

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>HOMEWORKS TRI-COUNTY ELECTRIC</b>	)	
<b>COOPERATIVE</b> for authority to implement	)	Case No. U-15673
its power supply cost recovery plan for the	)	
12-month period ending December 31, 2009.	)	
_____	)	

At the April 16, 2009 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Steven A. Transeth, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On September 30, 2008, HomeWorks Tri-County Electric Cooperative (HomeWorks) filed an application, with supporting testimony and exhibits, seeking authority to implement a power supply cost recovery (PSCR) plan and factors in its monthly bills to its retail electric customers for the 12-month period ending December 31, 2009.

A prehearing conference was held on December 11, 2008 before Administrative Law Judge Daniel E. Nickerson, Jr. HomeWorks and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

On December 23, 2008, the Commission issued an order approving HomeWorks' 2007 PSCR reconciliation proceeding in Case No. U-15064-R. In its order, the Commission authorized HomeWorks to increase its allowance for cost of power supply included in base rates by 13.93

mills per kilowatt-hour (kWh), or \$0.01393 per kWh. The resulting applied 2009 PSCR factor will be reduced by 13.93 mills per kWh from the originally requested 11.80 mills per kWh to negative 2.13 mills per kWh.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree to a PSCR factor of up to negative 2.13 mills per kWh, or negative \$0.00213 per kWh, for the 12-month period ending December 31, 2009.

The Commission finds that 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. HomeWorks Tri-County Electric Cooperative is authorized to implement a power supply cost recovery factor of up to negative 2.13 mills per kilowatt-hour, or negative \$0.00213 per kilowatt-hour, in its monthly bills to its retail electric customers during the 12-month period ending December 31, 2009.

C. Within 30 days, HomeWorks Tri-County Electric Cooperative shall file with the Commission tariff sheets in conformity with the attachment to the settlement agreement.

D. If HomeWorks Tri-County Electric Cooperative desires to apply a lesser power supply cost recovery factor than that approved by this order, it shall notify the Commission ten days prior to the use of the lesser factor and shall file during that billing month a tariff sheet showing the lesser factor applied.

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

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Orjiakor N. Isiogu, Chairman

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Monica Martinez, Commissioner

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Steven A. Transeth, Commissioner

By its action of April 16, 2009.

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Mary Jo Kunkle, Executive Secretary

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter of the application of HOMEWORKS )  
TRI-COUNTY ELECTRIC COOPERATIVE for authority )  
to implement its power supply cost recovery plan )  
for the 12-month period ending December 31, 2009. )

Case No. U-15673

SETTLEMENT AGREEMENT

On September 30, 2008, HomeWorks Tri-County Electric Cooperative (HomeWorks) filed an application, with supporting testimony and exhibits, seeking approval to implement its power supply cost recovery (PSCR) plan for the 12-months ending December 31, 2009 and to reflect a monthly PSCR factor of 11.80 mills/kWh.

On October 10, 2008, the Michigan Public Service Commission (Commission) issued its Notice of Hearing commencing a PSCR proceeding and establishing a procedural schedule for the matter. On December 11, 2008, the prehearing conference was held pursuant to the Commission's Notice of Hearing. The Commission Staff and HomeWorks participated in the proceedings. At the prehearing conference, HomeWorks presented proof of service of the Notice of Hearing on all cities, incorporated villages, townships and counties in its service area, and also presented an affidavit evidencing the requisite publication of notice. The prehearing conference was conducted as a contested case matter pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL 24.201 et seq.

On December 23, 2008, the Commission issued its Order Approving Settlement Agreement in HomeWorks' 2007 PSCR Reconciliation proceeding (Case No. U-15064-

DYKEMA COSSETTA PROFESSIONAL LIMITED LIABILITY COMPANY, CAPITOL VIEW 201 TOWNSEND STREET SUITE 900 - LANSING, MICHIGAN 48933

R). In its Order, the Commission authorized HomeWorks to increase its allowance for cost of power supply included in base rates by 13.93 mills per kWh, from \$0.06481 to \$0.07874 per kWh. Thus, the resulting applied 2009 PSCR factor will be reduced by 13.93 mills per kWh from the originally requested 11.80 mills per kWh to a negative 2.13 mills per kWh.

The parties have agreed to enter into this Settlement Agreement recommending approval of up to negative 2.13 mills per kWh PSCR factor for the 12-month period ending December 31, 2009.

In view of the foregoing, and pursuant to Section 78 of the Administrative Procedures Act of 1969, as amended (1969 PA 306, §78; MCL 24.278), HomeWorks and Staff hereby agree as follows:

A. HomeWorks's resulting PSCR factor of up to negative 2.13 mills per kWh, or a negative \$0.00213 per kWh, is reasonable, appropriate, in the public interest and consistent with Commission approval given in recent PSCR cases.

B. Proposed tariff sheet is attached as Attachment 1.

C. Should HomeWorks apply a lesser PSCR factor than that identified above, it shall notify the Commission Staff of that fact and file a revised tariff sheet reflecting the PSCR factor.

D. No party will appeal, challenge or contest the rates approved by the Commission in this case if they are the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

E. Section 81 of the Administrative Procedures Act of 1969 is waived.

Dated: February 23, 2009

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MICHIGAN PUBLIC SERVICE COMMISSION  
STAFF

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Assistant Attorney General  
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Lansing, MI 48911  
Telephone: (517) 241-6680

Dated: February 23, 2009

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HOMEWORKS TRI-COUNTY ELECTRIC  
COOPERATIVE

By: Albert Ernst (P24095)  
Shaun M. Johnson (P69036)  
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Power Supply Cost Recovery Clause  
(Continued from Sheet No. D-1.00)

Not less than once a year and not later than 4 months after the end of the 12-month period covered by Tri-County Electric Cooperative's most recently authorized power supply cost recovery plan, a power supply cost reconciliation proceeding will be conducted to reconcile the revenues recorded pursuant to the power supply cost recovery factor and the allowance for cost of power included in the base rates as established by the Commission under Cooperative's most recent power supply cost recovery plan, among other things. Cooperative shall be required to refund to customers, or to credit to customers' bills any net amount determined to have been recovered which is in excess of the amounts actually expended by Cooperative for power supply. Cooperative shall recover from customers any net amount by which the amount determined to have been recovered over the period covered was less than the amount determined to have been actually expended by Cooperative for power supply.

For the twelve (12) month period ending December 2009, the Power Supply Cost Recovery Factor is **(\$0.00213)** per kWh. The allowance for cost of power supply included in base rates is \$0.07874 per kWh.

Should the Cooperative apply lesser factors than those above, or if the factors are later revised pursuant to Commission Order or 1982 PA 304, the Cooperative will notify the Commission and file a revision of the above factor.

The following factors are applied pursuant to the 1982 PA 304 in the 12 billing months ending December 2009.

<u>Year</u>	<u>Month</u>	<u>Maximum Authorized 2009 PSCR Factor</u>	<u>Actual Factor Billed</u>
2009	January	(\$0.00213)	(\$0.00213)
2009	February	(\$0.00213)	(\$0.00213)
2009	March	<b>(\$0.00213)</b>	
2009	April	<b>(\$0.00213)</b>	
2009	May	<b>(\$0.00213)</b>	
2009	June	<b>(\$0.00213)</b>	
2009	July	<b>(\$0.00213)</b>	
2009	August	<b>(\$0.00213)</b>	
2009	September	<b>(\$0.00213)</b>	
2009	October	<b>(\$0.00213)</b>	
2009	November	<b>(\$0.00213)</b>	
2009	December	<b>(\$0.00213)</b>	

(Continued on Sheet No. D-1.02)

Issued  
By: Mark Kappler  
General Manager  
Portland, Michigan

Effective for electric bills rendered for  
the 2009 PSCR Plan Year

Issued under authority of the Michigan  
Public Service Commission dated  
in Case No. **U-15673**