

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
MICHIGAN CONSOLIDATED GAS COMPANY)	
for approval of a gas cost recovery plan, five-year)	Case No. U-13060
forecast, and monthly gas cost recovery factor)	
for calendar year 2002.)	
_____)	

**CONCURRING AND DISSENTING OPINION OF
COMMISSIONER ROBERT B. NELSON**

(Submitted December 20, 2001)

Although I concur with my colleagues in approving temporary GCR factors, I do not agree with the decision to authorize Mich Con to account for a portion of customers' usage in December 2001, which has the effect of creating a regulatory asset. Mich Con did not state a request for accounting authorization until it filed its brief in this case and, even then, it did not describe a proposal in detail or formally file its request with the Commission.¹ Thus, the parties did not have an opportunity to address accounting issues on the record, and their briefs do not provide the Commission with reasoned arguments that would facilitate a fully informed decision. As discussed in my separate opinion in the October 24, 2000 order in Case No. U-12505, I do not believe that determinations regarding regulatory assets should issue without due deliberation. In this case, there has not been an adequate opportunity to consider the accounting issues in light of

¹In addition, Mich Con witness Harold L. Dow III mentioned the possibility of authorizing a regulatory asset during cross-examination by the Staff. Mr. Dow stated: "Now, if we can include in this order a FASB 71-style asset accrual to recognize that, then that's something else. But nobody suggested that here, and therefore the loss in '01—the fact that in 2003 I might be able to offset it is going to be small solace in 2001." Tr. 257.

the effect of using the January 2002 factor to bill for a portion of the December 2001 usage and the implications of creating a regulatory asset for future proceedings.

MICHIGAN PUBLIC SERVICE COMMISSION

Commissioner, Robert B. Nelson