

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the proposal of the)
CHOICE ADVISORY COUNCIL for a statewide)
customer education program and other related)
matters.)
_____)

Case No. U-12133

At the August 26, 2003 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

OPINION AND ORDER

The Commission issued a series of orders in this docket in an effort to implement a customer education program consistent with the Customer Choice and Electricity Reliability Act, 2000 PA 141 (Act 141), MCL 460.10 et seq., in conjunction with the recommendations and negotiations of the CHOICE Advisory Council. On October 11, 2001, the Commission gave its final approval to an April 27, 2001 settlement agreement filed by the CHOICE Advisory Council that, among other things, constituted the regulatory basis for collection of an 18¢ per meter monthly surcharge for consumer education activities by certain electric utilities, including Edison Sault Electric Company (Edison Sault). However, in an order issued on April 17, 2003, the Commission prospectively suspended further collection of the 18¢ per meter monthly surcharge and directed each affected electric utility to submit a report regarding the amounts collected or expended during 2003, pursuant to the cost recovery mechanism. Each utility was also required to

file with its 2003 reconciliation report, an application proposing how it intended to use the funds collected pursuant to the CHOICE Advisory Council program to promote green power or how it intended to refund such funds to customers. In so doing, the Commission stated:

If a utility does not offer a green power option, or if a utility determines that spending all of the funds collected pursuant to the 18¢ per meter per month surcharge for that purpose is not reasonable or necessary, it may propose in its application a methodology to refund any unexpended funds to its customers.

April 17, 2003 order, Case No. U-12133, p. 6.

On August 1, 2003, Edison Sault filed an application seeking authority to refund one-half of the funds it has collected to its customers and, assuming that this Commission approves its application for authority to implement an experimental renewable energy rider (Case No. U-13850), to expend one-half of the funds to promote green power. Edison Sault proposed to use one-half of the \$65,343.42 it has collected, or \$32,671.71, to promote green power¹. Edison Sault's proposed green power promotion campaign would consist of a direct mailing enrollment campaign and a general advertising campaign. Edison Sault then proposed to refund the other half of the amounts collected from its customers pursuant to the 18¢ per meter monthly surcharge by application of a prospective one-time credit of \$1.52 per meter, including interest, for all customers that have a meter. Edison Sault estimated that it will apply these credits during the October 2003 billing cycle. This credit will be applied to all customers then existing, regardless of the length of time that they were customers, which means that customers that leave Edison Sault's system before the refund month will not receive a refund.

The Commission finds that Edison Sault's application should be granted. Edison Sault's proposal is reasonable and designed to promote green power while also returning a portion of the

¹In an order issued August 26, 2003 in Case No. U-13850, the Commission approved an application by Edison Sault to implement an experimental renewable energy rider.

surcharge to its customers through an administratively efficient method. Moreover, by acting quickly, the Commission ensures that virtually all of the customers that paid the 18¢ per meter monthly surcharge will receive a refund of one-half of that surcharge, and will also receive information about the benefits of green power.

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, 1999 AC, R 460.17101 et seq.

b. Edison Sault's application for authority to use one-half of the 18¢ per meter monthly surcharge it has collected, or \$32,671.71, to promote green power, and to refund to its customers one-half of the collected surcharge, or \$32,671.71, with interest, should be granted.

THEREFORE, IT IS ORDERED that:

A. The application filed by Edison Sault Electric Company for authority to use one-half of the 18¢ per meter monthly surcharge it has collected, or \$32,671.71, to promote green power, and to refund to its customers one-half of the 18¢ per meter monthly surcharge it has collected, or \$32,671.71, including interest, is granted.

B. Edison Sault Electric Company shall provide the Commission with a report stating the billing cycle during which the credit of one-half of the surcharge was applied to its customers' bills, and also stating the total amount (including interest) credited to each customer's bill. This report shall be provided to the Commission within 30 days of the date that the billing cycle for which the credit is applied ends.

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/ J. Peter Lark

Chair

(S E A L)

/s/ Robert B. Nelson

Commissioner

/s/ Laura Chappelle

Commissioner

By its action of August 26, 2003.

/s/ Robert W. Kehres

Its Acting Executive Secretary

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

Chair

Commissioner

Commissioner

By its action of August 26, 2003.

Its Acting Executive Secretary

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Suggested Minute:

“Adopt and issue order dated August 26, 2003 approving the application filed by Edison Sault Electric Company for authority to use one-half of the surcharge it has collected, or \$32,671.71, to promote green power, and to refund to its customers one-half of the collected surcharge, or \$32,671.71, with interest, as set forth in the order.”