

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>ALGER DELTA COOPERATIVE ELECTRIC</b>	)	
<b>ASSOCIATION</b> for a power supply cost recovery	)	Case No. U-12605-R
reconciliation proceeding for the 24-month period	)	Case No. U-13108-R
ended December 31, 2002.	)	
_____	)	

At the June 29, 2004 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**

On March 31, 2003, Alger Delta Cooperative Electric Association (Alger Delta) filed an application, with supporting testimony and exhibits, for a power supply cost recovery (PSCR) reconciliation proceeding for the 24-month period ended December 31, 2002.

Pursuant to due notice, a prehearing conference was held on June 3, 2003 before Administrative Law Judge Mark E. Cummins. Alger Delta and the Commission Staff participated in the proceedings. Subsequently, the parties entered into a settlement agreement resolving all issues.

The settlement agreement, attached as Exhibit A, states that for the 24-month period ended December 31, 2002, Alger Delta experienced a PSCR overcollection in the amount of \$107,518. Alger Delta previously refunded a total of \$93,140 to its monthly and seasonal member-consumers (\$77,911 to monthly member-consumers and \$15,229 to seasonal member-consumers). The

settlement agreement requests approval of Alger Delta's remaining refund of \$12,314 to its monthly member-consumers in the first billing month following a Commission order and the remaining refund of \$2,064 to its seasonal member-consumers in the billing month of December 2004.

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. Alger Delta Cooperative Electric Association's refund of \$12,314 to its monthly member-consumers in the first billing month beginning after issuance of this order is approved.

C. Alger Delta Cooperative Electric Association's refund of \$2,064 to its seasonal member-consumers in its December 2004 billings is approved.

D. Within 30 days, Alger Delta Cooperative Electric Association shall file tariff sheets reflecting the power supply cost recovery reconciliation credits required by this order.

E. Rights to any portion of the refund shall not vest until a refund amount has been credited to a member-consumer's bill. The cooperative shall file a report regarding the refund in accordance with the provisions 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/ J. Peter Lark

Chair

( S E A L )

/s/ Robert B. Nelson

Commissioner

/s/ Laura Chappelle

Commissioner

By its action of June 29, 2004.

/s/ Mary Jo Kunkle

Its 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

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Chair

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Commissioner

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Commissioner

By its action of June 29, 2004.

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Its Executive Secretary



The prefiled testimony submitted by Alger Delta in this proceeding indicated that, for the 24-month period ended December 31, 2002, Alger Delta's power supply revenues exceeded power supply costs (*i.e.*, an overcollection) in the net amount of \$93,036.

The Commission Staff has reviewed Alger Delta's filing and the power supply costs incurred by Alger Delta during the 24-month period ended December 31, 2002. Based on such review and pursuant to Section 78 of the Administrative Procedures Act of 1969 as amended, 1969 PA 306, § 78, Alger Delta and the Commission Staff agree to the following:

A. For the 24-month period ended December 31, 2002, Alger Delta experienced a PSCR overcollection in the net amount of \$107,518.

B. The power supply costs incurred by Alger Delta during the 24-month period ended December 31, 2002 were incurred in a reasonable and prudent manner and represent a reasonable and prudent level of cost.

C. Alger Delta previously refunded a total of \$77,911 to its monthly customers. Alger Delta should be authorized to refund the remaining \$12,314 to its monthly customers in the first billing month following a Commission order. The credit will depend on actual kWh sold.

D. Alger Delta previously refunded a total of \$15,229 to its seasonal customers. Alger Delta should be authorized to refund the remaining \$2,064 to its seasonal customers in the billing month of December 2004. The credit will depend on actual kWh sold.

E. Alger Delta will provide Commission Staff with tariff sheets showing the actual refund factors, workpapers showing the refund calculations, and the General Ledger entries recording the amount refunded.

F. Any overcollected or undercollected amount of the credit shall be carried forward into the 2004 power supply cost recovery reconciliation proceedings.

G. Rights to any portion of the refund shall not vest until a refund amount has been credited to a member-consumer's bill. The cooperative shall file a report regarding the refund in accordance with the provisions of this order.

H. Section 81 of the Administrative Procedures Act of 1969 is waived.

I. If the Commission does not accept this settlement agreement without modification, this settlement agreement shall be withdrawn and shall not constitute any part of the record in the proceeding or be used for any purpose whatsoever.

Dated: June 9, 2004



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Commission Staff  
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Dated: June 9, 2004



**Christine Mason  
Sonerl**

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