

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of Michigan's rural)
electric cooperatives for a determination that the)
Commission will not require the provision of)
choice to customers with a peak load of less than)
1 MW before January 1, 2007.)
_____)

Case No. U-13698

At the March 26, 2003 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 AND NOTICE OF HEARING

On February 4, 2003, Alger Delta Cooperative Electric Association, Cherryland Electric Cooperative, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, HomeWorks Tri-County Electric Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, and Thumb Electric Cooperative (collectively, the cooperatives) filed an application, which they amended on February 19, 2003. The cooperatives request that the Commission determine that it will not require the cooperatives (1) to provide retail customers with a peak load of less than one megawatt the ability to choose an alternative electric supplier before January 1, 2008, (2) to unbundle their rates before July 1, 2007, or (3) to provide funding for a customer education program before July 1, 2007. The cooperatives say that the requested extensions of their obligations to provide choice, to unbundle, and to fund an

education program are justified by the lead time required to develop the necessary systems, the cost of the systems, and the current failure of residential and smaller commercial customers to express an interest in customer choice.

The Commission has concluded that before it rules on the application, it should conduct a legislative-type hearing to provide an opportunity for the cooperatives to provide additional information and to permit those who might be affected to comment on the application.

Accordingly, the cooperatives shall provide notice of this proceeding to all of their customers, to all licensed alternative electric suppliers, to all investor-owned utilities, and to all participants in Case No. U-11290, the docket in which the Commission established a framework for electric customer choice. Any person interested in commenting at the hearing shall file a notice of intent to participate. Anyone may file comments or reply comments. The application and amended application are available at:

<http://efile.mpSC.cis.state.mi.us/cgi-bin/efile/viewcase.pl?casenum=13698> .

The Commission has selected this case for participation in its Electronic Filings Program. The Commission recognizes that some residential customers may not have the computer equipment necessary to submit documents electronically. Therefore, residential customers may submit documents in the traditional paper format and mail them to the: Executive Secretary, Michigan Public Service Commission, 6545 Mercantile Way, P.O. Box 30221, Lansing, Michigan 48909. Otherwise, all documents filed in this case must be submitted in both paper and electronic versions. An original and four paper copies and an electronic copy in the portable document format (PDF) should be filed with the Commission. Requirements for filing electronic documents can be found in the Electronic Filings Users Manual at:

<http://efile.mpSC.cis.state.mi.us/efile/usersmanual.pdf> . You may contact the Commission Staff at

517.241.6170 or by e-mail at mpscefilecases@michigan.gov with any questions and to obtain access privileges prior to filing.

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 AACCS, R 460.17101 et seq.

b. A legislative-type hearing should be held.

THEREFORE, IT IS ORDERED that:

A. A legislative-type hearing shall be held at 9:00 a.m. on June 3, 2003 at the Commission's offices at 6545 Mercantile Way, Lansing, Michigan.

B. No later than May 20, 2003, the cooperatives shall provide notice of this proceeding to all of their customers, to all licensed alternative electric suppliers, to all investor-owned utilities, and to all participants in Case No. U-11290.

C. No later than May 28, 2003, any person interested in commenting at the hearing shall file a notice of intent to participate.

D. No later than June 17, 2003, any interested person may file comments.

E. No later than July 1, 2003, any interested person may file reply comments.

The Commission reserves jurisdiction and may issue further orders as necessary.

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 March 26, 2003.

/s/ Dorothy Wideman

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of March 26, 2003.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated March 26, 2003 setting a hearing on the request of Michigan’s electric cooperatives to establish a date before which they will not be required to permit their customers to choose an alternative electric supplier, as set forth in the order.”