

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
MICHIGAN GAS UTILITIES for authority to)
implement a gas cost recovery plan and factors for)
the 12-month period ending December 31, 2000.)
_____)

Case No. U-12122

At the June 19, 2000 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

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

ORDER APPROVING SETTLEMENT AGREEMENT

On September 30, 1999, Michigan Gas Utilities (MGU) filed an application, with supporting testimony and exhibits, requesting approval of its gas cost recovery (GCR) plan and factors for the 12-month period ending December 2000. MGU self-implemented its proposed GCR factor of \$3.81 per thousand cubic feet (Mcf) beginning in January 2000.

Pursuant to due notice, a prehearing conference was held on November 9, 1999 before Administrative Law Judge George Schankler. MGU, Attorney General Jennifer M. Granholm, the Residential Ratepayer Consortium, 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, the parties agree that MGU should be permitted to charge a GCR factor of not more than \$3.81 per Mcf during the balance of 2000.

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 AACRS, 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 is authorized to incorporate into its rates a gas cost recovery factor not to exceed \$3.81 per thousand cubic feet for the billing months of July through December 2000.

C. Michigan Gas Utilities shall file with the Commission, within 30 days, tariff sheets consistent with 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; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of June 19, 2000.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of June 19, 2000.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated June 19, 2000 approving the settlement agreement and authorizing Michigan Gas Utilities to implement its gas cost recovery plan and factors for the 12-month period ending December 31, 2000, as set forth in the order.”