

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
WISCONSIN ELECTRIC POWER COMPANY)
and **EDISON SAULT ELECTRIC COMPANY**) Case No. U-12649
for approval of a plan to implement 2000 PA 141.)
_____)

In the matter of the application of)
WISCONSIN PUBLIC SERVICE CORPORATION)
and **UPPER PENINSULA POWER COMPANY**) Case No. U-12650
for approval of a plan to implement 2000 PA 141.)
_____)

In the matter of the application of)
NORTHERN STATES POWER COMPANY-)
WISCONSIN, d/b/a XCEL ENERGY,) Case No. U-12651
for approval of its plan to implement 2000 PA 141.)
_____)

In the matter of the application of)
INDIANA MICHIGAN POWER COMPANY,)
d/b/a AEP, for approval of its plan to implement) Case No. U-12652
2000 PA 141.)
_____)

(PIRGIM) were permitted to intervene in all dockets except U-12655.¹ Subsequently, the Staff and the utilities entered into a settlement agreement.²

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that the retail access service tariff provisions should be consistent with the February 20 and June 5, 2001 filings, the Commission's tariff filing requirements, and the modifications noted in the settlement agreement.³

The settlement agreement indicates that the final, filed tariffs may be adjusted to the extent necessary to reflect the changes set forth in the settlement agreement, provided that the changes do not conflict with the substantive terms and conditions of the other tariff provisions. The settlement agreement also provides that each utility shall fill in any blanks in its proposed tariff sheets prior to final filing with the designated values contained in the utility's June 5, 2001 filing. The settlement agreement also states that the unbundled rate tariffs filed by the utilities on June 5, 2001 satisfy the requirements of Section 10b(2) of Act 141, MCL 460.10b(2), which requires the unbundling of rate schedules and separate identification and charging for discrete services. Further, the parties represent that the unbundled rates in the June 5, 2001 filings will be revenue neutral to full requirements customers as of January 1, 2002 and will not result in cost shifting between customer classes.

¹ Bay Windpower submitted a late petition to intervene, which was never noticed for hearing or granted.

² IP, MTU, MCAAA, MEC, and PIRGIM filed statements of non-objection to the settlement agreement.

³ Due to the number of modifications, the Commission has not described any of the company-specific modifications in this order.

Finally, the parties agree that after January 1, 2002, the settlement agreement should not bar any party from bringing any issues to the Commission's attention. In particular, the parties are concerned that the measures contained in the proposed tariffs regarding a customer's return to full requirements service may need to be revisited in the event that returning generation service customers create excessive costs to a utility or its other customers. Indeed, this issue is already being addressed in a contested case hearing in Case No. U-12649 involving Wisconsin Electric which should be decided before January 1, 2002.

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.; 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. Wisconsin Electric Power Company, Edison Sault Electric Company, Wisconsin Public Service Corporation, Upper Peninsula Power Company, Northern States Power Company-Wisconsin, d/b/a Xcel Energy, Indiana Michigan Power Company, d/b/a AEP, and Alpena Power Company shall file by December 31, 2001, tariffs that are consistent with the terms and conditions of the approved settlement agreement, to be effective January 1, 2002.

C. Indiana Michigan Power Company, d/b/a AEP, is authorized to account for implementation costs on a deferred basis in the following manner: implementation costs incurred

after June 19, 2000 shall be debited to Account 186-miscellaneous deferred debits and shall accrue a carrying charge on the unamortized balance at a rate of 7%.

D. A separate contested case proceeding on the limited issue preserved in the settlement agreement regarding how Wisconsin Electric Power Company will handle customers that seek to return to full requirements service will be conducted in Case No. U-12649.

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 11, 2001.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

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and **EDISON SAULT ELECTRIC COMPANY**)
for approval of a plan to implement 2000 PA 141.)
_____)

Case No. U-12649 et al.

Suggested Minute:

“Adopt and issue order dated October 11, 2001 approving the settlement agreement and authorizing Wisconsin Electric Power Company, Edison Sault Electric Company, Wisconsin Public Service Corporation, Upper Peninsula Power Company, Northern States Power Company-Wisconsin, d/b/a Xcel Energy, Indiana Michigan Power Company, d/b/a AEP, and Alpena Power Company to implement Customer Choice and Electricity Reliability Act implementation plans, as set forth in the order.”