Public Act 286 of 2008
MPSC Implementation

Michigan Public Service Commission
Department of Licensing and Regulatory Affairs

Michigan Senate
Committee on Energy & Technology
November 1, 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Major Components of PA 286

- Rate Case Processing
- Cost of Service
- Electric Choice
- Mergers & Acquisitions
- Certificate of Necessity
- Commission Reports

Rate Case Processing

- Rate Cases to be completed within 12 months of filing.
- Self implementation allowed 180 days after filing.
- Projected test years specifically allowed.

Electric Rate Cases (filed 2008/9)

Utility	Filing Date	Request (Millions)	Order Date	Approve (Millions)
Consum. Energy	11/14/08	$ 215	11/12/09	$ 139.4
Detroit Edison	1/26/09	$ 378	1/11/10	$ 217.4
Up Pen Power	6/26/09	$ 12.2	12/16/09	$ 6.5 (Settled)
Wisc. Electric	7/2/09	$ 42.1	7/1/10	$ 23.3

Electric Rate Cases (filed 2010)

Utility	Filing Date	Request (Millions)	Order Date	Approve (Millions)
Consum. Energy	1/22/10	$ 178	11/4/10	$ 145.7
Indiana Michigan	1/27/10	$ 62.5	10/14/10	$ 35.7 (Settled)
Up Pen Power	6/30/10	$ 15.4	12/21/10	$ 8.9 (Settled)
Detroit Edison	10/29/10	$ 443	10/20/11	$ 174.9

Gas Rate Cases
(filed 2009)

Utility	Filing Date	Request (Millions)	Order Date	Approve (Millions)
Consum. Energy	5/22/09	$ 114.4	5/17/10	$ 65.9
Michigan Cons.	6/9/09	$ 193	6/3/10	$ 118.6
MGU	7/1/09	$ 8.4	12/16/09	$ 3.5 (Settled)

Gas Rate Cases
(filed 2010)

Utility	Filing Date	Request (Millions)	Order Date	Approve (Millions)
SEMCo	6/29/10	$ 19.8	1/6/11	$ 8.1 (Settled)
Michigan Cons.	7/27/10	$ 51.1	12/13/10	$ 0 (Dismissed)
Cons. Energy	8/13/10	$ 55.4	5/26/11	$ 31.4 (Settled)

Rate Case Summary

Type	Request (Millions)	Approve (Millions)	Length (Days)
All (15)	$ 1,789.3	$ 980.1	268
Not Settled (7)	$ 1,563.5	$ 885.2	348
Settled (7)	$ 174.7	$ 94.9	207
Dismissed (1)	$ 51.1	NA	268

Rate Case Timelines

Category	Length in Days
PA 286 All	268
PA 286 Not Settled	348
Michigan (1990-2003)	347
U.S. (1990-2003)	332 to 356

Cost of Service

- Required electric rates of Consumers Energy and Detroit Edison to be at Cost of Service by 2013.
- Commission is on pace to meet deadline.
- Other electric rates moved toward cost of service.
- Maximum rate impact limited to 2.5% annually.
- Allowed low-income and senior citizen rates.

Annual Cost of Service Rate Impact

Category	Consumers Energy Co.	Detroit Edison Co.
Residential	1.61%	1.12%
Commercial	-1.08%	-1.46%
Industrial	-1.23%	-0.46%

Electric Choice

- Implemented cap on choice of 10% within each utility service territory.
- When PA 286 passed, both Consumers and Detroit Edison were at approximately one-third of the cap. Both are currently at the cap.
- Consumers choice load has increased from 332 MW to 807 MW and Detroit Edison from 438 MW to 1236 MW.

Mergers & Acquisitions

- Provided for Commission review of proposed mergers, acquisitions, or sale of assets.
- Settlement Agreement in Case No. U-15795 defined process for review. Formal rules adopted on May 26, 2011.
- Case No. U-16029: Sale of distribution assets from Upper Peninsula Power to Alger Delta Cooperative.
- Case No. U-16035: Purchase by Cloverland Electric Cooperative of Wisconsin Electric Corporations' equity interest in Edison Sault Electric.

Certificate of Necessity

- Allowed utilities to file for Certificate of Necessity for construction of new generation, upgrade or purchase of existing generation, or long-term power purchase agreement.
- If approved, reasonable and prudent costs must be included in utility rates.
- Commission adopted standard process on December 23, 2008 in Case No. U-15896.

Required Reports

- Power Quality Issues under Sec. 10p(8) issued on 9/1/09.
- Advisability of Separating Electric Distribution and Generation under Sec. 10r(6) issued 10/6/10.
- Benefit of Statewide Power Purchasing Pool under Sec. 10r(7) issued 10/6/10.

Questions?

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