

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
THE DETROIT EDISON COMPANY for)	
approval of its 1994-1996 energy)	Case No. U-10297
conservation program.)	
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At the August 22, 1996 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. John C. Shea, Commissioner
Hon. David A. Svanda, Commissioner

OPINION AND ORDER

On April 11, 1994, the Commission issued an order in this docket that, among other things, approved The Detroit Edison Company's (Detroit Edison) 1994-1996 biennial conservation program and established an energy conservation surcharge of 0.205 mills per kilowatt-hour.

On August 5, 1996, Detroit Edison filed an application seeking authority to terminate the existing surcharge on an ex parte basis. The utility contends that at the current pace of spending on its energy conservation program, and at the rate at which it is collecting its conservation surcharge, Detroit Edison will be overrecovered by as much as \$7 million when the program ends on December 31, 1996. The utility goes on to assert that if the surcharge is terminated starting with the first billing cycle in September, 1996, the overrecovery will total only \$2.7 million. Because terminating the surcharge will lower rates and stop the accumulation of additional overrecoveries, Detroit Edison asks that its application be approved as expeditiously as possible.

The Commission concludes that the relief requested in the application is reasonable and in the public interest. It further concludes that because approval of Detroit Edison's request will not increase the utility's current rates and charges, and will not increase the cost of service to Detroit Edison's customers, ex parte approval is appropriate.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1984 PA 378, MCL 460.6c; MSA 22.13(6c); 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.; 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, 1992 AACCS, R 460.17101 et seq.

b. Detroit Edison's request to terminate its energy conservation surcharge four months early is reasonable and in the public interest, and should be approved.

c. Ex parte approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company is authorized to terminate its 0.205 mills per kilowatt-hour energy conservation surcharge starting with the first billing cycle in September 1996.

B. The Detroit Edison Company shall, within 30 days of this order's issuance, file tariff sheets incorporating the tariff revision approved in this order.

C. Following the close of the three-year energy conservation plan on December 31, 1996, The Detroit Edison Company should file an applica-

tion seeking reconciliation of the program's revenues and expenses for 1994 through 1996.

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.

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/s/ John G. Strand

Chairman

(S E A L)

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/s/ John C. Shea

Commissioner

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/s/ David A. Svanda

Commissioner

By its action of August 22, 1996.

/s/ Dorothy Wideman
Its Executive Secretary

C. Following the close of the three-year energy conservation plan on December 31, 1996, The Detroit Edison Company should file an application seeking reconciliation of the program's revenues and expenses for 1994 through 1996.

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.

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Suggested Minute:

“Adopt and issue order dated August 22, 1996 authorizing The Detroit Edison Company to terminate its energy conservation surcharge starting with the first billing cycle in September 1996, as set forth in the order.”