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April 22, 1999

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, Michigan 48909

Re: *The Detroit Edison Company*, MPSC Case No. U-1 1956

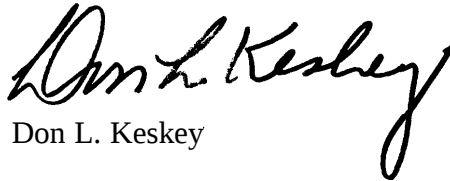
Dear Ms. Wideman:

Pursuant to the Commission's Notice of Hearing dated April 12, 1999, please find enclosed for filing an original and four (4) copies of Michigan Petroleum Association/Michigan Association of Convenience Stores' Petition to Intervene. A Proof of Service is also enclosed indicating service upon The Detroit Edison Company's attorney, Mr. Bruce Maters, and to other parties who have participated in the Commission's electric restructuring proceedings. A copy of this pleading has also been filed electronically as indicated by the Commission's Notice.

If you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,

KNAGGS, HARTER, BRAKE & SCHNEIDER, P.C.



Don L. Keskey

DLK/blr
Enclosure
cc: Parties of Record

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of The Detroit
Edison Company for Authority to Recover
Retail Access Program Implementation Costs
and for Approval of a True-up Mechanism in
Connection with the Recovery of Stranded
Costs

Case No. U-11956

**PETITION TO INTERVENE OF
MICHIGAN PETROLEUM ASSOCIATION/
MICHIGAN ASSOCIATION OF CONVENIENCE STORES**

Michigan Petroleum Association/Michigan Association of Convenience Stores (“MPA/MACS”) petitions for leave to intervene in the above-captioned proceeding, pursuant to Rule 201 of the Commission’s Rules of Practice and Procedure, 1992 AACRS R 460.17201, and the Commission’s Orders of March 8, 1999 and Notice of Hearing dated April 12, 1999. In support of this petition, the MPA/MACS states as follows:

STATEMENT OF INTEREST

1. MPA/MACS is a Michigan nonprofit corporation whose constituent members are independent petroleum distributors, marketers, jobbers and convenience store owners and operators. MPA/MACS coordinates and supports the work of these members to advance policies consistent with good business practices; to support constructive legislation beneficial to the petroleum industry and convenience store businesses; and, to oppose that which is detrimental to the public interest. MPA/MACS informs its members on changes in laws and regulations affecting their businesses, and assists them in relating to governmental agencies in Michigan.

2. MPA/MACS’ membership includes approximately 586 independent petroleum distributors, marketers, jobbers and convenience store owners and operators who consume large quantities of electrical energy under commercial rates purchased from all major investor owned electric utilities, including The Detroit Edison Company (“DECo”). MPA/MACS’ membership is

thus virtually interested in case matters and procedures which affect the cost of electricity, and the availability and reliability of electric supplies provided to its membership in Michigan.

STATEMENT OF ISSUES AND POSITIONS

3. The Commission in its previous orders regarding electric industry restructuring indicated that it would undertake an annual stranded cost true-up proceeding to review utilities' stranded cost claims and to consider costs related to the implementation of open access and customer choice. The Commission reiterated this approach in its various orders dated March 8, 1999.

4. On March 31, 1999, The Detroit Edison Company ("DECo") filed its application in this case requesting recovery of claimed costs of \$14 million for 1998-1999, and \$100 million for the period 1999-2001 to implement customer choice. DECo's application requests a two-phased hearing procedure to consider these costs, with the second phase to address remaining true-up issues such as stranded cost balances, transition charges, the mechanics of true-up and stranded cost recovery process, and policy issues raised by the Commission's order.

5. On April 12, 1999, the Commission issued its Notice of Hearing setting May 11, 1999 as the date for a prehearing conference to consider hearing dates and other procedural matters in this case. The Commission's Notice indicates that the Commission will consider DECo's March 31, 1999 application to recover \$14 million from its electric customers for implementation costs claimed for the period January 1, 1998 through March 31, 1999, for DECo's customer choice program (or open or direct access), and also DECo's proposed true-up mechanism to address policy decisions regarding the recovery of stranded costs.

6. The MPA/MACS is vitally interested in obtaining reliable electric energy at reasonable prices. The members of MPA/MACS also utilize substantial amounts of electricity obtained from DECo. The MPA/MACS and its members are therefore vitally affected by, and interested in, the rates and costs for electricity obtained from DECo.

7. The MPA/MACS urges the Commission to undertake a comprehensive review of DECo's application to recover implementation costs, and all relevant issues related to any stranded cost recovery claim or methodology. More specifically, the MPA/MACS also urges that the Commission should act promptly to require DECo to file a comprehensive rate case to permit review of all issues relevant to its base rates and electric restructuring matters in one case to ensure proper, just and reasonable rates, and a proper start-off basis for electric restructuring and open access. All rate matters affecting DECo should be reviewed and correlated on a contemporaneous basis in a unitary, not piecemeal, fashion in order to establish proper base rates and ROA rates and charges. These rate matters include base rates, the 1998 stranded cost true-ups and implementation costs, and the likely impact of ROA and standby rate revenues, among other matters. The Commission should also immediately commence a staff audit and investigation into DECo's financial status and rates.

8. The MPA/MACS also urges that the concept of stranded costs is highly theoretical and speculative, thereby increasing the importance for the Commission to undertake a comprehensive rate review in conjunction with reviewing stranded cost true-up and mitigation methodologies. The MPA/MACS submits that stranded costs do not exist so long as DECo's earned rate of return exceeds its authorized rate of return on its investment. Continuing comprehensive reviews of DECo's financial status and rates is thus necessary and appropriate as part of the stranded cost/mitigation review.

9. The MPA/MACS urges the Commission to undertake a thorough review of all issues raised by any party to this proceeding and to make determinations which will ensure just and reasonable rate levels for all customers, including open access and non-open access customers.

10. The MPA/MACS reserves the right to raise all issues necessary to assist the Commission in reviewing and establishing lawful and reasonable rates for DECo.

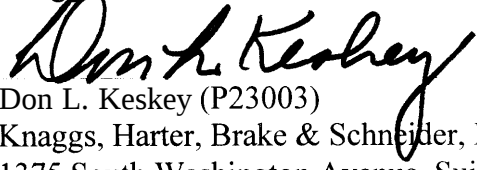
WHEREFORE, MPA/MACS respectfully requests the Commission to grant the following relief:

- A. To grant this Petition admitting the MPA/MACS to these proceedings as a full party with all the participatory rights afforded to parties in Commission proceedings;
- B. To require DECo to file a comprehensive rate case to include all issues relating to its base rates, and all restructuring matters, including issues concerning claimed stranded costs and implementation costs;
- C. To require the MPSC Staff to promptly commence a rate audit and investigation of DECo;
- D. To conduct a full comprehensive rate review in this case, or in a consolidated rate case, to set just and reasonable rates for DECo's customers, including ROA and non-ROA customers; and
- E. To grant MPA/MACS such further and consistent relief as may be lawful and appropriate.

Respectfully submitted,

MICHIGAN PETROLEUM ASSOCIATION/
MICHIGAN ASSOCIATION OF
CONVENIENCE STORES

By Its Attorneys,
Knaggs, Harter, Brake & Schneider, P.C.


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DATED: April 22, 1999

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of The Detroit
Edison Company for Authority to Recovery
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Costs

Case No. U-11956

RECEIVED BY MAIL
MAY 11 1999

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

I, Laura J. Riley, being duly sworn, depose and say that on April 22, 1999, I served
a copy of Michigan Petroleum Association/Michigan Association of Convenience Stores' Petition
to Intervene upon:

SEE ATTACHED SERVICE LIST

Service was accomplished by placing same in a United States mail depository, enclosed in envelopes
bearing postage fully prepaid and addressed properly.

Subscribed and sworn to before me
this 22nd day of April, 1999.



Betsy L. Reeve, Notary Public

Eaton County, Michigan Acting in Ingham County, Michigan

My Commission Expires: November 24, 1999


Laura J. Riley

SERVICE LIST U-11956

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