

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
MIDWEST ENERGY COOPERATIVE)	
for a power supply cost recovery reconciliation)	Case No. U-11796-R
proceeding for the 12-month period ended)	
December 31, 1999 for its Fruit Belt and)	
Southeastern Divisions.)	
_____)	

At the August 31, 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 31, 2000, Midwest Energy Cooperative (Midwest) filed an application, with supporting testimony and exhibit, requesting the commencement of a power supply cost reconciliation proceeding for the 12-month period ended December 31, 1999 for its Fruit Belt and Southeastern Divisions.

Pursuant to due notice, a hearing was held on June 20, 2000 before Administrative Law Judge Daniel E. Nickerson, Jr. Midwest and the Commission Staff participated in the proceedings. Subsequently, the parties entered into a settlement agreement resolving all issues.

The settlement agreement, attached as Exhibit A, states that for the 12-month period ended December 31, 1999, Midwest's Fruit Belt Division overcollected \$907,105 -- composed of a

\$914,834 overcollection from monthly member-customers, a \$3,491 overcollection from seasonal member-customers, and an \$11,220 undercollection from irrigation member-customers. In addition, Midwest reports that there is a remaining overcollection of \$4,872 from prior years for monthly member-customers, a remaining overcollection of \$4,831 from prior years for seasonal member-customers, and a remaining undercollection of \$96 from prior years for irrigation member-customers, for a net overcollection as of December 31, 1999 of \$916,712. The settlement agreement requests approval of a refund of the \$919,706 to Fruit Belt's monthly member-customers in the billing months of November and December 2000, a refund of \$8,322 to Fruit Belt's seasonal member-customers in the billing month of September 2000, and collection of \$11,316 from Fruit Belt's irrigation member-customers by application of a surcharge in the billing month of December 2000.

The settlement agreement also states that for the 12-month period ended December 31, 1999, Midwest's Southeastern Division overcollected \$146,662 – composed of a \$145,976 overcollection from its monthly member-customers and a \$686 overcollection from its seasonal member-customers. In addition, Midwest reports that there is a remaining undercollection of \$20,176 from prior years for Southeastern's monthly member-customers and a remaining undercollection of \$658 from prior years for Southeastern's seasonal member-customers, which if included with the 1999 overcollection, produces a net overcollection of \$125,828. The settlement agreement requests approval of a refund of \$125,800 to Southeastern's monthly member-customers in the billing months of November and December 2000. Finally, the settlement agreement requests that Midwest should be authorized to write off the \$28 overcollection for seasonal member-customers as immaterial.

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. Midwest Energy Cooperative shall refund \$919,706 to monthly member-customers in its Fruit Belt Division in the billing months of November and December 2000.

C. Midwest Energy Cooperative shall refund \$8,322 to seasonal member-customers in its Fruit Belt Division in the billing month of September 2000 or as soon thereafter as possible.

D. Midwest Energy Cooperative shall collect \$11,316 from irrigation member-customers in its Fruit Belt Division by application of a surcharge in the billing month of December 2000.

E. Midwest Energy Cooperative shall refund \$125,800 to monthly member-customers in its Southeastern Division in the billing months of November and December 2000.

F. Midwest Energy Cooperative shall write off its \$28 overcollection from seasonal member-customers in its Southeastern Division.

G. Midwest Energy Cooperative shall file, within 30 days, four sets of tariff sheets essentially the same as those attached to the settlement agreement.

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

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 August 31, 2000.

/s/ Dorothy Wideman
Its Executive Secretary

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

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Suggested Minute:

“Adopt and issue order dated August 31, 2000 approving the settlement agreement and authorizing Midwest Energy Cooperative to reconcile its power supply cost recovery revenues and expenses for the 12-month period ended December 31, 1999, as set forth in the order.”