

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)	Case No. U-16160
electric utilities for the year 2010.)	
_____)	

At the January 11, 2010 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Greg R. White, Commissioner

OPINION AND ORDER

This order directs or requests 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 2010.

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 Electricity 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.¹

The Commission finds that it should conduct a similar investigation for 2010. As in prior years, Michigan electric utilities and other load-serving entities should file assessments of their plans for meeting customer loads, Midwest Independent Transmission System Operator, Inc. (MISO), PJM Interconnection (PJM), and providers of transmission services in Michigan are invited to 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

¹The 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.

the load-serving entity or otherwise committed to serve the load, firm contract capacity supported 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 should be filed with the Commission by March 31, 2010. Comments from interested persons regarding those self-assessment reports should be filed with the Commission by April 21, 2010.

The Commission has selected this case for participation in its Electronic Filings Program. The self-assessment reports required by this order and any comments filed by interested persons shall be submitted electronically through the Commission's E-Dockets Website at:

michigan.gov@mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 241-6170 or by e-mail at mpscedockets@michigan.gov.

THEREFORE, IT IS ORDERED that:

A. By March 31, 2010, all Michigan regulated electric utilities shall file a self-assessment of the utility's ability to meet its customers' expected electric requirements in 2010 and that addresses the topics outlined in this order.

B. By March 31, 2010, 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 by April 21, 2010 on the issues that they believe are relevant to this investigation.

D. Other interested persons wishing to file comments in response to the assessments shall file those comments by April 21, 2010.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Greg R. White, Commissioner

By its action of January 11, 2010.

Mary Jo Kunkle, Executive Secretary