

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, of )  
the implementation of Enrolled Senate Bill No. 937. )  
\_\_\_\_\_)

Case No. U-12464

At the June 5, 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 3, 2000, Governor John Engler signed Enrolled Senate Bill No. 937, 2000 PA 141, which provides for the restructuring of the electric utility industry and is entitled the Customer Choice and Electricity Reliability Act. Section 10d of the act requires the Commission to establish residential electric rates for each utility with 1,000,000 or more retail customers in this state at a level that is 5% less than the rates that were authorized or in effect on May 1, 2000. The reduced rates are to take effect on the effective date of the act.

Accordingly, the Commission orders Consumers Energy Company and The Detroit Edison Company, both of which have more than 1,000,000 retail customers in Michigan, to file, within 7 days, tariff sheets incorporating the 5% reduction in each rate element charged to residential customers. The two utilities shall implement the reduced rates for all residential bills rendered on and after the effective date of the act. Finally, until further notice, the utilities shall include

conspicuously on the face of each residential bill a notice informing the customer of the dollar amount of the saving that the customer received and shall state that the savings are attributable to Public Act 141 of 2000.

In addition to reducing residential rates, Section 10d provides that all other electric retail rates in effect on May 1, 2000, and the reduced residential rates, shall remain in effect until December 31, 2003. On May 3, 2000, the Commission issued an order in Case No. U-11528-R, Detroit Edison's 1998 power supply cost recovery (PSCR) reconciliation, authorizing the company to collect the underrecovery through a surcharge in June 2000 bills. That surcharge is inconsistent with the provisions of Section 10d, and Detroit Edison shall therefore not impose the surcharge previously ordered.

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 AACS, R 460.17101 et seq.

b. Consumers and Detroit Edison should implement the residential rate reduction provisions of Enrolled Senate Bill No. 937 consistent with this order.

c. Enrolled Senate Bill No. 937 does not permit Detroit Edison to collect the 1998 PSCR underrecovery determined in Case No. U-11528-R

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company and The Detroit Edison Company shall file, within 7 days, tariff sheets incorporating the 5% reduction in each rate element charged to residential customers as of May 1, 2000.

B. Consumers Energy Company and The Detroit Edison Company shall implement the reduced rates for all residential bills rendered on and after the effective date of Enrolled Senate Bill No. 937.

C. Until further notice, Consumers Energy Company and The Detroit Edison Company shall include conspicuously on the face of each residential bill a notice informing the customer of the dollar amount of the saving that the customer received and shall state that the savings are attributable to Public Act 141 of 2000.

D. The Detroit Edison Company shall not impose the surcharge authorized in Case No. U-11528-R.

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 June 5, 2000.

/s/ Dorothy Wideman

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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By its action of June 5, 2000.

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Suggested Minute:

“Adopt and issue order dated June 5, 2000 requiring Consumers Energy Company and The Detroit Edison Company to file tariff sheets implementing the 5% reduction in residential electric rates for bills rendered on and after the effective date of Enrolled Senate Bill No. 937 and to include a notice on all bills rendered to residential customers, as set forth in the order.”