

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
EDISON SAULT ELECTRIC COMPANY)
for approval of depreciation practices on)
and after January 1, 1995.)
_____)

Case No. U-10662

At the March 14, 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

OPINION AND ORDER

On June 15, 1999, Edison Sault Electric Company (Edison Sault) filed a petition requesting that the Commission grant it an extension to file a required depreciation study or, in the alternative, that the filing requirement be waived pending submission of a future rate case filing.

In its November 10, 1994 order in Case No. U-10662 (the 1994 depreciation order), the Commission approved Edison Sault's existing depreciation rates. The 1994 depreciation order also directed Edison Sault to file an application for new or revised depreciation rates by August 15, 1999 and required that those proposed rates be based on data from calendar year 1998. In the June 15, 1999 petition, Edison Sault requested that it be granted until August 15, 2002 to file the required depreciation study. In the alternative, Edison Sault asked the Commission to waive the requirement that it file a depreciation study pending submission of a future rate case filing in which

the utility seeks to recover expenses associated with changes in depreciation rates, service lives, and salvage values from their currently approved levels.

Based on its review of the application, the Commission concludes that it should grant the first of the two alternative forms of relief sought by Edison Sault. Specifically, the Commission finds that Edison Sault should be given until August 15, 2002 to file an application for new or revised depreciation rates. The Commission further finds that Edison Sault's application and proposed rates should be supported by a depreciation study and other data as may be requested by the Commission Staff, and should be based on financial data as of the close of the preceding calendar year. Finally, the Commission concludes that granting this relief should be without prejudice to either (1) Edison Sault's right to seek further changes to the filing schedule, if needed, or (2) the Commission's right to alter the schedule, on its own motion or that of an interested party, if warranted by a significant change in circumstances.

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. Edison Sault's petition should be granted and it should be given until August 15, 2002 to file its request for new or revised depreciation rates.

THEREFORE, IT IS ORDERED that:

A. Edison Sault Electric Company shall file by August 15, 2002 an application for new or revised depreciation rates. That application shall be supported by a depreciation study and other data as may be requested by the Commission Staff, and shall be based on the utility's financial data as of the preceding calendar year.

B. This order shall not serve to prejudice the rights of Edison Sault Electric Company to request further changes to the filing schedule or to restrict the rights of the Commission to alter the schedule, either on its own motion or that of an interested party, if the alteration is warranted by a significant change in circumstances.

C. All future filings shall be in a new docket.

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 March 14, 2000.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

THEREFORE, IT IS ORDERED that:

A. Edison Sault Electric Company shall file by August 15, 2002 an application for new or revised depreciation rates. That application shall be supported by a depreciation study and other data as may be requested by the Commission Staff, and shall be based on the utility's financial data as of the preceding calendar year.

B. This order shall not serve to prejudice the rights of Edison Sault Electric Company to request further changes to the filing schedule or to restrict the rights of the Commission to alter the schedule, either on its own motion or that of an interested party, if the alteration is warranted by a significant change in circumstances.

C. All future filings shall be in a new docket.

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

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Suggested Minute:

“Adopt and issue order dated March 14, 2000 granting an extension of the date by which Edison Sault Electric Company shall file its next depreciation rate case, as set forth in the order.”