

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>THE ONTONAGON COUNTY RURAL</b>	)	
<b>ELECTRIFICATION ASSOCIATION</b> for a	)	Case No. U-11797-R
power supply cost recovery reconciliation	)	Case No. U-12118-R
proceeding for the 24-month period ended	)	
December 31, 2000.	)	
_____	)	

At the October 29, 2001 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Laura Chappelle, Chairman  
Hon. David A. Svanda, Commissioner  
Hon. Robert B. Nelson, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On March 30, 2001, The Ontonagon County Rural Electrification Association (Ontonagon) filed an application, with supporting testimony and exhibits, for a power supply cost recovery (PSCR) reconciliation proceeding for the 24-month period ended December 31, 2000.

Pursuant to due notice, a prehearing conference was held on June 20, 2001 before Administrative Law Judge George Schankler. Ontonagon and the Commission Staff (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 Ontonagon experienced a PSCR overcollection in the net amount of \$1,012, which is composed of a \$950 overcollection from monthly member-customers and a \$62 overcollection from seasonal member-customers. The

settlement agreement further provides that Ontonagon refunded the overcollection to its monthly member-customers in June 2001 using a refund factor of \$0.00054 per kilowatt-hour. With regard to the seasonal refund of \$62, the settlement agreement provides that the Staff and Ontonagon have determined that the refund is nominal and that because the administrative burdens outweigh any benefit of granting a refund in 2001, Ontonagon should be authorized to roll the \$62 seasonal refund over to its next PSCR reconciliation proceeding.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1982 PA 304, as amended, MCL 460.6h et seq.; 1969 PA 306, as amended, MCL 24.201 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. The Ontonagon County Rural Electrification Association's prior refund of the \$950 overcollection to its monthly member-customers in June 2001 is approved.
- C. The Ontonagon County Rural Electrification Association is authorized to roll the \$62 seasonal refund over to its next power supply cost recovery reconciliation proceeding.
- D. Rights to any portion of a refund shall not vest until a refund amount has been credited to a customer's bill or a refund check to a customer or former customer has been negotiated.

E. The Ontonagon County Rural Electrification Association shall file with the Commission, within 30 days, four sets of tariff sheets essentially the same as those attached to 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.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle  
Chairman

( S E A L )

/s/ David A. Svanda  
Commissioner

/s/ Robert B. Nelson  
Commissioner

By its action of October 29, 2001.

/s/ Dorothy Wideman  
Its Executive Secretary

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Chairman

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Suggested Minute:

“Adopt and issue order dated October 29, 2001 approving the settlement agreement and authorizing The Ontonagon County Rural Electrification Association to reconcile its power supply cost recovery revenues and expenses for the 24-month period ended December 31, 2000, as set forth in the order.”