

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, 2000.)
_____)

Case No. U-12129-R

At the September 7, 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 28, 2001, 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, 2000.

Pursuant to due notice, a prehearing conference was held on May 8, 2001 before Administrative Law Judge James N. Rigas. 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 2000 by \$463,155. The parties also agree that Wabash should collect its 2000 PSCR undercollection from Midwest as follows: Midwest shall pay to Wabash \$171,369

within 14 days of the issuance of this order and the balance of \$291,786 shall be spread equally over the first three monthly invoices sent out after issuance of this order.

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. Wabash Valley Power Association, Inc., is authorized to charge Midwest Energy Cooperative for its 2000 power supply cost recovery undercollection of \$463,155 in accordance with the terms of the settlement agreement, which provides for Midwest Energy Cooperative to pay Wabash Valley Power Association, Inc., \$171,369 within 14 days of the issuance of this order and for the balance of \$291,786 to be paid by Midwest Energy Cooperative to Wabash Power Association, Inc., in equal monthly payments over the first three months after issuance of this order.

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 September 7, 2001.

/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.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of September 7, 2001.

Its Executive Secretary

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, 2000.)
_____)

Case No. U-12129-R

Suggested Minute:

“Adopt and issue order dated September 7, 2001 approving the settlement agreement and authorizing Wabash Valley Power Association, Inc., to reconcile its power supply cost recovery revenues and expenses for the 12-month period ended December 31, 2000, as set forth in the order.”