

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,	)	
of the interconnection of merchant plants with	)	Case No. U-12485
the transmission and distribution systems	)	
of electric utilities.	)	
_____	)	

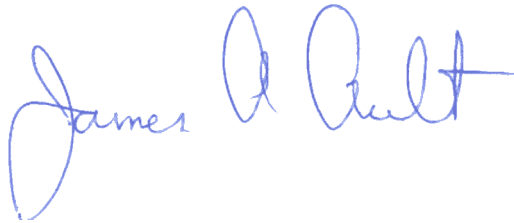
**REPLY COMMENTS OF MICHIGAN ELECTRIC AND
GAS ASSOCIATION**

The Michigan Electric and Gas Association (MEGA), on behalf of its members which participated in the filing of proposed interconnection standards on May 7, 2001, submits these additional comments regarding the proposals filed by other utilities and their representatives.

MEGA reviewed the proposed standards submitted by Consumers Energy, Detroit Edison and the Michigan Electric Cooperative Association. It appears that the commenting parties, including MEGA, do not have significant opposing positions on the major concepts, such as the need for project size classification, procedures and requirements of interconnection, necessary studies, cost responsibility and other items. The differences are primarily in the details; i.e. where to draw the classification boundaries, specific fees or charges, and entries for other variables such as time periods and power factor correction.

MEGA proposes that the Staff continue this project by forming a working group of stakeholders to develop a consensus position on the major issues, based on the proposals filed on May 7, 2001 and any other reply comments. The final product should blend the current proposals on most items, but allow flexibility among individual companies regarding some of the details such as accounting procedures, exact fee schedules, time-lines, etc. The consensus product would serve as the overall guideline, but each company could file a standard incorporating the consensus measures as well as its own position on the variables and detail. The common guidelines would likely cover the vast majority of the issues and standards, because the current proposals do not raise many conflicts.

Respectfully submitted,

A handwritten signature in blue ink that reads "James A. Ault". The signature is fluid and cursive, with the first name "James" being the most prominent.

James A. Ault, President
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Dated: June 6, 2001