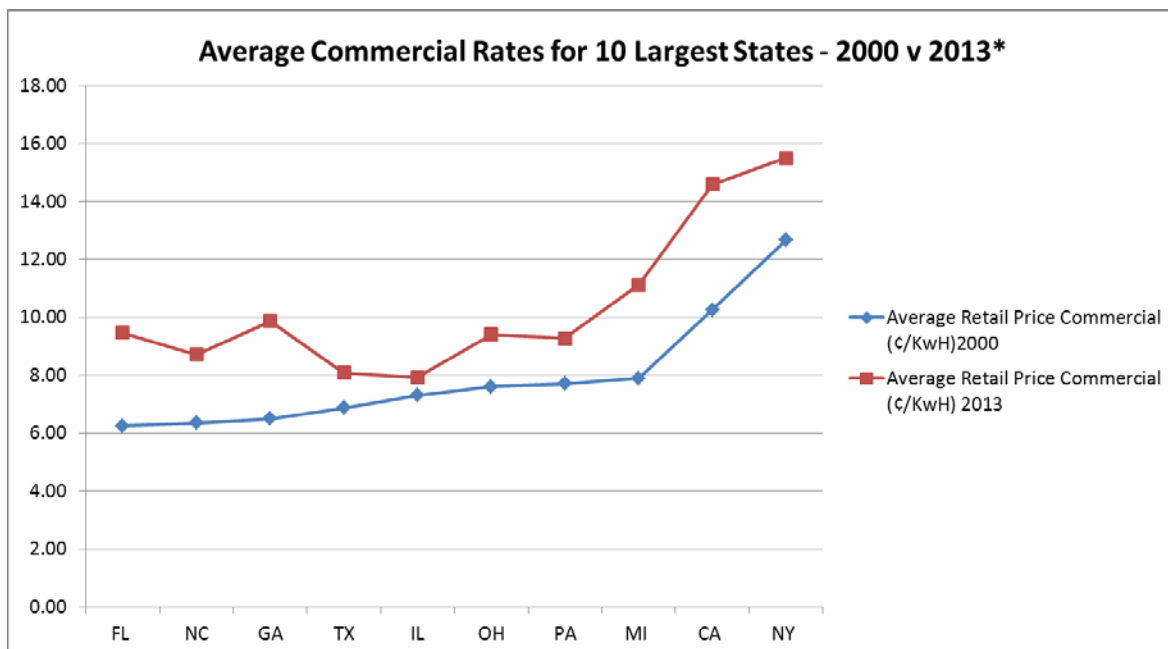
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The chart below reflects the average commercial retail rates for the neighboring Midwest states from 2000 - 2013. In 2013, Michigan's average commercial retail rates ranked the highest among six Midwest states at \$0.1113/kWh.



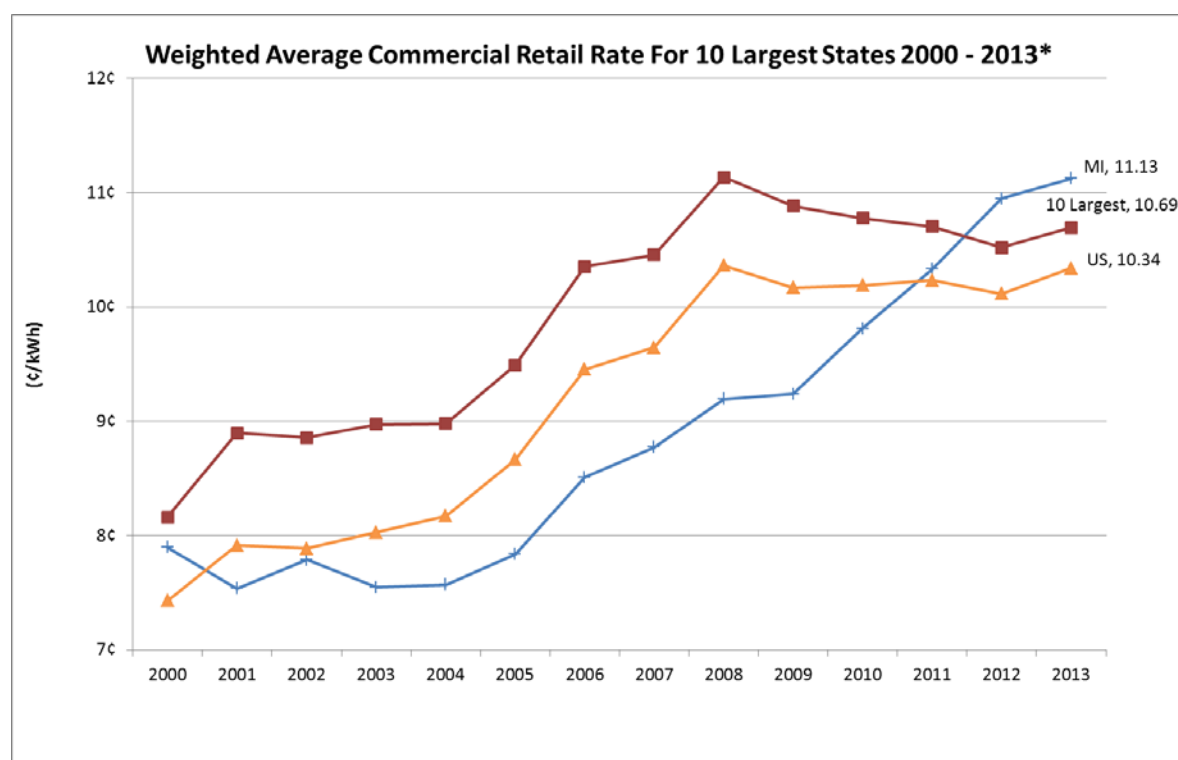
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The chart below compares the average commercial retail rates for the 10 largest states by population for 2000 and 2013. Michigan's rates were third highest among these states in 2013 at \$0.1113/kWh. Michigan ranked third highest in 2000.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2013 data is only through August and will change.

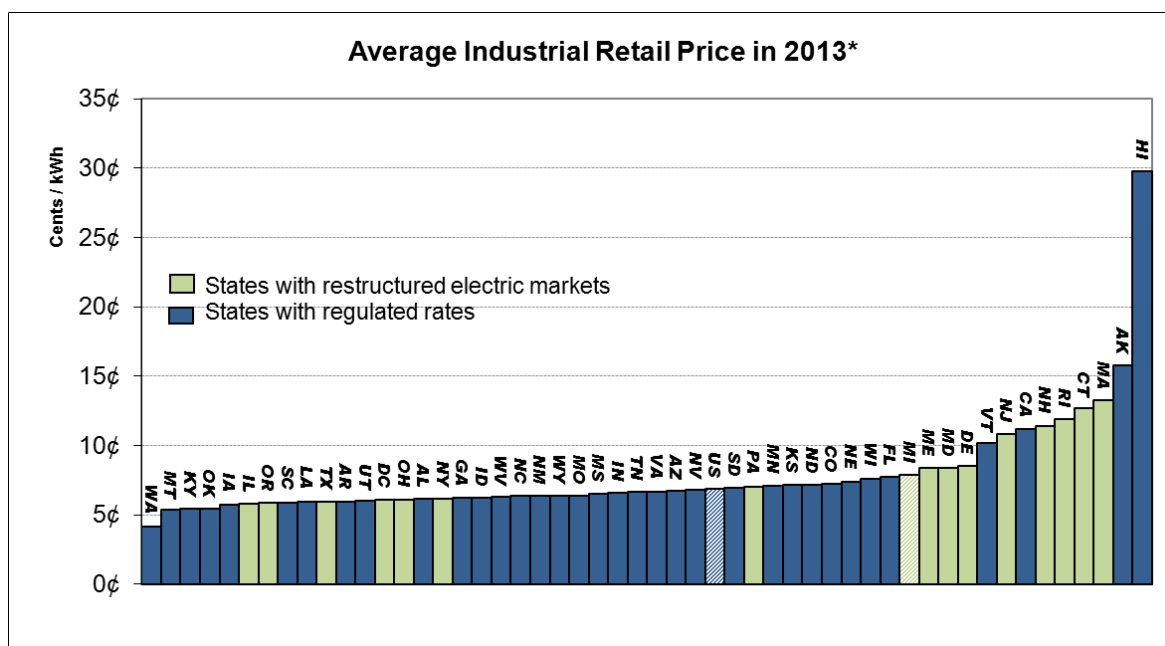
The chart below reflects the weighted average commercial retail rates for the 10 largest states, as well as the national average, from 2000 to 2013. Michigan's weighted average commercial retail rates were below the national average from 2001 to 2010 and surpassed the national average in 2011 and remains above for 2013. Michigan was below the 10 largest average from 2000 to 2011 and surpassed the 10 largest average in 2012 and remained above in 2013.



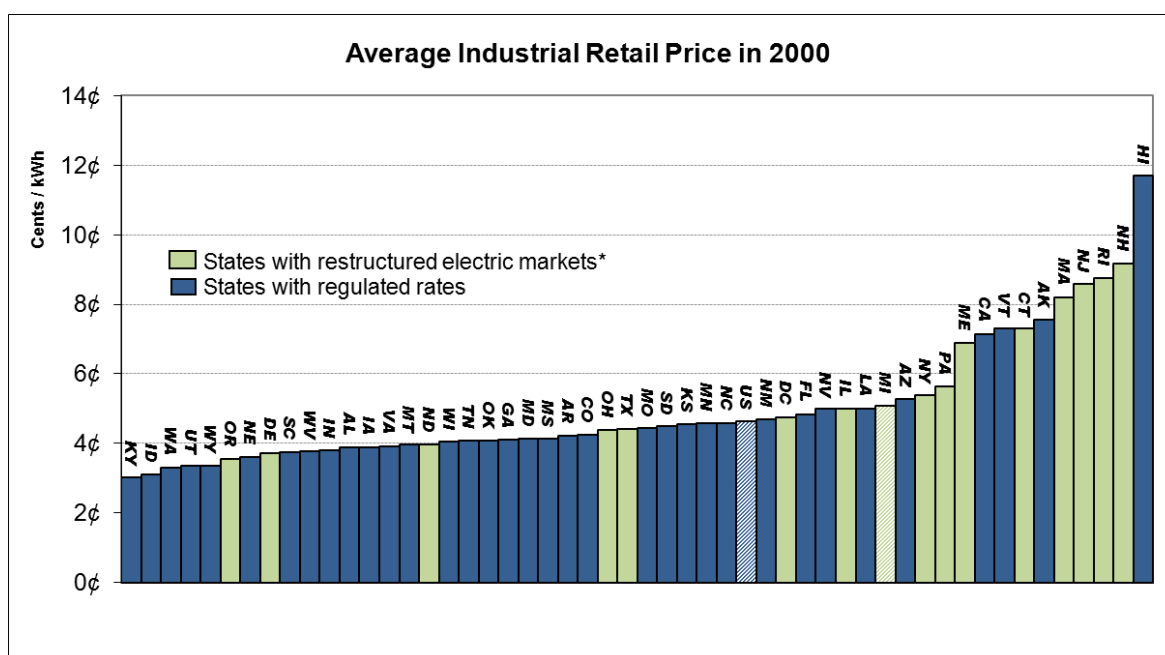
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3. Industrial Rates

The charts below reflect the 2000 and 2013 average industrial retail rates. In 2013, Michigan's industrial retail rates ranked eighth lowest amongst jurisdictions with restructured markets at \$0.0788/kWh. Michigan was also eighth lowest in 2000.

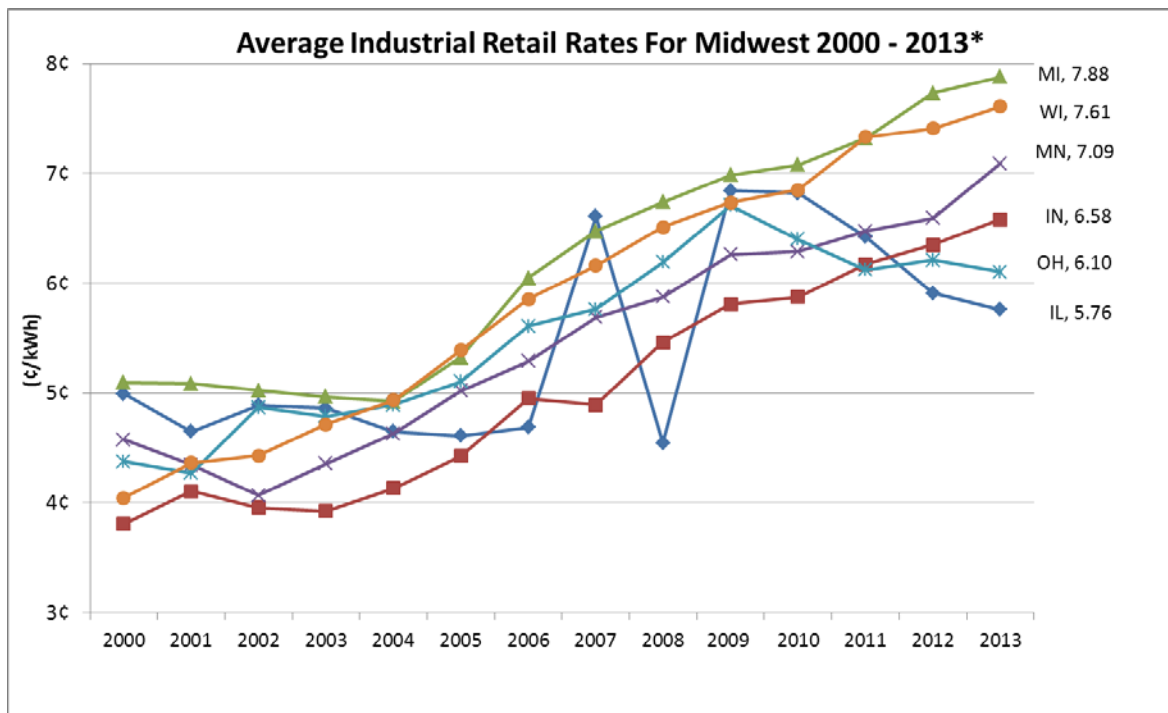


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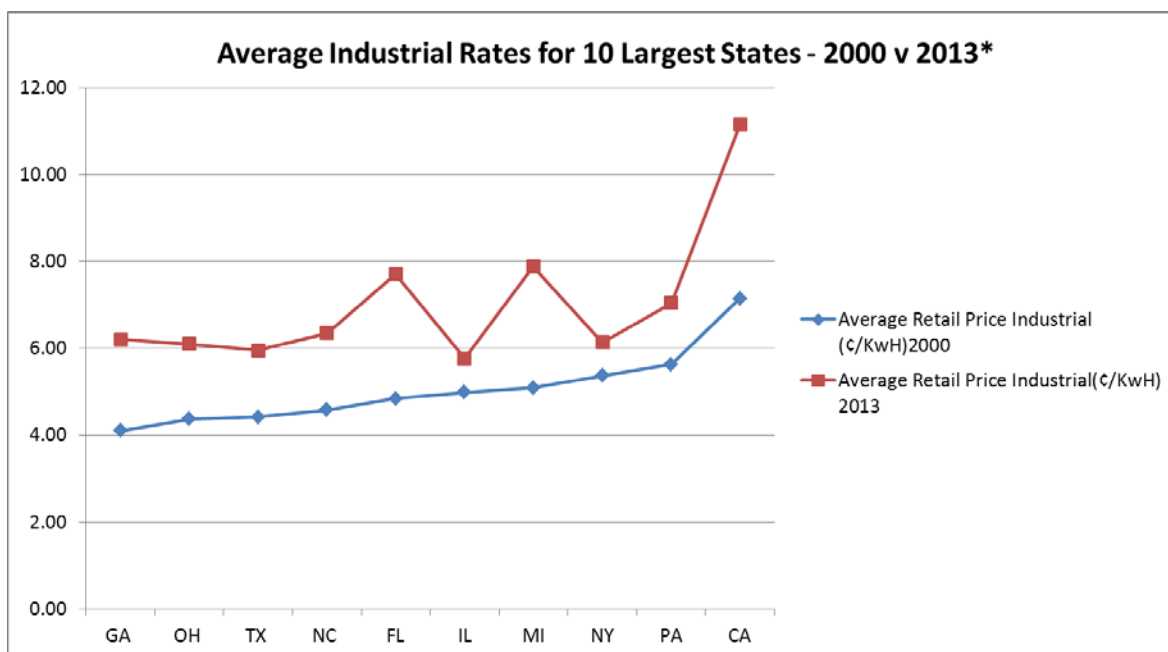
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The chart below reflects the average industrial retail rates for the neighboring Midwest states from 2000 - 2013. In 2013, Michigan's average industrial retail rates ranked the highest among the six Midwest states at \$0.0788/kWh.



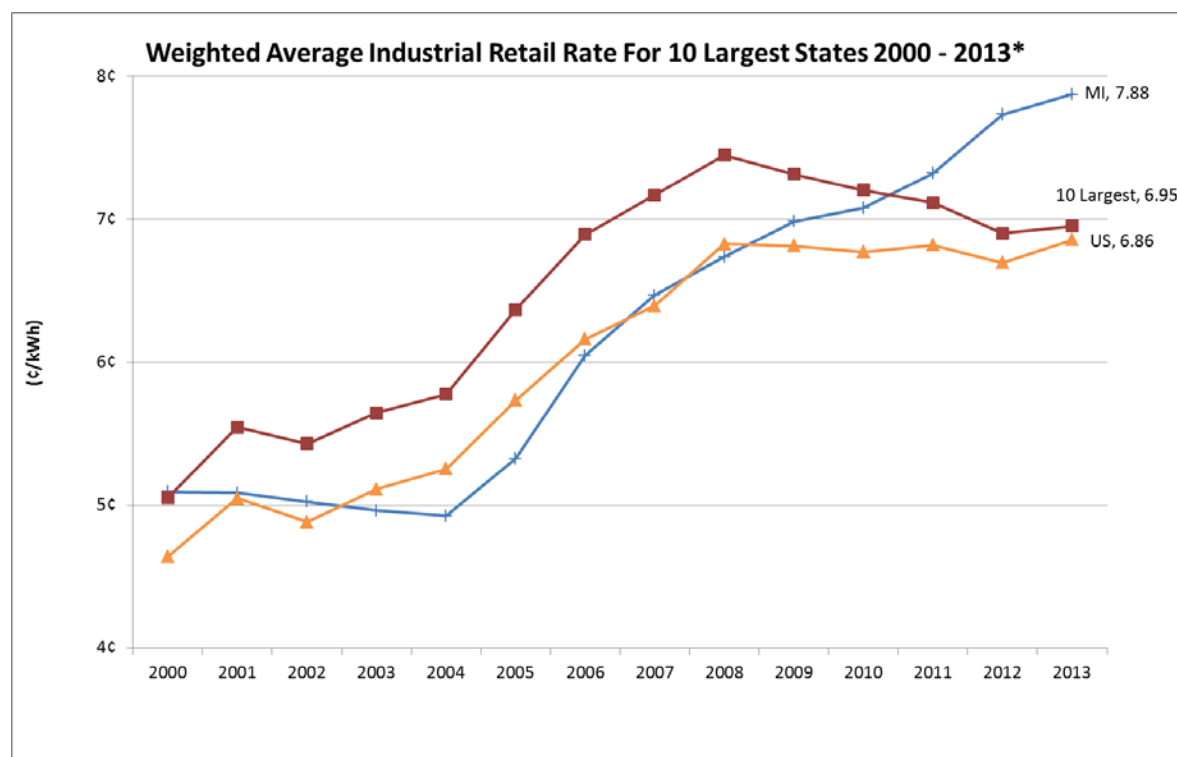
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The chart below compares the average industrial retail rates for the 10 largest states by population for 2000 and 2013. Michigan's rates were second highest among these states in 2013 at \$0.0788/kWh. Michigan ranked fourth highest in 2000.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2013 data is only through August and will change.

The chart below reflects the weighted average industrial retail rates for the 10 largest states, as well as the national average, from 2000 to 2013. Michigan's weighted average industrial retail rate straddled the national average from 2001 to 2008 and has been above the national average since 2009. Michigan was below the 10 largest average from 2001 to 2010 and has been above the 10 largest average since 2011.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2013 data is only through August and will change.

II. Commission Action Related to Electric Customer Choice and Consumer Protections

In response to Governor Snyder's Energy and Environment address in November 2012, the MPSC Chairman and the Michigan Energy Office Director gathered public input on Michigan's energy future. Seven public forums were held around the state and a series of questions were created and posted to www.michigan.gov/energy asking for specific information

related to Electric Choice. On November 20, 2013 a [final report](#) was released summarizing the public comments with respect to Electric Choice.¹⁵

The following orders further supported and implemented the framework for Michigan's electric customer choice programs, the provisions of Act 141 and the amendments of Act 286 and Act 295.¹⁶ Throughout 2013, the Commission issued the following orders in relation to Electric Customer Choice:

- Four orders granting a new AES license;
- One order revoking an AES license;
- Two orders rescinding AES licenses;
- 13 orders approving REPs for AESs
- Three orders consisting of electric choice complaints
- Two orders consisting of Choice Tariff revisions
- Two miscellaneous orders relating to electric choice

See Appendix 2 for a complete list and further detail on these orders.

III. Commission Action on Customer Education

During 2012, the Commission Staff developed and implemented a new communications plan that included a key constituent outreach component, enhancing existing partnerships with traditional utility stakeholders, as well as targeting specific citizen population groups to disseminate consumer education materials. Throughout 2013, Staff from the Commission attended more than 70 customer outreach events throughout Michigan to inform and educate customers on matters that included retail choice for natural gas and electricity in Michigan. Staff reached Delta, Marquette and Houghton counties in the Upper Peninsula, as well as the majority of the thumb and southern half of the Lower Peninsula. Among other events, staff attended utility-sponsored Customer Assistance Days, State and County Fairs, Project Connects, Energy

¹⁵ http://www.michigan.gov/documents/energy/electricic_report_440539_7.pdf

¹⁶ Commission orders are available on the Commission website at www.dleg.state.mi.us/mpsc/orders/electric/. Documents and orders associated with many cases are available in the MPSC Electronic Case Filings system at <http://efile.mpsc.cis.state.mi.us/efile/cases>.

Forums and the 13th Annual Capitol Area Senior Activities Fair. These activities allowed Commission Staff to engage directly with Michigan citizens and provide them with Consumer Tips, answer questions about electric, natural gas, telecom and cable matters, as well as resolve disputes with regulated utilities and providers. In addition to its presence at traditional outreach events, the Commission Staff distributed relevant and timely consumer education tips via press release, social media and email. Consumer Tips are posted on the MPSC website.¹⁷

IV. Recommendations for Legislation

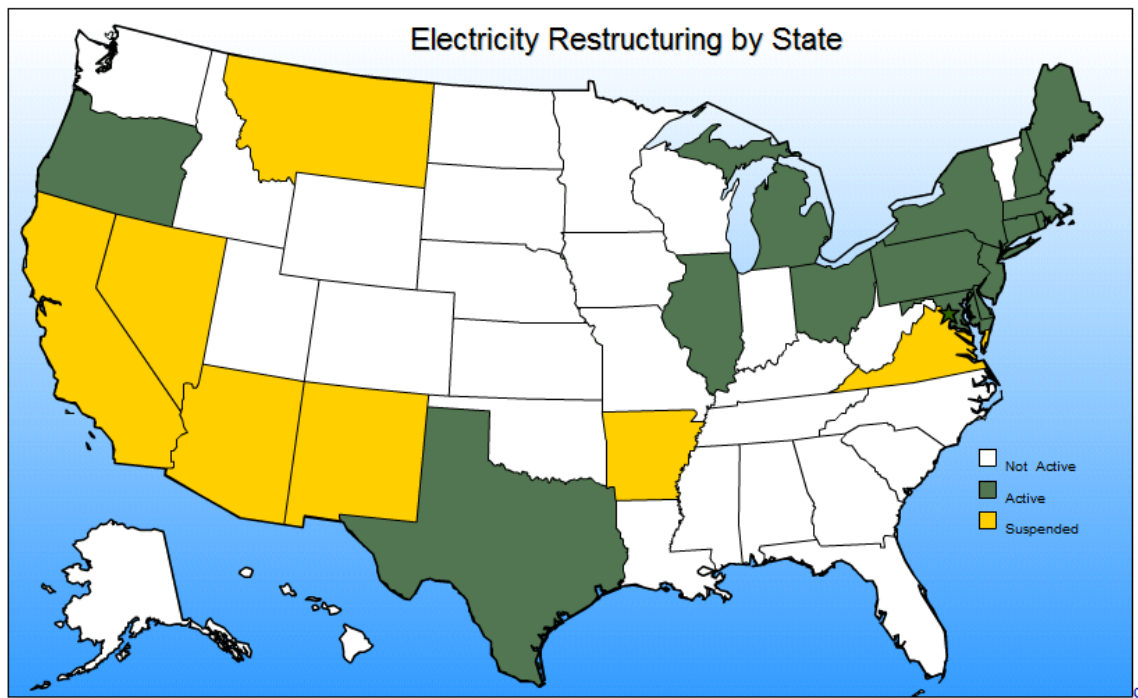
The Commission has no recommendation for legislation at this time. The Commission participated in the 2013 public process for informing Michigan's energy future and assisted in the preparation of a report on electric choice as directed in the Governor's [Special Message](#) on Energy and the Environment in November 2012.¹⁸ In 2014, the Commission intends to participate in continuing stakeholder discussions in furtherance of the Ready Michigan to Make Good Energy Decisions process related to electric choice. Additionally, the Commission will apprise the Governor and the Legislature of any developments that may require further action.

¹⁷ http://www.michigan.gov/mpsc/0,1607,7-159-16368_42136_42137---,00.html

¹⁸ Ready Michigan to Make Good Energy Decisions: Electric Choice, released November 20, 2013, http://www.michigan.gov/documents/energy/electricc_report_440539_7.pdf.

APPENDIX 1

Chart 1



Source: Energy Information Administration

Source: Energy Information Administration, 2010.

Chart 2

AES Customers in Consumers Energy Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
Constellation	402	602	592	573	549	551	90	275	300	247	223	231
Direct Energy Business ¹	133	46	42	41	54	57	15	4	3	3	5	7
FirstEnergy Solutions	0	0	0	3	29	89	0	0	0	13	101	124
IntegrYS ²	50	165	164	188	233	245	19	88	85	124	167	173
Noble Americas Energy Solutions ³	49	252	257	237	178	101	39	217	207	201	128	102
Spartan Renewable Energy	1	1	1	1	1	1	10	10	9	10	10	10
Wolverine Power Marketing	21	26	27	26	20	21	161	200	203	187	142	140
Totals ⁴	656	1,092	1,083	1,069	1,064	1,065	332 ⁵	794	807	785	776	787

Note: ¹On September 1, 2008, Strategic Energy, LLC, changed its name to Direct Energy Business, LLC.

²On February 21, 2007, IntegrYS Energy Group Inc merged with WPS Resources Corporation and Peoples Energy Corporation.

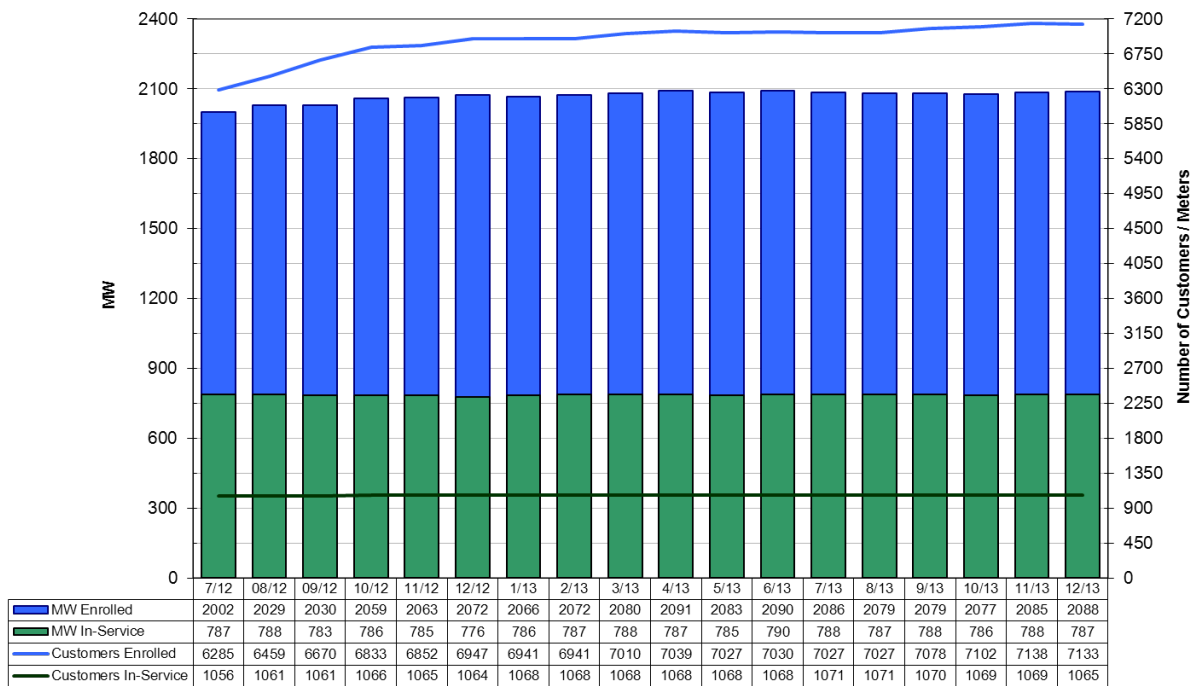
³On November 1, 2010, Sempra Energy Solutions, LLC, changed its name to Noble Americas Energy Solutions, LLC.

⁴Total does not add correctly due to rounding.

⁵The number of customers and MW served in 2002, 2003, 2004, 2005, 2006 and 2007 are available in the *Status of Electric Competition in Michigan* report for 2007.

Chart 3

Consumers Energy Electric Customer Choice Program Activity
(Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)
July 2012- December 2013



Source: Consumers Energy Company, December 2013.

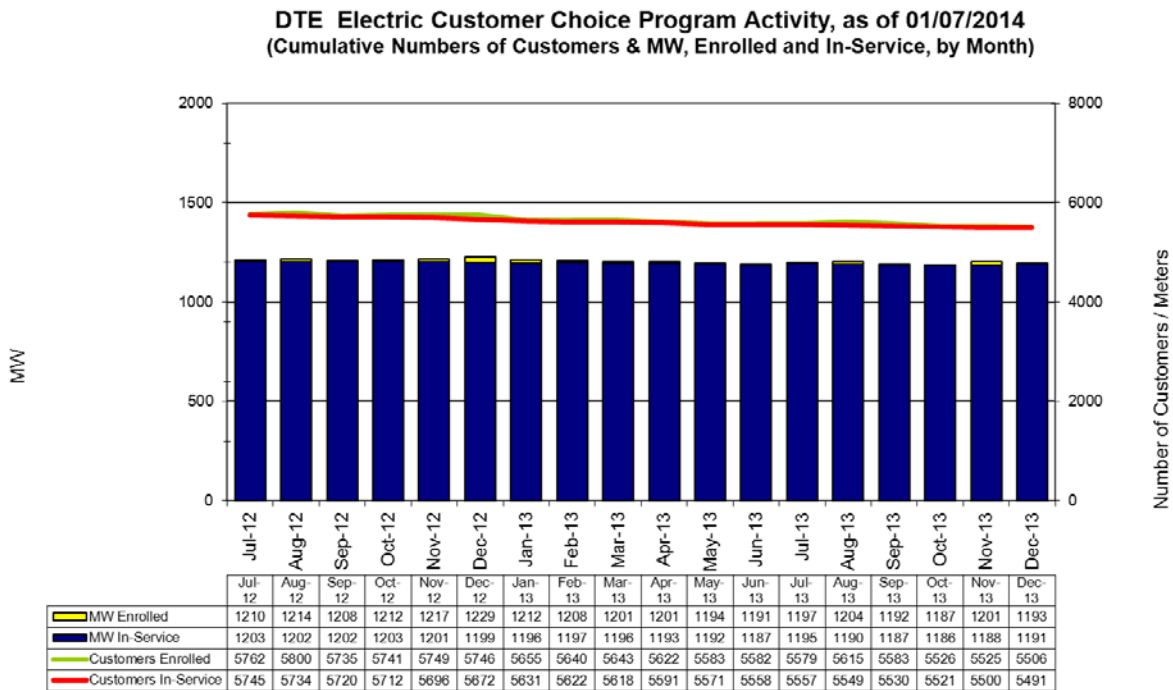
Chart 4

AES Customers in DTE Electric Company Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
CMS ERM MI	4	4	4	4	4	4	53	53	53	53	53	53
Commerce ¹	507	374	337	300	265	228	13	9	8	7	6	5
Constellation	1,579	1,284	1,512	1,403	1,393	1,289	234	285	342	306	306	284
Direct Energy Business ²	488	718	753	739	666	733	29	111	117	108	104	115
FirstEnergy Solution	44	119	351	585	683	775	8	36	256	349	374	396
Glacial Energy of Illinois, Inc. ³	0	979	1,636	1,155	880	628	0	71	153	90	57	29
Integrus ⁴	401	456	595	622	672	764	62	82	96	104	127	150
MidAmerican	1	59	56	55	58	98	<1	23	22	20	21	22
Noble Americas Energy Solutions ⁵	35	337	1,141	1,111	1,049	970	27	82	173	161	137	123
Wolverine Power Marketing	2	2	2	2	2	2	13	13	13	13	13	13
Totals ⁶	3,061	4,332	6,387	5,976	5,672	5,491	438 ⁶	765	1,236 ⁶	1,212 ⁶	1,199 ⁶	1,191 ⁶
<p>Note ¹In 2005, Electric-America changed the company name to Commerce Energy Inc.</p> <p>²On September 1, 2008, Strategic Energy, LLC, changed its name to Direct Energy Business, LLC.</p> <p>³On June 29, 2009, Glacial Energy of Michigan, Inc., changed its name to Glacial Energy of Illinois, Inc.</p> <p>⁴On February 21, 2007, Integrus Energy Group, Inc., merged with WPS Resources Corporation and Peoples Energy Corporation.</p> <p>⁵On November 1, 2010, Semptra Energy Solutions, LLC, changed its name to Noble Americas Energy Solutions, LLC.</p> <p>⁶Total does not add correctly due to rounding.</p> <p>^{**}The number of customers and MW served in 2002, 2003, 2004, 2005, 2006 and 2007 are available in the <i>Status of Electric Competition in Michigan</i> report for 2007.</p>												

Chart 5

Electric Choice Customer Participation July 2012 to Present



Source: DTE Electric Company, December 2013.

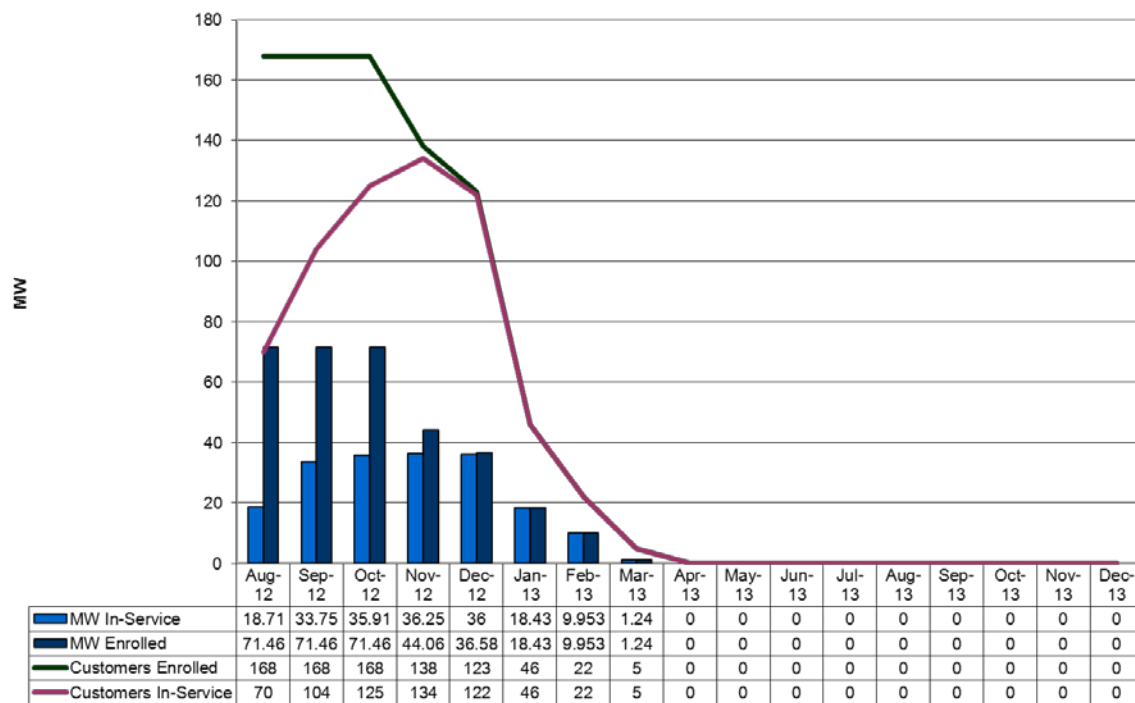
Chart 6

AES Customers in I&M Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
Noble Americas Energy Solutions ¹	0	0	0	0	122	0	0	0	0	0	36	0
Totals	0	0	0	0	122	0	0	0	0	0	36	0
Note: ¹ On November 1, 2010, Sempra Energy Solutions, LLC, changed its name to Noble Americas Energy Solutions, LLC.												

Chart 7

Electric Choice Customer Participation August 2012 to Present



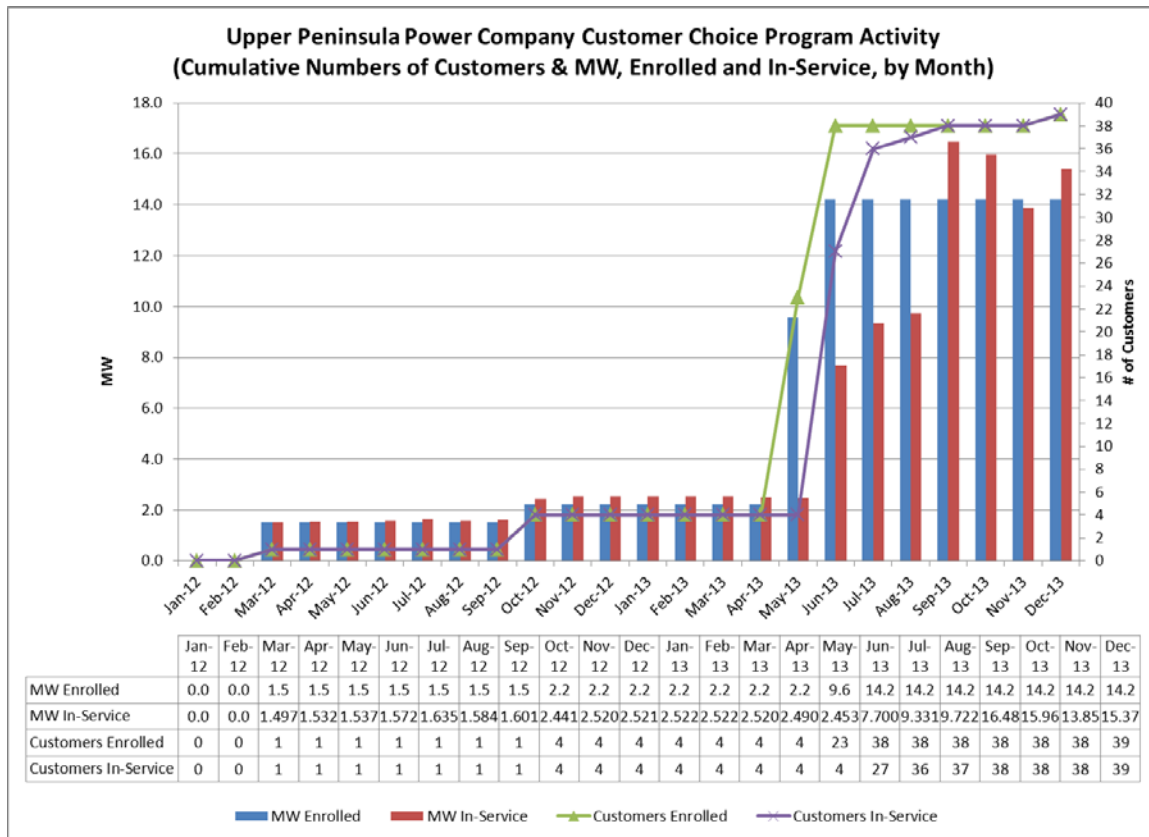
Source: Indiana Michigan Power Company, December 2013

Chart 8

AES Customers in the UPPCo Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
IntegrYS ¹	0	0	0	0	0	17	0	0	0	0	0	5.881
UP Power Marketing ²	0	0	0	0	4	21	0	0	0	0	2.52	3.876
Wolverine Power Marketing	0	0	0	0	0	1	0	0	0	0	0	5.621
Totals	0	0	0	0	4	39	0	0	0	0	2.52	15.378
<p>Note: ¹ On February 21, 2007, IntegrYS Energy Group, Inc. merged with WPS Resources Corporation and Peoples Energy Corporation.</p> <p>²UP Power Marketing began serving customers in UPPCo's service territory in March of 2012.</p>												

Chart 9



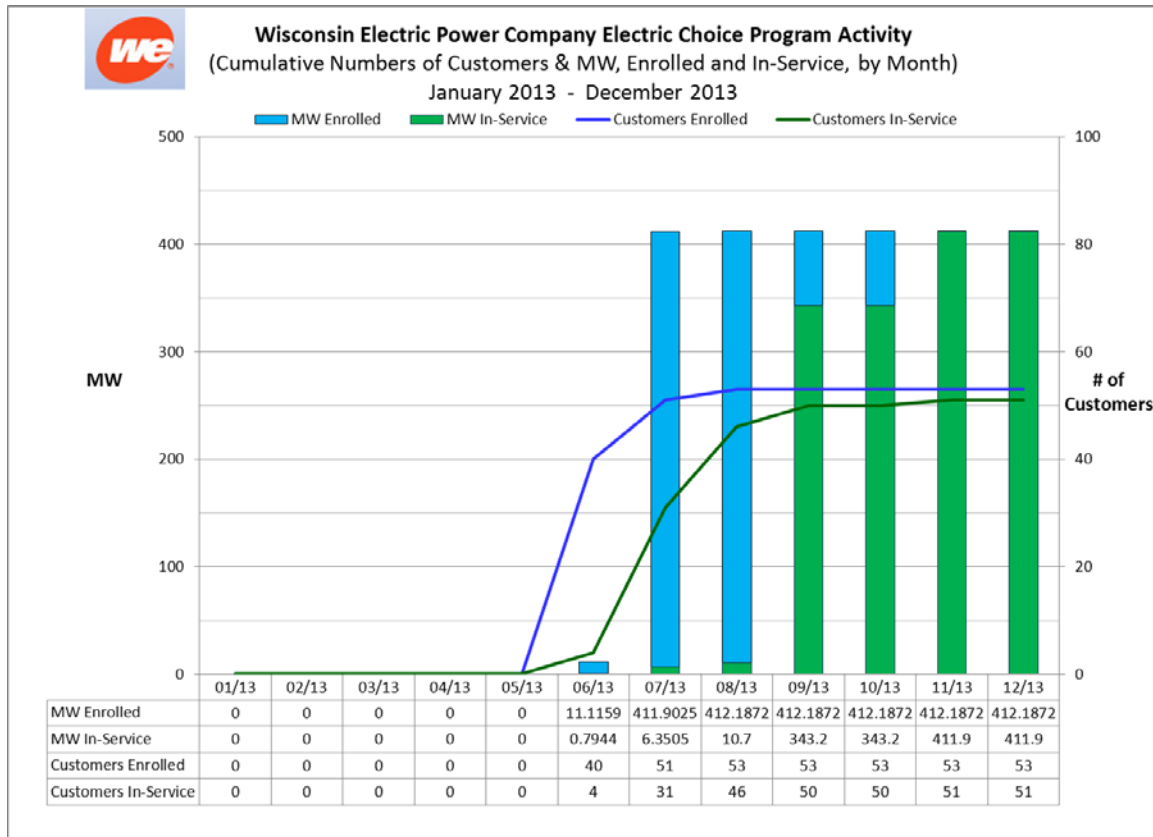
Source: Upper Peninsula Power Company, December 2013.

Chart 10

AES Customers in the WEPCo Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
Integrys ¹	0	0	0	0	0	51	0	0	0	0	0	411.9
Totals	0	0	0	0	0	51	0	0	0	0	0	411.9
Note: ¹ On February 21, 2007, Integrys Energy Group, Inc., merged with WPS Resources Corporation and Peoples Energy Corporation												

Chart 11



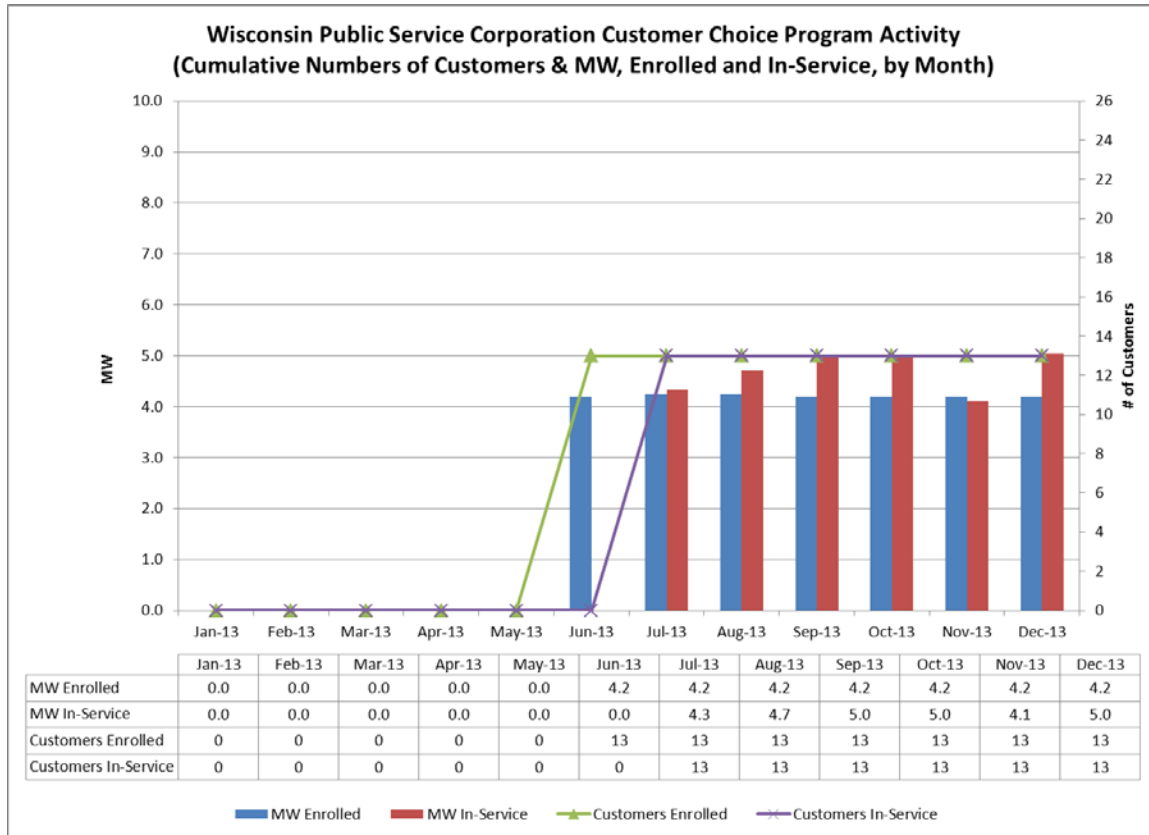
Source: Wisconsin Electric Power Company, December 2013.

Chart 12

AES Customers in the WPSC Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
Integrysts ¹	0	0	0	0	0	13	0	0	0	0	0	5.045
Totals	0	0	0	0	0	13	0	0	0	0	0	5.045
Note: ¹ On February 21, 2007, Integrysts Energy Group, Inc., merged with WPS Resources Corporation and Peoples Energy Corporation												

Chart 13



Source: Wisconsin Public Service Corporation, December 2013.

APPENDIX 2

Michigan Public Service Commission Orders in 2013 Related to Implementation of 2000 Act 141

Alternative Electric Suppliers

- Exelon Energy Company - U-12662: AES License Surrender 1/17/2013. The MPSC rescinded the AES license of Exelon Energy Company. This license was rescinded at the request of the company on 12/19/2012.
- Nordic Marketing, LLC - U-17137: AES License Revocation 2/28/2013. The MPSC revoked the AES license of Nordic Marketing, LLC for non-compliance.
- Santanna Energy Services - U-17160: AES License 5/15/2013. The MPSC granted a license to Santanna Natural Gas Corporation d/b/a Santanna Energy Services (Santanna) to serve as an alternative electric supplier. Santanna has retained an alternative gas license in Michigan since 2009. Their corporate office is located in Austin, Texas but they have an established Michigan office in Southfield.
- Interstate Gas Supply, Inc. d/b/a IGS Energy – U-17243: AES License 6/28/2013. The MPSC granted a license to IGS Energy (IGS) to serve as an alternative electric supplier. IGS has retained an alternative gas license in Michigan since 2004. Their corporate office is located in Dublin, Ohio but they have an established Michigan office in Lansing.
- energy.me Midwest, LLC d/b/a energy.me – U-17269: AES License 8/13/2013. The MPSC granted a license to energy.me to serve as an alternative electric supplier. energy.me is headquartered in Chicago, Illinois with a Michigan office located in Ann Arbor.
- GearyEnergy, LLC – U16167: AES License Surrender 8/29/2013. The MPSC rescinded the AES license of GearyEnergy, LLC. This license was rescinded at the request of the company on 8/21/2013.
- TERM Power & Gas, LLC d/b/a ENCOA – U-17378: AES License 12/6/2013. The MPSC granted a license to ENCOA to serve as an alternative electric supplier. ENCOA is headquartered in Houston, Texas with a Michigan office located in Plymouth.

Renewable Energy Plans

- Texas Retail Energy, LLC – U-17168: Renewable Energy Plan 5/29/2013. The MPSC approved Texas Retail Energy, LLC's initial Renewable Energy Plan, submitted on 2/25/2013 as required by Public Act 295 of 2008.
- Wolverine Power Marketing Cooperative – U-16653: Renewable Energy Plan 6/28/2013. The MPSC approved Wolverine Power Marketing Cooperative's Renewable Energy Plan, submitted on 4/16/2013 as required by Public Act 295 of 2008.
- Noble Americas Energy Solutions LLC – U-16650: Renewable Energy Plan 6/28/2013. The MPSC approved Noble Americas Energy Solutions LLC's Renewable Energy Plan, submitted on 4/16/2013 as required by Public Act 295 of 2008.
- MidAmerican Energy Company – U-16647: Renewable Energy Plan 6/28/2013. The MPSC approved MidAmerican Energy Company's Renewable Energy Plan, submitted on 4/19/2013 as required by Public Act 295 of 2008.
- Integrus Energy Services, Inc. – U-16646: Renewable Energy Plan 6/28/2013. The MPSC approved Integrus Energy Services' Renewable Energy Plan, submitted on 4/16/2013 as required by Public Act 295 of 2008.

- Quest Energy, LLC – U-16649: Renewable Energy Plan 6/28/2013. The MPSC approved Quest Energy, LLC's Renewable Energy Plan, submitted on 4/16/2013 as required by Public Act 295 of 2008.
- Spartan Renewable Energy, Inc. – U-16651: Renewable Energy Plan 7/11/2013. The MPSC approved Spartan Renewable Energy, Inc.'s Renewable Energy Plan, submitted on 4/16/2013 as required by Public Act 295 of 2008.
- FirstEnergy Solutions Corp. – U-16644: Renewable Energy Plan 7/11/2013. The MPSC approved FirstEnergy Solutions' Renewable Energy Plan, submitted on 4/17/2013 as required by Public Act 295 of 2008.
- Direct Energy Business, LLC – U-16643: Renewable Energy Plan 7/11/2013. The MPSC approved Direct Energy Business, LLC's Renewable Energy Plan, submitted on 5/2/2013 as required by Public Act 295 of 2008.
- Constellation NewEnergy, Inc. – U-16642: Renewable Energy Plan 7/11/2013. The MPSC approved Constellation NewEnergy, Inc.'s Renewable Energy Plan, submitted on 4/12/2013 as required by Public Act 295 of 2008.
- Commerce Energy, Inc. – U-16641: Renewable Energy Plan 7/11/2013. The MPSC approved Commerce Energy, Inc.'s Renewable Energy Plan, submitted on 3/20/2013 as required by Public Act 295 of 2008.
- CMS ERM Michigan, LLC – U-16640: Renewable Energy Plan 7/11/2013. The MPSC approved CMS ERM Michigan, LLC's Renewable Energy Plan, submitted on 4/16/2013 as required by Public Act 295 of 2008.
- UP Power Marketing, LLC – U-16652: Renewable Energy Plan 8/13/2013. The MPSC approved UP Power Marketing, LLC's Renewable Energy Plan, submitted on 6/3/2013 as required by Public Act 295 of 2008.

Complaint Cases

- Integrus Energy Services, Inc. v. Wisconsin Electric Power Company – U-17422: 9/24/2013. Integrus Energy Services, Inc. (Integrus) filed a complaint against Wisconsin Electric Power Company (WEPCo) alleging violation of WEPCo's retail access service (RAS) tariff with respect to the timing for switching customers to RAS service. The MPSC granted the motion for summary disposition filed by Integrus and denied the motion for summary disposition filed by WEPCo, therefore, dismissing the case.
- MPI Acquisition, LLC v. Cloverland Electric Cooperative – U-17432: 10/17/2013. MPI Acquisition, LLC (MPI) filed a complaint against Cloverland Electric Cooperative (Cloverland) seeking an order approving MPI's purchase of a nine megawatt block of power from an AES. The MPSC found that MPI's proposal to take choice service for a block of power that does not exceed the 10% cap is consistent with Acts 141 and 286. The MPSC further adopted Staff's recommendations with respect to future modifications and denied Cloverland's motion for summary disposition.
- Verso Paper Corp. v. Wisconsin Electric Power Company – U-17470: 10/17/2013. Verso Paper Corp. (Verso) filed a complaint alleging that Wisconsin Electric Power Company unreasonably delayed Verso's request to migrate to retail access service. The parties filed a settlement agreement resolving all issues in the case. The MPSC approved the settlement agreement.

Choice Rate Tariff

- HomeWorks Tri-County Electric Cooperative – U-17148: Choice Tariff Rate 2/28/2013. HomeWorks Tri-County Electric Cooperative (HomeWorks) filed an application for ex parte approval of revisions to its Large Power Service Rate – Choice, Schedule CD-C. The MPSC determined that HomeWorks complied with MCL 460.36(2), the Electric Cooperative Member-Regulation Act. Although the MPSC

retains jurisdiction for matters involving customer choice. The MPSC found that HomeWork's application, as amended, was reasonable and in the public interest.

- Ontonagon County Rural Electrification Association – U-17475: **Tariff Revision** 10/17/2013. Ontonagon County Rural Electrification Association filed an application requesting ex parte approval of revisions to Ontonagon's Retail Access Service (RAS) Tariff, specifically proposing to increase the Maximum Demand requirement in the RAS Tariff from 150 kilowatts to one megawatt as a result of the 2008 amendment to MCL 460.10x(1). The MPSC approved the ex parte application.

Other Cases

- Indiana Michigan Power Company - U-17448: **Credit through PSCR Associated with Customer Choice Implementation Cost Recovery Rider** 12/6/2013: Indiana Michigan Power Company (I&M) filed an application requesting authorization to credit the residual balance associated with I&M's Customer Choice Implementation Cost Recovery Surcharge through I&M's PSCR process. A Settlement agreement was submitted and approved by the MPSC granting I&M the right to credit to its PSCR customers \$188,579.37 plus additional interest by adjusting its over- or under recovery balance, effective at month end of the Commission's order approving the settlement agreement.
- Consumers Energy Company – U-17473: **Securitization Bonds** 12/6/2013. Consumers Energy Company (Consumers) filed an application seeking to securitize the unrecovered book value of BC Cobb units 1-5, Weadock units 7-8, and Whiting units 1-3 of \$361.2 million; \$28.5 million in issuance and debt retirement costs; and \$64.7 million in costs associated with the demolition of the above names units. The MPSC (on a two-to-one vote) approved a proposal for a financing order that authorizes the issuance of securitization bonds covering approximately \$389.6 million in qualified costs, resulting in savings to Consumers electric customers.

APPENDIX 3

Michigan Licensed Alternative Electric Suppliers

Company Name, Address, Contact Information	Case Number	Authorization Date
AEP Energy, Inc. 100 West Big Beaver, Suite 200, Troy, MI 48084 Phone: 866-258-3782 Fax: 312-628-8663 Email: care@AEPenergy.com URL: www.AEPenergy.com	U-14764	2/9/2006
CMS ERM Michigan LLC One Energy Plaza, Suite 1060, Jackson, MI 49201-2277 Serving Dearborn Industrial Generation Phone: 517-788-0493 Fax: 517-787-4606	U-12567	8/17/2000
Commerce Energy Inc. 30555 Southfield Rd, Suite 440, Southfield, MI 48076 Phone: 800-556-8457 Fax: 877-332-1067 Email: contactus@commerceenergy.com URL: www.commerceenergy.com	U-13203	11/20/2001
Constellation NewEnergy, Inc. 3060 Commerce Dr., Suite 2, Fort Gratiot, MI 48049 Phone: 312-704-9200 Email: Mark.Harada@constellation.com URL: www.constellation.com	U-13660	12/20/2002
Direct Energy Business, LLC 120 N Washington Sq., Suite 805, Lansing, MI 48933 Email: customerrelations@directenergy.com URL: www.directenergybusiness.com	U-13609	11/7/2002
Direct Energy Services, LLC 120 N. Washington Sq., Ste. 805, Lansing, MI 48933 Phone: 888-326-8559 Email: customerservice@directenergy.com URL: www.directenergy.com	U-14724	12/20/2005
Duke Energy Retail Sales, LLC 5035 #2 Progress Drive, Ludington, MI 49431 Phone: 800-920-5039 Fax: 513-629-5560 Email: save.ders@duke-energy.com URL: retail.duke-energy.com	U-16517	4/26/2011
Energy.me Midwest, LLC d/b/a energy.me 2723 South State Street, Suite 150, Ann Arbor MI, 48104 Phone: 855-243-7270 Fax: 734-794-4700 Email: eric@energy.me www.energy.me	U-17269	8/13/2013
Energy Services Providers, Inc. d/b/a Michigan Gas & Electric 1030 State Rd., Suite 10H, Harbor Springs, MI 49740 Phone: 866-705-3610 Fax: 888-829-5797 Email: CustomerRelations@MIGandE.com www.MIGandE.com	U-16912	4/6/2012
FirstEnergy Solutions 30600 Telegraph Rd. #2345, Bingham Farms, MI 48025 Phone: 888-254-6359 Fax: 330-436-1906 URL: www.fes.com	U-13244	1/08/2002
Glacial Energy of Illinois, Inc. 24631 Jefferson Ave., St. Clair Shores, MI 48080 Phone: 888-452-2425 Fax: 214-853-9576 Email: Terry.hart@glacialenergy.com URL: www.glacialenergy.com	U-15922	6/2/2009
Integrus Energy Services, Inc. 2211 Old Earhart Rd., Suite 175, Ann Arbor, MI 48105 Phone: 734-761-3252 Fax: 734-761-2140 Email: RKBazaj@integrusenergy.com URL: www.integrusenergy.com	U-13245	1/18/2002
Interstate Gas Supply, Inc. d/b/a IGS Energy 120 N. Washington Square, Lansing, MI 48933 Phone: 888-993-0997 Email: choice@igsenergy.com URL: www.igsenergy.com	U-17243	6/28/2013

Company Name, Address, Contact Information	Case Number	Authorization Date
Lakeshore Energy Services, LLC 700 Tower Dr., Suite 620, Troy, MI 48098 Phone: 888-200-3788 Fax: 248-879-7216 Email: info@lakeshoreenergy.com URL: www.lakeshoreenergy.com	U-16905	4/6/2012
Liberty Power Delaware, LLC. <i>Company has received a license. A Michigan office must be established before the company can begin marketing</i>	U-15140	4/24/2007
Liberty Power Holdings, LLC. <i>Company has received a license. A Michigan office must be established before the company can begin marketing</i>	U-15139	4/24/2007
MidAmerican Energy Co. 39555 Orchard Hill Place, Suite 600, Novi, MI 48375 Phone: 800-432-8893 Email: customerservice-retail@midamerican.com URL: www.midamericanchoice.com	U-13928	3/29/2004
Noble Americas Energy Solutions, LLC 2000 Town Center, Suite 1900, Southfield, MI 48075 Phone: 630-390-2714 Fax: 248-351-2699 Email: LKeas@NobleSolutions.com URL: www.NobleSolutions.com	U-13361	4/16/2002
PowerOne Corporation 6840 N. Haggerty, Canton, MI 48187 Phone: 734-354-2000 Fax: 734-354-4225 Email: Rami.Fawaz@poweronecorp.com URL: www.poweronecorp.com	U-13280	2/1/2002
Premier Energy Marketing, L.L.C. 6111 Jackson Road, Suite 107, Ann Arbor, MI 48103 Phone: 734-769-0675 Fax: 734-769-0675 Email: bschlansker@premierenergyonline.com URL: www.premierenergyonline.com	U-13620	11/7/2002
Quest Energy, LLC 2211 Old Earhart Rd., Suite 175, Ann Arbor, MI 48105 Phone: 734-761-3252 Fax: 734-761-2140 Email: RKBazaj@integrysenergy.com URL: www.integrysenergy.com	U-12566	8/17/2000
Santanna Energy Services 2000 Town Center, Suite 1900, Southfield, MI 48075 Phone: 800-764-4427 Fax: 800-877-0673 Email: michigan@ses4energy.com URL: www.santannaenergyservices.com	U-17160	5/15/2013
Spartan Renewable Energy, LLC 10125 W. Watergate Rd., PO Box 189, Cadillac, MI 49601 Phone: 877-288-WIND Fax: 231-775-0172 Email: cgeiger@spartanrenewable.com URL: www.spartanrenewable.com	U-15309	9/18/2007
TERM Power & Gas, LLC d/b/a ENCOA 580 Forest Ave., Suite 7B, Plymouth, MI 48170 Phone: 855-637-1626 Email: customercare@encoa.com URL: www.encoa.com	U-17378	12/6/2013
Texas Retail Energy, LLC 208 N Capitol Ave., 3 rd Floor, Lansing, MI 48933 Phone: 866-532-0761 Fax: 479-204-0936 Email: chris.hendrix@texasretailenergy.com	U-17076	12/6/2012
U.P. Power Marketing LLC 29639 Willow Rd., White Pine, MI 49971 Phone: 906-885-7100 Fax: 906-885-7400 Email: zach.halkola@traxys.com URL: www.traxys.com	U-14594	10/25/2007
Wolverine Power Marketing Cooperative, Inc. 10125 W. Watergate Road, P. O. Box 100, Cadillac, MI 49601 Phone: 877-907-WPMC Fax: 231-775-0172 Email: sfrederick@wpmc.coop URL: www.wpmc.coop	U-12723	11/20/2000

*This list is current as of December 2013. An up-to-date AES directory is kept on the MPSC Website, at <http://www.dleg.state.mi.us/mpsc/electric/restruct/esp/aeslist.htm>.