

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 approved 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 Northern States Power Company, d/b/a Xcel Energy (NSP-Wisconsin). 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 and 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, NSP-Wisconsin filed an application seeking authority to refund \$28,773.15, including interest, to its customers. NSP-Wisconsin states that it has a strong commitment to renewable or green energy and already receives 10.4% of its generation from hydroelectricity and 3.5% from other renewables. NSP-Wisconsin states that although it has a green pricing plan currently available in other states, it does not choose to utilize the money collected under the Customer CHOICE program to promote green power due to uncertainty of when that program will be offered in Michigan. Also, the green pricing plan will already have marketing costs built into its energy charge. Therefore, NSP-Wisconsin proposes to refund the entire amount collected from its customers pursuant to the 18¢ per meter monthly surcharge by application of a prospective one-time credit of \$3.25 per meter for all customers that have a meter. According to NSP-Wisconsin, the credit will be applied during the first billing month after issuance of an order approving its application. As such, the billing credit will be applied to all then existing customers, regardless of the length of time that they were customers, which means that customers that leave NSP-Wisconsin's system before the refund month will not receive a refund.

The Commission finds that NSP-Wisconsin's application should be granted. NSP-Wisconsin's proposal is reasonable and designed to return the 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. However, because NSP-Wisconsin does not currently offer a green pricing plan in Michigan, the Commission expects it to participate in the upcoming proceeding in Case No. U-12915.

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. NSP-Wisconsin's application for authority to refund \$28,773.15, including interest, should be granted.

THEREFORE, IT IS ORDERED that the application filed by Northern States Power Company, d/b/a Xcel Energy, for authority to refund \$28,773.15, including interest, to its customers is granted.

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

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

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By its action of August 26, 2003.

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Suggested Minute:

“Adopt and issue order dated August 26, 2003 approving the application filed by Northern States Power Company, d/b/a Xcel Energy, for authority to refund \$28,773.15, including interest, to its customers, as set forth in the order.”