

June 24, 2023

Dear Neighbor,

Summer is finally here. As Michiganders, we know this season as a time of picnics and barbeques, beach days and holiday parades. Summer can also be a time of extreme weather that brings down trees and branches, leaving a mess in your yards and damaging our equipment causing power outages. I want to assure you that we have a plan for both reducing the number of outages and, when an outage does occur at your home, shortening repair time.

This is a plan that we've been executing since 2018 – and we know that where we do the work, our customers' experience is greatly improved. But the last few years of increasingly severe weather have taught us that we need to be bolder and move faster. So, we're doing just that.

While power flows reliably to our customers more than 99% of the time, we're aiming even higher. Building the grid of the future means investing more in the upgrades we've been making so that every time you turn on your lights or charge your phone, you receive flawless power. We plan to invest \$9 billion in grid improvements over the next five years by focusing on the four key areas we know make a significant difference in reliability:

1. **Tree trimming:** This is critical, as two-thirds of the time customers are without power is due to falling trees and tree limbs. We've been ramping up our tree trimming over the last five years and our entire service territory – 31,000 miles of overhead wires – will be fully trimmed to a new standard by the end of 2025. From there, we will

be on a regular maintenance cycle to ensure that these trees don't interfere with our equipment.

2. **Updating existing infrastructure:** Modernizing and upgrading our infrastructure – such as poles, crossarms and transformers – continues to make a significant impact on reducing outages.
3. **Rebuilding more than 30% of our system:** Now is the time to rebuild older portions of our electrical system. Rebuilding allows us to increase capacity for our customers and strategically bury or “underground” wires where it makes sense.
4. **Accelerating our transition to a smart grid:** Driving automation on our system by adding new smart technology will enable us to isolate and reroute power during outages. This means the lights can stay on for more customers while we make repairs more quickly.

None of this is easy and it will take time. Some of this work, like tree trimming, will be complete in 2025, while rebuilding older portions of our grid will take much longer. But it must be done. We know there will still be storms and outages while we work to accelerate this plan, but we're committed to getting better for you every day.

Sincerely,



Jerry Norcia
Chairman and CEO