

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
ALPENA POWER COMPANY for a)
power supply cost recovery reconciliation)
proceeding for the 12-month period ended)
December 31, 1999.)
_____)

Case No. U-11793-R

At the July 17, 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 March 29, 2000, Alpena Power Company (Alpena) filed an application for a power supply cost recovery (PSCR) reconciliation proceeding for the 12-month period ended December 31, 1999. Alpena also filed prepared testimony and exhibits in support of its application.

Pursuant to due notice, a prehearing conference was held on May 1, 2000 before Administrative Law Judge Daniel E. Nickerson, Jr. Alpena and the Commission Staff participated in the proceedings. Subsequently, the parties resolved all issues and submitted a settlement agreement.

According to the terms of the settlement agreement, attached as Exhibit A, Alpena experienced a total overrecovery, with interest through December 31, 1999, of \$27,395 through operation of its PSCR clause. This amount includes a prior year undersurcharge, plus interest, of

\$1,106. The settlement agreement indicates that the overrecovery is being refunded to Alpena's non-industrial customers through appropriate billing credits applied to customers' bills during March through August 2000 and was refunded to industrial customers through use of a credit applied to their February 2000 bills.

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.; 1982 PA 304, as amended, MCL 460.6h et seq.; MSA 22.13(6h) 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. Alpena Power Company is authorized to refund the overrecovery of its 1999 power supply costs to its customers as provided in the settlement agreement.

C. Any balances, consisting of underrefunded, overrefunded, overcollected, or undercollected amounts, should be carried forward, with interest, as an addition or offset to Alpena Power Company's future adjustment requirements in Account 242.

D. Rights to any portion of this refund shall not vest until a refund amount has been credited to a customer's bill or a refund check to a customer or former customer has been negotiated. The company shall file a report regarding the refund in accordance with its refund procedures.

E. Tariff sheets similar to those attached as Exhibit B shall be filed within 30 days of the date of this order.

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

/s/ Robert B. Nelson
Commissioner

By its action of July 17, 2000.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

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By its action of July 17, 2000.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated July 17, 2000 approving the settlement agreement and authorizing Alpena Power Company to reconcile its power supply revenues and expenses for the 12-month period ended December 31, 1999, as set forth in the order.”