

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )  
**WISCONSIN PUBLIC SERVICE CORPORATION** )  
for a reconciliation of its gas cost recovery revenues )  
and expenses for the 12-month period ended )  
March 31, 2003. )  
\_\_\_\_\_ )

Case No. U-13221-R

At the November 25, 2003 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. J. Peter Lark, Chair  
Hon. Robert B. Nelson, Commissioner  
Hon. Laura Chappelle, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 2, 2003, Wisconsin Public Service Corporation (WPS Corp) filed an application, with supporting testimony and exhibits, seeking a reconciliation of its gas cost recovery (GCR) revenues and expenses for the 12-month period ended March 31, 2003.

Pursuant to due notice, a prehearing conference was held on July 29, 2003 before Administrative Law Judge Daniel E. Nickerson, Jr. WPS Corp, Attorney General Michael A. Cox (Attorney General), and the Commission Staff participated in the proceedings.

Subsequently, the parties submitted a settlement agreement resolving all issues in this case. The Attorney General did not object to the settlement agreement.

According to the settlement agreement, attached as Exhibit A, WPS Corp experienced a net GCR underrecovery of \$137,938 during the 2002-2003 plan year, which reflects the accrual of

interest and includes a rolled-in overrecovery from the previous GCR reconciliation. The parties agree that the total net underrecovery should be rolled into WPS Corp's current GCR plan in accordance with its standard refund procedures.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1982 PA 304, as amended, MCL 460.6h et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, 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. Wisconsin Public Service Corporation shall roll the net underrecovery balance of \$137,938 into its current gas cost recovery plan pursuant to its standard refund procedures.

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  
issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark  
Chair

( S E A L )

/s/ Robert B. Nelson  
Commissioner

/s/ Laura Chappelle  
Commissioner

By its action of November 25, 2003.

/s/ Robert W. Kehres  
Its Acting 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.

MICHIGAN PUBLIC SERVICE COMMISSION

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Chair

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Commissioner

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Commissioner

By its action of November 25, 2003.

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Its Acting Executive Secretary



substance of the Notice of Hearing in daily newspapers of general circulation throughout its Michigan gas service area.

3. Complying with the Notice of Hearing, WPS Corp submitted the requisite Affidavit of Mailing and Proof of Publication prior to the prehearing conference held before the Administrative Law Judge Daniel E. Nickerson, Jr., on July 29, 2003. The Attorney General's Petition to Intervene was granted.

4. The parties agree that during the GCR period ended March 31, 2003, WPS Corp underrecovered a net total of \$137,938 from its Michigan gas customers which is inclusive of the roll-in of the net overrecovery from the previous GCR reconciliation in Case No. U-12750-R. Interest calculated in the amount of (\$14,747) is also included in the net total. In accordance with its standard roll-in refund methodology approved in Case No. U-10491-R, WPS Corp proposes to roll-in the total underrecovered amount of \$137,938 into its current GCR plan.

5. Proceedings in this gas cost reconciliation were conducted as a contested case as defined in Section 3(3) of the APA, MCL 24.203(3).

6. The Staff certifies that this settlement agreement will promote the public interest, will aid the expeditious conclusion of this case, and will minimize the time and expense which would otherwise have to be devoted to this matter by the Commission and all of the parties.

7. This settlement agreement has been made for the sole and express purpose of reaching compromise among the positions of the signatory parties without prejudice to their rights to take new and/or different positions in other proceedings not related to the enforcement of the settlement agreement. All offers of settlement and discussions relating to this settlement agreement shall be considered privileged as provided in MRE 408. The parties understand that if the Commission approves this settlement agreement without modification, neither the parties to

this settlement agreement nor the Commission Staff shall make any reference to or use of the settlement agreement or the order approving it as a reason, authority, rationale or example of taking any action or position or making any subsequent decision in any other cases or proceeding; however, such reference or use may be made to enforce the settlement agreement and order.

8. The parties understand and agree that no specific finding of fact, conclusion of law, or other precedent is or will be established by this settlement agreement. If the Commission approves this settlement agreement without modification, the parties agree to support this settlement agreement before the Commission or elsewhere, but this agreement to support shall not require any party to appear or intervene in any proceeding in which that party is not otherwise involved.

9. The parties agree to waive Section 81 of the APA, MCL 24.281, as it applies to this proceeding, if the Commission approves this settlement agreement without modification.

10. This settlement agreement is not severable. Each provision of the settlement agreement is dependent upon all other provisions of the settlement agreement. Failure to comply with any provision of the settlement agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this settlement agreement or any provision of the settlement agreement, the settlement agreement shall be withdrawn and shall not constitute any part of the record of this proceeding or be used for any other purpose.

11. Each party agrees not to appeal or otherwise contest any Commission order accepting and approving this settlement agreement without modification.

WISCONSIN PUBLIC SERVICE CORPORATION

Dated: 10-28, 2003

By: Sherri A. Wellman  
One of its Attorneys

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Sherri A. Wellman (P38989)  
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MICHIGAN PUBLIC SERVICE COMMISSION  
STAFF

Dated: 10-29, 2003

By: William W. Derengoski  
Its Attorney

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ATTORNEY GENERAL MIKE A. COX

Dated: 10-31, 2003 By:

Michael Moody  
His Attorney

Nonobjecting Party  
Pursuant to  
MPSC Rule  
460.17333

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Attorney General's office  
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