

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)
certain determinations pursuant to Sections 32(c))
and (d) of the Public Utility Holding Company)
Act of 1935 and for accounting approval for)
the transfer of certain assets.)
_____)

Case No. U-12266

At the October 24, 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 ON REHEARING

On February 3, 2000, the Commission issued an ex parte order conditionally granting an application filed by The Detroit Edison Company (Detroit Edison) for determinations pursuant to Sections 32(c) and 32(d)(2) of the Public Utility Holding Company Act of 1935, 15 USC 79z-5a(c) and 15 USC 79z-5a(d)(2), and approval of related accounting entries necessary for the transfer of Detroit Edison’s River Rouge Unit No. 1 Power Plant (Rouge No. 1) to its affiliate DTE River Rouge No. 1 LLC. On February 18, 2000, Detroit Edison notified the Commission that the six conditions imposed in the order were acceptable.

On February 17, 2000, Attorney General Jennifer M. Granholm (Attorney General) filed a petition for rehearing pursuant to R 460.17403. On February 22, 2000, the Association of

Businesses Advocating Tariff Equity (ABATE) also file a petition for rehearing. Detroit Edison filed answers to both petitions.

Rule 403 of the Commission's Rules of Practice and Procedure, 1992 AACR, R 460.17403, provides that a petition for rehearing may be based on claims of error, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from compliance with the order. A petition for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission's decision. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.

The Commission finds no merit in the view expressed by the Attorney General that it acted improperly in deciding this case on an ex parte basis. See MCL 460.6a(1); MSA 22.13(6a)(1). The other arguments raised by the Attorney General and ABATE on rehearing do not persuade the Commission that its decision was in error or otherwise improper in light of the standards for rehearing set forth in Rule 403.

With respect to the first condition imposed in the February 3, 2000 order at 9, the Commission notes that the Legislature subsequently enacted the Customer Choice and Electricity Reliability Act, which sets forth provisions relating to the method or methods for determining net stranded costs. 2000 PA 141, § 10a(10). In another order issued today in Case No. U-12639, the Commission initiates a proceeding to implement Section 10a(10). Consistent with the new legislation, the Commission will defer the valuation of Rouge No. 1 and other effects upon net stranded costs until after it determines how to implement Section 10a(10).

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.; 15 USC 79z-5a; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.

b. The petitions for rehearing should be denied.

THEREFORE, IT IS ORDERED that the petitions for rehearing are denied.

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 October 24, 2000.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

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b. The petitions for rehearing should be denied.

THEREFORE, IT IS ORDERED that the petitions for rehearing are denied.

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 October 24, 2000 denying petitions for rehearing filed by Attorney General Jennifer M. Granholm and the Association of Businesses Advocating Tariff Equity with respect to an order granting, with conditions, certain determinations requested in an application by The Detroit Edison Company, as set forth in the order.”