

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
THE DETROIT EDISON COMPANY for ex parte	)	
approval of an experimental residential load	)	Case No. U-12820
management rider.	)	
_____	)	

At the May 15, 2001 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On February 7, 2001, The Detroit Edison Company (Detroit Edison) filed an application for a new experimental residential load management rider (Rider R-14), which was accompanied by a proposed tariff sheet. On April 6, 2001, Detroit Edison submitted a revised tariff sheet.

Detroit Edison's application states that Rider R-14 will provide it with an additional load management tool. Detroit Edison estimates that up to 5,000 customers will choose Rider R-14 in 2001 and up to 15,000 customers by the end of 2002. The proposed rider would be available to customers with central air conditioning that are on Rates D1, D1.2, D1.3, and D2. Customers would be required to permit Detroit Edison to install, at no cost to the customer, an outdoor interrupting device on the customer's air conditioning unit. Participating customers would continue to purchase all of their power requirements from Detroit Edison under existing rates, but

would be credited \$4.00 each day that Detroit Edison interrupts their air conditioning. Detroit Edison states that the interruptions would occur on no more than 10 days during the May through September air conditioning season, with interruptions lasting no longer than 30 minutes in an hour.

Detroit Edison states that its purpose for requesting this new rider is to gain insight into customer receptiveness to new load management initiatives as well as to increase Detroit Edison's load management options. Detroit Edison also states that the program is open to all customers on a first-come, first-served basis, but that it will advertise the program to targeted geographic groups of customers in order to achieve the most favorable system benefits. Finally, Detroit Edison asserts that because the program will not result in an increase in the cost of service to customers at this time, ex parte approval of its application is appropriate pursuant to MCL 460.6a; MSA 22.13(6a).

The Commission concludes that the proposed rider is reasonable and in the public interest, and should be approved with one minor modification.¹ The proposed rider is voluntary, includes reasonable interruption limitations, and does not increase any customer's rates. Furthermore, the proposed rider may offer valuable insight into customer service expectations, while also providing system benefits during peak summer electric use.

On or before February 1, 2002 and 2003, Detroit Edison shall report to the Commission on the success of this experimental rate. When it files the report in 2003, Detroit Edison may also submit an application proposing to alter, expand, or end the program.

¹The revised tariff sheet filed on April 6, 2001 states that the rider will be available to no more than 5,000 customers in 2001 and to no more than 15,000 customers in 2002. However, it is silent regarding the maximum availability for any subsequent periods. To avoid confusion, the proposed tariff sheet has been modified to indicate that the maximum availability will remain at 15,000 customers pending revision of Rider R-14.

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. Proposed Rider R-14 is reasonable and in the public interest, and should be approved as modified in this order.

c. Because proposed Rider R-14 will not increase any customer's existing rates, the Commission may approve it without notice and a hearing.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company's experimental residential load management rider, which is explained on the tariff sheet attached to this order as Exhibit A, is approved for immediate implementation.

B. Within 30 days, The Detroit Edison Company shall file four sets of tariff sheets consistent with Exhibit A.

C. On or before February 1, 2002 and 2003, The Detroit Edison Company shall report to the Commission regarding the success of the experimental residential load management rider approved by this order. When it files the report in 2003, the company may also submit an application proposing to alter, expand, or end the program.

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/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of May 15, 2001.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Suggested Minute:

“Adopt and issue order dated May 15, 2001 approving the application of
The Detroit Edison Company for approval of an experimental residential
load management rider, as set forth in the order.”