



NEWS RELEASE

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LANSING, January 3. The Michigan Public Service Commission today ordered The Detroit Edison Company to file testimony by January 24, 2000, showing why the company should not be found in violation of provisions of an April 1996 settlement agreement which required Detroit Edison to implement proposals designed to address its responses to major storms as well as specific concerns over the reliability of its distribution system. The April 1996 settlement agreement followed a Commission investigation into Detroit Edison's and Consumers Energy Company's response to storm outages from storms in July 1995 that left over 800,000 Michigan customers without electric service. Today's order also set a prehearing conference for February 15, 2000 at 9:00 a.m. at the Commission's office in Lansing.

Today's action follows a MPSC staff investigation into Detroit Edison's response to storm outages occurring in July 1999. A staff report, issued in November, concluded that frequent outage complaints to the Commission have doubled over the past three years, there remain 3,014 customers who have been in poor performing areas for two successive years, and the tree trimming cycle committed to by Detroit Edison in the 1996 settlement has not been met. The staff report also found that Detroit Edison's operation and maintenance expenses, adjusted for storm restoration, have remained essentially level since 1991, and tree trimming expenses have been flat from 1991 to 1998. Capital spending for distribution system improvements, excluding storm restoration, has also been relatively flat since 1994, according to the staff report. The staff report recommended eight actions designed to improve distribution system reliability. Following release of the staff report, the Commission received comments from more than 50 Detroit Edison customers on their experiences with Detroit Edison's system reliability at public hearings in Dearborn, Farmington Hills and Rochester.

In related action today, the Commission also initiated an investigation into methods for improving the reliability of electric service in Michigan. The Commission directed MPSC staff to consult with

Michigan's electric utility companies, customer groups, and other relevant parties to attempt to formulate recommendations regarding methods to improve service reliability, and to file a status report with the Commission by March 31, 2000 and a final report by May 1, 2000.

"The Commission is required to investigate the method employed by utilities to supply electricity and to order improvements that are necessary for good service and to ensure public safety," concluded Chairman John Strand. "Under today's orders, electric service in Michigan will be examined to determine what improvements would benefit Michigan electric customers."

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

Cases Nos. U-12269, U-12270

January 3, 2000

(Commission investigation in electric service reliability in Michigan)