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February 1, 2010

Honorable Jennifer Granholm
Governor of Michigan

Honorable Members of the Senate

Honorable Members of the House of Representatives

The enclosed annual report for 2009, *Status of Electric Competition in Michigan*, is submitted on behalf of the Michigan Public Service Commission (Commission) in accordance with Section 10u of 2000 PA 141, MCL 460.10u, and represents the eighth year of electric choice in Michigan. The report is available on the Commission's Web site.

During 2009, competition in Michigan's electric market showed an overall increase. The electric choice program in the Consumers Energy Company service territory experienced an annual increase of approximately 139 percent in electric megawatt (MW) load and an increase of over 66 percent in the number of choice customers. Similarly, the electric choice program in The Detroit Edison Company service territory experienced a 75 percent annual MW load increase and an increase of more than 41 percent in the number of choice customers.

To date, Michigan remains one of about 20 states that has full or limited restructuring of the competitive electric market and Michigan has maintained its reasonable rates. In comparison to the 10 largest states, Michigan was benchmarked as having the fourth lowest average retail electricity rates for residential customers, the third lowest for commercial customers, and the fifth lowest for industrial customers.

In 2009, the Commission issued numerous orders to further establish the framework for Michigan's electric customer choice programs and support the provisions of Public Act 141 of 2000 and Public Acts 286 and 295 of 2008.

Highlights of the report include:

- Approximately 5,424 commercial and industrial customers in the Detroit Edison and Consumers Energy service territories participated in Michigan's customer choice programs, representing 1,558 MW of total sales.
- Description of the orders issued pertaining to alternative electric suppliers, implementation of new energy laws, associated rate cases, power supply cost recoveries, securitization and optimization surcharges, etc.
- There were a total of 24 licensed alternative electric suppliers in Michigan during 2009.
- Procedures were adopted dealing with the administration and allocation of electric load allowed to be served by alternative electric suppliers with respect to the 10 percent cap on electric choice pursuant to Public Act 286 of 2008.

Statutory changes and policy decisions with respect to electric customer choice can have complex ramifications for the citizens and economy of Michigan. The Commission remains committed to working with legislative members and staff to help ensure that the best possible public policy for Michigan is achieved.

Very truly yours,

Orjiakor N. Isiogu, Chairman
Michigan Public Service Commission

Monica Martinez, Commissioner
Michigan Public Service Commission

Greg R. White, Commissioner
Michigan Public Service Commission

STATUS OF ELECTRIC COMPETITION IN MICHIGAN

Report for Calendar Year 2009

Orjiakor N. Isiogu, Chairman
Monica Martinez, Commissioner
Greg R. White, Commissioner

MICHIGAN PUBLIC SERVICE COMMISSION
Department of Energy, Labor & Economic Growth

February 1, 2010

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Introduction

The Customer Choice and Electricity Reliability Act (2000 PA 141, referred to throughout as “PA 141” or “Act 141”) requires the Michigan Public Service Commission (Commission) to file a report with the Governor and the Legislature by February 1 each year.

The report is to include a discussion of the following topics, pursuant to MCL 466.10u:

- a) The status of competition for the supplying of electricity in Michigan.
- b) Recommendations for legislation, if any.
- c) Actions taken by the Commission to implement measures necessary to protect consumers from unfair or deceptive business practices by utilities, alternative electric suppliers, and other market participants.
- d) Information regarding customer education programs approved by the Commission to inform customers of all relevant information regarding the purchase of electricity and related services from alternative electric suppliers.

An important goal of PA 141 is to have competition within the electric industry by offering Michigan customers the opportunity to purchase electric generation services from either an alternative electric supplier (AES) or their incumbent electric provider. The Commission does not regulate the prices charged by AESs for their services. Thus, customers may choose an AES based upon its rates or they may choose a regulated utility rate.

Public Act 286 of 2008 (Act 286) was enacted on October 6, 2008 and amended PA 141. Section 10a(1)(a) of Act 286 requires limiting the amount of electricity that can be obtained from AESs to “no more than 10% of an electric utility’s average weather adjusted retail sales for the preceding calendar year.” As a result, the Commission issued an order on October 21, 2008 in Case No. U-15801 to establish rules for allocating the sales as specified in Section 10a(1)(b)-(d). In its order dated September 29, 2009 in Case No. U-15801, the Commission outlined the specific procedures pertaining to the 10 percent cap, and also established the details of the

electric choice Cap Tracking System that utilities are required to make available on their Web sites.

I. Status of Competition for Electric Supply

A. Overview

Full Retail Open Access (ROA or electric customer choice) for all customers of Michigan investor-owned electric utilities took effect on January 1, 2002. Thus, 2009 was the eighth full year of electric choice in Michigan. Customers in Michigan are currently participating in electric choice programs offered by Consumers Energy Company (Consumers Energy) and The Detroit Edison Company (Detroit Edison). Consumers Energy and Detroit Edison provide distribution service to nearly 90 percent of the state's electric customers. To date, alternative electric suppliers have not offered services to customers of the smaller jurisdictional utilities.

Michigan remained one of about 20 states that had full or limited restructuring of retail electricity markets in 2009. Chart 1 (Appendix 1, p. 1) shows the states with retail access and those not considering restructuring at this time. The status of restructuring remained the same in 2009 as it was in 2008. In Michigan, Act 286 of 2008 limited electric choice enrollment to 10 percent of an electric utility's average weather adjusted retail sales for the preceding year. Each year, the average weather adjusted retail sales will be taken into consideration in order for the 10 percent cap to be accurately established. The Detroit Edison and Consumers Energy service territories are both fully subscribed at the 10 percent cap. Specific information pertaining to the status of choice participation can be found at the respective Web sites for Detroit Edison and Consumers Energy Company.¹

¹ <http://www.suppliers.detroitedison.com/internet/>.
<http://www.consumersenergy.com/welcome.htm?bucust/index.asp?SS2ID=246>.

1. Michigan's Electric Choice Program

During 2009, Michigan's electric customer choice program was potentially available to all customers of regulated electric utilities, excluding members of electric cooperatives with loads of 1 MW or less.² However, AESs did not offer services in any utility service territories other than Consumers Energy and Detroit Edison. As of December 31, 2009, there were 5,424 commercial and industrial customers participating in the Detroit Edison and Consumers Energy electric choice programs (up from 3,717 in 2008). This represented 1,558 MW of the total energy usage in the combined Detroit Edison and Consumers Energy service territories (up from 770 MW in 2008).

Commercial and industrial customers in the service territories of Detroit Edison and Consumers Energy accounted for virtually all of the participation in the electric choice programs again in 2009. Despite being allowed for retail customers of a rural electric cooperative with a peak load of 1 megawatt or above, retail competition has yet to occur in areas served by rural electric cooperatives.

Competition in the electric marketplace in Michigan is typically measured in terms of the number of customers and load served by AESs as compared to total number of customers and load. Choice competition experienced a significant increase in 2009, especially when compared to the gradual decline in recent years and the significant declines in 2004 and 2005.

The electric market experienced an overall increase in average annual wholesale energy prices in 2009. Although there are other factors, natural gas prices play a significant role in

² MCL 460.10x and MCL 460.10y outline different requirements for implementation of customer choice for cooperatively owned and municipal electric utilities. MCL 460.10x allows any retail customer of a rural electric cooperative with a peak of 1 megawatt or above to select an alternative electric supplier. MCL 460.10y provides that the governing body of a municipally owned utility determines whether it will permit choice programs in its service territory.

determining electricity prices. Specific information pertaining to electric wholesale prices in 2009 will be available on the U.S. Energy Information Administration Web site in March 2010.³

2. Electric Prices

The status of competitive retail access in the United States has remained somewhat constant for the past several years with only a few exceptions. Unlike deregulated states located primarily in the eastern United States, Michigan's current retail electric market consists of a regulated utility sector that maintains regulation of most utility generation costs and a competitive customer choice sector. As a result, Michigan's ranking of rates relative to other states has remained fairly constant since the enactment of PA 141.

In comparison to the weighted average rates of the 10 largest states, Michigan had lower retail electricity rates in 2009 in all customer classes as shown in Chart 8 (Appendix 1, Fig. 1-3, pp. 11 and 12). Michigan's electric rates were also below the national weighted average for commercial retail customers. Michigan's electric rates for residential retail customers and industrial retail customers were higher than the national weighted average by \$0.09 and \$0.34 respectively. As compared to states with restructured electric markets, Michigan's retail electric rates rank eighth lowest for the residential sector (ranked seventh in 2008), sixth lowest for the commercial sector (improved from eighth in 2008), and eighth lowest for the industrial sector (ranked sixth in 2007).

B. Alternative Electric Suppliers

There were 24 licensed AESs in Michigan at the end of 2009. The 2009 activities reflect the addition of one new AES license, and the voluntary relinquishment of three licenses. During 2009, the Commission approved an AES license for Glacial Energy of Michigan, Inc., since renamed Glacial Energy of Illinois, Inc. The Commission approved the requests of Metro

³ www.eia.doe.gov

Energy, LLC to relinquish its license on January 30, 2009 in Case No. U-15836; to rescind the licenses of Nordic Marketing of Michigan, LLC on April 3, 2009 in Case No. U-15839, and Accent Energy Midwest, LLC on April 9, 2009 in Case No. U-15823.

There were six AESs actively serving commercial and industrial customers in the Consumers Energy territory in 2009, which is consistent with 2008. Ten AESs actively served commercial and industrial customers in the Detroit Edison territory during 2009, compared to nine in 2008. Of the ten active AESs serving customers in the Detroit Edison service territory, five were also active in the Consumers Energy territory. *See* Chart 2 (Appendix 1, p. 2), Chart 4 (Appendix 1, p. 4), and Appendix 3 for further details.

C. Load Serviced by the Retail Open Access Programs

As noted, retail open access mainly serves commercial and industrial loads. Typical choice participants are large industrial manufacturers and mid-size commercial customers including retailers, restaurants, healthcare, school systems and other service providers. The number of residential choice customers in the Detroit Edison and Consumers Energy service territories is negligible.

1. Consumers Energy Electric Customer Choice Program

The number of customers and the electricity demand in MW served by each AES in the Consumers Energy electric customer choice program at the end of each year is shown in Chart 2 (Appendix 1, p. 2). The electric choice load served in the Consumers Energy service territory at year-end 2009 totaled 793 MW, which is approximately 139 percent more than the 332 MW served in 2008. The 1,092 customers served by AES in 2009 reflect an increase of over 66 percent from the 656 customers served in 2008 as shown in Chart 3 (Appendix 1, p. 3).

Additional information depicting trends in the Consumers Energy customer choice program is included in Appendix 1. Chart 3 (Appendix 1, p. 3) shows the trend in the number of

customers participating and the load served in the Consumers Energy electric choice program on a monthly basis, from July 2008 through December 2009. The information is broken down by customers and electric load in-service in the choice program.

2. The Detroit Edison Electric Customer Choice Program

The number of customers and the electricity demand in MW served by each AES in the Detroit Edison electric customer choice program at the end of the year is shown in Chart 4 (Appendix 1, p. 4). The electric choice load served in the Detroit Edison service territory at year-end 2009 totaled over 765 MW as compared to 438 MW in 2008. Similarly, the number of customers served by AESs totaled 4,332 in 2009 compared to 3,061 in 2008.

Additional information depicting trends in the Detroit Edison customer choice program is included in Appendix 1. Chart 5 (Appendix 1, p. 5) shows the trend in the number of customers participating and the load served in Detroit Edison's electric choice program on a monthly basis, from July 2008 through December 2009. The information is broken down by customers and electric load in-service in the choice program.

D. Benchmarking Electric Prices

This year's report again provides additional benchmarking data that compares Michigan's electric prices to those of other states. This information is reflected in the charts contained in Appendix 1 of the report. Chart 6 (Appendix 1, Fig. 1-6, pp. 6, 7 and 8) reflects the average 2000 and 2009 residential, commercial, and industrial rates of the various states. Michigan's retail rates ranked sixth lowest in commercial averages and eighth lowest in residential and industrial averages as compared to other restructured states for the year. The residential, commercial and industrial rankings in 2009 are each improved from the rankings reflected in the report from 2000.

Additionally, a comparison of the average retail electricity rates for the 10 largest states by population (IL, GA, OH, MI, PA, FL, TX, NJ, CA and NY) indicates that Michigan had the third, fourth and fifth lowest retail electric rates based on customer class during 2009 for commercial, residential and industrial customers respectively. This is shown in Chart 7 (Appendix 1, Fig. 1-3, pp. 9 and 10). Georgia had the lowest residential and industrial rates, while Illinois held the spot for the lowest commercial rates in 2009.

Michigan's retail electricity rates also compared favorably to the 10 largest states over time from 2000 to 2009 as shown in Chart 8 (Appendix 1, Fig. 1-3, pp. 11 and 12). The weighted average residential retail rate was \$0.1172/kWh in 2009 compared to the 10 largest states average of \$0.1296/kWh. The weighted average for Michigan was, however, slightly higher than the national average of \$0.1163/kWh. A similar comparison of commercial retail rates showed Michigan's weighted average rates of \$0.0957/kWh compared to the 10 largest states averaging \$0.1133/kWh and the national average at \$0.1029/kWh. Michigan's industrial retail rates of \$0.0733/kWh were above the national weighted average rate of \$0.0699/kWh in 2009, but below Michigan's industrial rates of \$0.0791/Kwh for the 10 largest states in 2009.⁴

II. Commission Action Related to Electric Customer Choice and Consumer Protection

The Commission issued several orders during 2009 which further established and implemented the framework for Michigan's electric customer choice programs, the provisions of Act 141 and the amendments of Act 286 and Act 295.⁵ Throughout the year, the Commission issued orders that approved and rescinded licenses for AESs, adjusted AES load allocations and established the requirements and guidelines for implementation of the 10 percent choice cap

⁴ Source: <http://www.eia.doe.gov/fuelelectric.html>.

⁵ Commission orders are available on the Commission Web site at www.dleg.state.mi.us/mpsc/orders/electric/. Documents and orders associated with many cases are available in the MPSC Electric Case Filings system at <http://efile.mpsc.cis.state.mi.us/efile/cases>.

pursuant to Act 286. Specifically, in its order dated September 29, 2009 in Case No. U-15801, the Commission approved procedures with regard to the administration and allocation of electric load allowed to be served by an alternative electric supplier. The Commission's order makes clear that electric choice customers that were served by an AES would not be automatically returned to utility service in the event that the 10 percent choice cap was exceeded due to a reduction in utility sales during the year. To date, the service territories of Consumers Energy and Detroit Edison are both fully subscribed at the 10 percent cap.

A. Commission Orders Issued

The Commission orders issued in 2009 that relate to the initial implementation of PA 141 and the continuing affect of this Act can be generally categorized as follows:

- One order approving a new AES license;
- One order approving the restructuring of an AES;
- Three orders approving relinquishment of AES licenses;
- 10 orders establishing or adjusting securitization and optimization charges, power supply cost recoveries and stranded cost recoveries;
- Eight orders adopting, revising or developing business rules;
- Five orders dealing with rate cases;

See Appendix 2 for further detail on these orders.

The Commission approved changes to the electric choice service provisions in Case Nos. U-15245 and U-15645 for Consumers Energy. These provisions amended Rule F 2.5(c) to clarify that only the customer may initiate its return from ROA service to full service. Also, residential customers were exempted from all notice and minimum stay provisions and, upon return, required to remain on full service rates for at least 12 months. Further, the Commission directed Consumers to include within its ROA tariffs a provision requiring the utility to provide all current balancing and energy delivery requirements data to an individual AES that newly enters the competitive residential electric market and to all AESs when requirements change. These notice and minimum stay provisions were also changed for Detroit Edison in the

Commission's order dated December 23, 2008 in Case No. U-15244. The Commission also extended the residential three day notice period to a 14-day notice period for cancelling enrollment with an AES for Consumers Energy and Detroit Edison, as well as required AES residential marketing materials and contracts to be reviewed by Staff.

B. Act 286 Administration and Allocation of Electric Load

In its order dated August 25, 2009 in Case No. U-15801, the Commission outlined a series of proposed procedures related to the implementation of the 10 percent choice cap pursuant to Act 286 of 2008. The order invited comments from interested parties and directed the MPSC Staff to meet with interested parties in a collaborative discussion of the proposed procedures. A collaborative discussion was held at the MPSC offices on September 1, 2009.

In its order dated September 29, 2009 in Case No. U-15801, the Commission approved procedures with regard to the administration and allocation of electric load allowed to be served by an alternative electric supplier pursuant to Act 286 of 2008.

III. Commission Action on Customer Education

The Commission held a series of Consumer Forums in seven cities throughout the state during the fall of 2009. The Consumer Forums were designed to inform consumers about the latest information related to electric and natural gas rates for the winter and the status of local and long distance telephone service. Attendees were welcome to ask questions and express concerns pertaining to service quality or other utility issues. The seven forum cities included Marquette, Detroit, Adrian, East Tawas, Livonia, Port Huron and Muskegon.

IV. Michigan Renewable Energy Programs

Constellation NewEnergy, an AES licensed in Michigan, continued to offer its "Green-e Renewable Energy" product. These renewable energy products give commercial and industrial

electric choice customers the option to select electricity from renewable energy resources such as wind, solar, biomass, landfill and hydroelectric.⁶ Spartan Renewable Energy LLC, a licensed AES in Michigan, continued to offer its customers the option to obtain a portion of their power from renewable energy resources through premium pricing.

In accordance with PA 295 of 2008, every electric energy provider, including AESs, were required to file plans for detailing how they would meet the state's new renewable energy standard. All AESs serving customers complied with this requirement. For those not yet serving customers, the Commission allowed them to file such a plan upon commencement of serving customers.

V. Recommendations for Legislation

The Commission has no recommendations for new or modified legislation at this time. With the passage of new energy legislation in late 2008, many issues were addressed.

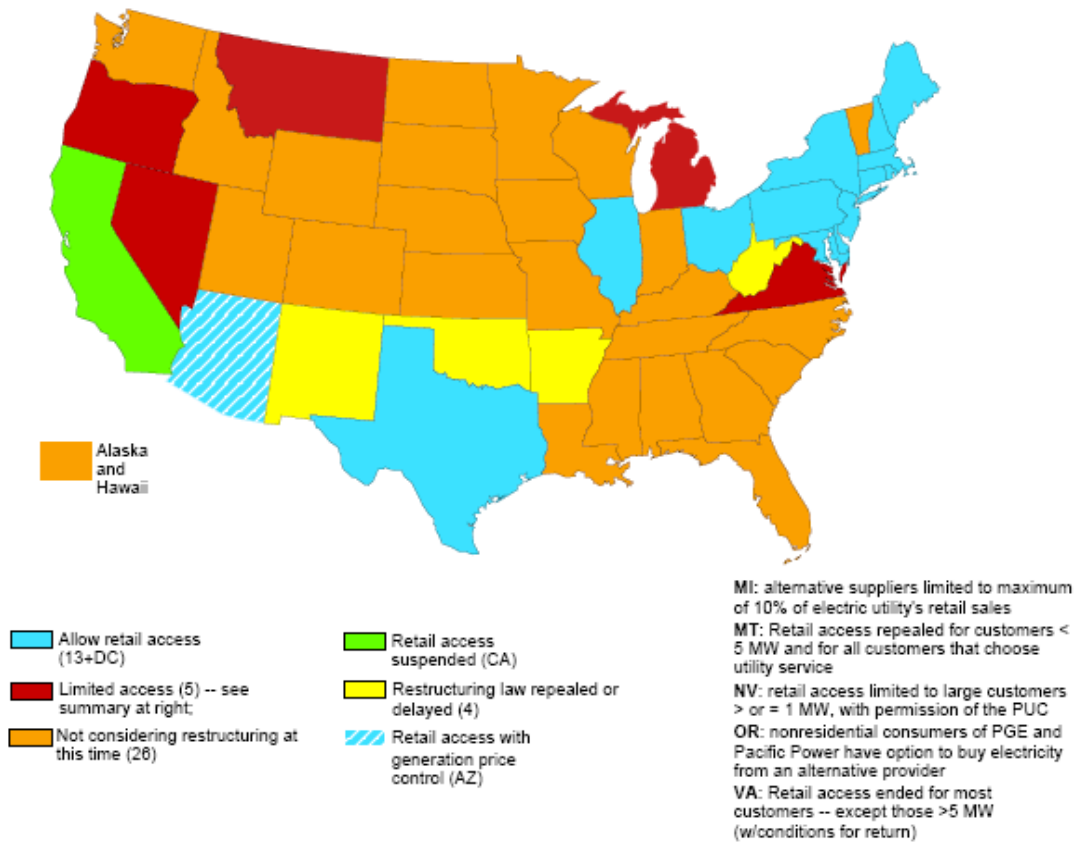
The Commission intends to continue to monitor and participate in the federal regulatory process as it relates to the electric supply infrastructure serving Michigan. The Commission will apprise the Governor and Legislature of any developments that may require further action.

⁶ Refer to Website: <http://www.newenergy.com>.

APPENDIX 1

Chart 1

Status of State Restructuring



Source: Ken Rose, Institute of Public Utilities, Michigan State University, 2009.

Chart 2

AES Customers in Consumers Energy Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
CMS ERM	2	2	2	0	0	0	2	2	2	0	0	0
Constellation	477	671	416	405	402	602	229	151	98	95	90	275
Direct Energy Business ¹	591	323	110	163	133	46	99	46	10	19	15	4
Integrys ²				52	50	165				19	19	88
MidAmerican ³		4	2	0	0	0		1	0	0	0	0
Nordic ⁴	16	12	0	0	0	0	33	8	0	0	0	0
Quest	314	96	33	0	0	0	395	105	32	0	0	0
Sempra	55	43	23	31	49	252	47	49	27	17	39	217
Spartan Renewable Energy					1	1					10	10
Wolverine Power Marketing	18	21	19	21	21	26	121	157	129	164	161	200
WPS		21	4	0	0	0		32	1	0	0	0
Totals ⁶	1,473	1,193	609	672	656	1070	926	552 ⁵	300 ⁵	315 ⁵	332 ⁵	777

Note: ¹On September 1, 2008, Strategic Energy, LLC, changed its name to Direct Energy Business, LLC.

²On February 21, 2007, Integrys Energy Group Inc merged with WPS Resources Corporation and Peoples Energy Corporation.

³In 2006, the load served by MidAmerican was .09 MW.

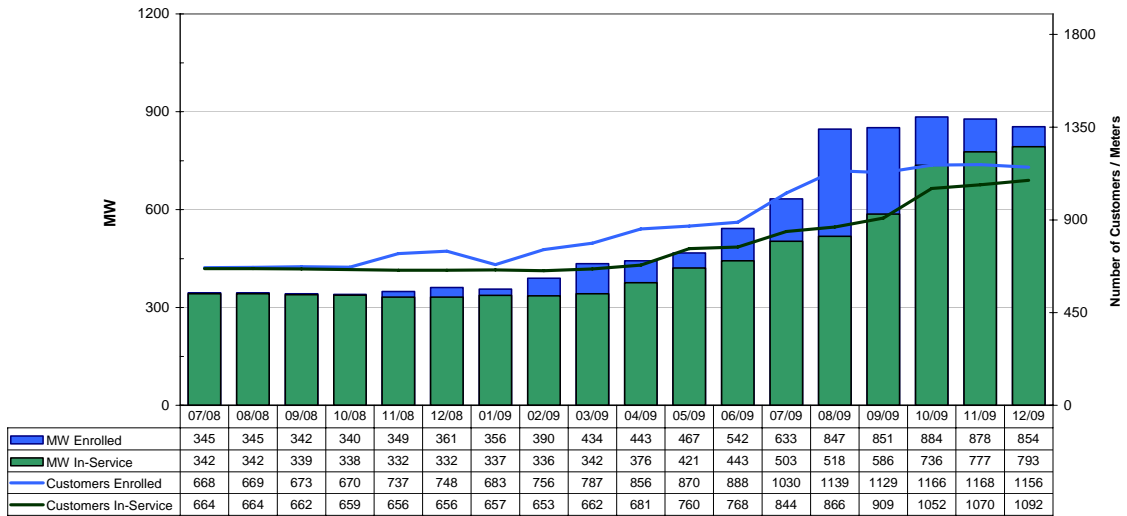
⁴The companies formerly known as Nordic Energy and Nordic Electric were restructured in 2004. Nordic operated in Michigan most recently as Nordic Marketing, LLC. For purposes of this report, all Nordic companies are combined in this one row.

⁵Total does not add correctly due to rounding.

⁶The number of customers and MW served in 2001, 2002 and 2003 are available in the *Status of Electric Competition in Michigan* report for 2006.

Chart 3

**Consumers Energy Electric Customer Choice Program Activity
(Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)
July 2008 - December 2009**



The level of enrolled and active load for Consumers Energy's Electric Customer Choice Program has reached the 10 percent cap as of August 14, 2009

Source: Consumers Energy Company, January 2010.

Chart 4

AES Customers in Detroit Edison Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2004	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008	2009
CMS ERM MI	11	11	11	11	4	4	261	261	261	261	53	53
Commerce ¹	4,663	3,070	1,244	806	507	374	215	104	33	20	13	9
Constellation	1,881	3,582	2,492	2,071	1,579	1,284	356	532	342	296	234	285
Cook Inlet	9	0	0	0	0	0	86	0	0	0	0	0
Dillon	136	2	0	0	0	0	28	<1	0	0	0	0
Direct Energy Business ²	4,095	3,068	1,084	676	488	718	475	237	69	40	29	111
Energy International	1,231	613	443	115	0	0	55	28	17	4	0	0
Exelon		42	28	0	0	0		8	3	0	0	0
FirstEnergy Solution	1,234	956	620	116	44	119	180	118	73	17	8	36
Glacial Energy of Illinois, Inc. ⁷						979						71
IntegrYS ³				350	401	456				45	62	82
Metro Energy	2	2	2	0	0	0	13	13	13	0	0	0
MidAmerican	66	806	304	2	1	59	4	31	13	<1	<1	23
Nicor/EMC	10	0	0	0	0	0	1	0	0	0	0	0
Nordic ⁴	1,838	10	0	0	0	0	140	<1	0	0	0	0
Premier	632	207	0	0	0	0	77	19	0	0	0	0
Quest	1,262	774	246	0	0	0	347	104	32	0	0	0
Sempra	162	16	8	14	35	337	80	5	1	11	27	82
Wolverine Power Marketing	2	2	2	2	2	2	13	13	14	13	13	13
WPS	7	503	159	0	0	0	45	49	18	0	0	0
Totals ⁶	17,241	13,664	6,643	4,163	3,061	4,332	2,378 ⁵	1,524	889	708	438 ⁵	765

Note ¹In 2005, Electric-America changed the company name to Commerce Energy Inc.

²On September 1, 2008, Strategic Energy, LLC, changed its name to Direct Energy Business, LLC.

³On February 21, 2007, IntegrYS Energy Group, Inc., merged with WPS Resources Corporation and Peoples Energy Corporation.

⁴The companies formerly known as Nordic Energy and Nordic Electric were restructured in 2004. Nordic operated in Michigan as both Nordic Marketing, LLC. For purposes of this report, all Nordic companies are combined in this one row.

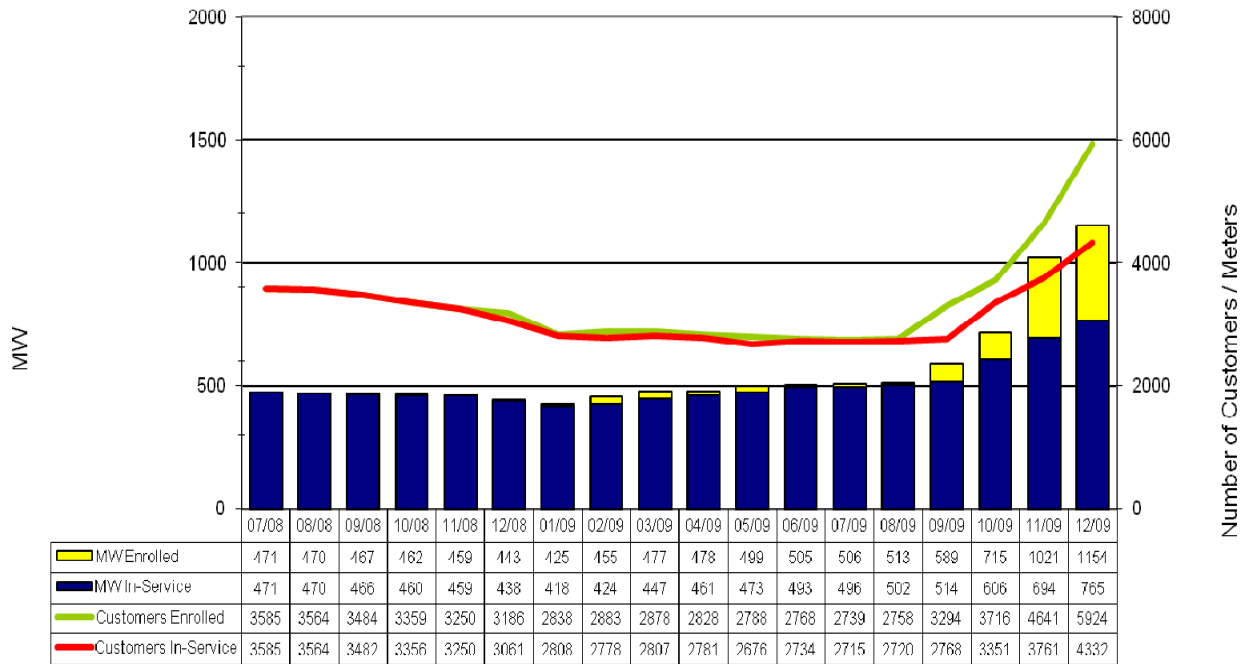
⁵Total does not add correctly due to rounding.

⁶The number of customers and MW served in 2001, 2002 and 2003 are available in the *Status of Electric Competition in Michigan* report for 2006.

⁷On June 29, 2009, Glacial Energy of Michigan, Inc., changed its name to Glacial Energy of Illinois, Inc.

Chart 5

Detroit Edison Electric Customer Choice Program Activity, as of 01/06/2010
 (Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)



Source: The Detroit Edison Company, January 2010

Chart 6

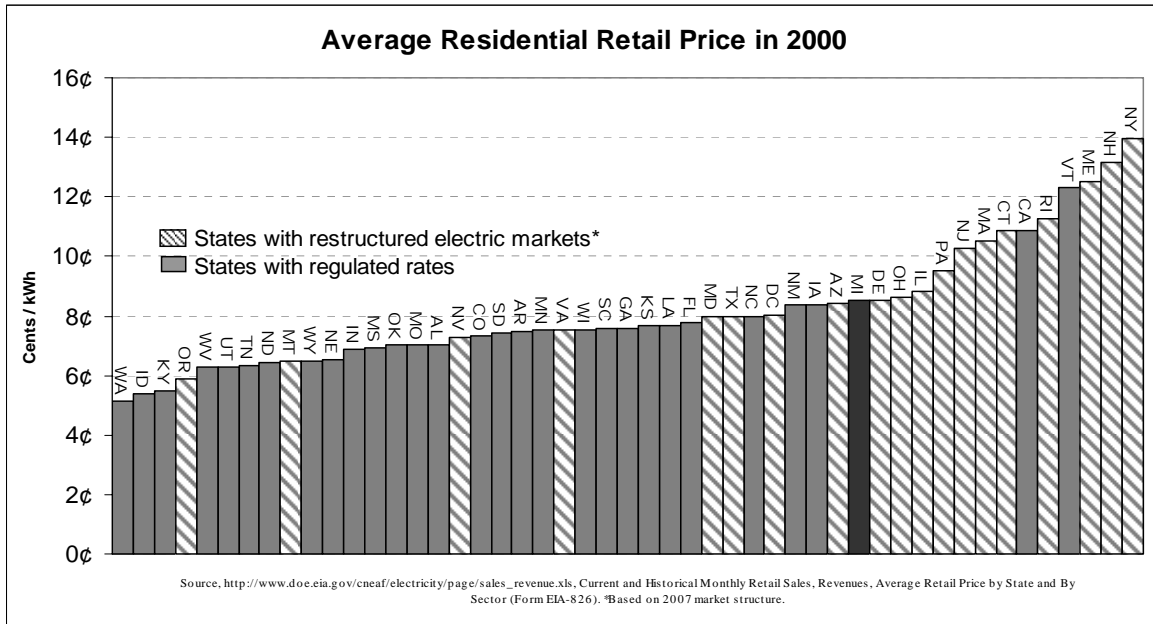


Fig. 1

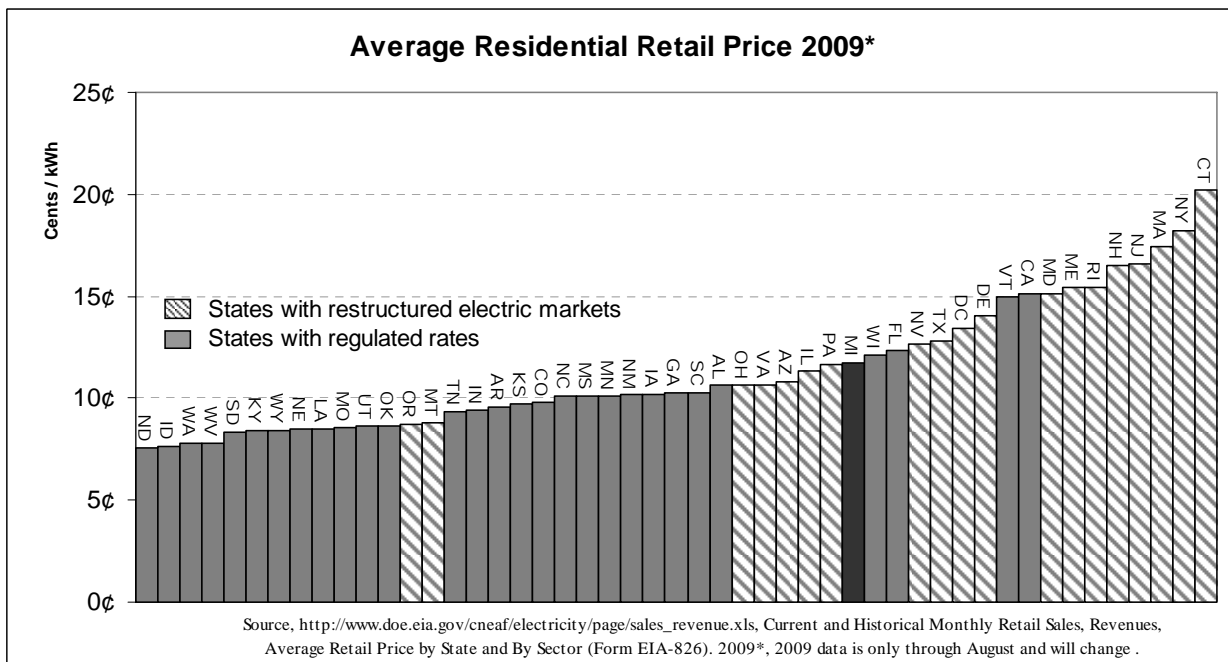


Fig. 2

Chart 6

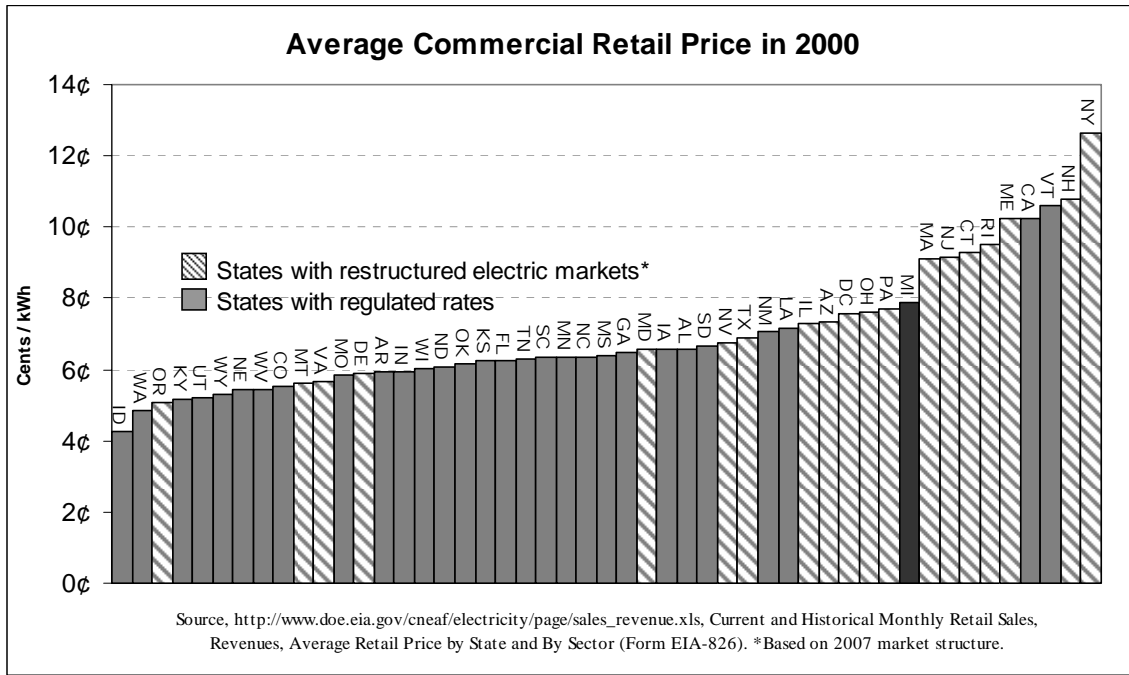


Fig. 3

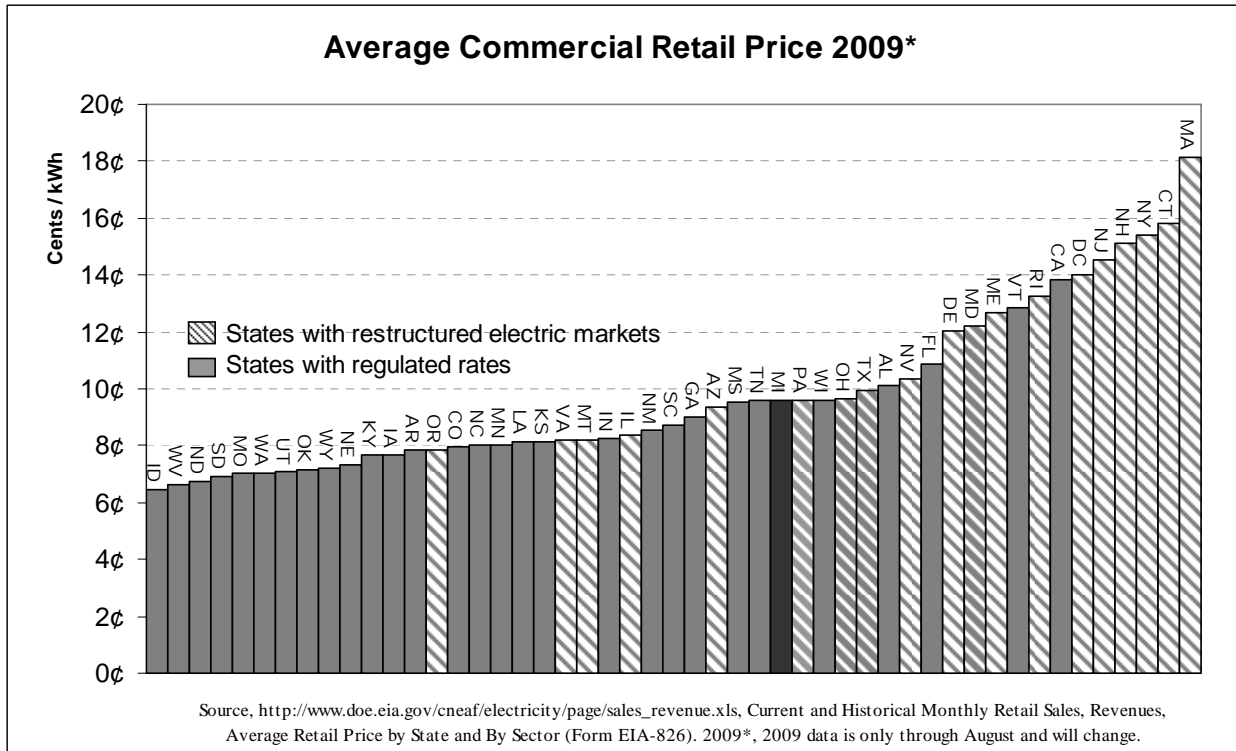


Fig. 4

Chart 6

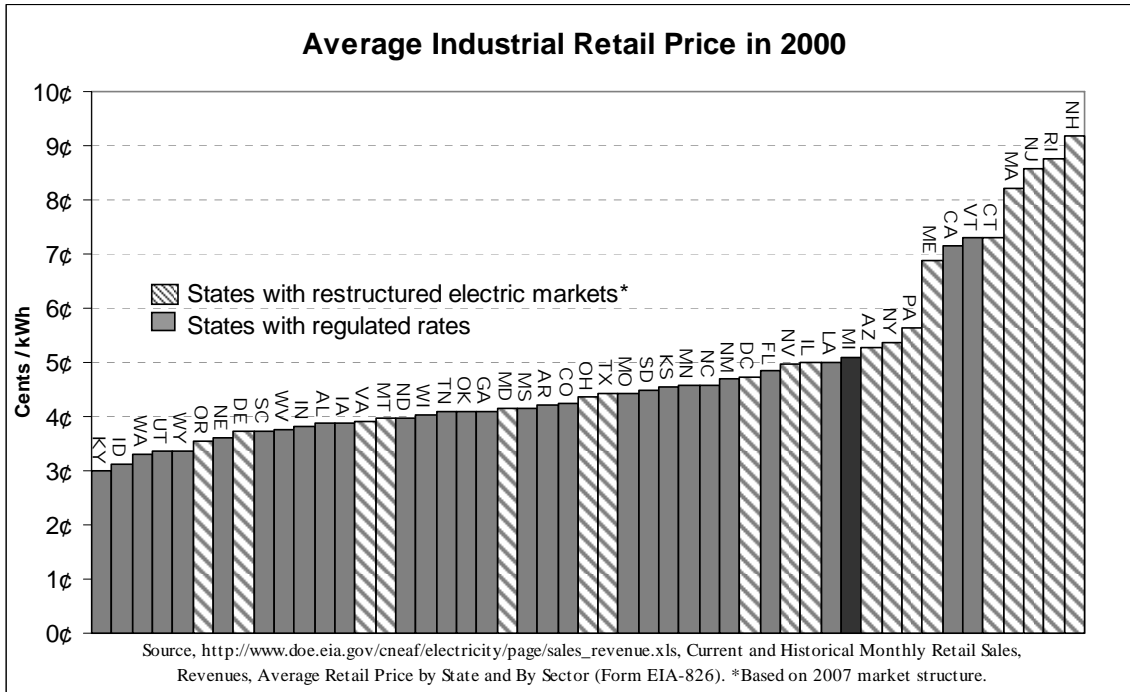


Fig. 5

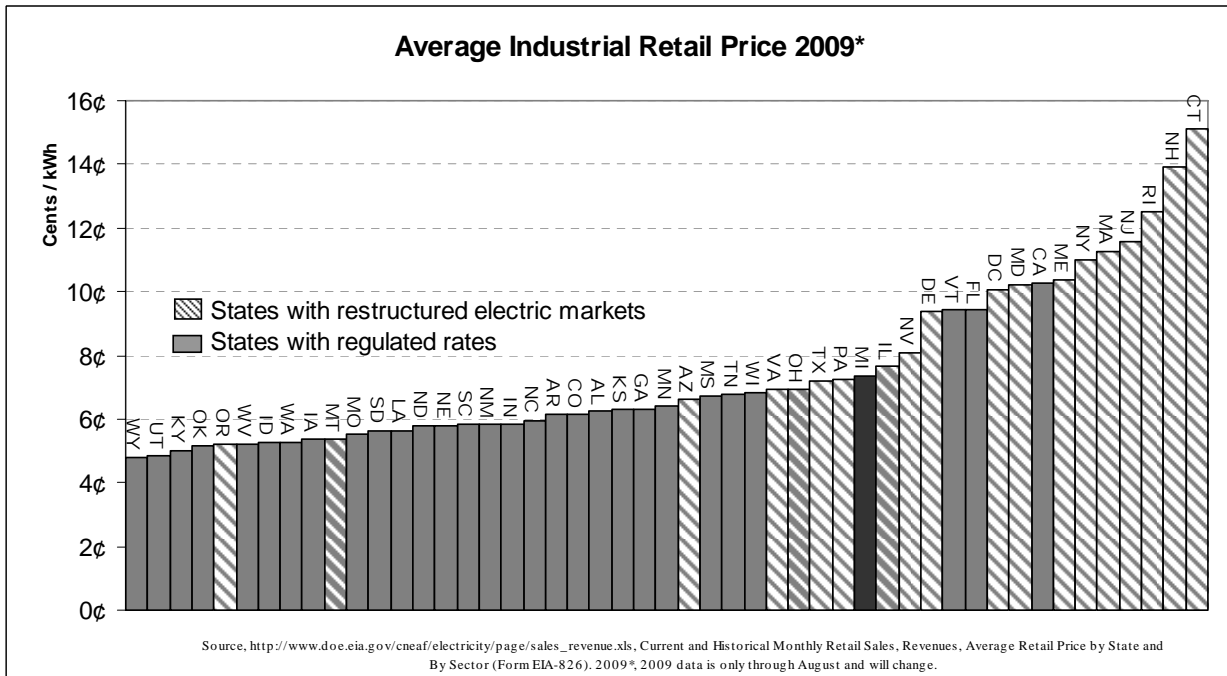
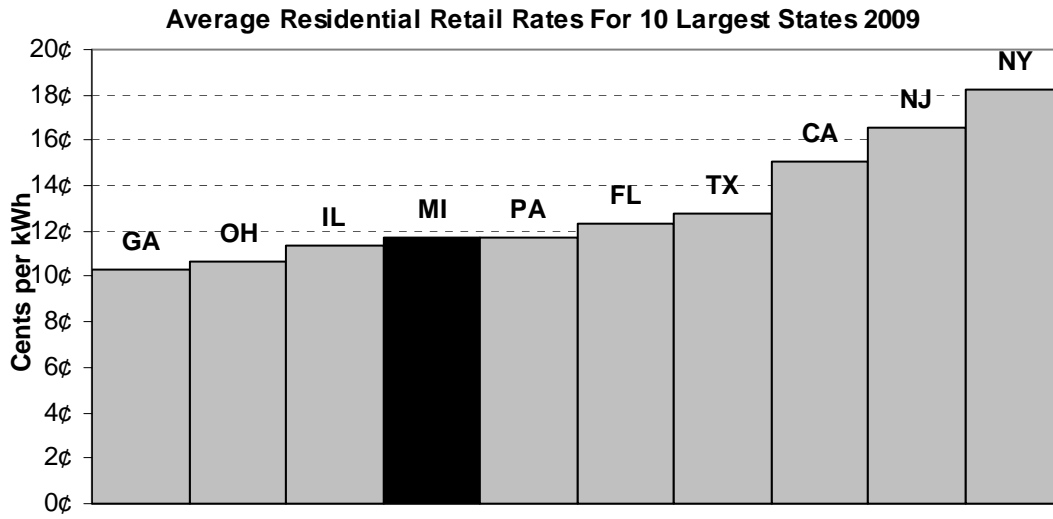


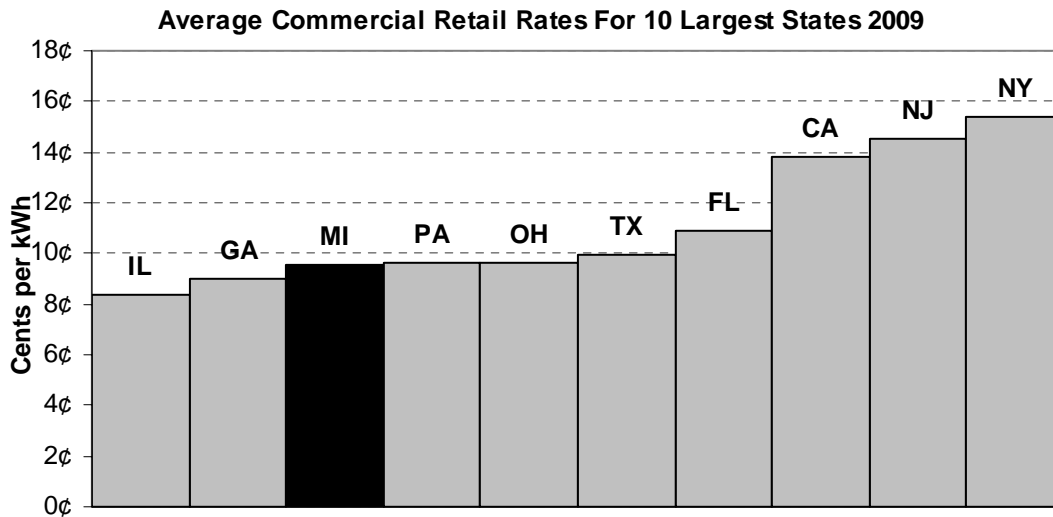
Fig. 6

Chart 7



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls.

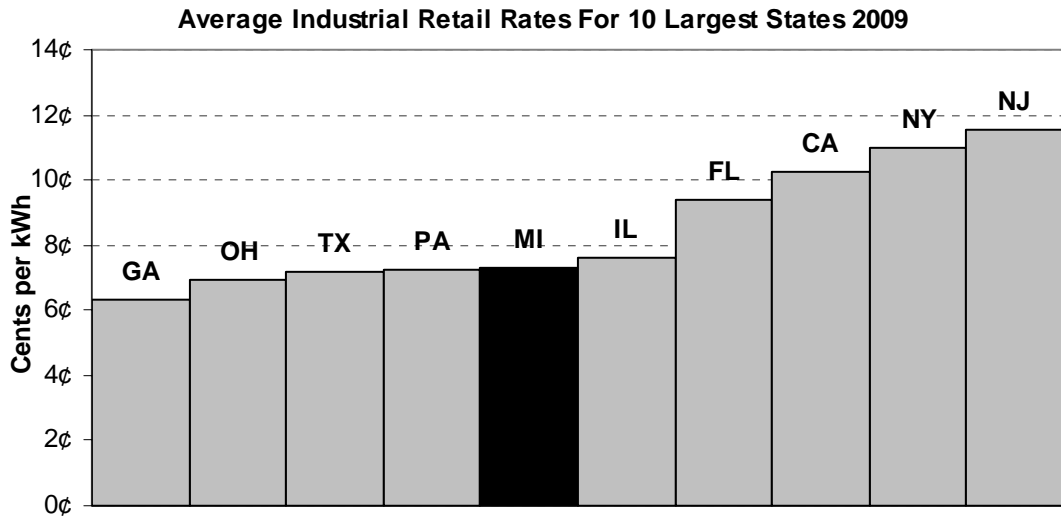
Fig. 1



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Fig.2

Chart 7



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Fig. 3

Chart 8

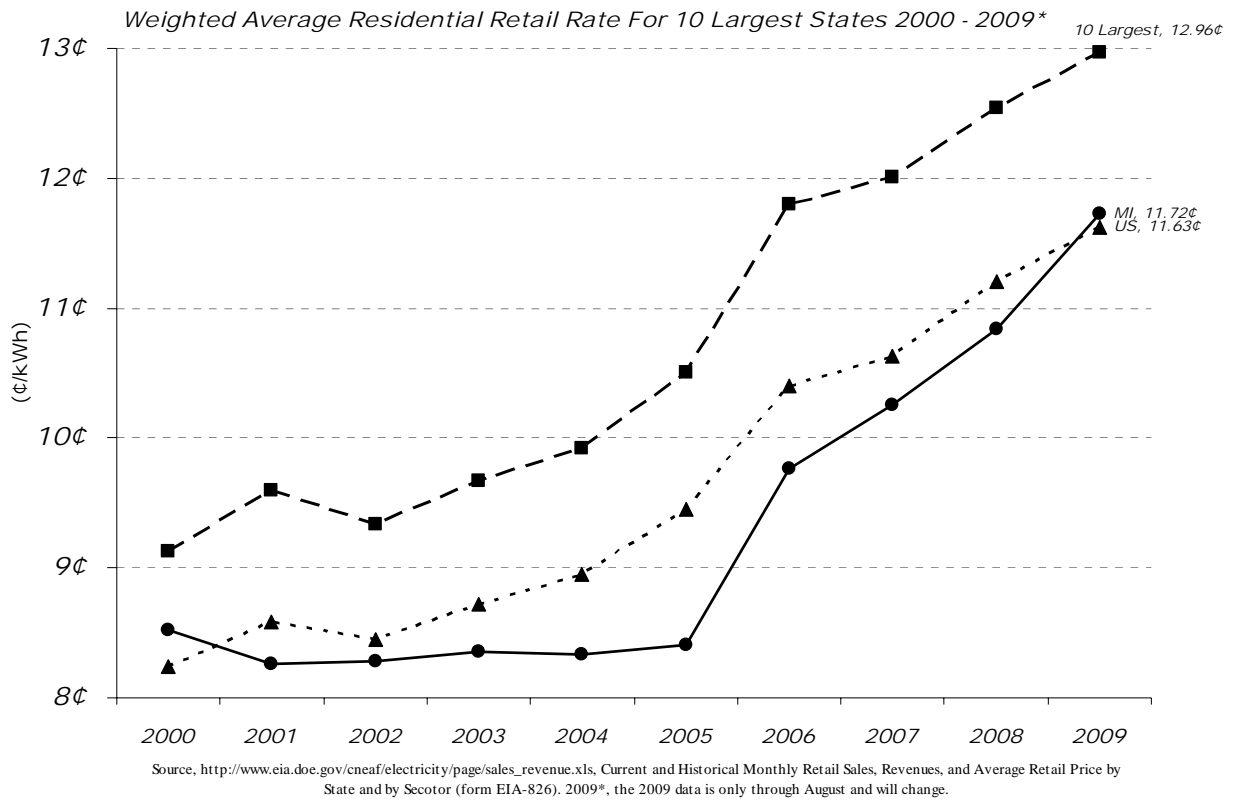


Fig. 1

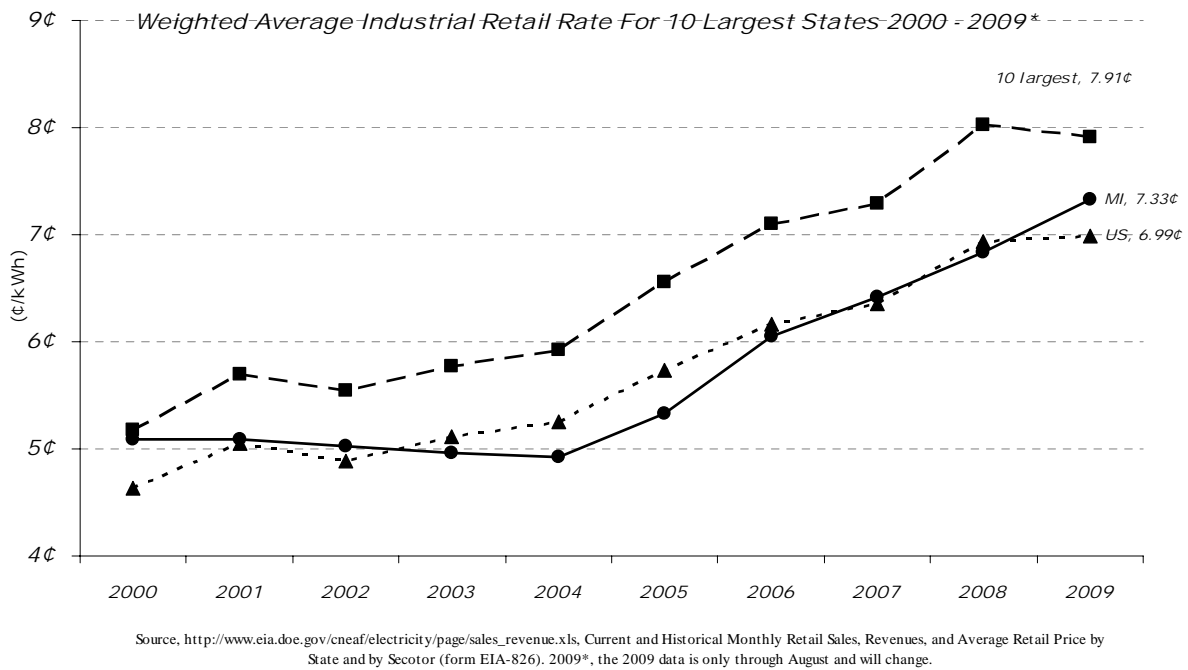


Fig. 2

Chart 8

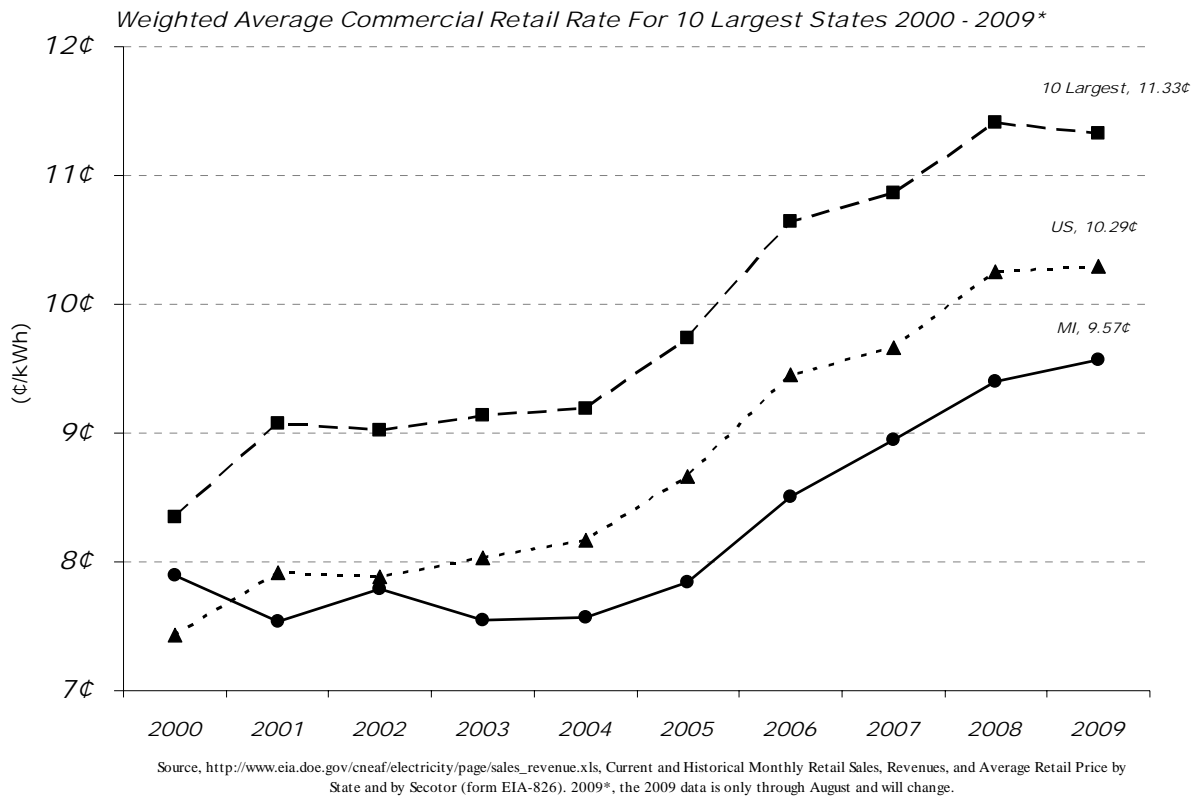


Fig. 3

APPENDIX 2

Michigan Public Service Commission Orders in 2009 Related to Implementation of 2000 PA 141

Alternative Electric Suppliers

- [U-13311 & U-15836](#) Metro Energy, LLC (**License Relinquishment**) 4/16/2009. The Commission rescinded Metro Energy's license as an alternative electric supplier.
- [U-13203](#) Commerce Energy Inc., (f/k/a Commonwealth Energy Corporation d/b/a electricAmerica), (**Update in Company Structure**) 4/29/2009. The company submitted an updated application to the Commission reflecting a change in ownership structure regarding its AES license. The application stated that Commerce's parent company was recently acquired by Just Energy Income Fund (formerly, Energy Savings Income Fund).
- [U-14012 & U-15823](#) Accent Energy Midwest, LLC (**Voluntary License Relinquishment**) 4/30/2009. The Commission rescinded Accent Energy Midwest's license as an alternative electric supplier and relieved the company of any obligation to comply with the reporting requirements established by ACT 286 and 295 of 2008.
- [U-14168 & U-15839](#) Nordic Marketing of Michigan, LLC (**License Relinquishment**) 5/12/2009. The Commission rescinded Nordic Marketing's license as an alternative electric supplier and relieved the company of any obligation to comply with the reporting requirements established by ACT 286 and 295 of 2008.
- [U-15922](#) Glacial Energy of Michigan, Inc. (**AES License**) 6/2/2009. The Commission granted a license to Glacial Energy of Michigan as an alternative electric supplier. On 6/24/2009, Staff received a request from the company to change the name to Glacial Energy of Illinois, Inc. The name change was made official on 8/26/2009.

Securitization, Optimization, Stranded Cost Recovery Surcharges, Power Supply Cost Recovery

- [U-12478](#) The Detroit Edison (**Financing Order**) 2/3/2009. The Commission authorized Detroit Edison to increase its bond principal and interest securitization surcharge to 4.73 mills per kWh and to 1.94 mills per kWh, respectively. The increase is due to lower than expected megawatt-hour sales during the prior period and a decrease in the forecasted megawatt-hour sales for the upcoming period.
- [U-15744](#) Consumers Energy Company (**Commercial and Industrial Cost Recovery Surcharges**) 8/11/2009. The Commission approved revised stranded cost recovery surcharges for Consumers Energy Company electric choice (retail open access) customers and bundled commercial and industrial customers. The revised surcharges do not affect residential customers. Public Act 286 authorizes the MPSC to adjust the surcharge to ensure that full recovery of the stranded cost balance is achieved by Oct. 6, 2013.
- [U-12505](#) Consumers Energy Company (**Annual Securitization True-up**) 11/12/2009. The Commission authorized Consumers Energy to increase securitization bond and tax charges, effective December 1, 2008. The company decreased the securitization bond from 1.358 mills/kWh to 1.327 mills/kWh and increased the tax surcharge from 0.611 mills per kWh to 0.629 mills per kWh.
- [U-15403-R](#) and [U-15406-R](#) Northern States Power Company and Cloverland Electric Cooperative (**Power Supply Costs**) 11/12/2009. The Commission approved two settlement agreements reconciling the 2008 power supply costs of Northern States Power Company and Cloverland Electric Cooperative. The settlement found Cloverland to have an under-recovery, which it will roll into its 2009 PSCR reconciliation.

- [U-15401-R](#) Upper Peninsula Power Company (**Power Supply Costs**) 12/1/2009. The Commission approved a settlement agreement reconciling the 2008 power supply costs for Upper Peninsula Power Company. The settlement found the utility to have a net under-recovery, which it will roll into its 2009 PSCR reconciliation.
- [U-15404-R](#) Wisconsin Electric Power Company (**Power Supply Costs**) 12/16/2009. The Commission approved a settlement agreement reconciling the 2008 power supply costs for Wisconsin Electric Power Company. The settlement found the utility to have a net under-recovery, which it will roll into the 2009 PSCR reconciliation proceeding.
- [U-15805](#) and [U-15889](#) Consumers Energy Company (**Optimization Surcharges**) 12/16/2009. The Commission approved revised energy optimization surcharges for electric primary customers of Consumers Energy Company who use more than 50,000 kilowatt-hours (kWh) per month. The order authorized the company to increase surcharges for two categories of primary customers using more than the stated amount of kWh.
- [U-15416-R](#) Indiana Michigan Power Company (**Power Supply Costs**) 12/28/2009. The Commission approved a settlement agreement authorizing Indiana Michigan Power Company to reconcile its 2008 power supply costs. The settlement agreement found that the St. Joseph rate case experienced an over-recovery, and the Three Rivers rate area experienced an under-recovery. The company will roll the respective amounts into its 2009 PSCR reconciliation.

Rate Cases

- [U-15895](#) Commission's Own Motion (**Clarification**) 2/20/2009. The Commission clarified standard rate application filing forms and instructions to allow utilities to conform their rate case exhibits and schedules for the historic test year to those approved for the projected test year.
- [U-15645](#) Consumers Energy Company (**Self-implementation of Rate Increase**) 5/12/2009. The Commission approved Consumers Energy to self-implement a rate increase on and after May 14, 2009. During the six-month period in which self-implemented rates are collected, Consumers Energy shall refund \$36.04 million of the proceeds associated with the sale of the Palisades Nuclear Power Plant to residential customers. On November 2, 2009 the Commission authorized the company to increase its electric rates by an amount below what the company began to self-implement in May 2009. As a result, the Commission has directed the utility to refund its electric customers. Consumers Energy Company electric customers have also seen a refund of the remaining amount from the sale of the Palisades Nuclear Plant.
- [U-15768](#) The Detroit Edison Company (**Rate Case**) 7/16/2009. The Commission directed the Detroit Edison Company to apply a specific rate design, if it chooses to self implement a rate increase on July 26, as allowed under Michigan law. Any self implemented rate increase would be off-set by a reduction in the power supply cost recovery factor.
- [U-15988](#) Upper Peninsula Power Company (**Tariff/Self-implementation of Rate Increase**) 10/29/2009. The Commission directed Upper Peninsula Power Company to file on November 23, 2009, a tariff showing the electric rates it proposed to self implement between January 1, 2010 and June 26, 2010, as allowed by Michigan law. On December 16, 2009 the Commission approved a settlement agreement authorizing the company to increase its retail electric rates effective January 1, 2010. The amount approved was 47 percent below what the utility had requested.
- [U-15981](#) Wisconsin Electric Power Company (**Limitation of Self-implemented Rate Increase**) 12/16/2009. The Commission issued an order that permitted Wisconsin Electric

Power Company to self-implement an electric rate increase of \$12 millions, as proposed by the company in its December 7, 2009 filing with the Commission. The average residential customer will see an increase on their bill, but that will be offset by the simultaneous refund to customers from proceeds associated with the sale of the Point Beach Nuclear Power Plant.

Implementation of New Energy Laws

- [U-15800 & U-15848 et al.](#) Commission's Own Motion (**Filing Deadline and Clarification**) 1/13/2009. The Commission ordered all municipally-owned electric utilities to file their renewable energy plan and energy optimization plan by April 3, 2009.
- [U-15983](#) Commission's Own Motion (**Member Regulation**) 6/2/2009 & 7/17/2009. The Commission ordered Cherryland Electric to file documentation showing compliance with the notice and hearing requirements. The company shall begin meeting with Commission Staff no later than June 15, 2009 to discuss issues regarding the orderly transition of the utility to member-regulation. Commission Staff shall report to the Commission on the results of discussions with Cherryland regarding transition by July 10, 1009. The Commission approved Cherryland to begin member-regulation on July 20, 2009.
- [U-16011](#) Alger Delta Cooperative Electric Association (Member Regulation) 9/15/2009. The Commission said the company is entitled to transition to member-regulation, as permitted by Public Act 167 of 2008, also known as the Electric Cooperative Member-Regulation Act. The utility began member-regulation on September 27, 2009.
- [U-15801 et al.](#) Commission's Own Motion (**Allocation of Electric Load**) 9/29/2009. The Commission approved procedures dealing with the administration and allocation of electric load allowed to be served by alternative electric suppliers (AESs), under Public Act 286 of 2008.
- [U-16020](#) In response to a request by several utilities and the Michigan Electric and Gas Association: (**Participation in Regional Transmission Organization Wholesale Market**) 9/29/2009. The Commission started an investigation into appropriate rules and regulations for the direct participation of Michigan retail customers into a regional transmission organization (RTO) wholesale market. Comments were heard from several utilities on December 4, 2009; however, this investigation is still pending.
- [U-14811](#) and [U-14812](#) Commission's Own Motion (**Accounting Standards**) 12/1/2009. The Commission has proposed rules to adopt by reference the 2009 versions of the Federal Energy Regulatory Commission's (FERC) gas and electric accounting rules.

APPENDIX 3

Michigan Licensed Alternative Electric Suppliersⁱ

Company Name, Address, Contact Information	Case Number	Authorization Date
American PowerNet Management, L.P. 7100 County Road 426, Escanaba, MI 49829 Phone: 877-977-2636 Fax: 610-372-9100 Email: dbutsack@americanpowernet.com URL: www.americanpowernet.com	U-14818	5/25/2006
BlueStar Energy Services, Inc. 100 West Big Beaver, Suite 200, Troy, MI 48084 Phone: 866-258-3782 Fax: 248-680-6699 Email: bsemichigan@bluestarenergy.com URL: www.bluestar.com	U-14764	2/9/2006
CMS ERM Michigan LLC One Energy Plaza, Suite 1060, Jackson, MI 49201-2277 Serving Dearborn Industrial Generation	U-12567	8/17/2000
CMS Energy Resource Management Co. One Energy Plaza, Suite 1060, Jackson, MI 49201-2277 Phone: 517-788-1944 Fax: 517-787-4606 Email: dmzwitter@cmsenergy.com	U-12563	8/17/2000
Commerce Energy Inc. 30555 Southfield Rd, Suite 440, Southfield, MI 48076 Phone: 800-556-8457 Fax: 887-332-1067 Email: contactus@commerceenergy.com URL: www.commerceenergy.com	U-13203	11/20/2001
Constellation NewEnergy, Inc. 3060 Commerce Dr., Suite 2, Fort Gratiot, MI 48049 Phone: 810-385-1198 Fax: 810-385-1799 Email: Mark.Harada@constellation.com URL: www.newenergy.com	U-13660	12/20/2002
Direct Energy Business, LLC 17197 N. Laurel Park Drive, Livonia, MI 48152 Phone: 800-830-5923 Fax: 734-432-2623 Email: dforgasc@sel.com URL: www.sel.com	U-13609	11/7/2002
Direct Energy Services, LLC 120 N. Washington Sq., Ste. 805, Lansing, MI 48933 Phone: 888-326-8559 Email: customerservice@directenergy.com URL: www.directenergy.com	U-14724	12/20/2005
Exelon Energy Company 369 Carnoustie, Highland, MI 48357 Phone: 877-617-8593 Fax: 877-212-2630 Email: myaccount@exelonenergy.com URL: www.exelonenergy.com	U-12662	10/6/2000
FirstEnergy Solutions 341 White Pond Dr., B3, Akron, OH 44333 Phone: 800-977-0500 Fax: 330-315-6913 Email: cjmiszuk@fes.com URL: www.fes.com	U-13244	1/08/2002
Glacial Energy of Illinois, Inc. 24631 Jefferson Ave., St. Clair Shores, MI 48080 Phone: 888-452-2425 Fax: 214-853-9576 Email: Terry.hart@glacialenergy.com URL: www.glacialenergy.com	U-15922	6/2/2009
Integrays Energy Services, Inc. 2211 Old Earhart Rd., Suite 175, Ann Arbor, MI 48105 Phone: 734-761-3252 Ext. 231 Fax: 734-761-2140 Email: rbazaj@integraysenergy.com URL: www.integraysenergy.com	U-13245	1/08/2002
Liberty Power Delaware, LLC. <i>Company has received a license. A Michigan office must be established before the company can begin marketing</i>	U-15140	4/24/2007
Liberty Power Holdings, LLC. <i>Company has received a license. A Michigan office must be established before the company can begin marketing</i>	U-15139	4/24/2007
MidAmerican Energy Co. 39555 Orchard Hill Place, Suite 600, Novi, MI 48375 Phone: 800-432-8893 Email: customerservice-retail@midamerican.com URL: www.midamericanchoice.com	U-13928	3/29/2004

Company Name, Address, Contact Information	Case Number	Authorization Date
Nordic Marketing, LLC 2010 Hogback Road, Suite 4, Ann Arbor, MI 48105 Phone: 888-262-9919 Email: savings.mi@nordicmarketing.com URL: www.nordicmarketing.com	U-12568	8/17/2000
PowerOne Corporation 6850 N. Haggerty, Canton, MI 48187 Phone: 734-455-2500 Fax: 734-455-1038 Email: info@poweronecorp.com URL: www.poweronecorp.com	U-13280	2/1/2002
Premier Energy Marketing, L.L.C. 6111 Jackson Road, Suite 107, Ann Arbor, MI 48103 Phone: 734-769-0675 Fax: 734-929-1259 Email: bschlansker@premierenergyonline.com URL: www.premierenergyonline.com	U-13620	11/7/2002
Quest Energy, LLC 2211 Old Earhart Rd., Suite 175, Ann Arbor, MI 48105 Phone: 734-761-3252 Fax: 734-769-0675 Email: rbazaj@wpsenergy.com URL: www.integrysenergy.com	U-12566	8/17/2000
The Royal Bank of Scotland, PLC 2000 Town Center, Suite 1900, Southfield, MI 48075 Phone: 877-273-6772 Fax: 619-684-8355 Email: email@SempraSolutaions.com URL: www.SempraSolutions.com	U-15604	11/13/08
Sempra Energy Solutions 2000 Town Center, Suite 1900, Southfield, MI 48075 Phone: 248-351-2600 Fax: 248-351-2699 Email: LKeas@SempraSolutaions.com URL: www.SempraSolutions.com	U-13361	4/16/2002
Spartan Renewable Energy, LLC 10125 W. Watergate Rd., PO Box 209, Cadillac, MI 49601 Phone: 877-288-WIND Fax: 231-775-0172 Email: cborr@wpsc.com URL: www.spartanrenewable.com	U-15309	9/18/2007
U.P. Power Marketing LLC 29639 Willow Rd., White Pine, MI 49971 Phone: 906-885-7100 Fax: 906-885-7400 Email: zach.halkola@traxys.com URL: www.traxys.com	U-14594	10/25/2007
Wolverine Power Marketing Cooperative, Inc. 10125 W. Watergate Road, P. O. Box 100, Cadillac, MI 49601 Phone: 800-283-1270 Fax: 231-775-0172 Email: cborr@wpsci.com URL: www.wpsci.com	U-12723	11/20/2000

ⁱ This list is current as of December 2009. An up-to-date AES directory is kept on the MPSC Website, at <http://www.dleg.state.mi.us/mpsc/electric/restruct/esp/aeslist>. For information about AES licensing, see <http://www.dleg.state.mi.us/mpsc/electric/restruct/esp/>.