

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
MICHIGAN GAS UTILITIES for reconciliation)
of its gas cost recovery revenues and expenses for) Case No. U-11192-R
the 12-month period ended December 31, 1997.)
_____)

At the January 6, 1999 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On February 27, 1998, Michigan Gas Utilities (MGU) filed an application, with supporting testimony and exhibits, seeking reconciliation of its gas cost recovery (GCR) revenues and expenses for the 12-month period ending December 31, 1997.

Pursuant to due notice, a prehearing conference was held on April 9, 1998 before Administrative Law Judge Daniel E. Nickerson, Jr. MGU, the Attorney General, and the Commission Staff participated in the proceedings.

Subsequently, the parties submitted a settlement agreement resolving all issues in this case.

According to the settlement agreement, attached as Exhibit A, MGU experienced a net GCR underrecovery of \$9,191,133 during the 1997 plan year. The parties agree that this net underrecovery should be rolled into MGU's current GCR plan. They further agree that MGU should be

authorized to revise MGU's standard refund procedures in the manner set forth on Attachment B to the settlement agreement.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; MSA 22.21 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1982 PA 304, as amended, MCL 460.6h et seq.; MSA 22.13(6h) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.

b. The settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Michigan Gas Utilities shall roll the net underrecovery balance of \$9,191,133 into its current gas cost recovery plan.

C. Michigan Gas Utilities is authorized to revise its standard refund procedures as set forth in Attachment B to the settlement agreement.

D. Michigan Gas Utilities shall file with the Commission, within 30 days of issuance of this order, tariff sheets in substantially the same form as those set forth on Attachment B 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, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand

Chairman

(S E A L)

/s/ David A. Svanda

Commissioner

By its action of January 6, 1999.

/s/ Dorothy Wideman

Its Executive Secretary

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; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

By its action of January 6, 1999.

Its Executive Secretary

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Case No. U-11192-R

Suggested Minute:

“Adopt and issue order dated January 6, 1999 approving the settlement agreement, reconciling Michigan Gas Utilities’ gas cost recovery revenues and expenses for the 12-month period ended December 31, 1997, and authorizing the utility to revise its standard refund procedures, as set forth in the order.”