

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 October 24, 2000 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

On June 5, 2000, Public Act 141 of 2000 took effect. Section 10a(10) provides:

The commission shall consider the reasonableness and appropriateness of various methods to determine net stranded costs, including, but not limited to, all of the following:

- (a) Evaluating the relationship of market value to the net book value of generation assets and purchased power contracts.
- (b) Evaluating net stranded costs based on the market price of power in relation to prices assumed by the commission in prior orders.
- (c) Any other method the commission considers appropriate.

MCL 460.10a(10); MSA 22.13(10a)(10).

The statute requires the Commission to exercise substantial discretion in developing a stranded cost methodology. In recognition of the complexity of the task, the importance of stranded costs to the successful implementation of electric restructuring, and the diversity of viewpoints on these issues, the Commission finds it appropriate to initiate a contested case proceeding. The proceeding

should result in a complete evidentiary record that will assist the Commission in implementing Section 10a(10) and prescribing a methodology for stranded cost computations. The Commission concludes that a prehearing conference should be scheduled in this case for Monday, November 27, 2000, at 9:00 a.m. at the Commission's offices in Lansing, Michigan.

The Commission has selected this case for participation in its Electronic Filings program. All documents filed in this case must be submitted in both paper and electronic versions. An original and four paper copies and an electronic copy in the portable document format (PDF) should be filed with the Commission. The Commission's Electronic Filings Users Manual explains how to file electronic documents at: <http://ermisbbs.cis.state.mi.us/efile/usersmanual.pdf>. Contact the Commission Staff at 800.292.9555, 517.241.6170, or by E-mail at efile@ermisbbs.cis.state.mi.us prior to filing to obtain access privileges and with any questions.

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 contested case proceeding should be initiated to consider how to implement the provisions for determining net stranded costs set forth in Section 10a(10) of 2000 PA 141.

THEREFORE, IT IS ORDERED that:

A. A contested case hearing shall be held to implement the provisions for determining net stranded costs set forth in Section 10a(10) of 2000 PA 141.

B. A prehearing conference will be held in the Commission's offices located at 6545 Mercantile Way, Lansing, Michigan at 9:00 a.m. on Monday, November 27, 2000.

C. Any person wishing to intervene and become a party to the case shall file a petition to intervene in accordance with the Commission's Electronic Filings program by Monday, November 20, 2000.

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 October 24, 2000.

/s/ Dorothy Wideman
Its Executive Secretary

THEREFORE, IT IS ORDERED that:

A. A contested case hearing shall be held to implement the provisions for determining net stranded costs set forth in Section 10a(10) of 2000 PA 141.

B. A prehearing conference will be held in the Commission's offices located at 6545 Mercantile Way, Lansing, Michigan at 9:00 a.m. on Monday, November 27, 2000.

C. Any person wishing to intervene and become a party to the case shall file a petition to intervene in accordance with the Commission's Electronic Filings program by Monday, November 20, 2000.

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of October 24, 2000.

Its Executive Secretary

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 October 24, 2000 issuing notice of hearing for a contested case proceeding to implement the provisions for determining net stranded costs set forth in Section 10a(10) of 2000 PA 141, as set forth in the order.”