

**Detroit Edison**



February 12, 2002

Ms. Dorothy Wideman  
Executive Secretary  
Michigan Public Service Commission  
6545 Mercantile Way  
Lansing, Michigan 48909-7721

Re: **MPSC Case No. U-12489**

Dear Ms. Wideman:

Enclosed please find the original and four copies of Answer of The Detroit Edison Company to the Petition of CMS Marketing, Services and Trading Company for Rehearing with Proof of Service in the above referenced matter.

Very truly yours,

A handwritten signature in black ink that reads "Bruce R. Maters".

Bruce R. Maters

BRM/slw

Enclosures

cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the rates, terms, and )  
conditions for retail customers of )  
THE DETROIT EDISON COMPANY )  
to choose an alternative electric supplier. )  
\_\_\_\_\_ )

Case No. U-12489

**ANSWER OF THE DETROIT EDISON COMPANY**  
**TO THE PETITION OF CMS MARKETING, SERVICES AND TRADING**  
**COMPANY FOR REHEARING**

**INTRODUCTION**

The Detroit Edison Company ("Company" or "Edison") by its attorneys, pursuant to Rule 403 of the Michigan Public Service Commission's ("Commission") Rules of Practice and Procedure (1992 AACS R 460.17403), answers CMS Marketing, Services and Trading Company's Petition for Rehearing and Clarification as follows:

**I.**

**BID AMOUNT**

CMS Marketing, Services and Trading Company argues that if the enrollment capacity is split between two differently priced bids because not enough capacity is available in the higher priced bid, then the customer's enrollment capacity must be recorded at the weighted average bid price.

The Company's position is set forth in its Supplier Handbook and in the Bidding Agreement as agreed to by CMS MS&T and each and every successful bidder. The Company agrees with the Commission that the issue is "moot", both because the issue only applies to retail service prior to January 1, 2002, and secondly, that the bidding rules and guidelines were clearly articulated prior to the bidder's bid.

Section 2.15.1 of the Supplier Handbook clearly states: "If the enrollment capacity is split between two differently priced bids because not enough capacity is available in the higher priced bid, the entire enrollment capacity will be recorded at the higher priced bid."

The bidder was, at the time of bidding, in a position to determine the appropriate bid strategy to secure adequate capacity for its customers at the lowest Transition Cost. Section 5 of the Bid Agreement, Bid Instructions and Bid Rules (Attachment A to the Supplier Handbook) clearly states:

"In the situation where a capacity owner owns multiple bid awards, and capacity from more than one bid award is required to enroll the customer, the customer will be enrolled using the higher bid price and the capacity used will be assigned to both capacity awards as appropriate."

The attempt of some bidders to renegotiate the bid price for capacity after the fact and apply it retroactively is simply inappropriate and unfair--particularly to those suppliers who effectively bid for the appropriate capacity to their customers using the published bid rules.

## **II.**

### **RELIEF**

Wherefore, The Detroit Edison Company respectfully requests that the Commission issue an order on rehearing that is consistent with the requests made by Detroit Edison in its Petition for Rehearing and in this Answer.

Respectfully Submitted,

THE DETROIT EDISON COMPANY

A handwritten signature in black ink, reading "Bruce R. Maters", is written over a horizontal line.

Bruce R. Maters (P28080)  
Michael J. Solocinski Jr.(P57092)  
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Dated: February 12, 2002

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

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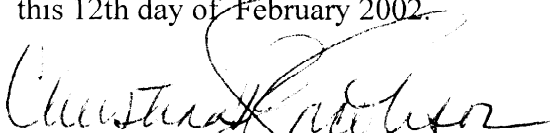
**PROOF OF SERVICE**

STATE OF MICHIGAN     )  
                                  ) ss  
COUNTY OF WAYNE     )

SHARON L. WALKER, being first duly sworn, deposes and says that on the 12th day of February, 2002, a copy of the **ANSWER OF THE DETROIT EDISON COMPANY TO THE PETITION OF CMS MARKETING, SERVICES AND TRADING COMPANY FOR REHEARING** was served upon the parties listed on the attached Service List, a copy of which is attached, by electronic mail and by depositing properly addressed sealed and stamped envelopes into the Unites States mail by first class.

  
\_\_\_\_\_  
SHARON L. WALKER

Subscribed and sworn to before me  
this 12th day of February 2002.

  
\_\_\_\_\_  
CHRISTOPHER H. JACOBSON  
NOTARY PUBLIC WAYNE CO., MI  
MY COMMISSION EXPIRES MAY 10, 2005

**MPSC Case No: U-12489**

**SERVICE LIST**  
**(As of February 12, 2002)**

**Administrative Law Judge**

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**CMS Marketing, Services and**  
**Trading Company**

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