

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CLOVERLAND ELECTRIC COOPERATIVE)	
for a waiver of certain residential billing rules.)	Case No. U-14851
_____)	

At the December 20, 2011 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

ORDER APPROVING WAIVER REQUEST

In its April 27, 2010 order in Case No. U-16035, the Commission approved the purchase of 100% equity stake in Edison Sault Electric Company by Cloverland Electric Cooperative (Cloverland). On November 18, 2010, Cloverland filed an application in this docket requesting a waiver of certain rules as provided under 1999 AC, R 460.169(3) of the Consumer Standards and Billing Practices for Electric and Gas Residential Service (residential billing rules). R 460.169(3) provides:

Upon written request of a person, utility, or on its own motion, the commission may temporarily waive any requirements of these rules when it determines the waiver will further the effective and efficient administration of these rules and is in the public interest.

Cloverland requested an extension of the waiver of the monthly meter reading requirement in the Commission’s residential billing rules. R 460.113(1) provides:

Except as specified in this rule, a utility shall provide all residential customers

with an actual monthly meter reading as defined in R 460.102. A utility may estimate a meter reading only if an actual meter reading cannot be obtained by any reasonable or applicable method described in R 460.102. If a utility cannot obtain an actual meter reading, then the utility shall maintain records of the efforts made to obtain an actual meter reading and its reasons for failure to obtain an actual meter reading.

Cloverland requested an extension of the waiver through December 31, 2013 or the completion of full automatic meter reading (AMR) deployment. The waiver allows Cloverland to continue to render actual bi-monthly meter reads instead of monthly as extended by the Commission's November 13, 2008, December 16, 2009, and December 2, 2010 orders in this docket.

Cloverland stated that of the 24,071 total meters, 3,110 (12.9%) are denoted as "Must Read Monthly" and are typically normally classified as high-use customers and include both residential and commercial accounts. Also, 229 meters located in the so-called Cedarville Islands area have obtained a waiver and are only read twice annually due to the difficulty of accessing these accounts either by boat or snowmobile. Cloverland further stated that during the pre-billing review, all high-usage estimates (relative to the other accounts in that billing cycle) are physically reviewed and if the estimate in question cannot be reconciled, an actual meter read will be obtained.

Cloverland asserted that if the requested waiver extension is granted, the company will continue its current practice to read "high use" customer meters on a monthly basis and other customer meters on at least a bi-monthly, best efforts basis. The company also agreed that no interest charges, late fees, or penalties of any type will be assessed based upon estimated meter reads. In addition, Cloverland stated that customers will be notified annually that Cloverland reads meters bi-monthly and those customers not satisfied with estimated meter reads may opt for either of the following: (1) actual meter reads by the customer (customer self-reads), with Cloverland,

upon customer request, providing the customer with postage-paid, pre-addressed meter reading cards; or (2) have estimated meter reads at zero usage and bill the customer from actual reads only every other month.

Cloverland stated that no rate increase will result from granting the requested relief.

The Commission finds that Cloverland's request for an extension of a waiver is in the public interest and will further the effective and efficient administration of the residential billing rules. The Commission notes that there has been only one complaint filed with the Commission regarding estimated billing during the past two years. However, the Commission declines to approve an extended waiver of one of the more essential customer protections in the residential billing rules for more than one year. Therefore, the Commission finds that Cloverland's request for an extension of a waiver of R 460.113(1) should be granted for one year from the date of this order.

The Commission finds that *ex parte* approval of the application is appropriate since the extension of the waiver will not result in a rate increase to customers.

THEREFORE, IT IS ORDERED that Cloverland Electric Cooperative's request for an extension of the waiver of R 460.113(1) is approved for a period of one year from the date of issuance of this order.

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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of December 20, 2011.

Mary Jo Kunkle, Executive Secretary