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November 18, 1999

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909-772 1

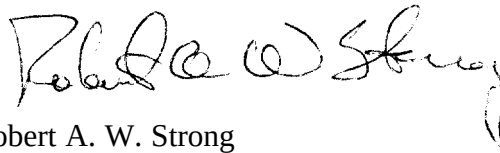
Re: MPSC Case Nos. U-1 1290, et al.

Dear Ms. Wideman:

Enclosed are an original and sixteen (16) copies of the Association of Businesses Advocating Tariff Equity's ("ABATE") Response to the Public Service Commission Staffs Report on Bid Cycle One, together with a proof of service on the parties of record in the above-referenced dockets. Please also note that the attached Response was also electronically filed.

Very truly yours,

CLARK HILL P.L.C.



Robert A. W. Strong

RAWS/lat
Enclosures

cc: Parties of Record (w/Enclosures)

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,	)	
to consider the restructuring of the electric	)	Case No. U-11290
utility industry.	)	
_____	)	
	)	
In the matter of the application of	)	
THE DETROIT EDISON COMPANY for	)	Case No. U-11449
authority to suspend implementation of its power	)	
supply cost recovery clause and related relief.	)	
_____	)	
	)	
In the matter of the request of	)	
CONSUMERS ENERGY COMPANY	)	Case No. U-11451
for approval of a retail open access tariff.	)	
_____	)	
	)	
In the matter of the request of	)	
THE DETROIT EDISON COMPANY	)	Case No. U-11452
for approval of a direct access tariff.	)	
_____	)	
	)	
In the matter of the request of	)	
CONSUMERS ENERGY COMPANY	)	Case No. U-11453
for authority to suspend its power supply	)	
cost recovery clause and related relief.	)	
_____	)	

**THE ASSOCIATION OF BUSINESSES ADVOCATING TARIFF EQUITY'S
RESPONSE TO THE PUBLIC SERVICE COMMISSION
STAFF'S REPORT ON BID CYCLE ONE**

INTRODUCTION

The Michigan Public Service Commission (“Commission”) in its March 8, 1999 Order in U-11290 *et al.*, directed the Public Service Commission Staff (“Staff”) to conduct a review of the Commission’s open access program and file a report within 30 days of the deadline for submission of bids for the initial bid cycle. On October 20, 1999, Staff filed its report and recommended that no major changes to the bid process be made at this time. The following is the Association of Businesses Advocating Tariff Equity’s (“ABATE”) response to Staff’s report.

1. Minimum Bid.

In its report, Staff recommended continuing the waiver of the minimum bid price requirement. The Staff found that “the average bid price suggests that [waiving the minimum price bid] may be necessary to encourage adequate participation, especially for residential and small commercial customers.” Staff Report, p. 2. ABATE agrees with Staff but submits that a permanent waiver of the minimum bid price is the only way to ensure adequate participation in the next and future bid cycles.

2. Voluntary Bid Forfeiture.

ABATE agrees with Staff that clarification is necessary concerning voluntary bid forfeiture. Under the forfeiture procedure, if a winning bidder, who submitted multiple bids, voluntarily elects to forfeit capacity, the bidder must surrender the lowest bid first and proceed upward to the highest bid last. It is important that all participants understand this procedure prior to the next round of bidding. ABATE agrees with Staff that both Consumers Energy Company (“Consumers”) and The Detroit Edison Company (“Edison”) must explicitly articulate this process in their bid procedure manuals.

3. Need for Uniform Procedures.

ABATE submits that it is necessary to streamline Consumers' and Edison's separate bid procedures to a single uniform process. Both Consumers' and Edison's bid procedures are similar but differ in material ways. Streamlining the two procedures to a single procedure will make participation in future bid cycle less complex, thus, attracting additional participants.

4. Reciprocity.

The open access program prohibits direct participation from utilities and their affiliates if the utility does not offer comparable open access service in its own territory. However, insisting on reciprocity is unwarranted. Reciprocity is not needed to protect any economic interests of Consumers and Edison and its only purpose is to provide an anti-competitive advantage to the monopolies. Both utilities need additional capacity to serve their growing loads so making additional sales available through reciprocity may actually impair the reliability of service in Michigan. Moreover, Ohio and Illinois are currently making the transition to competition, thus, ABATE submits that reciprocity is unneeded as a prerequisite to participation in the open access program.

5. Act 69 Franchise.

In previous orders, the Commission has held that a "contract" constitutes "facilities" under 2 PA 1929, No. 69; MCL 460.502; MSA 22.142 ("Act 69"), therefore, a certificate of convenience and necessity is necessary before a bidder may qualify to provide open access service. However, obtaining franchise is an extremely cumbersome and potentially expensive process for new entrants to the market and, in effect, erects a large barrier to entry. Additionally, municipalities have been all over the map on requirements for approval of franchises.

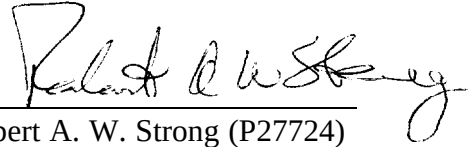
ABATE, therefore, requests the Commission to reevaluate its position regarding what

ABATE, therefore, requests the Commission to reevaluate its position regarding what constitutes "facilities" under Act 69 and determine that "contracts" do not.

Respectfully submitted,

CLARK HILL P.L.C.

By:


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Dated: November 18, 1999

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,	)	
to consider the restructuring of the electric	)	Case No. U-l 1290
utility industry.	)	

In the matter of the application of THE	)	
DETROIT EDISON COMPANY for authority	)	Case No. U- 11449
to suspend implementation of its power supply cost	)	
recovery clause and related relief.	)	

In the matter of the request of CONSUMERS	)	
ENERGY COMPANY for approval of a retail	)	Case No. U-l 145 1
open access tariff.	)	

In the matter of the request of THE DETROIT	)	
EDISON COMPANY for approval of a direct	)	Case No. U- 11452
access tariff.	)	

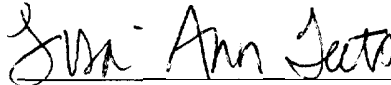
In the matter of the request of CONSUMERS	)	
ENERGY COMPANY for authority to suspend	)	
its power supply cost recovery clause and related	)	Case No. U-l 1453
relief.	)	

In the matter of the request of CONSUMERS	)	
ENERGY COMPANY and THE DETROIT	)	
EDISON COMPANY for approval of a true-up	)	Case No. U-l 1454
mechanism in connection with the recovery of	)	
stranded costs.	)	

STATE OF MICHIGAN	)	
	) ss.	
COUNTY OF OAKLAND	)	

PROOF OF SERVICE

Lisa Ann Teets, being first duly sworn, deposes and says that she served a copy of the "Association of Businesses Advocating Tariff Equity's Response to the Public Service Commission Staff's Report on Bid Cycle One" in the above dockets on the persons identified on the attached service list by depositing the same on November 18, 1999, in the United States mail in the City of Birmingham, Michigan with first-class postage thereon fully paid.



Lisa Ann Teets

Subscribed and sworn to before me
this 18th day of November, 1999.



Notary Public

Commission Expires: 1-16-02

AMY PARKER
Notary Public, Oakland County, MI
My Commission Expires Jan. 16, 2002

SERVICE LIST

MPSC Case Nos. U-11290, U-11449, U-11451, U-11452, U-11454 and U-11456

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