LAW OFFICES
DYKEMA GOSSETT
PROFESSIONAL LIMITED LIABILITY COMPANY

800 MICHIGAN NATIONAL TOWER
LANSING, MICHIGAN 48933-1707

TELEPHONE (517) 374-9100
FACSIMILE (517) 374-9191
WWW.DYKEMA.COM

ANN ARBOR, MICHIGAN
BLOOMFIELD HILLS, MICHIGAN
CHICAGO, ILLINOIS

DETROIT, MICHIGAN
GRAND RAPIDS, MICHIGAN
WASHINGTON, DC

ALBERT ERNST

DIRECT DIAL: (517) 374-9155
E-MAIL: AERNST@DYKEMA.COM

November 1, 2000

Ms. Dorothy Wideman
Executive Secretary
Michigan Pubic Service Commission
6545 Mercantile Way, Ste. 7
Lansing, MI 48911

Re: Case No. U-12656
Cloverland Reply to Staff's Response in Opposition to Request for Extension re Restructuring Plan

Dear Ms. Wideman:

Enclosed please find original and four copies of Cloverland Electric Cooperative Reply to Michigan Public Service Commission Staff Response in Opposition to Request for Extension Re Restructuring Plan. Also enclosed is Proof of Service upon the Parties of Record.

If there are any questions or comments, do not hesitate to contact me.

Sincerely,

DYKEMA GOSSETT PLLC

Albert Ernst

AE/jmb
Enclosures
cc: Don Wozniak
Tom Anderson
Michael Nickerson

LAN01\71865.1
ID\AE

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of Cloverland Electric Cooperative's compliance filing relative to the restructuring plan required by 2000 PA 141 and the Commission's June 19, 2000 opinion and order in Case No. U-12464.	)))))	**Case No. U-12656**

CLOVERLAND ELECTRIC COOPERATIVE
REPLY TO MICHIGAN PUBLIC SERVICE COMMISSION STAFF
RESPONSE IN OPPOSITION TO
REQUEST FOR EXTENSION REGARDING RESTRUCTURING PLAN

Cloverland Electric Cooperative *("Cloverland")* respectfully replies as follows to the Michigan Public Service Commission *("Commission")* Staff's October 31, 2000 Response in Opposition to Cloverland's Request for Extension Regarding Restructuring Plan *("Staff's Response")*.

1. Staff's Response suggests that Cloverland unilaterally determined the time the Commission needs to evaluate the plans ordered in Case No. U-12464 or to implement certain provisions of 2000 PA 141. Cloverland did not intend to unilaterally make any such determination. Simply stated, Cloverland's request merely stated that, with only three 1 MW customers, the Commission will not require as detailed an analysis of Cloverland's restructuring plan; and that a full 12 month period of review should provide the Commission with sufficient opportunity to fully evaluate Cloverland's restructuring plan. In addition, Staff's Response ignored the other valid reasons for the requested extension set forth in Cloverland's Request for Extension.

DYKEMA GOSSETT • PROFESSIONAL LIMITED LIABILITY COMPANY • 800 MICHIGAN NATIONAL TOWER • LANSING, MICHIGAN 48933-1742

2. On a more substantive basis, Cloverland is utilizing the consulting services of Power System Engineering, Inc. *("PSE")*, to prepare its restructuring filing. PSE is the same firm that assisted Cherryland Electric Cooperative (Case No. U-12658), Great Lakes Energy Cooperative (Case No. U-12659), HomeWorks Tri-County Electric Cooperative (Case No. U-12661) and Presque Isle Electric & Gas Co-op (Case No. U-12660). The PSE assisted filings for Cherryland Electric Cooperative, *et al*, were detailed submissions that required intense input from PSE up through the October 2, 2000 due date. In many respect, those filings will be the model for the corresponding filing by Cloverland.

3. Cloverland is scheduled to meet with PSE in Lansing this Thursday, November 2, 2000, hopefully to finalize significant portions of the required filing.

4. Cloverland's present intent is to submit its delayed filing by November 15, 2000, *i.e.*, in approximately two weeks.

5. No purpose would be served by the issuance of a Commission order directing Cloverland to file its restructuring plan within two weeks when it has indicated that it is its intent to do so.

6. No purpose would be served by issuance of a notice of hearing to determine if Cloverland is in violation of the Commission's order in Case No. U-12464 since Cloverland has already indicated that is its intent to file its restructuring plan within two weeks.

7. No purpose would be served by issuance of a notice of hearing to determine whether the Commission should assess a penalty of $1,000 against Cloverland pursuant to 2000 PA 141 since Cloverland has already indicated that is its intent to file its restructuring plan within two weeks.

DYKEMA GOSSETT • A PROFESSIONAL LIMITED LIABILITY COMPANY • 800 MICHIGAN NATIONAL TOWER • LANSING, MICHIGAN 48933-1742

8. No purpose would be served by assessing a penalty of $1,000 against a *consumer owned* entity such as Cloverland, especially since Cloverland has already indicated that is its intent to file its restructuring plan within two weeks.

9. No purpose would be served by issuance of a notice of hearing to determine whether the Commission should assess a penalty of $1,000 against Cloverland pursuant to §10c(1)(a) of 2000 PA 141 when said provision only authorizes such a penalty "as necessary to make whole a customer or other person who has suffered damages as a result of the violation". In other words, to assess such a penalty, the Commission would be required to conclude that a November 15, 2000 filing would have a customer or other person suffer "make whole" damages of $1,000. There is no evidence of such "make whole" damages.

WHEREFORE, Cloverland respectfully requests that this Honorable Commission accept this reply to Staff's Response, accept Cloverland's anticipated November 15, 2000 restructuring filing and deny Staff's suggested hearing relative to violations of 2000 PA 141 and the need to assess a penalty.

Respectfully submitted,

CLOVERLAND ELECTRIC COOPERATIVE

Dated: November 1, 2000

By: _____

Albert Ernst (P24059)
DYKEMA GOSSETT PLLC
800 Michigan National Tower
Lansing, Michigan 48933
Tel: (517) 374-9155
Fax: (517) 374-9191
Email: *aernst@dykema.com*

LAN01\ 71853.

DYKEMA GOSSETT • A PROFESSIONAL LIMITED LIABILITY COMPANY • 800 MICHIGAN NATIONAL TOWER • LANSING, MICHIGAN 48933-1742

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of Cloverland Electric Cooperative's compliance filing relative to the restructuring plan required by 2000 PA 141 and the Commission's June 19, 2000 opinion and order in Case No. U-12464.	)))))	**Case No. U-12656**

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Jeanne M. Beachnau, being first duly sworn, deposes and says that on the 1st day of November, 2000, she caused to be served upon Mr. Michael Nickerson, Assistant Attorney General, 6545 Mercantile Way, Suite 15, Lansing, MI 48911, copy of Cloverland Electric Cooperative Reply to Michigan Public Service Commission Staff Response in Opposition to Request for Extension Regarding Restructuring Plan by United States First Class Mail and electronic mail.

Jeanne M. Beachnau

Subscribed and sworn to before me
this 1st day of November, 2000.

Amy L. DeBruler, Notary Public
Eaton, Acting in Ingham County, Michigan
My commission expires: 12/03/03

DYKEMA GOSSETT • A PROFESSIONAL LIMITED LIABILITY COMPANY • 800 MICHIGAN NATIONAL TOWER • LANSING, MICHIGAN 48933-1742