

09/19/17

Subject: Accountability and the Money trail

Dear House Energy Committee members

My name is Robert L. Bernardi and I am the President of Executive Energy Services LLC.

I had submitted written testimony and informational sheets to you last Tuesday August 12th. If you had a chance to review and have any questions for me I would be glad to address those today or any time in the future.

Today however, I want to address how PA 341 6w and the SRM will be the third time Michigan Customers have paid for "In state" generation. You heard testimony from two of my customers, Clarkston Schools and Howell Public Schools.

Fact #1: Clarkston paid stranded cost over \$243,000 from 2000 to 2005 and Howell paid over \$192,000. This stranded cost charge allowed those "out of money" utility generating assets to recover their full cost. These schools paid for the generating assets of the utility.

Fact #2: Clarkston paid a securitization charge of over \$800,000 to DTE Energy from 2009-2015 and Howell paid \$334,000 both being told this cost recovered the stranded cost of the Nuclear Plant (Fermi). If they both paid for a portion of the DTE Energy generating assets, does that mean they have rights to that asset?

Fact#3: IF Clarkston and Howell, as the rules and regulations are being discussed TODAY, cannot prove to the MPSC that they hold in-state (Michigan Zone 7) capacity, then they have to pay a State Reliability Mechanism ("SRM") or capacity charge to the utilities. Please explain to me why they have to pay for it a third time when in fact for the past 13 years Howell Public Schools has paid for Capacity, Safely and reliably from its Electric Choice Supplier?

The 6(w) case is about reliable electric supply for the State of Michigan. ALL customers, Choice Included, Paid for instate Generation and Utilities were given 90% of the market. All of us agree everyone should pay for the prudent cost necessary to keep the lights on. HOWEVER, if no one can explain to these two Districts how the \$1,569,000 paid to DTE Energy through a surcharge ABOVE AND BEYOND the normal distribution charges was spent, than WHY are we discussing ANOTHER surcharge for Michigan Utilities?

Also note the 2008 News and Testimony I provided you last Tuesday of Utilities Promises to build so don't all MI Electric Customers have paid rights to some new Generation? In closing, I ask the House Energy Policy Committee BEFORE you allow the MPSC to impose another surcharge on Michigan rate payers to ask the simple question: **Where did Clarkston and Howell Public School districts 1.6 million dollars go?**

Sincerely,

Robert L. Bernardi

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