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July 5. 2001

Via Federal Express

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

RE: Case No. U-12655

Dear Ms. Wideman:

Enclosed for filing are an original and four copies of Alpena Power Company's Answer To Joint Discovery Request Of Michigan Community Action Agency Association, Michigan Environmental Council, And The Public Interest Research Group In Michigan, To All Utilities In All Dockets.

Also enclosed is a Proof of Service. These filings are also being made electronically.

Please call with any questions.

Very truly yours,

James D. Florip

JDF:jrm

Enc.

cc: S. Mitchell
Parties of Record (w/enclosures)

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **ALPENA POWER COMPANY** for approval of its plan to implement 2000 PA 141	)))))	**Case No. U-12655**

PROOF OF SERVICE

Janet R. Misiak, being first duly sworn, deposes and states that on the 3rd day of July, 2001, she served a copy of **Alpena Power Company's Answer To Joint Discovery Request of Michigan Community Action Agency Association, Michigan Environmental Council And The Public Interest Research Group In Michigan To All Utilities In All Dockets** upon the following persons:

Larry Watterworth
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Ste. 15
Lansing, MI 48911

Brian Coyer
Knaggs, Harter, Brake & Schneider, P.C.
1375 S. Washington Ave., Ste. 300
Lansing, MI 48910

Richard J. Aaron
Honigman, Miller, Schwartz & Cohn
222 N. Washington Sq., Ste. 400
Lansing, MI 48933

Harvey J. Messing
Sherri A. Wellman
Loomis, Ewert, Parsley, David & Gotting
232 S. Capitol Ave., Ste. 1000
Lansing, MI 48933

Christine M. Soneral
Dykema Gossett
800 Michigan National Tower
Lansing, MI 48933

by First Class Mail with proper postage affixed thereto.

Janet R. Misiak

Janet R. Misiak

Subscribed and sworn to before me
this 3rd day of July, 2001.

Patricia D. Hiske

Patricia D. Hiske, Notary Public
Alpena County, Michigan
My commission expires: 06-28-2002

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
ALPENA POWER COMPANY	)	**Case No. U-12655**
for approval of its plan to	)	
implement 2000 PA 141	)	
	)	

ALPENA POWER COMPANY'S ANSWER TO JOINT DISCOVERY REQUEST OF MICHIGAN COMMUNITY ACTION AGENCY ASSOCIATION, MICHIGAN ENVIRONMENTAL COUNCIL, AND THE PUBLIC INTEREST RESEARCH GROUP IN MICHIGAN, TO ALL UTILITIES IN ALL DOCKETS

The answers of the joint discovery request are provided by Steven K. Mitchell, Vice President/ Treasurer and Chief Financial Officer of Alpena Power Company.

1. Are your tariff unbundling tariff proposals, or any other proposals in this case, revenue neutral on a Michigan jurisdictional basis, and with respect specifically to residential customer class? Please explain. Your explanation may incorporate explanations in filed testimony or exhibits; however, a citation is requested.

Answer: Yes. See my Supplemental Testimony, Page 11, Lines 9 through 16. See also Exhibit A-___ (SKM-6).

2. With respect to any updated cost of service study upon which your tariff unbundling filings and testimony are based, does this have in any respect the effect of increasing revenues for your utility on a Michigan jurisdictional basis, or with respect specifically to the residential class? Please explain, with citation to the filed testimony and exhibits.

Answer: No. The cost of service study used to unbundle was the same one used in the company's last rate case. See my Supplemental Testimony, Page 12, Lines 15 through 20. See also Exhibit A-____ (SKM-5)

3. Are you requesting recognition of regulatory assets or implementation costs in this proceeding? Please explain. If yes, please describe fully and provide citations to the specific testimony and exhibits which detail the nature of your request for these items.

Answer: No.

4. Are you requesting a deferral of costs, or other accounting treatment, to provide for a later recognition of costs in rates resulting from electric restructuring? Please explain fully. Provide citation to the testimony and exhibits that cover this subject.

Answer: Not in this proceeding. In Case U-12874 the company has requested approval to defer implementation costs for later recovery as required by PA 141 of 2000.

5. If you are requesting recognition of costs, through accounting treatment, rate surcharges, or a cost deferral subject to a separate filing for a rate increase, please explain when you contemplate filing for such relief. If you are not filing for a rate increase at a later time, what other actions may your utility take with respect to this matter? Please explain fully, with citations to the filed testimony and exhibits where applicable.

Answer: It is not known at this time when we will file for recovery of implementation costs through rates. The company intends to review implementation costs expenditures for 2001 in early 2002 and at that time make a determination on when to request rate relief.

Steven K Mitchell Date: 07-03-01

Steven K. Mitchell
Vice President/Treasurer
Alpena Power Company

James D. Florip (P26861)
Gillard, Bauer, Mazrum, Florip, Smigelski and Gulden
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