

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
to consider the restructuring of the electric)
utility industry.)

Case No. U-11290

In the matter of the approval of a code of conduct)
for **CONSUMERS ENERGY COMPANY** and)
THE DETROIT EDISON COMPANY.)

Case No. U-12134 ✓

At the September 14, 1999 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER AND NOTICE OF HEARING

The order issued on March 8, 1999 in Case No. U-11290 et al. directed the Commission Staff (Staff) to meet with Consumers Energy Company (Consumers), The Detroit Edison Company (Detroit Edison), and other interested parties to receive comments on a Staff paper entitled "Developing and Implementing Codes of Conduct for the Retail Electric Industry" and to attempt to develop a consensus on what actions, if any, are needed to develop a code of conduct applicable to electric retail open access in Michigan.

On June 4, 1999, the Staff filed a report on the code of conduct meetings. That report indicates that the Staff conducted a series of meetings with Consumers; Detroit Edison; Michigan Electric

and Gas Association; Alpena Power Company; American Electric Power; Northern States Power Company-Wisconsin; Upper Peninsula Power Company; Wisconsin Electric Power Company; Wisconsin Public Service Company; Energy Michigan; Engage Energy; Enron Corporation; EnStar Energy Group; Greater Detroit Resource Recovery Authority; Kimball Power Company; Primary Power, Inc.; Russell and Russell, P.C.; WPS Energy Services, Inc.; Association of Businesses Advocating Tariff Equity; American Association of Retired Persons; Attorney General Jennifer M. Granholm; Competitive Utility Tariffs; Michigan Manufacturers Association; Perrigo; Michigan Alliance for Fair Competition; ACCA; SMACNA; Jonathon Washington; Karoub and Associates; Michigan Chamber of Commerce; Michigan Independent Power Producers Association; Michigan Retailers Association; Small Business Association of Michigan; Michigan Consumer Federation; Residential Ratepayer Association; Landfill Energy; Primary Power Management; and PG&E Energy Services.

The report indicated that agreement was reached on the following issues:

1. There should be a code and the preferred format is broad provisions with specific clarifying examples.
2. Discrimination should be prohibited.
3. If customer names and addresses or system operation information is provided to anyone, it must be contemporaneously provided to all marketing affiliates and alternate suppliers under the same terms and conditions.
4. Information on alternate suppliers held by the utility will not be shared with utility affiliates.
5. A speedy complaint or dispute resolution process should be adopted.

With respect to other issues, the report stated that:

Most of the other issues discussed produced differing opinions, which in some cases were expressed quite vehemently. While there are exceptions, in general the utilities share similar perspectives. Customer and alternate supplier perspectives are

opposite to those of the utilities. Based on what Staff believes are strongly held positions presented by the participants in the meetings, Staff does not foresee the opportunity to reach a consensus on a code of conduct or even code components in the near future.

Staff Report, June 4, 1999, pp. 5-6.

The Commission has approved provisional codes of conduct for Consumers and Detroit Edison, but the informal meetings designed to develop a permanent code have proved unavailing and there appears to be little prospect for consensus to be reached. Accordingly, the Commission concludes that a contested case proceeding should be initiated for the purpose of determining what modifications, if any, should be made to the existing codes of conduct. A prehearing conference shall be held on October 7, 1999 at 1:30 p.m. for the purpose of determining parties to this proceeding, setting a schedule, and other related matters.

For purposes of administrative efficiency, future filings in this proceeding should be made in the docket in Case No. U-12134, rather than in Case No. U-11290.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; MSA 22.151 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. A prehearing conference should be held on October 7, 1999 at 1:30 p.m.

THEREFORE, IT IS ORDERED that a prehearing conference will be held on October 7, 1999 at 1:30 p.m. at the Commission's offices, 6545 Mercantile Way, Lansing, Michigan.

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

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

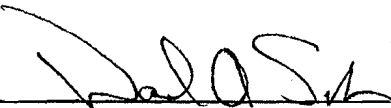
By its action of September 14, 1999.

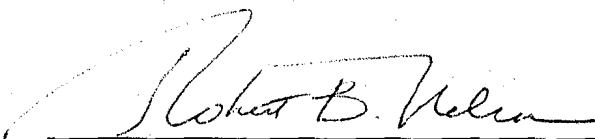
/s/ Dorothy Wideman
Its Executive Secretary

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

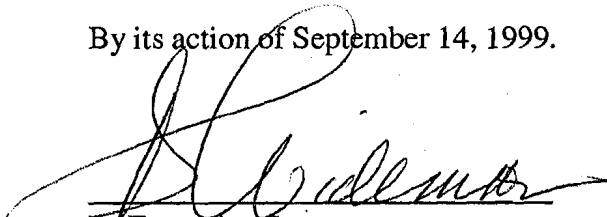
MICHIGAN PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

By its action of September 14, 1999.


Its Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)
)
County of Ingham)

Case No. U-11290
Case No. U-12134

Marcia Hoskins, being duly sworn, deposes and says that on September 15, 1999, A.D. she served a copy of the attached order, by mailing copies thereof by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

Marcia Hoskins

Subscribed and sworn to before me
this 15th day of September 1999.

Sharon Higgins Allen
Notary Public, Ingham County, Michigan
My Commission expires August 16, 2000

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