

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the investigation, on the)
Commission's own motion, into the electric)
supply reliability plans of Michigan's)
electric utilities for the year 2004.)
_____)

Case No. U-14087

At the April 5, 2004 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

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

OPINION AND ORDER

For each of the last several years, the Commission has initiated investigations of the adequacy and reliability of the near-term electric generation capacity available to meet the needs of customers located in the service territories of Consumers Energy Company (Consumers), The Detroit Edison Company (Detroit Edison), and Indiana Michigan Power Company (I&M). The Commission has expanded the scope of the investigations to include, among other things, the availability of transmission capability, the effects of the companies' retail open access programs, affiliate dealings, the Customer Choice and Electricity Reliability Act, MCL 460.10 et seq., expected changes in the wholesale market for electricity in the Midwest, and the interconnection of merchant generating plants. On January 22, 2004, in Case No. U-14005, the Commission directed Consumers, Detroit Edison, and I&M to file similar assessments for 2004.

Upon further reflection, however, the Commission has determined that it is appropriate to make the same requirement apply to all remaining Michigan regulated electric utilities.

Accordingly, all regulated electric utilities, except Consumers, Detroit Edison, and I&M,¹ shall file by May 14, 2004 an assessment of the ability of the utility to meet customers' expected electric requirements in 2004. The assessment should include a discussion of all relevant factors that may affect the adequacy of supply and the quality and reliability of service in 2004. Furthermore, the assessments should classify resources between in-state and out-of-state generation and analyze how that is expected to affect service to customers.

Furthermore, the Commission directs alternative electric suppliers, including utilities' affiliates, and Wolverine Power Supply Cooperative, Inc., to file similar assessments as well.

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 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. All Michigan regulated electric utilities, except Consumers, Detroit Edison, and I&M, should each file by May 14, 2004 an assessment of the ability of the utility to meet customers' expected electric requirements in 2004.

¹The Commission identifies the remaining electric utilities as Alpena Power Company, Edison Sault Electric Company, Upper Peninsula Power Company, Wisconsin Electric Power Company, Wisconsin Public Service Corporation, Xcel Energy, and the following electric cooperatives: Alger Delta Cooperative Electric Association, Bayfield Electric Cooperative, Inc., Cherryland Electric Cooperative, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, Tri-County Electric Cooperative, and Wabash Valley Power Association.

c. The remaining electric utilities' affiliates and alternative electric suppliers, and Wolverine Power Supply Cooperative, Inc., shall file similar assessments.

THEREFORE, IT IS ORDERED that:

A. All regulated electric utilities, except Consumers Energy Company, The Detroit Edison Company, and Indiana Michigan Power Company, shall each file by May 14, 2004 an assessment of the ability of the utility to meet customers' expected electric requirements in 2004.

B. The remaining electric utilities' affiliates and alternative electric suppliers, and Wolverine Power Supply Cooperative, Inc., are directed to file similar assessments by May 14, 2004.

C. Interested persons may file comments in response to the assessments by June 14, 2004.

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/ Laura Chappelle

Commissioner

By its action of April 5, 2004.

/s/ Mary Jo Kunkle

Its Executive Secretary

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.

MICHIGAN PUBLIC SERVICE COMMISSION

Chair

Commissioner

By its action of April 5, 2004.

Its Executive Secretary