

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of The
Ontonagon County Rural Electrification
Association for authority to implement
its power supply cost recovery plan for
the 12-month period ending December 31,
2006.

Case No. U-14713

Volume 2

SECOND PREHEARING

Proceedings held in the above-entitled matter
before Sharon L. Feldman, J.D., Administrative Law Judge
with SOAHR, at the Michigan Public Service Commission,
6545 Mercantile Way, Room E, Lansing, Michigan, on
Monday, May 22, 2006, at 9:12 a.m.

APPEARANCES:

DYKEMA GOSSETT, PLLC
ALBERT ERNST, ESQ.
Capitol View
201 Townsend Street, Suite 900
Lansing, Michigan 48933

On behalf of The Ontonagon County Rural
Electrification Association

MICHAEL J. ORRIS, ESQ.
Assistant Attorney General
6545 Mercantile Way, Suite 15
Lansing, Michigan 48911

On behalf of the Michigan Public Service
Commission Staff

Reported by: Marie T. Schroeder, CSR-2183

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1 Lansing, Michigan

2 Monday, May 22, 2006

3 At 9:12 a.m.

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5 (Hearing resumed after adjournment of December 6,
6 2006.)

7 JUDGE FELDMAN: On the record. Good
8 morning. This is in the matter of The Ontonagon County
9 Rural Electrification Association, Case No. U-14713. This
10 is a time and place set for a second prehearing
11 conference in this matter.

12 Could I ask counsel to put their
13 appearances on the record, please.

14 MR. ERNST: Appearing on behalf of the
15 applicant, Ontonagon County Rural Electrification
16 Association, Albert Ernst of Dykema Gossett.

17 MR. ORRIS: Michael Orris on behalf of
18 the Michigan Public Service Commission staff.

19 JUDGE FELDMAN: Thank you. We have had
20 some brief off-the-record discussion this morning. This
21 prehearing conference has been adjourned several times,
22 and while the parties pursue settlement with regard to
23 this case, and while it's my understanding that the
24 parties still do intend to settle, at least one of the
25 parties was not willing to adjourn today's prehearing
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1 conference, and of course I am quite happy to see
2 everybody to get a more indepth status report. And it's
3 my intention that we go ahead and set a schedule in this
4 case, even if we don't need it.

5 Mr. Ernst, would you like to indicate for
6 the record where things stand?

7 MR. ERNST: Yes, your Honor. I believe
8 that the parties have reached a substantive agreement on
9 the settlement. The reason for the delay is that one of
10 the wholesale contracts was not -- did not become
11 effective till May 15, 2006, just a week ago, and in fact
12 the filing was made with the Federal Energy Regulatory
13 Commission for approval.

14 We have submitted supplemental testimony
15 and exhibits, which have been reviewed by staff, with the
16 new numbers, and the staff has asked for a settlement
17 agreement which I intend to provide the staff within 24
18 hours.

19 JUDGE FELDMAN: Excellent. Mr Orris?

20 MR. ORRIS: That is my understanding.

21 JUDGE FELDMAN: All right. Well, as I
22 did with our other case this morning, I will set a
23 schedule with some fairly tight timeframes in it. I will
24 wait a week to put the scheduling memo in the file on
25 this, with the hope that I may have settlement agreements

1 by Friday. And I will also tell you that there is
2 flexibility in the schedule; I just wanted to get
3 something on the record so if turns out that for some
4 unexpected reason you do need to litigate this case, and
5 some of those dates don't work out or need to be
6 modified, just contact me.

7 So with that having been said, I would
8 expect staff testimony to be filed not later than
9 June 16, 2006, with company's rebuttal not later than
10 June 30, 2006. Motions to strike would be due July 7,
11 2006, cross-examination would take place July 14, 2006,
12 briefs would be due August 4, 2006, and reply briefs
13 would be due August 18, 2006.

14 Is there anything further that we need to
15 do this morning?

16 MR. ERNST: No, your Honor.

17 MR. ORRIS: Nothing from staff.

18 JUDGE FELDMAN: Great, excellent. Thank
19 you all. We're adjourned.

20 (At 9:15 a.m., the hearing was adjourned to July 14,
21 2006, for cross-examination.)

22 - - -

C E R T I F I C A T E

I, Marie T. Schroeder, CSR-2183, co
hereby certify that I reported in stenotype the foregoing
proceedings had in the within-entitled matter, that being
Case No. U-14713, before Sharon L. Feldman, J.D.,
Administrative Law Judge with SOAHR, at the Mercantile
Building, Lansing, Michigan, on Monday, May 22, 2006; and
that the foregoing transcript, consisting of five (5)
pages, Pages 10 - 14, is a true and correct transcript of
my stenotype notes.

Marie T.
Schroeder

Digitally signed by Marie T.
Schroeder
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Dated: May 24, 2006

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