

CLARK HILL  
PLC  
ATTORNEYS AT LAW

255 S. Old Woodward  
Third Floor  
Birmingham, MI 48009  
Tel. (248) 642-9692 • Fax (248) 642-2174  
www.clarkhill.com

Robert A. W. Strong  
Phone: (248) 988-5861  
E-Mail: rstrong@clarkhill.com

September 15, 2006

**Via Email Transmission:** [mlcolli@michigan.gov](mailto:mlcolli@michigan.gov)

Michael L. Collins  
Manager, Rates and Tariff Section  
Michigan Public Service Commission  
6545 Mercantile Way  
Lansing, MI 48911

Re: ***COSS Collaborative***

Dear Mr. Collins:

Enclosed is a letter from Mr. Selecky containing ABATE's responses to the comments of the Attorney General, the Staff, and Consumers Energy Company. ABATE supports developing a common cost of service study model that can be used by anyone with an Excel spreadsheet program, but the COSS model does not have to be expanded to include rate design. Also, the utilities need not include all methodologies listed by NARUC, but only the method required by the PSC and any alternative that they support.

If you have any questions regarding ABATE's position, please contact me.

Very truly yours,

CLARK HILL PLC

Robert A. W. Strong

Attachment

cc: Interested Parties  
/ag

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**BRUBAKER & ASSOCIATES, INC.**

1215 Fern Ridge Parkway, Suite 208  
St. Louis, Missouri 63141  
Tel. (314) 275-7007  
Fax (314) 275-7036  
E-Mail: bai@consultbai.com  
Website: <http://www.consultbai.com>

**Via: E-Mail**

September 14, 2006

Robert A. W. Strong, Esq.  
Clark Hill  
255 S Woodward Avenue, Suite 301  
Birmingham, MI 48009

**Re: Cost of Service Study Collaborative Comments**

Dear Bob:

Brubaker & Associates, Inc. (BAI) has reviewed the cost of service comments provided by the Attorney General on May 18, 2006, and the Michigan Public Service Commission (MPSC) Staff on August 10, 2006. As per the MPSC Staff request, BAI is providing the following response to those comments.

**Attorney General's Comments**

BAI provides the following comments to the Attorney General's May 18, 2006 Initial Comments:

1. The cost of service model should be provided simultaneously with the utility's general rate case filing.
2. The cost of service model should be compatible with Excel, and it should not require the latest version to be executed.
3. The model that is supplied by the utilities in a rate case should not reflect "most if not all, of the allocation methodologies described in the NARUC Electric Utility Cost Allocation Manual."
4. Parties should be able to request necessary data to develop new allocators which can be utilized in the cost of service model.
5. The cost of service model should not have to include the most recent system loss study for energy and demand.
6. The cost of service model should not include rate design capabilities as part of the model.
7. The cost of service model does not have to include revenue proofs based on actual and normalized billing determinants by blocks.



Robert A. W. Strong, Esq.

**Clark Hill**

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8. There should be a minimum level of support provided by the utilities once a cost of service model is selected. This support would exist for a defined period.
9. The utility should be responsible for developing additional allocators and providing supporting documentation for those allocators. This could be conducted as discovery in connection with the rate filing.

### **Staff Comments**

The MPSC Staff provided their comments on August 10, 2006. Consumers Energy, in a September 1, 2006 e-mail, indicated that it was implementing the Staff positions on points 1, 2, 3, 4, 6, 7, and 9. BAI concurs with Consumers Energy's comment regarding point 5 and does not believe that would be of much additional value to someone that has an electronic version of the model. Finally, ABATE concurs with Staff's point 8 and will review the revision discussed in Consumers' September 1 e-mail addressing that item.

If you have any questions about this letter or need any additional information, please do not hesitate to call me.

Sincerely,

BRUBAKER & ASSOCIATES, INC.

*James T. Selecky*

James T. Selecky