

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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

Case No. U-11799-R

At the August 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

ORDER APPROVING SETTLEMENT AGREEMENT

On March 31, 2000, Wabash Valley Power Association, Inc., (Wabash) filed an application
requesting approval of its power supply cost recovery (PSCR) reconciliation for the 12-month
period ended December 31, 1999.

Pursuant to due notice, a prehearing conference was held on May 3, 2000 before Administra-
tive Law Judge Daniel E. Nickerson, Jr. Wabash, Midwest Energy Cooperative (Midwest), and
the Commission Staff participated in the proceedings. Subsequently, the parties entered into a
settlement agreement.

In the settlement agreement, attached as Exhibit A, the parties agree that Wabash under-
recovered its PSCR costs for 1999 by \$962,946. The parties also agree that Wabash should collect

its 1999 PSCR undercollection from Midwest in equal amounts spread over the remainder of the 2000 calendar year, commencing with the first monthly invoice sent out after issuance of this order and concluding with the final regular monthly invoice covering purchases in this year.

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, attached as Exhibit A, is approved.

THEREFORE, IT IS ORDERED that:

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

B. Wabash Valley Power Association, Inc., is authorized to recover its 1999 power supply cost recovery undercollection of \$962,946 from Midwest Energy Cooperative in accordance with the terms of the settlement agreement.

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 17, 2000.

/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

Commissioner

By its action of August 17, 2000.

Its Executive Secretary

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Suggested Minute:

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