

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 Michigan's )  
electric utilities for the year 2007. )  
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Case No. U-15163

At the January 30, 2007 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

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

**OPINION AND ORDER**

This order directs electric utilities regulated by the Commission, alternative electric suppliers, utility affiliates, and certain power supply cooperatives and associations to submit a self-assessment of their ability to meet their customers' expected electric requirements in 2007.

In recent years, the Commission has investigated the adequacy and reliability of the electric generation capacity for meeting customer requirements in the Consumers Energy Company (Consumers), The Detroit Edison Company (Detroit Edison), and Indiana Michigan Power Company (I&M) service territories. 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 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. Beginning with Case No. U-14087, the Commission expanded its investigation to include all Michigan regulated electric utilities.<sup>1</sup>

The Commission finds that it should conduct a similar investigation for 2007. As in prior years, Michigan electric utilities and other load-serving entities should file assessments of their plans for meeting customer loads, the Midwest Independent System Transmission Operator, Inc. (MISO), and providers of transmission services in Michigan should file comments regarding issues that affect the role of transmission in ensuring reliability, and other interested persons should also be allowed to file comments. Each assessment should consider the load-serving entity's expected peak demand, the resources available to meet peak demand, and the amount of expected reserves. Each assessment should justify its expected reserve margin in light of its circumstances, including the reliability characteristics of its resource base and the characteristics and diversities of the customer load. Each assessment should also distinguish between in-state and out-of-state generation resources and analyze how its generation is expected to affect service to its customers.

Each assessment should further provide details regarding the actual deliverability of generation output and purchased power under peak operating conditions and transmission capabilities and constraints or other factors affecting deliverability. Further, each assessment should identify all resources designated to meet reserve requirements—including generation units that are owned by the load-serving entity or otherwise committed to serve the load, firm contract capacity supported

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<sup>1</sup>The Commission identifies these electric utilities as Consumers, Detroit Edison, I&M, Alpena Power Company, Edison Sault Electric Company, Upper Peninsula Power Company, Wisconsin Electric Power Company, Wisconsin Public Service Corporation, Northern States Power Company, d/b/a Xcel Energy, and the following electric cooperatives: Alger-Delta Co-operative Electric Association, Cherryland Electric Cooperative, Cloverland Electric Co-operative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative of Michigan, and Tri-County Electric Cooperative.

by commitments of designated unit or system resources, and demand response or load curtailment measures—in sufficient detail to verify that no resource is being credited more than once toward the planning requirements of one or more load-serving entities. Each assessment should also provide details regarding plans for complying with standards set by ReliabilityFirst or other relevant regional reliability organizations, either as an individual load-serving entity or through participation in a planned reserve-sharing group.

The self-assessment reports required by this order are to be submitted using the Commission's paperless "E-Docket" system.<sup>2</sup>

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. All Michigan regulated electric utilities should file, by April 13, 2007, an assessment of the ability of the utility to meet customers' expected electric requirements in 2007, as set forth in the order.
- c. Alternative electric suppliers, including, but not limited to, utility affiliates, Wolverine Power Supply Cooperative, Inc., and Wabash Valley Power Association, Inc., should be requested to file similar assessments by April 13, 2007.
- d. The Midwest Independent Transmission System Operator, Inc., American Transmission Company, LLC, the Michigan Electric Transmission Company, and International Transmission

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<sup>2</sup>E-Docket system procedures are available at <http://efile.mpsc.cis.state.mi.us/efile/help2.html>. For questions about using the E-Docket system, contact Commission Staff at (517) 241-6170 or [mpscefilecases@michigan.gov](mailto:mpscefilecases@michigan.gov).

Company should be requested to submit comments on the issues that they face that are relevant to this investigation.

e. Interested persons may file comments in response to the assessments by May 4, 2007.<sup>3</sup>

THEREFORE, IT IS ORDERED that:

A. By April 13, 2007, all Michigan regulated electric utilities shall file a self-assessment of the utility's ability to meet its customers' expected electric requirements in 2007 and that addresses the topics outlined in this order.

B. By April 13, 2007, alternative electric suppliers, including, but not limited to, the Michigan regulated electric utility affiliates, Wolverine Power Supply Cooperative, Inc., and Wabash Valley Power Association, Inc., shall file similar assessments.

C. Midwest Independent Transmission System Operator, Inc., American Transmission Company, LLC, the Michigan Electric Transmission Company, and International Transmission Company are requested to submit comments on the issues that they believe are relevant to this investigation.

D. Interested persons wishing to file comments in response to the assessments shall file those comments by May 4, 2007.

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<sup>3</sup>Organizations filing assessments should also file any comments using the E-Dockets system. Others wishing to submit comments may send them to the Commission so that they are received not later than April 13, 2007 by mail or e-mail. The Commission's mailing address is Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. The e-mail address for comments is [mpscefilecases@michigan.gov](mailto:mpscefilecases@michigan.gov). All comments should identify this docket (Case No. U-15163). For questions about commenting, contact Commission Staff at (517) 241-6170 or [mpscefilecases@michigan.gov](mailto:mpscefilecases@michigan.gov).

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 30, 2007.

/s/ Mary Jo Kunkle

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of January 30, 2007.

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Its Executive Secretary