

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
requiring The Detroit Edison Company to show	)	
cause why it should not be found in violation of the	)	
Consumer Standards and Billing Practices for Electric	)	
and Gas Residential Service, R 460.2101 <i>et seq.</i> ,	)	Case No. U-14822
and/or the Emergency Billing Practices for Retail	)	
Customers with regard to the shutoff and reconnection	)	
of residential customers' electric service.	)	
_____	)	

At the June 27, 2006 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 14, 2006, the Commission ordered The Detroit Edison Company (Detroit Edison) to show cause why it should not be found in violation of either or both of the Consumer Standards and Billing Practices for Electric and Gas Residential Service, R 460.2101 *et seq.*, and the Emergency Billing Practices for Retail Customers¹ with regard to the shutoff and reconnection of residential customers' electric service.

Pursuant to due notice, a prehearing conference was held on April 4, 2006, before Administrative Law Judge Barbara A. Stump. Detroit Edison and the Commission Staff (Staff)

¹The Emergency rules were adopted in the October 18, 2005 order in Case No. U-14668 and became effective on October 28, 2005.

participated in the proceedings. Subsequently, the parties submitted a settlement agreement that resolved all issues in this case.

In the settlement agreement, attached as Exhibit A, the parties agree that Detroit Edison will immediately address its service restoration shortcomings to bring its service restoration process into compliance with applicable Commission rules. Further, by September 1, 2006, it will develop and file a plan identifying the actions it has taken to improve its operating practices and service restoration procedures in accordance with the provisions of the applicable Commission rules. For the next 24 months from the date of this order, Detroit Edison agrees to submit monthly reports to the Staff identifying Detroit Edison's progress in meeting service restoration expectations contained in the Commission's billing rules.

Detroit Edison also agrees that, by September 1, 2006, it will develop and file a plan for aiding its customers in obtaining assistance to avoid service shutoff, including specific initiatives to increase the enrollment of customers that are eligible to participate in the Commission's Winter Protection Plan.

Finally, Detroit Edison also agrees to pay a fine of \$105,000 in accordance with the penalty provisions authorized by 1909 PA 106.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; 1939 PA 3, as amended, MCL 460.1 *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*
- b. The settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. The Detroit Edison Company shall immediately address its service restoration shortcomings to bring its service restoration process into compliance with applicable Commission rules, and by September 1, 2006, shall file a plan with the Commission identifying the actions it has taken to improve its operating practices and service restoration procedures in accordance with the provisions of the applicable Commission rules.

C. For 24 months from the date of this order, The Detroit Edison Company shall submit monthly reports to the Commission Staff identifying its progress in meeting service restoration standards contained in the Commission's Consumer Standards and Billing Practices for Electric and Gas Residential Service.

D. By September 1, 2006, The Detroit Edison Company shall file a plan for aiding its customers in obtaining assistance to avoid service shutoff, including specific initiatives to increase the enrollment of customers eligible to participate in the Commission's Winter Protection Plan.

E. Within 30 days of this order, The Detroit Edison Company shall pay a fine of \$105,000, to the State of Michigan by delivery of a check for that amount to the Commission's Executive Secretary.

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.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark
Chairman

(S E A L)

/s/ Laura Chappelle
Commissioner

/s/ Monica Martinez
Commissioner

By its action of June 27, 2006.

/s/ Mary Jo Kunkle
Its Executive Secretary

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.

MICHIGAN PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

By its action of June 27, 2006.



Its Executive Secretary

**STATE OF MICHIGAN
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In the matter, on the Commission's own motion,	)	
Requiring THE DETROIT EDISON COMPANY to	)	
show cause why it should not be found in violation	)	
of the Consumer Standards and Billing Practices	)	
for Electric and Gas Residential Service,	)	Case No. U-14822
R 460.2101 <i>et seq.</i> , and/or the Emergency Billing	)	
Practices for Retail Customers with regard to the	)	
shutoff and reconnection of residential customers'	)	
electric service.	)	

STIPULATION AND SETTLEMENT

As provided in Section 78 of the Administrative Procedures Act of 1969 ("APA"), as amended, MCL 24.278, and Rule 333 of the Michigan Public Service Commission's ("Commission") Rules of Practice and Procedure, 2000 AC, R 460.17333, The Detroit Edison Company ("Edison") and The Michigan Public Service Commission Staff ("Staff") hereafter, collectively referred to as the Parties ("Parties") hereby present this Stipulation and Settlement Agreement for the purpose of resolving the issues that are the subject of the Commission's own motion in this case.

THEREFORE, the parties stipulate and agree to the following:

1. The parties have reached an amicable resolution of the matter involved which renders further proceedings unnecessary.
2. The Staff has reviewed to its satisfaction the necessary source documents and exhibits submitted by Edison in this case, including customer payment history documentation, customer bills, screen shots, call records, standard work instructions and training materials. Based upon the scope of the proceeding as

set forth by the Commission, Staff was not charged with responsibility, nor did Staff make any attempt, to draw conclusions regarding causality in connection with the fatality at the residence in Detroit that was identified in this case. However, Staff has found approximately 350 instances, including the specific residence in Detroit that was identified in this case, where service was not restored consistent with the requirements specified in the Commission's Consumer Standards and Billing Practices Rules for Residential Electric and Gas Customers

3. Edison acknowledges that it has not restored service in those instances consistent with the requirements specified in the Commission's Consumer Standards and Billing Practices Rules for Residential Electric and Gas Customers, including the specific residence in Detroit that was identified in this case.

4. The Parties agree that the termination of service on March 1, 2006 to the residence identified in this case was performed consistent with the Commission's Consumer Standards and Billing Practices Rules for Residential Electric and Gas Customers and Edison's Tariff.

5. Edison agrees to immediately address its service restoration shortcomings to bring it into compliance with applicable Commission rules and commits to develop and file with the Commission by September 1, 2006, a plan identifying the actions it has taken to improve its operating practices and procedures to restore service in accordance with the provisions of the applicable Commission rules.

6. Edison agrees to develop and file with the Commission by September 1, 2006, a plan to assist its customers in obtaining assistance to avoid service shutoff,

including specific initiatives to increase the enrollment of customers that are eligible for participation in the Commission's Winter Protection Plan.

7. Edison agrees to submit to the Commission Staff a monthly report for the next 24 months identifying its progress in meeting service restoration expectations contained in the Commission's Billing Rules.

8. Edison accepts a fine of \$105,000, in accordance with the penalty provisions authorized by Act 106 of 1909 that permit a fine of \$300 per violation.

9. The parties agree that this Agreement is reasonable and will promote the public interest.

10. This Agreement has been made for the purpose of reaching a compromise among the positions of the parties. All offers of settlement and discussions leading up to this Agreement shall be considered privileged as provided in MRE 408. If the Commission approves this Agreement without modification, the Commission may not make reference to and use this Agreement or the order approving it as a reason, authority, rationale or example for taking any action or position and for making any subsequent decision in any other case or proceeding. Such references or use may be made to enforce or implement the provisions of the Agreement and order.

11. Nothing contained herein shall be deemed by the Parties as an admission of liability by Edison.

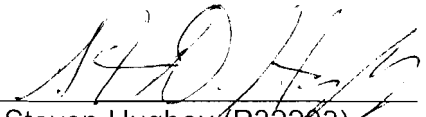
12. This Agreement is not severable. Each provision of the Agreement is dependent upon all other provisions of the Agreement. Failure to comply with any provision of the Agreement constitutes failure to comply with the entire Agreement. If the Commission rejects or modifies this Agreement or any provision

of the Agreement, the Agreement shall be withdrawn and shall not constitute any part of the record of this proceeding or be used for any other purpose.

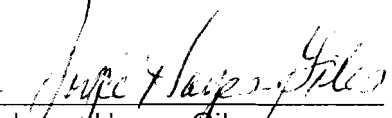
13. The parties hereto agree to waive §81 of the Administrative Procedures Act of 1969 [MCL 24.281; MSA 3.560(181)] if the Commission approves the Agreement without modification.

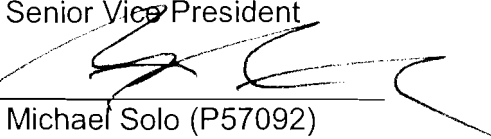
WHEREFORE, the undersigned Parties respectfully request that the Commission issue an order approving this Stipulation and Settlement without modification, and make it effective, in accordance with its terms, by final order.

Michigan Public Service Commission Staff

By:  Dated: 6/18/06
Steven Hughey (P32203)
Assistant Attorney General
Attorney for Michigan Public Service Commission Staff

The Detroit Edison Company

By:  Dated: 6/16/06
Joyce Hayes-Giles
Senior Vice President

By: 
Michael Solo (P57092)
Attorney for the Detroit Edison Company

P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-14822

County of Ingham)

Patricia A. Fronta being duly sworn, deposes and says that on June 27th 2006, A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

Patricia
A. Fronta

Digitally signed by
Patricia A. Fronta
DN: CN = Patricia A.
Fronta, C = US, O = Case
Management, OU =
MPSC
Date: 2006.06.28
13:28:11 -04'00'

Patricia Fronta

Subscribed and sworn to before me
this 27th day of June 2006

Sharron A.
Allen

Digitally signed by Sharron A. Allen
DN: cn=Sharron A. Allen, c=US,
o=MPSC, ou=Case Management,
email=saallen@michigan.gov
Date: 2006.06.28 13:21:50 -04'00'

Sharron A. Allen
Notary Public, Ingham County, MI
My Commission Expires August 16, 2011

SERVICE LIST
CASE NO. U-14822

MS. SANDRA ENNIS
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DETROIT, MI 48226

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MS. BARBARA A. STUMP
PSC - ALJ DIVISION
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MR. MICHAEL J. SOLO
THE DETROIT EDISON COMPANY
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DETROIT, MI 48226

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