

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
of the investigation into THE DETROIT EDISON	)	Case No. U-12269
COMPANY's compliance with an electric reliability	)	
agreement.	)	
_____	)	

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 SETTLEMENT AGREEMENT

In a nine-day period during July 1999, back-to-back storms caused extensive outages throughout The Detroit Edison Company's (Detroit Edison) service territory. In November 1999, the Commission Staff (Staff) issued a report of its investigation into Detroit Edison's response to the July 1999 storm outages. The report concluded that while significant progress has been made to eliminate frequent customer outages, small pockets of poorly performing circuits still exist. Further, the Staff concluded that the level of expenditures for tree trimming and general distribution system maintenance have essentially remained level since 1991.

Following release of the Staff's report, the Commission held public hearings in the cities of Dearborn, Farmington Hills, and Rochester to address storm outage restoration. More than fifty persons addressed the Commission at those hearings.

On January 3, 2000, the Commission initiated an investigation into Detroit Edison's compliance with the provisions of the settlement agreement approved by the April 26, 1996 order in Case No. U-10908, which involved an investigation into outages experienced in Detroit Edison's service territory due to storms that occurred during the summer of 1995. The January 3, 2000 order instructed Detroit Edison to file testimony by January 24, 2000 addressing the company's past compliance with the settlement agreement in Case No. U-10908 and detailing its plans to comply with the provisions of that agreement in the future. In the alternative, the Commission advised Detroit Edison to reach a settlement agreement with the Staff regarding its response to future storm outages.

On January 24, 2000, Detroit Edison filed an executed settlement agreement setting forth an explicit action plan to improve reliability in the remaining areas of its service territory that have continued to experience multiple outages. The plan establishes 56 separate projects on 34 different circuits. The settlement agreement also complements and enhances the company's existing reliability improvement efforts that were initiated following approval of the settlement agreement in Case No. U-10908 through increased tree trimming, pole top and line maintenance, and system strengthening.

On February 15, 2000, a prehearing conference was held to provide an additional opportunity for interested parties to participate. However, other than representatives from Detroit Edison and the Staff, no one appeared at the prehearing conference.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved. The settlement agreement calls for a timely response by Detroit Edison to improve poorly performing circuits. It also imposes increased line clearance activities and

provides the Staff with the ability to monitor the progress of reliability improvements in Detroit Edison's service territory.

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.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.

b. The settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that the settlement agreement, attached as Exhibit A, is approved and the docket in this proceeding is closed.

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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Suggested Minute:

“Adopt and issue order dated March 14, 2000 approving the settlement agreement between The Detroit Edison Company and the Commission Staff and requiring The Detroit Edison Company to complete the improvements described in Attachments A and B to the settlement agreement by December 31, 2000, as set forth in the order.”