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Commissioners

# **An overview of the Michigan Public Service Commission**

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May 4, 2015

## **Michigan Public Service Commission**

The Michigan Public Service Commission is composed of three members appointed by the Governor with the advice and consent of the Senate. Commissioners are appointed to serve staggered six-year terms. No more than two Commissioners may represent the same political party. One commissioner is designated as chairman by the Governor.

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

# Chairman John D. Quackenbush



**Appointed by Governor Rick Snyder on September 15, 2011.  
Chairman Quackenbush's six-year term will expire July 2, 2017.**

# Commissioner Greg R. White



**Appointed by Governor Jennifer Granholm on December 4, 2019.  
Commissioner White's six-year term will expire July 2, 2015.**

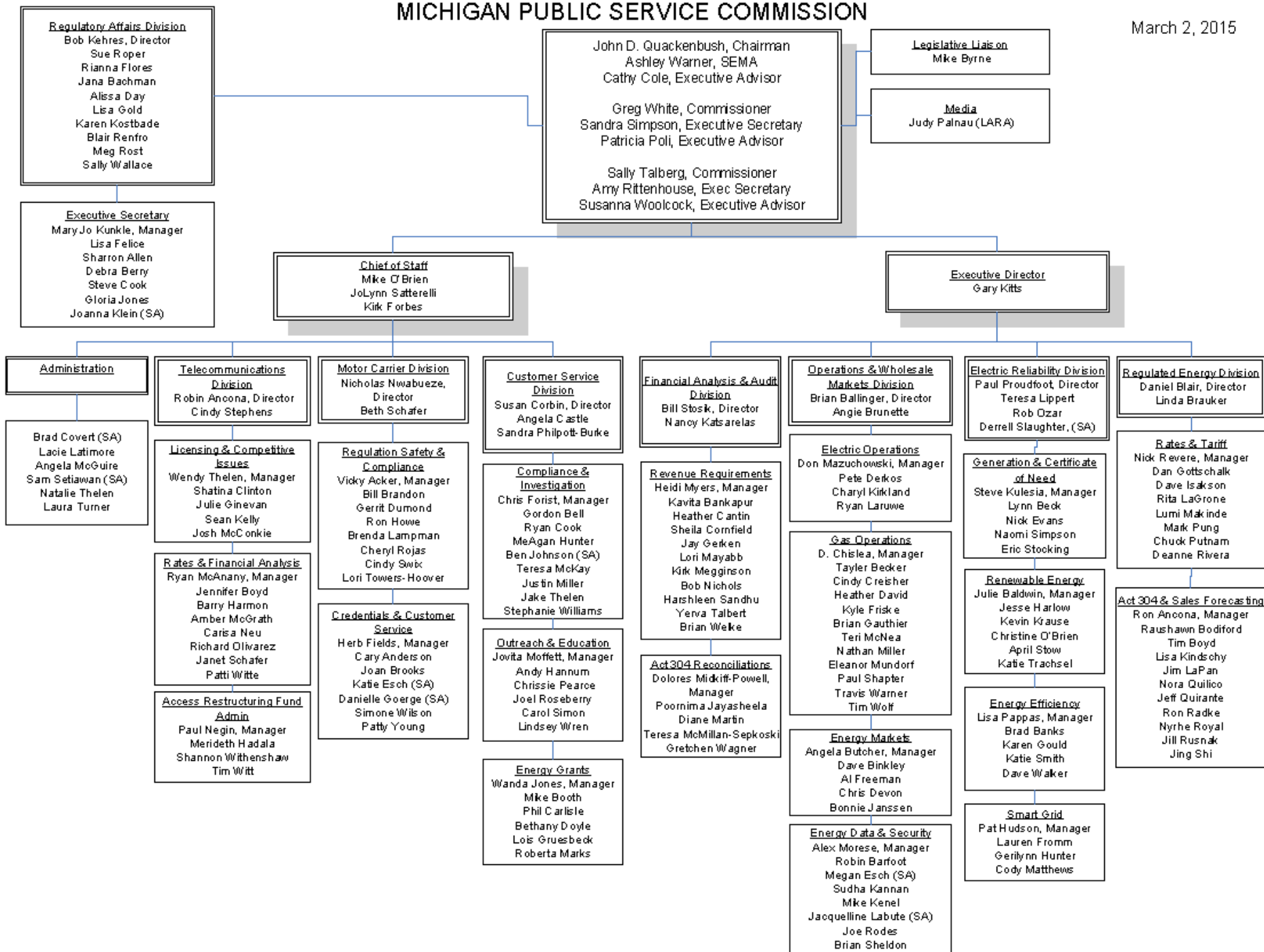
# Commissioner Sally A. Talberg



**Appointed by Governor Rick Snyder on July 3, 2013.  
Commissioner Talberg's six-year term will expire July 2, 2019.**

# MICHIGAN PUBLIC SERVICE COMMISSION

March 2, 2015



## Major Substantive Laws Governing the Commission

- Railroad Act (1909)
- Transmission of Electricity Act (1909)
- Public Utilities Commission Act (1919)
- Carriers by Water Act [a/k/a Ferry Boats] (1921)
- Certificates of Convenience and Necessity Act (1929)
- Public Service Commission Act (1939)
- Protection of Underground Facilities (1974)
- Michigan Telecommunications Act (1991)
- Electric Transmission Line Certification Act (1995)
- Customer Choice and Reliability Act (2000)
- Video Franchising Act (2006)

## Major Procedural Laws governing the Commission

- Administrative Procedures Act (1969)
- Open Meetings Act (1976)
- Freedom of Information Act (1976)
- Costs of Regulating Utilities Act (1972)



## EXECUTIVE ORDER No. 2015 -10

- Effective May 18, 2015, the Michigan Agency for Energy (MAE) is created.
- Parts of the MPSC will be moved into MAE, but will function with significant independence.
- The Motor Carrier Division joins (rejoins) the Michigan State Police.

## MISSION

The mission of the Michigan Public Service Commission is to grow Michigan's economy and enhance the quality of life of its communities by assuring safe and reliable energy, telecommunications, **and transportation services** at just and reasonable rates.

## Commission Goals

The **GOALS** of the Commission are to:

- Establish fair and reasonable rates for regulated services and adopt and administer fair terms and conditions of service for the State's utility customers.
- Assure adequate and reliable supplies of regulated services to all Michigan customers, and the safe and efficient production, distribution, and use of the State's energy, telecommunications, **and transportation** services.
- Assure the security of the State's critical infrastructure by promoting homeland security.
- Promote the State's economic growth and enhance the quality of life of its communities through adoption of new technologies like broadband telecommunications and efficient renewable energy resources.
- Provide customers with the opportunity to choose alternative electric, natural gas, telecommunications, **and transportation** providers.
- Provide regulatory oversight in a prudent and efficient manner while implementing legislative and constitutional requirements.

## What does the MPSC do?

- Retail Electric Utility Rates (but not all providers)
- Siting Electric Transmission Lines
- Retail Gas Utility Rates (Sales & Transportation)
- Gas Wells (Production)
- Gas Pipelines (Location, Safety & Rates)
- Siting Oil Pipelines
- Telecommunications (Interconnections & Licenses)
- Vehicle Transportation (Motor Carriers and Ferries)
- Customer Complaints (**Formal & Informal**)
- Many more things too..... (RE, EO, AES, etc.)

## What the MPSC does not do.

- Transmission Rates (FERC)
- Wholesale Rates (FERC)
- Water Rates
- Retail Electric Rates of AESs, Municipal Utilities, and Member-regulated Cooperatives
- Cell Phones
- Cable TV Rates
- Issuance of Securities by Utilities
- Retail Telecommunications Rates

## MPSC Divisions & Directors

- Regulatory Affairs Division – Bob Kehres
- Regulated Energy Division – Dan Blair
- Electric Reliability Division – Paul Proudfoot
- Operations & Wholesale Markets – Brian Ballinger
- Financial Analysis & Audit – Bill Stosik
- Telecommunications Division – Robin Ancona
- Customer Service Division – Susan Corbin
- Motor Carrier Division – Nicholas Nwabueze

## Regulatory Affairs Division

- Two Sections—Legal Drafting Section & Executive Secretary Section.
  - RAD has 8 attorneys and 2 support Staff who do legal research, review the contested case records, and draft the orders for the Commissioners.
  - RAD is the lead division for drafting administrative rules, and also reviews draft legislation.
  - Rad attorneys work with all other divisions.

## Executive Secretary Section of RAD

- Receives all legal pleadings, maintains the case dockets, issues notices of hearing, and distributes all Commission orders to parties.
- Currently switching to an updated electronic filing and case tracking system.
- Responds to Freedom of Information Act (FOIA) requests.



## Regulated Energy Division

- The Regulated Energy Division provides the Commission with technical assistance and recommendations to ensure that regulated electric, gas, and steam service are provided in a safe, reliable, and efficient manner at reasonable and prudent prices for Michigan's citizens and businesses.
- RED is comprised of two sections: Act 304 and Sales Forecasting, and Rates and Tariffs.

## Regulated Energy, continued

- RED is the lead division on Gas Cost Recovery (GCR) plan cases, Power Supply Cost Recovery (PSCR) plan cases, Steam Supply Cost Recovery (SSCR) plan cases, depreciation cases, Act 9 intrastate pipeline rate cases, gas storage rate cases and special contract cases.
- RED also provides engineering and technical assistance on other cases, as well as maintaining utility tariff books.

## Electric Reliability Division

- The Electric Reliability Division is responsible for providing the Commission with technical assistance and recommendations on electric and gas providers' energy optimization (EO) and renewable energy (RE) plans, implementing net metering programs, managing Act 30 transmission siting cases, and reviewing Certificate of Necessity applications for construction of new electric generation.
- ERD has four Sections: Smart Grid, Generation & Certificate of Need, EO, and RE.

## Electric Reliability, continued

- The ERD is also responsible for evaluating Energy Optimization (EO) and Renewable Energy (RE) reconciliation proceedings to ensure that regulated electric and gas providers are meeting the targeted EO and RE goals set out in 2008 Public Act 295 (Act 295). The ERD is divided into four sections: Generation & Certificate of Need, Smart Grid, Renewable Energy, and Energy Efficiency.

# Operations & Wholesale Markets

- OWM has four Sections: Electric Operations, Gas Operations, **Energy Markets, and Energy Data & Security**.
- What is staying:
  - Electric Service Quality and Reliability
  - Pipeline Safety
  - Certificates of Convenience and Necessity
    - Franchises
    - Natural Gas and Crude Oil Pipeline Construction
    - Natural Gas Storage Fields

## Operations & Wholesale Markets, continued

- What is going to MAE:
  - Energy Markets
    - Staff participation at MISO, PJM, FERC, OMS, OPSI
  - Energy Data and Security
    - Emergency/Critical Infrastructure Preparedness
    - Semi-Annual Energy Appraisal Report

## Financial Analysis & Audit Division

- Responsible for Gas and Electric Investor Owned Utility Rate Case Processing
- Times Interest Earned Ratio (TIER) cases for regulated rural electric cooperatives
- Act 304 PSCR and GCR reconciliations
- Customer Choice
  - Licensing of Alternative Suppliers
  - Code of Conduct

## Telecommunications Division

- Responsible for regulation under the SOM Telecommunications and federal Communications acts
  - Basic Local Exchange Service
  - Telephone Service for the Speech and Hearing Impaired \*
  - Provider-to-Provider Interconnections/Complaints
  - Universal Service Fund
  - Access Restructuring Mechanism
  - Emergency 9-1-1 Rulemakings
  - METRO permitting and tax credits
  - Connect Michigan (deals with broadband deployment)



## Customer Service Division

- CSD has three Sections: Compliance & Investigation, Outreach & Education, and Energy Grants.
- CSD engages customers by phone, website, and face-to-face outreach events. CSD also receives referrals from the Governor, Legislature, Attorney General, and other state agencies.
- is responsible for assisting and educating Michigan citizens with electric, natural gas, telecommunications, and video/cable inquiries and complaints.
- The division Moving to MAE May 18, 2015.

## Motor Carrier Division

- MCD has two Sections: Regulation Safety & Compliance and Credentials & Customer Service
- Intrastate freight movements via motor vehicles
- Intrastate passenger and automobile ferry boat companies
- Moving to Michigan State Police May 18, 2015 by Executive Order

# Michigan Administrative Hearing System

- Seven attorneys who work for MAHS, an independent agency, that presides over the evidentiary phase of the contested cases to be decided by the Commission.
- The attorneys are known as Administrative Law Judges (ALJs).
- The ALJ decides the identity of parties in a contested case, admits testimony and exhibits into the record, and prepares a written Proposal for Decision (PFD), which is a non-binding recommendation.

## Attorney General – Public Service Division

- The Michigan Constitution requires that all Michigan Administrative Agencies must be represented by the Michigan Attorney General (currently, Bill Schuette).
- The Attorney General is elected on a state-wide basis in an election held every 4 years. An elected AG is limited to 2 terms of office.
- The Public Service Division (PSD) represents the Commission Staff in hearings before the Commission and defends the Commission's orders in courts.
- Different from the “other” Attorney General division.

# Questions?