

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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| In the matter of the application of |) | |
| DESTEC POWER SERVICES, INC., |) | |
| for a certificate of public convenience and |) | Case No. U-11308 |
| necessity to serve various customers within |) | |
| certain municipalities. |) | |
| _____ |) | |

At the March 22, 1999 meeting of the Michigan Public Service Commission in Lansing, Michigan.

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

ORDER APPROVING SETTLEMENT AGREEMENT

On January 23, 1997, Destec Power Services, Inc., (Destec) filed an application for a certificate of public convenience and necessity to serve customers pursuant to Consumers Energy Company's (Consumers) Rate DA program. Destec, the Attorney General, Consumers, and the Commission Staff participated in the proceedings, which included a remand for further hearings. The parties have now reached a settlement agreement.

The settlement agreement, attached as Exhibit A, requests that the Commission grant Destec a certificate of public convenience and necessity to provide service to Rate DA customers in Pere Marquette Charter Township, the Charter Township of Bangor, and the City of Ludington, pursuant to the terms stated in the settlement agreement. Consumers does not oppose the granting of the requested certificate as part of the Rate DA program. However, Consumers reserves the right to

object to any future efforts by Destec to make retail sales of electricity pursuant to programs other than Rate DA.

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 AACRS, R 460.17101 et seq.

b. The settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Destec Power Services, Inc., is granted a certificate of public convenience and necessity to provide unbundled electric generation services to Rate DA customers in Pere Marquette Charter Township, the Charter Township of Bangor, and the City of Ludington, subject to the restrictions that Destec Power Services, Inc., shall not construct, own, or operate transmission or distribution facilities for the delivery of energy in these municipalities and further subject to all other restrictions set forth in the Commission's October 20, 1997 order in Case No. U-11130.

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

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand

Chairman

(S E A L)

/s/ David A. Svanda

Commissioner

By its action of March 22, 1999.

/s/ Dorothy Wideman

Its Executive Secretary

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

By its action of March 22, 1999.

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Case No. U-11308

Suggested Minute:

“Adopt and issue order dated March 22, 1999 approving the settlement agreement and issuing a certificate of public convenience and necessity to Destec Power Services, Inc., to serve Rate DA customers in Pere Marquette Charter Township, the Charter Township of Bangor, and the City of Ludington, as set forth in the order.”