

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
commencing an investigation into the)	
August 14, 2003 power outage and the)	Case No. U-13859
restorage efforts of local distribution companies.)	
_____)	

At the August 18, 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 COMMENCING INVESTIGATION

At about 4:10 p.m. on August 14, 2003, the most widespread power outage in United States history significantly disrupted the lives of millions of customers of The Detroit Edison Company (Detroit Edison) and Consumers Energy Company (Consumers) in Michigan. By daybreak on August 15, 2003, most of the customers of Detroit Edison remained powerless. While Consumers was able to restore power to all of its customers over night, sporadic outages began to reoccur in its service territory during the ensuing morning. Customers of other local distribution companies were also affected.

Preliminary reports indicate that the August 14, 2003 outage was due to an out-of-state power plant or out-of-state power grid failure. Accordingly, the Commission anticipates that appropriate federal and out-of-state authorities will conduct a thorough investigation into the cause of the outage. However, the Commission finds that there should be a Michigan-specific investigation

into: (a) the extent, duration, and causes of the outage relating to Michigan customers; (b) the reaction of Michigan electric utilities and transmission grid operators, including, but not limited to, Detroit Edison, Consumers, American Electric Power (AEP), International Transmission Company, and Michigan Electric Transmission Company to the outage and the events preceding it;¹ (c) a comprehensive assessment of the power restoration efforts by Michigan companies; and (d) recommendations designed to prevent future disruptions.

Toward that end, the Commission directs the Commission Staff (Staff) to commence an investigation into these matters and to report to the Commission as soon as possible. In doing so, the Staff shall coordinate its efforts with the investigation to be conducted by the United States Department of Energy (DOE), the Federal Energy Regulatory Commission (FERC), and the North American Electric Reliability Council (NERC). The Staff shall review all actions taken or contemplated by DOE, the FERC, the NERC, or any other appropriate federal authority that could have some effect on the state of Michigan. Further, Detroit Edison, Consumers, and AEP are directed to cooperate fully with the Staff and to provide any information requested by the Staff on an expedited basis. Finally, to the extent necessary for the completion of its report, the Staff shall seek the full cooperation of all unregulated local distribution companies and transmission grid operators so that the Commission may inform the Governor and the Legislature of its findings.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as

¹This should also include information from any regional transmission organizations associated with these companies.

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 Staff should commence an investigation into these matters and should report to the Commission as soon as possible. Further, Detroit Edison, Consumers, and AEP should be directed to cooperate fully with the Staff and to provide any information requested by the Staff on an expedited basis.

THEREFORE, IT IS ORDERED that:

A. The Commission Staff shall commence an investigation into the extent, duration, and causes of the outage relating to Michigan customers; the reaction of Michigan electric utilities and transmission grid operators, including, but not limited to, The Detroit Edison Company, Consumers Energy Company, American Electric Power, International Transmission Company, and Michigan Electric Transmission Company to the outage and the events preceding it; a comprehensive assessment of the power restoration efforts by Michigan companies; and recommendations designed to prevent future disruptions.

B. Regulated electric distribution companies, including The Detroit Edison Company, Consumers Energy Company, and American Electric Power shall cooperate fully with the Commission Staff's investigation and shall provide any information requested by the Commission Staff on an expedited basis. The Commission Staff shall seek the full cooperation of all unregulated electric distribution companies and transmission grid operators.

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

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 August 18, 2003.

/s/ Robert W. Kehres

Its Acting Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chair

Commissioner

Commissioner

By its action of August 18, 2003.

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Suggested Minute:

“Adopt and issue order dated August 18, 2003 commencing a Michigan-specific investigation into the extent, duration, and causes of the outage relating to Michigan customers; the reaction of Michigan electric utilities and transmission grid operators, including, but not limited to, The Detroit Edison Company, Consumers Energy Company, American Electric Power, International Transmission Company, and Michigan Electric Transmission Company to the outage and the events preceding it; a comprehensive assessment of the power restoration efforts by Michigan companies; and recommendations designed to prevent future disruptions, as set forth in the order.”