

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	Case No. U-15818
<b>MIDWEST ENERGY COOPERATIVE</b> to fully	)	
comply with Public Acts 286 and 295 of 2008.	)	

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In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	Case No. U-15822
<b>HOMEWORKS TRI-COUNTY ELECTRIC</b>	)	
<b>COOPERATIVE</b> to fully comply with Public	)	
Acts 286 and 295 of 2008.	)	

At the September 15, 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 SETTLEMENT AGREEMENT**

On June 18, 2009, Midwest Energy Cooperative (Midwest) and HomeWorks Tri-County Electric Cooperative (HomeWorks, collectively, applicants) filed an application requesting approval of an energy optimization (EO) plan surcharge applicable to their self-directed customers.

In the application, applicants stated that:

1. On May 12, 2009, the Commission approved a settlement agreement signed by applicants and the Commission Staff approving applicants' EO plans and related EO surcharges, as altered by the settlement agreement.
2. Applicants did not propose and the Commission did not approve a surcharge applicable to self-directed customers. Such a surcharge is required to cover the costs of the low income energy optimization program under MCL 460.1089. MCL 460.1093.
3. Applicants each have one customer that has requested to self-direct.
4. Once approved, the self-directed EO surcharge would be \$60 per meter for HomeWorks and \$90.27 per meter for Midwest.

Prehearing conferences were held on July 28, 2009 and September 2, 2009 before Administrative Law Judge Barbara A. Stump. The applicants and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement, attached as Exhibit A, in which they agreed to recommend that the Commission approve applicants' proposed EO surcharge for self-directed customers.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved. The applicants shall be authorized to revise their rates to reflect the changes on the tariff sheets attached to the settlement agreement, incorporating the EO surcharge for self-directed customers.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The proposed energy optimization surcharge for self-directed customers is approved.
- C. Within 30 days, Midwest Energy Cooperative and HomeWorks Tri-County Electric Cooperative shall file with the Commission tariff sheets substantially the same as those attached to the settlement agreement.

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 September 15, 2009.

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Mary Jo Kunkle, Executive Secretary

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<b>MIDWEST ENERGY COOPERATIVE to fully</b>	)	<b>Case No. U-15818</b>
<b>comply with Public Acts 286 and 295 of 2008.</b>	)	

In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	
<b>HOMEWORKS TRI-COUNTY ELECTRIC</b>	)	<b>Case No. U-15822</b>
<b>COOPERATIVE to fully comply with Public</b>	)	
<b>Acts 286 and 295 of 2008.</b>	)	

**SETTLEMENT AGREEMENT  
TO CREATE AN ENERGY OPTIMIZATION SURCHARGE FOR SELF-DIRECTED  
CUSTOMERS AND AMEND OTHER APPROVED ENERGY OPTIMIZATION  
SURCHARGES**

On May 12, 2009, the Michigan Public Service Commission ("Commission") approved a settlement agreement signed by Midwest Energy Cooperative (Case No. U-15818) and HomeWorks Tri-County Electric Cooperative (Case No. U-15822) (collectively, "Applicants") and Commission Staff ("Staff"), approving Applicants' Energy Optimization ("EO") Plans and related EO surcharges, as altered by the Settlement Agreement.

On June 18, 2009, Applicants filed an Application requesting approval of an EO surcharge applicable to self-directed customers. The Applicants represented that:

1. The Applicants did not propose and the Commission did not approve a surcharge applicable to self-directed customers. Such a surcharge is required to cover

DYKEMA GOSSETT, A PROFESSIONAL LIMITED LIABILITY COMPANY, CAPITOL VIEW 201 TOWNSEND STREET SUITE 900-LANSING, MICHIGAN 48933

the costs of the low income energy optimization program under MCL 460.1089. MCL 460.1093.

2. Applicants each have one (1) customer that has requested to self-direct.
3. Once approved, the self-directed EO surcharge would be \$60 per meter for HomeWorks Tri-County Electric Cooperative and \$90.27 per meter for Midwest Energy Cooperative.

At the prehearing conferences on July 28, 2009 and September 2, 2009, Administrative Law Judge Barbara A. Stump (ALJ) presiding, Applicants presented proof of service of the Notice of Hearing on all cities, incorporated villages, townships and counties in its service area, and also presented an affidavit evidencing the requisite publication of the notice.

Only the Commission Staff (Staff) and Applicants participated in the proceedings. No parties attempted to intervene or otherwise participate. This proceeding was conducted as a contested case matter pursuant to Chapter 4 of the Administrative Procedures Act of 1969, 1969 PA 306.

Subsequent to the July 28, 2009 prehearing conference and a second prehearing conference held September 2, 2009, the parties exchanged information and discussed Applicants' filings. The result of those discussions is this executed settlement agreement between Applicants and the Staff.

It is the opinion of Applicants and the Staff that this settlement agreement will promote the public interest, will aid the expeditious conclusion of this case and will minimize the time and expense which would otherwise have to be devoted to this matter by the Commission and the parties. This settlement agreement is for the purpose of

final resolution of this case and all provisions of same are dependent upon all other provisions contained herein.

This settlement agreement is submitted pursuant to Section 78 of the Administrative Procedures Act of 1969, as amended (1969 PA 306, §78; MCL 24.278). By this Settlement Agreement, Applicants and Staff hereby agree and stipulate as follows:

Applicants should be authorized to revise their rates to reflect the changes on the tariff sheets attached as Exhibit A, incorporating the energy optimization surcharge for self-directed customers. For a Midwest Energy Cooperative self-directed customer, the charge will equal \$90.27 per meter, per month. For a HomeWorks Tri-County Electric Cooperative self-directed customer, the charge will equal \$60.00 per meter, per month.

Each signatory hereto agrees not to appeal, challenge or contest the rates approved by the Commission in this case if they are the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

Applicants and Staff jointly recommend that the Commission issue its Order Approving Settlement Agreement.

This settlement agreement has been made for the sole and express purpose of reaching compromise among the positions of the signatory parties without prejudice to their rights to take new and/or different positions in other proceedings. If the Commission approves this settlement agreement without modification, neither the parties to this settlement agreement nor the Commission shall make any reference to or

use of the settlement agreement or the order approving it as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in this case or any other cases or proceedings; provided, however, such reference or use may be made to enforce the settlement agreement and order.

Section 81 of the Administrative Procedures Act of 1969 is waived by the signatories.

Dated: September 2, 2009

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MICHIGAN PUBLIC SERVICE  
COMMISSION STAFF  
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Dated: September 2, 2009

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AND HOMEWORKS TRI-COUNTY  
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