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LANSGING, March 14. The Michigan Public Service Commission today approved modifications to the Retail Open Access bidding programs for The Detroit Edison Company and Consumers Energy Company. The Commission concluded that, having had an opportunity to observe the first three rounds of bidding, modifications to the bidding program would facilitate the bidding process and continue Michigan's move to a more competitive environment for electric service.

Modifications to the bidding programs include:

The holder of a winning bid may not forfeit a higher priced bid in order to activate a lower priced bid. If the holder of a winning bid forfeits its rights to any capacity under that bid, then all of its losing bids shall be disqualified;

The waiver of the one-half cent per kilowatt hour minimum bid requirement should continue for the March 20 and November 20, 2000 rounds of bidding;

The bid qualification stage is now the appropriate point to screen out non-qualifying utilities and affiliates for reciprocity requirements. Reciprocity requirements prohibit utilities and their affiliates from direct participation in the open access program if the utility does not offer comparable open access in its service territory. In a concurring opinion, Commissioner Nelson indicated his reservations about reciprocity requirements.

Today's order follows an MPSC staff report to the Commission on the first bid cycle and comments on the report from several interested parties. The Commission determined that some parties submitted comments about issues that were outside the scope of this proceeding. The Commission indicated that it was open to consideration of any approaches that promise to benefit competition and reduce costs for all participants, and encourages utilities, interested parties and MPSC staff to continue to work towards a consensus on such issues.

Detroit Edison, headquartered in Detroit, provide electric service to more than 2 million customers. Consumers Energy, headquartered in Jackson, provides electric service to more than 1.6 million customers.

The MPSC is an agency within the Department of Consumer and Industry Services.

Case No. U-11290

March 14, 2000

(MPSC modified Retail Open Access bidding programs for Consumers Energy and

Detroit Edison)
