S T A T E   O F   M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the proposal of the **CHOICE ADVISORY COUNCIL** for a statewide customer education program and other related matters.	)))))	Case No. U-12133

At the October 11, 2001 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER

On July 25, 2001, the Commission issued an order addressing a settlement agreement signed by the Commission Staff (Staff) and the electric utility participants in the CHOICE Advisory Council's statewide customer education program. The settlement, which was filed on April 17, 2001, incorporated certain modifications required in the March 7, 2001 order in this docket and presented two alternatives for implementing the educational program: an electric-only program limited to most of the parties in this case (which did not include the gas utilities), and a combined program that would coordinate programs and funding for public utilities in both the electric and gas industries. In the July 25, 2001 order, the Commission indicated that the settlement was in large part acceptable. It further indicated its preference for a combined program, but it withheld a final decision on the settlement pending written confirmation by the gas utilities that they would participate in, and fund their share of, a combined program.

Pursuant to the order, the following gas utilities filed written statements: SEMCO Energy Gas Company (SEMCO), Consumers Energy Company, Michigan Consolidated Gas Company, Michigan Gas Utilities, Wisconsin Public Service Corporation, Northern States Power Company-Wisconsin, d/b/a Xcel Energy, and Peninsular Gas Company. Although each statement indicates, in varying degrees, a willingness to participate in a combined program, only one utility, SEMCO, filed an acceptance without conditions.

Section 10r(2) of the Customer Choice and Electricity Reliability Act, MCL 460.10r(2), requires the Commission to establish a funding mechanism for an electric open access educational program by January 1, 2002. Implementation of the CHOICE settlement meets this requirement. Unlike electric service, gas utilities are undertaking retail open access on a voluntary basis, without a specific statutory mandate. Consequently, some of the considerations that influenced electric utilities in negotiating the settlement are not relevant to the gas utilities. Moreover, some of the conditions sought by the gas utilities cannot be addressed within the statutory time frame. Given the onset of electric open access, the Commission does not have the luxury of further prolonging these proceedings to craft an arrangement that accommodates both industries. In order to establish a funding mechanism for electric education as required by law, the Commission finds that the electric-only alternative should be implemented.

In all other respects, the Commission reaffirms its determinations regarding CHOICE in the earlier orders in this docket, including the direction regarding the time frame for implementing the programs on pages 6-8 of the July 25, 2001 order.

As stated in its earlier orders, the Commission continues to believe that combining educational programs for electric and gas utilities would be beneficial, both because it would be cost efficient and because customers of both types of service would be likely to understand the concept of retail open access in similar terms. The Commission expects gas utilities and the Staff to continue to develop educational programs that will enable gas customers to be meaningful participants in open access. It further encourages all participants in the CHOICE effort, on both the electric and gas sides, to explore means of integrating the programs and coordinating their efforts.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACS, R 460.17101 et seq.

b. The settlement agreement, with the electric-only alternative, is reasonable and should be approved.

THEREFORE, IT IS ORDERED that the settlement agreement, together with the electric-only program, is approved. As provided under the electric-only program alternative, the settlement does not prescribe the educational program to be undertaken by gas utilities.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of October 11, 2001.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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By its action of October 11, 2001.

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Suggested Minute:

> "Adopt and issue order dated October 11, 2001 adopting a settlement agreement proposed to implement the CHOICE educational program for electric utilities only, as set forth in the order."