

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
THE DETROIT EDISON COMPANY for)
amendment and extension of interruptible) Case No. U-11999
service R1.1 alternative metal melting rider)
and R1.2 electric process heat rider.)
_____)

At the June 10, 1999 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

OPINION AND ORDER

On June 2, 1999, The Detroit Edison Company (Detroit Edison) filed an application for authority to extend the availability of two interruptible industrial rates, the alternative metal melting rider (Rider R1.1) and the electric process heat rider (Rider R1.2). The application requested that the phase-out surcharges for Riders R1.1 and R1.2 remain unchanged until January 1, 2000. On that date and again on January 1, 2001, the surcharges would increase as a prelude to the termination of both riders on December 31, 2001.

Under Riders R1.1 and R1.2, Detroit Edison currently provides interruptible electric service to more than 400 manufacturing customers that use process heat in various manufacturing, electrolytic, anodizing, plating, coating, and other melting and forming production activities. Due to impending

electric utility restructuring and the potential that some customers will experience significant rate increases if the riders terminate on June 30, 1999 as scheduled, Detroit Edison believes that maintaining the availability of the riders is appropriate, although it also believes that the rates should increase. Detroit Edison says that its proposal to extend the riders will assist these customers in making the transition to a restructured electric industry by providing price stability while they explore options under direct access.

The Commission finds that Detroit Edison's proposal to extend the availability of the riders is reasonable and in the public interest. The Commission has not reached a conclusion on whether it is also reasonable to increase the surcharges as Detroit Edison proposes, but it does not agree that it may do so without providing notice and an opportunity for a hearing pursuant to MCL 460.6a(1); MSA 22.13(6a)(1). Because the proposal to leave the rates as they are through the end of the year does not increase any customer's rates, the Commission may approve that portion of the application without providing notice or an opportunity for a hearing. The proposal to increase the surcharges must be set for hearing.

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 proposal to extend the riders at the current rates through December 31, 1999 is reasonable and in the public interest, and should be approved.

c. The proposal to increase the surcharges should be set for hearing.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company is authorized to extend the availability of its alternative metal melting and electric process heat riders at current rates through December 31, 1999.

B. The Detroit Edison Company shall file with the Commission, within 30 days, revised tariff sheets consistent with this order.

C. A prehearing conference will be held at 9:00 a.m. on July 15, 1999 at the Commission's offices, 6545 Mercantile Way, Lansing, Michigan.

D. The Detroit Edison Company shall provide a notice of the hearing on its application as directed by the Commission's Executive Secretary.

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 E A L)

/s/ John G. Strand
Chairman

By its action of June 10, 1999.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

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Suggested Minute:

“Adopt and issue order dated June 10, 1999 authorizing The Detroit Edison Company to extend the availability of its alternative metal melting and electric process heat riders at current rates through December 31, 1999 and setting for hearing the proposal to increase the surcharges, as set forth in the order.”