

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
EDISON SAULT ELECTRIC COMPANY)
for a waiver from certain provisions of the)
residential billing rules.)
_____)

Case No. U-14851

At the December 16, 2009 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 September 22, 2009, Edison Sault Electric Company (Edison Sault) filed an application in this docket requesting a waiver of R 460.113(1) (Rule 13(1)), as provided under R 460.169(3) (Rule 69(3)) of the Consumer Standards and Billing Practices for Electric and Gas Residential Service (residential billing rules).

Rule 69(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.

Rule 13(1) provides:

Except as specified in this rule, a utility shall provide all residential customers with an actual monthly meter reading as defined in R 460.102. A utility may estimate a meter reading only if an actual meter reading cannot be obtained by any reasonable or applicable method described in R 460.102. If a utility cannot

obtain an actual meter reading, then the utility shall maintain records of the efforts made to obtain an actual meter reading and its reasons for failure to obtain an actual meter reading.

Edison Sault requests a 5-year extension of the waiver from Rule 13(1) granted by the Commission in an order issued December 4, 2007, so that the company may continue to render actual meter reads bi-monthly instead of on a monthly basis. Alternatively, Edison Sault requests a three-year extension of the waiver.

Edison Sault states that in 2008, of 126,334 total customer account inquiries, only 127 (0.10%) addressed bi-monthly meter reading. In addition, Edison Sault estimates that monthly meter reading would increase annual costs per customer by \$21.00 the first year and \$15.00 every succeeding year.

If the Commission grants the requested waiver, Edison Sault asserts that it will continue to read “high-use” meters on a monthly basis and that it will not charge interest or penalties on late payments of estimated bills. In addition, Edison Sault shall inform customers annually that it performs bi-monthly meter reads. Customers who prefer monthly reads may opt to perform self reads and report meter readings to Edison Sault with a postage paid, pre-addressed card or may opt to have estimated reads at zero usage and be billed for two months of actual usage when the meter is read.

The Commission finds that Edison Sault’s request for an extension of the waiver of Rule 13(1), at this time, is reasonable and in the public interest, and the request meets the standard for a waiver set forth in Rule 69(3). However, the Commission has concerns about authorizing a waiver for three or five years, in light of the expected deployment of advanced metering infrastructure, which is expected to eliminate the need for on-site meter reading. Further, the Commission declines to approve an extended waiver of one of the more essential customer

protections in the residential billing rules. Therefore, if Edison Sault wishes to extend the waiver, it may apply for another waiver within one year of the date of this order.

THEREFORE, IT IS ORDERED that Edison Sault Electric Company's request for a waiver of R 460.113(1) is granted for one year effective on the date of the issuance of this order.

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, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of December 16, 2009.

Mary Jo Kunkle, Executive Secretary