

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
of the investigation regarding the repeated and)
prolonged interruption of **EDISON SAULT**)
ELECTRIC COMPANY's service to Mackinac)
Island.)
_____)

Case No. U-12551

At the October 6, 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 August 4, 2000, following a series of widespread and sometimes lengthy electricity outages experienced on Mackinac Island, the Commission issued an order commencing this case to investigate the electric service provided to Mackinac Island by its exclusive service provider, Edison Sault Electric Company (Edison Sault). The order required that Edison Sault prepare a detailed report setting forth the reason or reasons for the repeated interruption of its service to Mackinac Island and the steps that the utility proposed for remedying the problem or problems giving rise to the power outages.

In addition, the order provided notice that a public hearing would be held on Mackinac Island to provide Edison Sault's customers an opportunity to comment on the outages, the company's

response to those outages, and its proposed remedies. That hearing was conducted on September 13, 2000, before Commissioner David A. Svanda. At that time, Edison Sault was permitted to make a statement and answer questions, and about 20 Mackinac Island residents and business owners offered their opinions and raised additional questions. Written comments were filed on behalf of the City of Mackinac Island (the City).

As a result of information provided by Edison Sault in its report and input provided by the city and several residents, the Commission believes it is important to more fully explore Edison Sault's plans to provide reliable electrical service to Mackinac Island. To that end, the Commission finds that Edison Sault should respond to the following questions in a complete and detailed manner within 30 days of this order.

1. What is the status of the purchase and installation of the first replacement cable to be used for supply from St. Ignace?
2. Since the first replacement cable is constructed in a manner that has all three phase conductors and associated neutral and ground conductors in one "cable," what contingency plans are or will be in place in the event the new cable fails prior to the installation of the second cable/circuit?
3. In the event of the failure of the new cable during the 2000/2001 winter, what plans does Edison Sault have to provide for the health and safety of its customers on Mackinac Island?
4. At present there are several temporary electrical generators in place on the island:
 - a. What is the monthly cost, exclusive of fuel expenses, for those generators?
 - b. What would be the cost to keep the temporary generators in place until the time when both marine circuits are in place and operating in a normal manner?
5. In the event the temporary generators are required to operate due to failure of the electrical source from St. Ignace:

- a. With the fuel stored on the island, how long could these generators operate serving the expected load during the winter 2000/2001?
 - b. How much fuel would be required to operate these generators to supply the expected winter 2000/2001 load?
 - c. How would fuel be transported to the island?
 - d. How much storage space is available for fuel during the 2000/2001 winter?
6. With the two new marine cables installed and operating normally, what are Edison Sault's procedures, plans, or methods to prevent a recurrence of the events which it believes led to the failure of the in-place marine cables? Are or will these procedures be in writing and available to the appropriate Edison Sault management and operating personnel, the Commission, and members of the general public?
 7. Does Edison Sault plan to install, operate, maintain, and test the new marine cables with its own employees or will these activities be contracted to others in whole or in part?
 8. What environmental, governmental, or safety issues could impede, in any way, Edison Sault's plans to serve its customers on Mackinac Island?
 9. In addition to the issues raised above, what additional information does Edison Sault believe the Commission needs to conclude that the company has a reasonable and prudent plan to ensure reliable and safe electrical service to its customers on Mackinac Island?

Interested parties may file comments on the answers within 15 days after Edison Sault files the answers.

Finally, the Commission urges Edison Sault to retain the generators on the island during the pendency of this investigation.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.;

MSA 22.1469(101) 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. Edison Sault should answer the additional questions listed in this order.

THEREFORE, IT IS ORDERED that Edison Sault Electric Company shall, within 30 days,
file complete and detailed answers to the questions posed in this order. Within 15 days following
that filing, interested parties may file comments on the answers.

The Commission reserves jurisdiction and may issue further orders as necessary.

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 October 6, 2000.

/s/ Dorothy Wideman

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated October 6, 2000 ordering Edison Sault Electric Company to file detailed and complete answers to certain questions, as set forth in the order.”