



Ford Motor Company

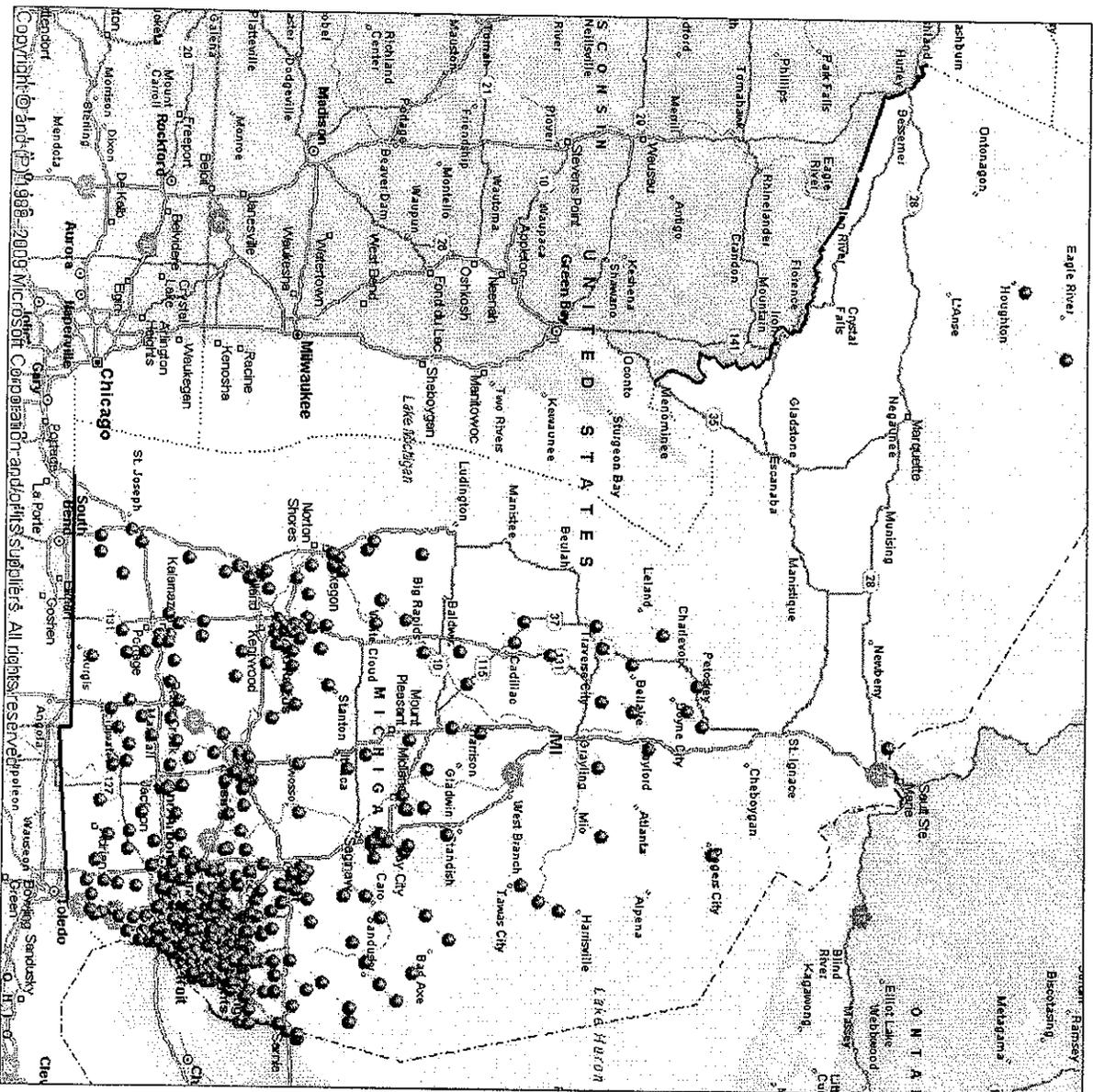
Charlie Pryde

Jeff White

Ford in Michigan

- Ford employs 40,000 people in Michigan
- 16 major manufacturing facilities
- In 2010, purchased \$15.8 billion worth of goods and services from Michigan-based suppliers
 - In 2009 Ford purchased \$12.6 billion worth of goods and services from Michigan-based suppliers

Ford Supplier Locations in Michigan



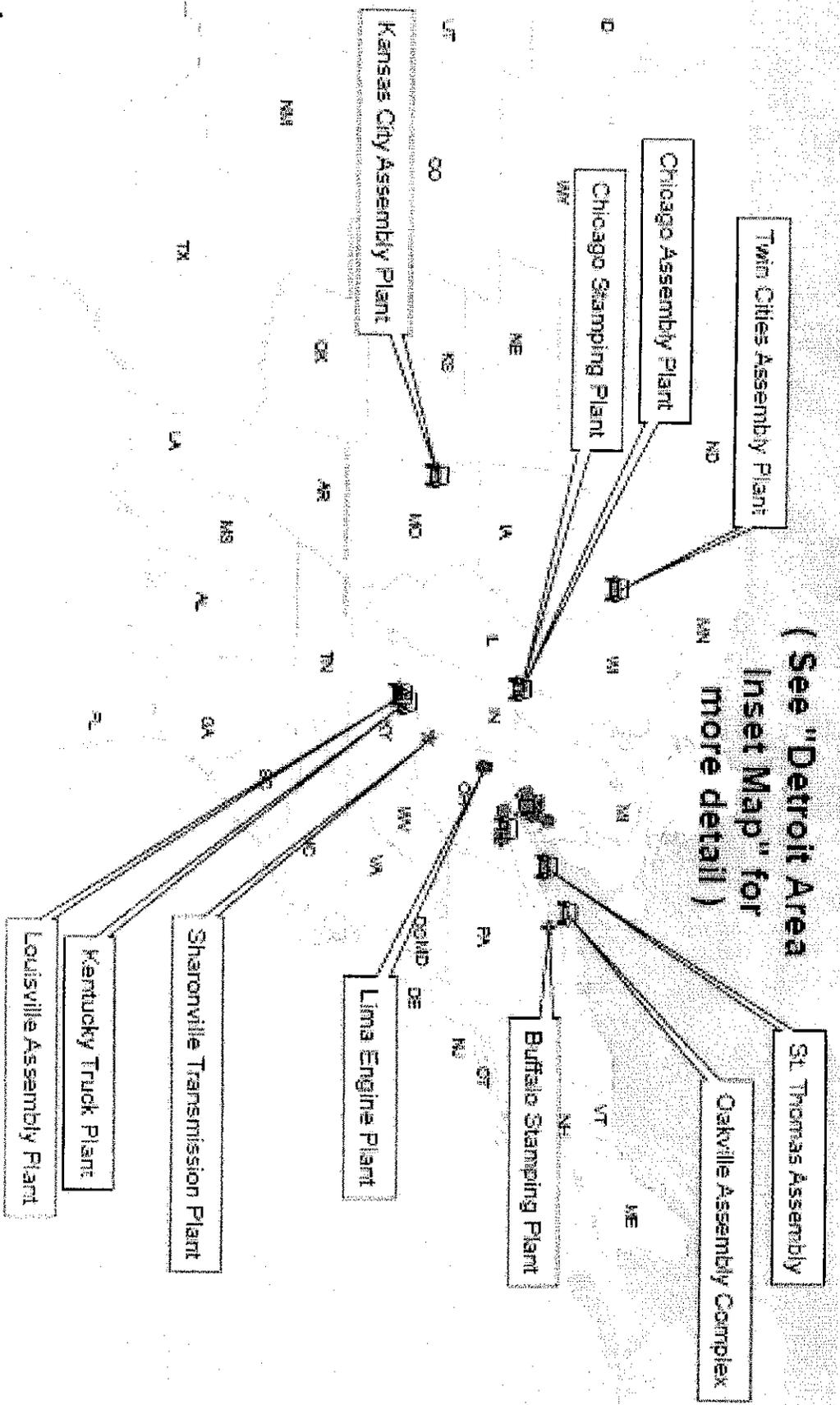
Copyright © 1998-2009 MICROSIGN Corporation and its suppliers. All rights reserved.

Jeffery D. White

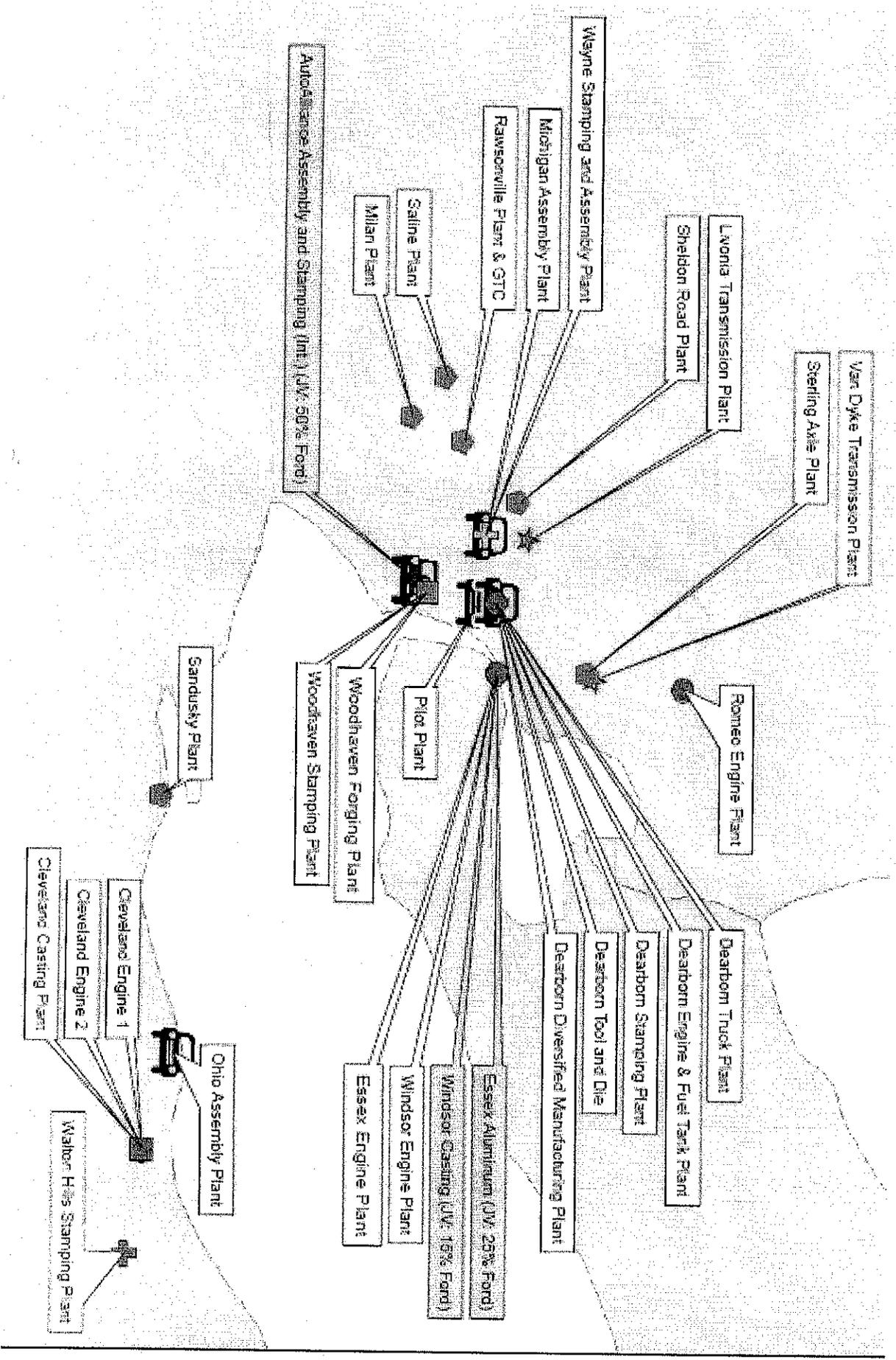
Ford Motor Company

- Manager of Electricity Supply, Energy Efficiency, Performance Contracting, and Powerhouse Management
- Responsible for managing the electricity supply and power quality for all of Ford's assembly, stamping, powertrain, components, research and commercial properties in North America
- Responsible for the development and support of business objectives to reduce energy cost and use for all Ford facilities in North America
- My team manages:
 - 50 manufacturing facilities in North America
 - Over 4 Billion kWhrs
 - Over \$250 Million electricity costs
 - Achieve over 25% energy reductions over the past 5 years

Ford Plant Locations in Midwest



Ford Plant Locations in Detroit Area



Comments on PA 286

- **Increasing the “competitive cap” would not benefit Ford Motor Company**
- Ford Rates in Illinois are higher than Michigan
 - Ford Rates are similar in Ohio
 - Changing the cap creates winners and losers – potentially increasing the cost of purchasing goods and services in Michigan

Comments on PA 286 - Continued

➤ Required MPSC action items

- **Rates should be based on the actual cost of service**
 - MPSC changed the cost allocation formula. This action moved \$20 Million of costs to industrial rate base
 - KWH allocations of costs (such as Revenue Decoupling Mechanism RDM) are creating new subsidies
- **Self implementation of rates by utilities is causing increased energy costs in Michigan**
 - Rate cases are being submitted at an accelerated pace
 - Present refund process is not directly linked to amount overpaid
- **Large Industrial customers who do not purchase natural gas directly from distribution companies should not be subject to Energy Optimization surcharges**

Next Steps

- **Integrated Resource Plan**
 - An Independent process to provide a holistic look at Michigan energy needs should be established including stakeholders
 - Business
 - Government
 - Consumers
 - Utilities
 - Academics
- **An Inclusive process is critical to keep Michigan moving forward**