

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
to implement the provisions of Section 10a(10)	)	Case No. U-12639
of 2000 PA 141.	)	
_____	)	

At the January 4, 2001 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 GRANTING RELIEF ON APPLICATIONS FOR LEAVE TO APPEAL

On October 24, 2000, the Commission issued an order initiating this case to address the determination of net stranded costs. At a prehearing conference on November 27, 2000, Administrative Law Judge Daniel E. Nickerson, Jr., (ALJ) defined the case as limited to the methodology for making the stranded cost calculations. He therefore stated that the case would not consider actual costs or determine the amount of net stranded costs for any utility. He said that the order commencing this case referred only to methodology and did not direct any utility to present its stranded cost computations. Tr. 10-11.

On November 28, 2000, the Association of Businesses Advocating Tariff Equity (ABATE) filed an application for leave to appeal the ALJ's determination to exclude calculations from this case and to require at least Consumers Energy Company (Consumers) and The Detroit Edison

Company (Detroit Edison) to file actual calculations of their net stranded costs. ABATE argued that it is impossible as a practical matter to bifurcate the methodological issues from their rate effects and that it would be more efficient to adjudicate both at once. On December 11, 2000, Attorney General Jennifer M. Granholm (Attorney General) filed a similar application making similar arguments.

On December 8, 2000, Consumers filed a response indicating that it does not object to ABATE's application, so long as the Commission does not restrict Consumers' right to propose a methodology that provides for periodic true-ups and retains this case's existing procedural schedule. Detroit Edison filed responses opposing both applications on December 14 and 20, 2000, respectively. It argued that, on practicality grounds, consolidation of all computational issues in this case would require the Commission to impose a single uniform methodology on each utility, would impede efforts to consider each utility's unique stranded costs, and would result in an unworkable record as a basis for deciding complex issues. On December 26, 2000, Northern States Power Company-Wisconsin, d/b/a Xcel Energy, Wisconsin Electric Power Company, Edison Sault Electric Power Company, Wisconsin Public Service Corporation, and Upper Peninsula Power Company filed a response opposing both applications.

Rule 337 of the Commission's Rules of Practice and Procedures, 1992 AACS, R 460.17337, establishes the standards for reviewing applications for leave to appeal. Not every application merits immediate review; an appellant must establish one of the following conditions before the Commission will grant review:

1. A decision on the ruling before submission of the full case to the Commission for final decision will materially advance a timely resolution of the proceeding.

2. A decision on the ruling before submission of the full case to the Commission for final decision will prevent substantial harm to the appellant or the public-at-large.

If the Commission grants immediate review, it will reverse an administrative law judge's ruling if the Commission finds that a different result is more appropriate.

The Commission finds that immediate review should be granted in order to advance a timely resolution of this case, which affects complex issues related to both stranded cost methodologies and computations. Although the Commission agrees with Detroit Edison that combining methodologies and computations in a single proceeding is difficult, it is necessary if there is any realistic possibility of resolving these issues by January 1, 2002.

The Commission further clarifies that the scope of the proceeding should include stranded cost computational issues as well as the purely methodological issues. The Commission directs Consumers and Detroit Edison to submit their proposed stranded cost calculations as part of their prefiled direct cases pursuant to the schedule previously established in this docket. Other electric utilities may choose whether to submit their own stranded cost computations in this case.

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. The applications for leave to appeal should be granted.

- c. This proceeding should include computational issues related to net stranded costs.
- d. Consumers and Detroit Edison should submit their proposed stranded cost calculations as part of their prefiled direct cases pursuant to the schedule previously established in this docket.

THEREFORE, IT IS ORDERED that:

A. The applications of the Association of Businesses Advocating Tariff Equity and Attorney General Jennifer M. Granholm for leave to appeal are granted.

B. The scope of this proceeding shall include computational issues related to net stranded costs.

C. Consumers Energy Company and The Detroit Edison Company shall submit their proposed stranded cost calculations as part of their prefiled direct cases pursuant to the schedule previously established in this docket.

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

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ John G. Strand
Chairman

By its action of January 4, 2001

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

- c. This proceeding should include computational issues related to net stranded costs.
- d. Consumers and Detroit Edison should submit their proposed stranded cost calculations as part of their prefiled direct cases pursuant to the schedule previously established in this docket.

THEREFORE, IT IS ORDERED that:

A. The applications of the Association of Businesses Advocating Tariff Equity and Attorney General Jennifer M. Granholm for leave to appeal are granted.

B. The scope of this proceeding shall include computational issues related to net stranded costs.

C. Consumers Energy Company and The Detroit Edison Company shall submit their proposed stranded cost calculations as part of their prefiled direct cases pursuant to the schedule previously established in this docket.

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

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

By its action of January 4, 2001.

Commissioner

Its Executive Secretary

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In the matter, on the Commission's own motion,)
to implement the provisions of Section 10a(10))
of 2000 PA 141.)
_____)

Case No. U-12639

Suggested Minute:

“Adopt and issue order dated January 4, 2001 granting applications for leave to appeal and clarifying the scope of a contested case proceeding commenced on the Commission's own motion to implement statutory provisions for determining net stranded costs, as set forth in the order.”