

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON DECEMBER 6, 2013

Commission Chairman John D. Quackenbush called the meeting to order at 1:39 p.m.
Executive Secretary Delegate Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: John D. Quackenbush, Chairman
Greg R. White, Commissioner
Sally A. Talberg, Commissioner

Staff: Karen Kostbade
Judy Palnau
Lisa Felice
Sharron Allen
Dolores Midkiff-Powell
Paul Proudfoot
Dan Blair
Joanna Klein
Lauren Fromm
Jana Bachman
Meg Rost

Public: Yvette Collins, AT&T
Craig Anderson, AT&T
Donald Hazzard
Suzy Westmoreland, MEGA
Bev Roberts, Consumers Energy
Kwafo Adarkwa, ITC Holdings Corp.
Jacob Kanclerz, MIRS
Tim Hoffman, Consumers Energy

- I. Chairman Quackenbush announced an amendment to the published agenda, Commissioner White moved to approve the amended agenda, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The amended agenda was approved

II. Commissioner White moved to approve the minutes of the Regular Commission Meeting of November 14, 2013, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-10054 COMMISSION’S OWN MOTION
U-11459 ALLENDALE TELEPHONE COMPANY
U-16835 ALLENDALE TELEPHONE COMPANY
(license amendments)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Allendale Telephone Company to surrender its license as a provider of basic local exchange service. The order before you grants the license rescission, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

2. U-11756 MICHIGAN PAY TELEPHONE ASSOCIATION *ET AL.* v
AMERITECH MICHIGAN AND GTE NORTH INCORPORATED
(remand from FCC)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an order from the Federal Communications Commission remanding the proceeding to address certain rates local exchange carriers charged to independent payphone providers. The order before you directs AT&T Michigan to change its rates to comply with the Federal Communications Commission’s new services test and to file a refund report within 30 days, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

3. U-17349 SPRINT SPECTRUM L.P. AND MICHIGAN BELL TELEPHONE COMPANY d/b/a AT&T MICHIGAN (telecom arbitration)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application for arbitration of an interconnection agreement between Sprint Spectrum L.P. and AT&T Michigan. The order before you adopts with modifications the decision of the arbitration panel, directs the parties as to further negotiations, and provides for filing complying agreements, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

4. U-17456 LOCAL ACCESS LLC (temporary license)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Local Access LLC for a temporary license to provide basic local exchange service. The order before you grants the temporary license, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

5. U-17458 DR. F. O. LEE v AT&T MICHIGAN

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a complaint filed by Dr. F.O. Lee against AT&T Michigan. The order before you dismisses the complaint with prejudice, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

6. U-17474 WILLIAM HILL v AT&T MICHIGAN

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a complaint filed by William Hill against AT&T Michigan. The order before you dismisses the complaint without prejudice at the request of the complainant, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

7. U-17477 METATEL COMMUNICATIONS, LLC
(permanent license)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by MetaTel Communications, LLC, for a permanent license to provide basic local exchange service throughout the state of Michigan in the zones and exchanges served by Frontier North Inc., Frontier Midstates Inc., and AT&T Michigan. The order before you grants the license, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

8. U-17489 BIG RIVER TELEPHONE COMPANY, LLC
(temporary license)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Big River Telephone Company, LLC, for a temporary license to provide basic local exchange throughout the state of Michigan in the zones and exchange areas in which the incumbent local exchanges presently provide service. The order before you grants the temporary license, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

9. U-17500 MICHAEL HECK v AT&T MICHIGAN

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a complaint filed by Michael Heck against AT&T Michigan. The order before you dismisses the complaint with prejudice at the complainant's request, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

10. U-17503 FUTURE-COM INC.
(license withdrawal)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a request by Future-Com Inc. to withdraw its application for a license to provide basic local exchange service. The order before you approves the request, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

11. U-17504 ZAYO GROUP, LLC, AND AT&T MICHIGAN
(interconnection agreement and amendment)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a request for Commission approval of an interconnection agreement. The order before you approves the request, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

12. MINUTE ACTION ELIGIBLE TELECOMMUNICATIONS CARRIERS
(ETC annual certification, U-17182)

Commissioner White moved that the Commission adopt and issue minute dated December 6, 2013 designating the listed carriers as eligible telecommunications carriers for the purpose of receiving

federal universal service funds for use in 2012 and 2014, only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act of 1934, as amended, and consistent with the Federal Communications Commission's order in CC Docket No. 11-161. Further, each exchange is designated as a service area for this purpose. The certification granted in this minute action is conditioned upon the Commission's reservation of its right to audit all expenditures of these universal service funds, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The minute was adopted.

B. ELECTRIC

1. U-16885-R CLOVERLAND ELECTRIC COOPERATIVE
('12 PSCR reconciliation and TIER review)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves applications by Cloverland Electric Cooperative for a power supply cost recovery reconciliation proceeding and for a times interest earned ratio ratemaking mechanism review. The order before you approves a partial settlement agreement, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

2. U-17251 DTE ELECTRIC COMPANY
(Standard Contract Rider No. 3)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by DTE Electric Company for approval of amendments to its Standard Contract Rider No. 3 and the addition of a new provision to address the standby service needs of generation stations. The order before

you approves a settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

3. U-17282 DTE ELECTRIC COMPANY
('12 EOP reconciliation)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by DTE Electric Company requesting authority to reconcile its 2012 energy optimization revenues and expenses for 2012. The order before you approves a stipulation and settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

4. U-17294 CLOVERLAND ELECTRIC COOPERATIVE
U-17295 MIDWEST ENERGY COOPERATIVE
U-17296 THUMB ELECTRIC COOPERATIVE
('12 EOP reconciliations)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a joint application by Cloverland Electric Cooperative, Midwest Energy Cooperative, and Thumb Electric Cooperative requesting authority to reconcile their respective energy optimization plan revenues and expenses for 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

5. U-17325 UPPER PENINSULA POWER COMPANY
(renewable energy reconciliation)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by

Upper Peninsula Power Company requesting approval of a reconciliation of its renewable energy revenues and expenses for 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

6. U-17326 WISCONSIN PUBLIC SERVICE CORPORATION
(’12 renewable energy optimization)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Wisconsin Public Service Corporation requesting approval of a reconciliation of its renewable energy revenues and expenses for 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

7. U-17357 WISCONSIN ELECTRIC POWER COMPANY
(energy optimization biennial review)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Wisconsin Electric Power Company requesting approval of an energy optimization plan for 2014 and 2015. The order before you approves a settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

8. U-17368 BAYFIELD ELECTRIC COOPERATIVE
(biennial optimization plan review)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Bayfield Electric Cooperative indicating that the cooperative intends

to continue to use the state energy optimization program administrator to carry out its energy optimization plan. The order before you finds the plan in compliance with 2008 PA 295, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

9. U-17378 TERM POWER & GAS, LLC, d/b/a ENCOA
(AES license)
U-17518 TERM POWER & GAS, LLC, d/b/a ENCOA
(Public Act 295)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application filed by Term Power and Gas, LLC, d/b/a ENCOA, for a license as an alternative electric supplier. The order before you grants the requested license and requires compliance with Act 295 of 2008. Case No. U-17518 is a docket opened by the Commission in which Term Power and Gas d/b/a ENCOA is to file its renewable energy plan to comply with Public Act 295 of 2008, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

10. U-17381 VILLAGE OF BARAGA
U-17388 CITY OF CRYSTAL FALLS
U-17389 DAGGETT ELECTRIC DEPARTMENT
U-17394 CITY OF GLADSTONE
U-17398 HILLSDALE BOARD OF PUBLIC UTILITIES
U-17400 VILLAGE OF L'ANSE
U-17405 NEGAUNEE DEPARTMENT OF PUBLIC WORKS
U-17408 CITY OF NORWAY
U-17413 CITY OF SOUTH HAVEN
(energy optimization plans)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves notices filed by the Village of Baraga, the City of Crystal Falls, Daggett Electric Department, the City of Gladstone, Hillsdale Board of Public Utilities, the Village of L'Anse, Negaunee Department of Public

Works, the City of Norway, and the City of South Haven indicating their intent to continue administration of their energy optimization programs through the state energy optimization administrator. The order before you finds the notices in compliance with the requirements of 2008 PA 295, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

11. U-17448 INDIANA MICHIGAN POWER COMPANY
(Customer Choice Implementation Cost Recovery Rider Credit through PSCR)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Indiana Michigan Power Company requesting authority to credit through the power supply cost recovery process the residual balance associated with its customer choice implementation cost recovery rider. The order before you approves a settlement agreement resolving all issues in the proceeding, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

12. U-17473 CONSUMERS ENERGY COMPANY
(securitization)

Commissioner Talberg moved that the Commission adopt and issue order dated December 6, 2013 which involves an application filed by Consumers Energy Company for a financing order approving the securitization of qualified costs. The order before you approves the application as described in the order, Chairman Quackenbush seconded.

Vote: Yeas – Quackenbush, Talberg
Dissent – White

The order was adopted.

C. GAS

1. U-17082 CONSUMERS ENERGY COMPANY
(RDM reconciliation)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application filed by Consumers Energy Company for reconciliation of a gas revenue decoupling mechanism. The order before you approves the application, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

2. U-17197 CONSUMERS ENERGY COMPANY
(application withdrawal)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application filed by Consumers Energy Company for authority to increase its rates for distribution of natural gas and for other relief. The order before you grants the company's November 20, 2013 request to withdraw the application and to close the docket, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

3. U-17279 WISCONSIN PUBLIC SERVICE CORPORATION
('13-'14 GCR plan)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Wisconsin Public Service Corporation requesting approval of its gas cost recovery plan and factors for the 12-month period ending October 31, 2014, and other relief. The order before you approves a settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

4. U-17288 DTE GAS COMPANY
('12 EOP reconciliation)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by DTE Gas Company requesting authority to reconcile its 2012 energy optimization revenues and expenses. The order before you approves a stipulation and settlement agreement resolving all issues in the case, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

5. U-17435 MICHIGAN GAS UTILITIES COMPANY
(waiver request)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves a request by Michigan Gas Utilities Corporation for a waiver of certain billing rules. The order before you grants the company's request to withdraw the application, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

6. U-17451 NORDIC ENERGY SERVICES, LLC
(AGS license)

Commissioner White moved that the Commission adopt and issue order dated December 6, 2013 which involves an application by Nordic Energy Services, LLC, for a license as an alternative gas supplier. The order before you approves the application, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

Donald Hazzard, Ypsilanti indicated that he was against Michigan Senate Bill 636, the dissolution of land lines, unless cellular phones have a constant signal.

Chairman Quackenbush acknowledged staff for their hard work and efforts regarding preparation of today's Commission Meeting.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on December 19, 2013 at 2:00 p.m.

Commissioner White moved that the Commission adjourn, Commissioner Talberg seconded.

Vote: Yeas – Quackenbush, White, Talberg
Nays – None

The motion was approved.

The meeting adjourned at 2:00 p.m.

Mary Jo Kunkle
Executive Secretary