

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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| In the matter of the application of       | ) |                  |
| <b>THE DETROIT EDISON COMPANY</b>         | ) |                  |
| for ex parte approval to amend and extend | ) | Case No. U-12250 |
| its capacity release rider.               | ) |                  |
| _____                                     | ) |                  |

At the March 14, 2000 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. John G. Strand, Chairman  
Hon. David A. Svanda, Commissioner  
Hon. Robert B. Nelson, Commissioner

**ORDER APPROVING APPLICATION**

On December 17, 1999, The Detroit Edison Company (Detroit Edison) filed an application for approval to amend and extend its capacity release rider (Rider No. 12) through December 31, 2002. The current rider expired on December 31, 1999. The company also requested authority to delete the four-hour minimum duration period and to waive the 1,000 megawatt (MW) and 50% load requirements where separate metering is available. Although there was no customer participation on this rider in 1998 or 1999, Detroit Edison says there was a great deal of customer interest and making it more flexible may attract more customer participation.

On January 4, 2000, Attorney General Jennifer M. Granholm (Attorney General) filed a notice of intervention and request for hearing. The Attorney General maintains that Detroit Edison should have filed its application sooner. She also argues that the proposed tariff provides no

realistic mechanism for assuring other customers that any so-called release of capacity will provide actual incremental capacity during times of hourly capacity shortfall. According to her, customers cannot be induced into reducing load at any reasonable price. Rather, she insists that customers will only agree to capacity releases when they have no use for the power.

The Attorney General also opposes the application because there is no guarantee that it will not result in a rate increase in the future, and she contends that the increased availability of the rider would create a potential for preferences or discrimination. Moreover, she maintains that Rider No. 12 cannot be amended absent a hearing.

On January 25, 2000, Detroit Edison responded to the Attorney General's contentions. In so doing, Detroit Edison contends that it did not unduly delay filing the application for extending the tariff provision. It also states that amendment of Rider No. 12 will not increase the cost of service to any of its customers because it involves a voluntary program where customers are paid only when they reduce load. Detroit Edison maintains that, as amended, Rider No. 12 will motivate some customers to reduce load during peak periods. According to Detroit Edison, because all payments to such customers will be subject to review in power supply cost recovery proceedings, the issues regarding prudence, preferences, and discrimination raised by the Attorney General can be addressed in another forum.

The Commission finds that amending and extending Rider No. 12 as requested by Detroit Edison is reasonable and in the public interest. The amendments increase the likelihood of customer participation and will not result in an increase in the rates, charges, or cost of service to any of Detroit Edison's customers. The other issues that the Attorney General raises can be addressed in the power supply cost recovery proceedings.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; MSA 22.151 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and MSA 3.560(101) et seq.

b. Detroit Edison's application is reasonable and in the public interest, and should be approved.

c. Ex parte approval of the application is appropriate.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company's application to amend and extend its capacity release rider is approved.

B. In accordance with the Commission's order in Case No. U-6300, Filing Procedures, The Detroit Edison Company shall file with the Commission, within 30 days, four sets of tariff sheets that incorporate this modification, as shown on Exhibit A attached to this order.

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; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand  
Chairman

( S E A L )

/s/ David A. Svanda  
Commissioner

/s/ Robert B. Nelson  
Commissioner

By its action of March 14, 2000.

/s/ Dorothy Wideman  
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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By its action of March 14, 2000.

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Case No. U-12250

Suggested Minute:

“Adopt and issue order dated March 14, 2000 authorizing The Detroit Edison Company to amend and extend its capacity release rider, as set forth in the order.”