

STATE OF MICHIGAN
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of the application of)	
UPPER PENINSULA POWER COMPANY)	
for a waiver of the monthly meter reading)	Case No. U-16064
requirement in the Commission's billing)	
rules applicable to residential and)	
non-residential electric and gas customers.)	
_____)	

At the September 29, 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

On August 12, 2009, Upper Peninsula Power Company (UPPCo) filed an application in this docket requesting an extension of the waivers of the monthly meter reading requirement under 1999 AC, R 460.113(1) and R 460.1608(1) of the Commission's billing rules applicable to residential and non-residential electric and gas customers, respectively. On November 8, 2007, the Commission granted UPPCo's initial application for a waiver from the Commission's residential billing rules, R 460.113(1) and (4), until June 2008 in Case No. U-14851. On May 30, 2008, UPPCo filed an application to extend the waiver of R 460.113(4) until October 31, 2008. On August 12, 2008, the Commission granted UPPCo's request for an extension of the waiver from R 460.113(4) until October 31, 2008. UPPCo did not file an application to extend the waiver of R 460.113 prior to the expiration of the waiver on October 31, 2008.

On June 9, 2008, UPPCo filed an application for a waiver from R 460.1608(1) of the Commission's non-residential billing rules. On November 13, 2008, the Commission granted UPPCo a waiver from R 460.1608(1) for the period of one year renewable in one year increments not to exceed three years in Case No. U-15603.

The Commission finds that the waiver of R 460.113(1) of the Commission's residential billing rules granted to UPPCo on November 8, 2007 expired in June 2008 and the waiver of R 460.113(4) granted to UPPCo on August 12, 2008 expired on October 31, 2008. UPPCo failed to timely apply for an extension of the waiver of R 460.113(1) prior to June 2008 and R 460.113(4) prior to October 31, 2008. The Commission finds it improper to grant an extension of the expired waivers. UPPCo may reapply to the Commission for a waiver of R 460.113(1) and (4).

However, the Commission finds the portion of UPPCo's application requesting an extension of the waiver of R 460.1608(1) to be timely, as the initial waiver granted by the Commission does not expire until November 13, 2009.

R 460.1640(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.

UPPCo requested a waiver from R 460.1608(1), which addresses actual and estimated monthly meter readings.

R 460.1608(1) provides, in part:

Except as specified in this rule, a utility shall provide all non-residential customers with an actual monthly meter reading.

UPPCo states that it currently reads its customers' meters on a bi-monthly basis and estimates bills for the months that the meters are not read. UPPCo does not have an automatic meter reading

(AMR) system but intends to evaluate such a system over the next three years, and then propose to the Commission a cost recovery mechanism for an AMR system in a rate case if it determines that the installation of an AMR system is appropriate.

UPPCo asserts that the additional costs associated with performing monthly meter reads by the company would be approximately \$779,116 per year. UPPCo further asserts that the requested waiver will not harm customers because, under its current meter reading system, UPPCo has a billing representative review all customer accounts that fall outside billing parameters and performs an actual reading if the bill review cannot be carried out with the customer by telephone. UPPCo states that it encourages customer meter reads and provides meter reading cards upon request. UPPCo maintains that it will not charge interest, penalties, or late fees for late payment of estimated bills and requests that the Commission waive R 460.1608(1) for up to three years.

The Commission finds that it is appropriate to grant UPPCo's request for a temporary waiver from the requirements of R 460.1608(1) for another one year increment, beginning on the date of this order. The waiver is renewable in one year increments, subject to Commission approval of the application for waiver, for a total waiver period not to exceed three years from the date of the order in Case No. U-15603.

THEREFORE, IT IS ORDERED that:

- A. Upper Peninsula Power Company's request for a waiver of R 460.113(1) is denied.
- B. Upper Peninsula Power Company's request for waiver of R 460.1608(1) is approved, as modified by 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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of September 29, 2009.

Mary Jo Kunkle, Executive Secretary