

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, to)	
commence an investigation into future capacity)	Case No. U-14231
requirements.)	
_____)	

At the January 10, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER REQUESTING COMMENTS AND NOTICE OF HEARING

On October 14, 2004, the Commission issued an order opening this docket for the purpose of investigating the need for additional generation capacity, transmission upgrades, and other supply- and demand-side resources to supplement current Michigan-based generating facilities and out-of-state power sources. In doing so, the Commission directed the Commission Staff (Staff) to work in conjunction with representatives of the electric power industry and other interested parties to:

- A. Analyze all power supply cost recovery filings for five-year load growth forecasts, system requirements, and other data pertinent to the need for resource additions.
- B. Review electric utility rate case filings and P-521 annual reports for information regarding property held for future use.
- C. Meet with employees within the electric power industry responsible for load growth forecasting, resource additions, and siting issues.
- D. Review transmission planning being performed by Midwest Independent Transmission System Operator, Inc.

E. Propose membership in a Capacity Need Forum to be approved by the Commission.

The Staff was directed to provide a final report by January 1, 2006. The final report was to address the anticipated short-, intermediate-, and long-term demand for power; an analysis of the ability to meet projected demands from existing resources; and an analysis of the potential resource options that might be available.

By memorandum dated January 3, 2006, George Stojic, Director of the Commission's Operations & Wholesale Markets Division, submitted the Staff's final Capacity Need Forum report to the Commission.¹ The Commission has reviewed the Staff's final Capacity Need Forum report and commends all involved for their hard work and dedication to this effort. The Commission is also persuaded that interested persons should be given an opportunity to submit their comments on the Staff's final Capacity Need Forum report. Given the importance of these issues, the Commission calls upon all affected stakeholders to carefully and critically review the report and to participate in the upcoming proceedings, with a view toward indicating areas of agreement as well as suggesting additional changes, improvements, or alternative directions. Toward that end, the Commission finds that interested persons may file written comments regarding the Staff's final Capacity Need Forum report in this docket by March 1, 2006.

Further, the Commission will conduct a public hearing on March 14, 2006 at 9:30 a.m. to provide an additional opportunity for commenting persons to make verbal presentations directly to the Commission. The purpose of the hearing is to allow parties to summarize their positions, emphasize key points, provide suggestions as to how to proceed with the recommendations stated in the report, and make themselves available for questions from Commissioners. The Commission

¹The Staff's final report is available online at <http://efile.mpsc.cis.state.mi.us/efile/docs/14231/0008.pdf> . The appendices to the final report appear at <http://efile.mpsc.cis.state.mi.us/efile/docs/14231/0009.pdf>.

anticipates that it will issue a notice of hearing shortly. The hearing will be nonevidentiary in nature, and the Commission reserves the right to set reasonable restrictions on the length of presentations and the issues covered.

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 or access to the Internet 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 PDF should be filed with the Commission. Requirements and instructions for filing electronic documents can be found in the Electronic Filings Users Manual at:

<http://efile.mpsc.cis.state.mi.us/efile/usersmanual.pdf>. The application for an account and letter of assurance are located at <http://efile.mpsc.cis.state.mi.us/efile/help>. You may contact the Staff at 517.241.6170 or by e-mail at mpscfilecases@michigan.gov with 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, 1999 AC, R 460.17101 *et seq.*

b. The Commission should invite interested persons to comment on the Staff's final Capacity Need Forum report.

c. Interested persons should be invited to file comments in this docket on the Staff's final Capacity Need Forum report by March 1, 2006.

d. A public hearing will be held on March 14, 2006 at 9:30 a.m. in the Commission's offices at 6545 Mercantile Way in Lansing.

THEREFORE, IT IS ORDERED that:

A. Interested persons shall file comments in this docket on the Commission Staff's January 2006 Capacity Need Forum report by March 1, 2006.

B. A public hearing will be held on March 14, 2006 at 9:30 a.m. in the Commission's offices at 6545 Mercantile Way in Lansing.

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

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

(S E A L)

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of January 10, 2006.

/s/ Mary Jo Kunkle

Its Executive Secretary

c. Interested persons should be invited to file comments in this docket on the Staff's final Capacity Need Forum report by March 1, 2006.

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of January 10, 2006.

Its Executive Secretary