

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the investigation, on the)
Commission's own motion, into the electric)
supply reliability plans of **CONSUMERS ENERGY**)
COMPANY, THE DETROIT EDISON COMPANY,)
and **INDIANA MICHIGAN POWER COMPANY**)
for the year 2004.)
_____)

Case No. U-14005

At the January 22, 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

For each of the last several years, the Commission has initiated investigations of the adequacy and reliability of the near-term electric generation capacity available to meet the needs of customers located in the service territories of Consumers Energy Company (Consumers), The Detroit Edison Company (Detroit Edison), and Indiana Michigan Power Company (I&M). The Commission has expanded the scope of the investigations to include, among other things, the availability of transmission capability, the effects of the companies' retail open access programs, affiliate dealings, the Customer Choice and Electricity Reliability Act, MCL 460.10 et seq., expected changes in the wholesale market for electricity in the Midwest, and the interconnection of merchant generating plants.

The Commission concludes that it is appropriate to require these three utilities to file similar assessments for 2004. Accordingly, each of these utilities shall file by March 31, 2004 an assessment of the ability of the utility to meet customers' expected electric requirements in 2004. The assessment should include a discussion of all relevant factors, both those discussed in prior assessments and any new factors that may affect the adequacy of supply and the quality and reliability of service in 2004. Furthermore, the assessments should classify resources between in-state and out-of-state generation and analyze how that is expected to affect service to customers. Finally, the Commission requests that the utilities' affiliates and alternative electric suppliers voluntarily file similar assessments.

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. Consumers, Detroit Edison, and I&M should each file an assessment of the ability of the utility to meet customers' expected electric requirements in 2004.
- c. Affiliates of the utilities and alternative electric suppliers should be requested to voluntarily file similar assessments.

THEREFORE, IT IS ORDERED that:

- A. Consumers Energy Company, The Detroit Edison Company, and Indiana Michigan Power Company shall each file by March 31, 2004 an assessment of the ability of the utility to meet customers' expected electric requirements in 2004.

B. The affiliates of Consumers Energy Company, The Detroit Edison Company, and Indiana Michigan Power Company and alternative electric suppliers are requested to voluntarily file similar assessments by March 31, 2004.

C. Interested persons may file comments in response to the assessments by April 30, 2004.

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

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 January 22, 2004.

/s/ Mary Jo Kunkle
Its Executive Secretary

B. The affiliates of Consumers Energy Company, The Detroit Edison Company, and Indiana Michigan Power Company and alternative electric suppliers are requested to voluntarily file similar assessments by March 31, 2004.

C. Interested persons may file comments in response to the assessments by April 30, 2004.

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

MICHIGAN PUBLIC SERVICE COMMISSION

Chair

Commissioner

Commissioner

By its action of January 22, 2004.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated January 22, 2004 requiring Consumers Energy Company, The Detroit Edison Company, and Indiana Michigan Power Company to file assessments of the ability of the utilities to meet customers’ expected electric requirements in 2004 and requesting the utilities’ affiliates and alternative electric suppliers to voluntarily file similar assessments, as set forth in the order.”