

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )  
**THE DETROIT EDISON COMPANY** and )  
**MICHIGAN CONSOLIDATED GAS COMPANY** )  
for a waiver of certain residential billing rules. )  
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Case No. U-14851

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 APPROVING WAIVER REQUEST**

On November 26, 2007, The Detroit Edison Company (Detroit Edison) and Michigan Consolidated Gas Company (Mich Con, collectively, applicants) filed a joint application requesting waiver of certain rules as provided under R 460.169(3) of the Consumer Standards and Billing Practices for Electric and Gas Residential Service (residential billing rules.) 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.

Detroit Edison and Mich Con request a one-year waiver of R 460.117(1) which states that “[a] utility shall send a bill each billing month to its customers in accordance with approved rate schedules unless the utility and the customer agree to another method of delivery.” Applicants

assert that they have over one hundred thousand customers whose monthly bills total less than \$20. According to applicants, they annually send out “over one million monthly bills for service rendered under [\$20].”<sup>1</sup>

Detroit Edison and Mich Con state that a waiver of R 460.117(1) is in the public interest “for the limited purpose of allowing the [a]pplicants to bill customers on a three-month rolling period”<sup>2</sup> for customers whose monthly bills total less than \$20. Applicants assert that customers requesting monthly bills regardless of the amount of their billing total will be allowed to opt out of the three-month rolling billing and resume monthly billing. Applicants note that R 460.117(1) provides customers with the opportunity to agree to non-monthly billing periods, but assert that no approved process for obtaining the customer’s consent has been established.

Detroit Edison and Mich Con propose to commence a pilot program in which customers whose monthly bills total less than \$20 could enroll, making their billing cycle three months, rather than monthly. According to applicants, the pilot program would allow Detroit Edison and Mich Con to ascertain the level of customer satisfaction with this alternative billing interval.

The Commission finds that applicants’ request for a temporary waiver is in the public interest and will further the effective and efficient administration of the residential billing rules. The Commission further finds that applicants’ request should be granted. The Commission finds that Detroit Edison and Mich Con should submit semi-annual updates to the Staff on the progress of the pilot program on June 6, 2008 and every six months afterward during the duration of the pilot program.

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<sup>1</sup>Detroit Edison’s and Mich Con’s joint application, p. 2.

<sup>2</sup>*Id.*, p. 3.

The Commission finds 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 waiver of certain residential billing rules for Detroit Edison and Mich Con will further the effective and efficient administration of the residential billing rules and is in the public interest.

c. Detroit Edison and Mich Con should submit semi-annual updates to the Staff on the progress of the pilot program on June 6, 2008 and every six months afterward during the duration of the pilot program.

d. The waiver request should be approved.

e. *Ex parte* approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company's and Michigan Consolidated Gas Company's request for a temporary waiver of R 460.117(1) is approved.

B. The Detroit Edison Company and Michigan Consolidated Gas Company shall submit semi-annual updates to the Commission Staff on the progress of the pilot program on June 6, 2008 and every six months afterward during the duration of the pilot program.

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

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Orjiakor N. Isiogu, Chairman

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Monica Martinez, Commissioner

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Steven A. Transeth, Commissioner

By its action of December 18, 2007.

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Mary Jo Kunkle, Executive Secretary