

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
MICHIGAN CONSOLIDATED GAS COMPANY)	
for authority to implement an expanded)	Case No. U-13155
voluntary gas customer choice program.)	
_____)	

At the December 20, 2001 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
 Hon. David A. Svanda, Commissioner
 Hon. Robert B. Nelson, Commissioner

ORDER APPROVING APPLICATION

On October 25, 2001, Michigan Consolidated Gas Company (Mich Con) filed an application for approval of a voluntary expanded gas customer choice program (the expanded program).¹

Attached to the application are proposed tariffs and rate sheets to govern the implementation and operation of the expanded program. As proposed by Mich Con, over 400,000 of Mich Con's gas customers will be eligible to participate in the expanded program beginning April 1, 2002. As of April 1, 2003, the number of eligible customers will increase to over 600,000. On April 1, 2004, all of Mich Con's gas customers will be eligible participants in the expanded program.

¹Pursuant to the April 28, 1998 order in Case No. U-11682, Mich Con implemented an experimental gas customer choice program that allowed up to 225,000 of its customers to purchase gas from other suppliers. The experimental program commenced April 1, 1999 and is scheduled to terminate on March 31, 2002.

Mich Con goes on to state that the expanded program will, if approved, further the goal of achieving greater gas choice program uniformity between its program and other expanded gas customer choice programs throughout Michigan.

Finally, Mich Con states that implementation of the expanded program will cause it to incur certain costs as a result of changes to its operational and billing systems that are necessary to effectuate the program. Mich Con therefore requests that the Commission approve deferred accounting treatment for these gas customer choice implementation costs.

After reviewing Mich Con's application and examining its proposed tariffs and rate sheets, which are attached to this order as Exhibit A, the Commission finds that the tariffs and rate sheets conform with the uniform terms and conditions approved by the Commission in its October 13, 2000 order in Case No. U-12550. Further, the Commission is persuaded that Mich Con's application to implement and operate the expanded gas customer choice program is reasonable and should be approved. Finally, because granting this application will not increase the rates and charges for any customers, the Commission finds that Mich Con's application, including its request for deferred accounting, may be approved without the time and expense of a public hearing, pursuant to MCL 460.6a(1).

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 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, 1992 AACS, R 460.17101 et seq.

b. Mich Con's application for authority to implement an expanded voluntary gas customer choice program should be approved.

c. Ex parte approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. Michigan Consolidated Gas Company's application for authority to implement an expanded voluntary gas customer choice program is approved.

B. Michigan Consolidated Gas Company shall file, within 30 days, tariffs and rate sheets consistent with those attached to this order.

C. Michigan Consolidated Gas Company is authorized to defer its expenses associated with the expanded voluntary gas customer choice program for accounting purposes only. Rate recovery will be determined in a future rate case.

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 E A L)

/s/ Laura Chappelle
Chairman

By its action of December 20, 2001.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

c. Ex parte approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. Michigan Consolidated Gas Company's application for authority to implement an expanded voluntary gas customer choice program is approved.

B. Michigan Consolidated Gas Company shall file, within 30 days, tariffs and rate sheets consistent with those attached to this order.

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

By its action of December 20, 2001.

Commissioner

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated December 20, 2001 granting Michigan Consolidated Gas Company authority to implement an expanded voluntary gas customer choice program and approving the use of deferred accounting for the recovery of gas customer choice implementation costs, as set forth in the order.”