

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the proposal of the	)	
CHOICE ADVISORY COUNCIL for a statewide	)	
customer education program and other related	)	Case No. U-12133
matters.	)	
_____	)	

At the August 26, 2003 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

OPINION AND ORDER

The Commission issued a series of orders in this docket in an effort to implement a customer education program consistent with the Customer Choice and Electricity Reliability Act, 2000 PA 141 (Act 141), MCL 460.10 et seq., in conjunction with the recommendations and negotiations of the CHOICE Advisory Council. On October 11, 2001, the Commission approved an April 27, 2001 settlement agreement filed by the CHOICE Advisory Council that, among other things, constituted the regulatory basis for collection of an 18¢ per meter monthly surcharge for consumer education activities by certain electric utilities, including Upper Peninsula Power Company (UPPCo). However, in an order issued on April 17, 2003, the Commission prospectively suspended further collection of the 18¢ per meter monthly surcharge and directed each affected electric utility to submit a report regarding the amounts collected and expended during 2003, pursuant to the cost recovery mechanism. Each utility was also required to file with its 2003

reconciliation report, an application proposing how it intended to use the funds collected pursuant to the CHOICE Advisory Council program to promote green power or how it intended to refund such funds to customers. In so doing, the Commission stated:

If a utility does not offer a green power option, or if a utility determines that spending all of the funds collected pursuant to the 18¢ per meter per month surcharge for that purpose is not reasonable or necessary, it may propose in its application a methodology to refund any unexpended funds to its customers.

April 17, 2003 order, Case No. U-12133, p. 6.

On August 1, 2003, UPPCo filed an application seeking authority to refund \$168,836.70, including interest, to its customers. UPPCo states that it has a green power tariff in place and is prepared to continue promoting the use of green power without use of the surcharge funds. Therefore, UPPCo proposes to refund the entire amount collected from its customers pursuant to the 18¢ per meter monthly surcharge by application of a prospective one-time credit of \$3.31 per meter for all customers that have a meter. According to UPPCo, the credit will be applied during the first billing month after issuance of an order approving its application. As such, the billing credit will be applied to all then existing customers, regardless of the length of time that they were customers. This means that customers that leave UPPCo's system before the refund month will not receive a refund.

The Commission finds that UPPCo's application should be granted. UPPCo's proposal is reasonable and designed to return the surcharge to its customers through an administratively efficient method. Moreover, by acting quickly, the Commission ensures that virtually all of the customers that paid the 18¢ per meter monthly surcharge will receive a refund.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.
- b. UPPCo's application for authority to refund \$168,836.70 should be granted.

THEREFORE, IT IS ORDERED that the application filed by Upper Peninsula Power Company for authority to refund \$168,836.70, including interest, to its customers is granted.

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.

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ J. Peter Lark
Chair

By its action of August 26, 2003.

/s/ Robert B. Nelson
Commissioner

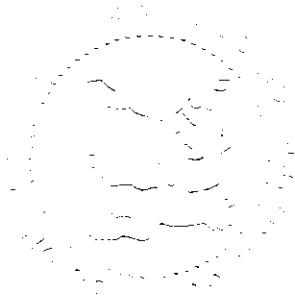
/s/ Robert W. Kehres
Its Acting Executive Secretary

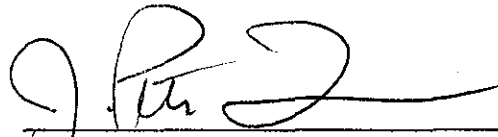
/s/ Laura Chappelle
Commissioner

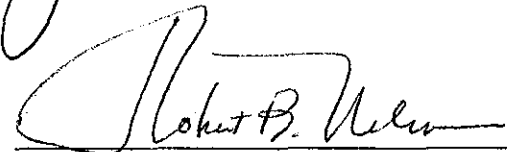
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MICHIGAN PUBLIC SERVICE COMMISSION

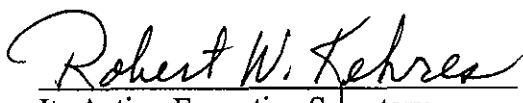



Chair


Commissioner


Commissioner

By its action of August 26, 2003.


Its Acting Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

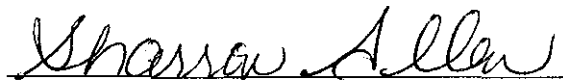
Case No. U-12133
UPPCo (CHOICE refund)

County of Ingham)

Patricia A. Fronta being duly sworn, deposes and says that on August 26th 2003, A.D. she served a copy of the attached Commission orders by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.


Patricia Fronta

Subscribed and sworn to before me
this 26th day of August 2003


Notary Public, Ingham, County, Michigan
My Commission expires August 16, 2004

SERVICE LIST FOR DOCKET # U - 12133-
DATE OF PREPARATION: 08/21/2003

CASE #

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ALL ELECTRIC ORDERS

PAGE: 1
DATE: 08/21/2003

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Electric Mailing Labels

(23)

**Municipal Electric Utilities –
Unregulated by the MPSC
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**Municipal Electric Utilities –
Unregulated by the MPSC
PAGE 2 OF 2**

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Union City Electric Department

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Zeeland Board of Public Works

David Walters, Manager
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PROOF OF SERVICE

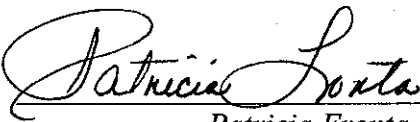
STATE OF MICHIGAN)

Case No. U-12133

County of Ingham)

Patricia A. Fronta being duly sworn, deposes and says that on September 4th 2003, A.D. she served a copy of the Commission Order by re-mailing copies thereof by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown below:

Energy International Power Marketing Corp
d/b/a PowerOne Corporation
6850 Haggerty
Canton, MI 48187
ATTN: Rami Fawaz


Patricia Fronta

Subscribed and sworn to before me
this 4th day of September 2003


Notary Public, Ingham, County, Michigan
My Commission expires August 16, 2004