



February 23, 2021

Michigan Public Service Commission Customer Assistance
P.O. Box 30221
Lansing, MI 48909

To Whom It May Concern:

I am writing today to file an informal complaint about Consumers Energy's pandemic-era imposition of a large tariff on the Morey Charter School. We believe that forcing The Morey Foundation, a charitable nonprofit which owns the school building, to pay a much higher rate during a government-mandated shutdown is fundamentally unjust.

Our utility usage dropped 64% during the shutdown, when the school was effectively closed and utilities scaled back to a minimum. Yet our Consumers Energy bills for the period were roughly the same (about \$200 less) as before the pandemic, when the school was fully operational.

It is our hope that the PSC will help us find a more equitable solution to our nonprofit's utility bill for the period of the shutdown. This issue may be larger than just The Morey Foundation. We can't know how many other conventional and charter schools may have also been subject to this unfair, upward ratcheting of bills that has been imposed on our own charitable, education-related work. I can tell you from my conversations with the Consumers Energy staff, however, that The Morey Foundation is not the only institution to complain about it.

The tariff mandate is particularly disconcerting when you look at how the state and other companies treated customers in response to stay-at-home orders. Drivers, for example, saw premium waivers and rebates on their insurance policies due to the "extreme reductions in driving activity" (Order No. 2020-10-M), but our school saw no relief from the utility despite, the "extreme reductions" in our utility usage.

Even the Isabella County I.C.E. arena received an unsolicited utility credit of nearly \$2,000 from Consumers Energy. An email from the Consumers president and CEO said the utility wanted to take "the opportunity to give back," adding that "we want to do our best to support you in any way we can."



If that's the case for a skating arena, why must a school-supporting charitable foundation go on a months-long odyssey with the same regulated utility, only to be presented with an unacceptably small take-it-or-leave-it credit offer? Consumers Energy is a monopoly, after all, and we were not left with a traditional, market-based choice to look elsewhere for our needs. In an ironic twist you should know that the I.C.E. credit offer was never extended to Morey Courts, which is housed in the same building and was supported by The Morey Foundation throughout 2020. Learning of this separate treatment was like piling on insult after injury.

The Morey Foundation tried to work out our differences with the utility, but were offered only a take-it-or-leave-it portion of what we believe was necessary to make us whole. In addition, we learned as a result of this dispute that the Morey Charter Schools have long been at a rate schedule far higher than was ever necessary. In fact, Consumers provided an analysis, at our request, and determined that we overpaid by nearly \$15k in 2019.

While that has been addressed going forward, we still wish to raise the issue with the PSC, particularly because we were never assigned a Consumers account manager who could have alerted us to much lower available rates.

To help further illuminate the issue on which I write today, I have attached a short timeline of events. I deeply appreciate anything you could do about this unfair, pandemic-era tariff. In fact, the PSC could provide a great public service here. It is very likely that our school is not the only one in the state that was forced to shut down and also forced to pay utility bills as if it were still operational.

Sincerely,

Erik Spindler
Executive Administrator
The Morey Foundation

**The Morey Foundation
Morey Education Center
418 W. Blanchard Rd., Shepherd, MI 48883
Consumers Energy Issue Timeline**

- **March 13, 2020**
 - State orders Michigan schools to shut down for three weeks, effective March 16, 2020

- **March 23, 2020**
 - State orders stay-at-home order
 - Decision was made to scale back all electrical use at the Morey Education Center.
 - Heating and cooling system shut down
 - Water heater shut down
 - Water softener system shut down
 - Parking lot light shut down
 - Exterior lighting shut down
 - All lights shut down, with the exception of security lights.

- **April Consumers Bill**
 - Building status: Shut down
 - Total metered usage is: 17600 kWh
 - Time period: 2/22/20 – 3/24/20
 - Charge: \$3,802.44

- **May Consumers Bill**
 - Building status: Shut down
 - Total metered usage is: 6400 kWh
 - Reduced usage by 11,200 kWh (nearly 64% reduction)
 - Time period: 3/25/20 – 4/23/20
 - U 20275 Residual Balance Credit: \$710.47
 - Evidently a prior Public Service Commission Complaint (unrelated...initiated by another source)
 - Charge: \$2,768.88
 - *NOTE:* Due to hidden PSC credit, I was not alarmed by the rate. I read it as \$1,000 savings on the bottom line.

- **May 28, State of Michigan Orders Automobile Insurance Refund Filings**
 - Order No. 2020-10-M from the Department of Insurance and Financial Services notes “...extreme reduction in driving activity” resulting from the COVID-19 pandemic reduced losses among insurers and orders insurers who “have not yet implemented a premium waiver or refund” to do so.

- **June Consumers Bill**
 - Building status: Shut down
 - Total metered usage is: 6470 kWh
 - Time period: 4/24/20 – 5/22/20
 - Charge: \$3,641.83
 - Similar usage to previous month...\$872 increase
 - Call place on June 23rd to Consumers to question the bill.

- **July Consumers Bill**
 - Building status: Shut down
 - Total metered usage is: 8000 kWh
 - Time period: 5/23/20 – 6/23/20
 - Charge: \$3,671.55
 - Discussions continue with Consumers. Consumers identifies that we have not been on the most favorable rate. Also notes that it is OUR responsibility to know that or to inquire. (Rate name: GPD)
 - Consumers provided an analysis from 2019, 12 months, and indicated that we overpaid by over \$14k. (\$14,644)
 - I argued that this has most likely been the case for a long time...if not from the initial connection in 2001. (This was the year we expanded the building) 1996-97 was the original construction date.
 - When asked how long we have been on this rate or who approved it, Consumers could not/would not provide that information. Records go back 7 years.
 - After receiving and reviewing the analysis. We changed our rate to GP. After several negotiations, Consumers agreed to make that rate effective 6/24/20. This is the date I called and made the first complaint. Consumers made it clear to me that they don't typically back-date a new rate and that they were doing me a favor.

- **UPDATED RATE BILL**
 - Building status: Shut down
 - Some systems re-engaged so that they are not stagnate or damaged from sitting idle.
 - Total metered usage is: 10400 kWh
 - Time period: 6/24/20 – 7/24/20
 - **Charge: \$1,618.36**
 - NOTE: Higher usage, significant decrease in charge.

- **July 2020 – August 2020**
 - Consumers believes that they have resolved our issue.
 - I continue to press to try and receive some level of credit or relief for the long history of overpayments.

- **November 2020**
 - After several phone calls and being redirected to different representatives within Consumers, they decide to offer us a “Consumer Service” credit of \$3,100.
 - This figure was determined by an analysis of our bills during March 2020 – June 2020. Otherwise viewed as the “COVID Shutdown” time. They provided information that we may have overpaid by a little over \$6k during that time. So they are offering a 50% credit.
 - I did not accept the credit and did not feel it was fair.
 - I countered with an offer of accepting the \$3,100 now and applying a monthly credit in 2021 of \$175 per bill, for 12 months. They denied the offer and said \$3,100 was final.

- **December 2020**
 - Consumers follows up to see if we would like to accept the credit. I declined in the short-run to consider other options.

- **January 2021**
 - 1/26/2021, I followed up with Consumers and accepted the credit of \$3,100. I also noted that I was not pleased, and disappointed on how Consumers resolved the matter.
 - Consumers acknowledged my frustration and provided apology. However, this was the best they could offer.