

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY for)	Case No. U-14851
a waive of certain residential billing rules.)	
_____)	

At the December 18, 2007 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER

On October 31, 2007, Consumers Energy Company (Consumers) filed an application under R 460.169(3) in this docket requesting waivers of R 460.120, R 460.122, and R 460.125 of the Consumer Standards and Billing Practices for Electric and Gas Residential Service (residential billing rules).¹

R 460.169(3) provides:

Upon written request of a person, utility, or on its own motion, the commission may temporarily waive any requirements of these rules when it determines the waiver will further the effective and efficient administration of these rules and is in the public interest.

Consumers asserts that it is upgrading its information technology system which will involve the replacement of existing core business software with SAP. SAP, Consumers explains, is “an

¹Consumers originally included a requested waiver of R 460.126. In its subsequently amended application, filed with the Commission on November 6, 2007, Consumers withdrew this request.

integrated, real-time client/server software that can be configured to meet the requirements of the business and our customers.”² According to Consumers, its customers will benefit from having their records available to Consumers’ customer interface departments on a real-time basis.

Due to the implementation of SAP and the transition period that this will require, Consumers has requested waivers of three residential customer billing rules for the 2008 calendar year.

Consumers argues that a temporary waiver of R 460.120 is necessary, especially with regard to the following provision:

(5) . . . In the event of disconnection or pending disconnection of both gas and electric services, the utility shall provide the eligible low-income customer with an accounting of the customer’s current gas and electric charges and shall give the customer the option of restoring one or both services with the appropriate payment.

Consumers asserts that it cannot post payments to combination gas and electric accounts by energy type, given the current billing system. SAP’s implementation will allow for compliance with this provision. The company maintains that, during this temporary transition period, it will continue to provide assistance information, negotiate reasonable payment options, and attempt to work with low-income customers by making payment arrangements when the customer contacts Consumers and attempts to meet his or her obligations.

Consumers also requests a temporary waiver of R 460.122, especially with regard to subsection 3 which reads, “[a] utility may not charge a late payment fee for failure to pay an estimated bill by the due date unless the customer is subsequently delinquent on a bill using an actual read.” According to Consumers, the current system does not allow Consumers to track late payment charges to estimated meter reads without additional financial investment. Following implementation of SAP, Consumers claims that compliance with subsection 3 will be possible.

²Consumers’ amended application, p. 2.

Finally, Consumers requests a temporary waiver of R 460.125, specifically the provision providing that:

A utility may include charges for unregulated services, such as appliance repair or appliance protection programs, together with charges for gas and electric service on the same monthly bill if the charges for the unregulated services are designated clearly and separately from the charges for the gas and electric service and it is noted that it is an unregulated service.

Consumers states that its current billing system places the language, stating that the charges for unregulated services are unregulated by the Commission, on the bottom of the bill. With SAP's implementation, the language will be displayed on the same line as each unregulated charge in compliance with the rule.

The Commission finds that Consumers' request for temporary waivers is reasonable given its current, out-dated billing system and the limited, one-year duration of the temporary waivers. As Consumers has stated, the implementation of SAP will allow the company to comply with these regulations. The Commission finds that Consumers' request for temporary waivers of R 460.120, R 460.122, and R 460.125 should be granted and that *ex parte* approval of the joint application is appropriate since the temporary waiver will not result in a rate increase to customers.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, MCL 460.551 *et seq.*; 1909 PA 300, MCL 462.2 *et seq.*; 1919 PA 419, MCL 460.51 *et seq.*; 1939 PA 3, MCL 460.1 *et seq.*; 1969 PA 306, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, 1999 AC, R 460.17101 *et seq.*
- b. The temporary waivers of R 460.120, R 460.122, and R 460.125 of the residential billing rules by Consumers Energy Company for the 2008 calendar year will further the effective and efficient administration of the residential billing rules and are in the public interest.

- c. The waiver requests should be approved.
- d. *Ex parte* approval is appropriate.

THEREFORE, IT IS ORDERED that Consumers Energy Company's request for temporary waivers of R 460.120, R 460.122, and R 460.125 is approved through calendar year 2008.

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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of December 18, 2007.

Mary Jo Kunkle, Executive Secretary