McINNES COOPER
LAWYERS | AVOCATS

David S. MacDougall
Direct 902.444.8561
david.macdougall@mcinnescooper.com

1300-1969 Upper Water Street
Purdy's Wharf Tower II
Post Office Box 730
Halifax, Nova Scotia
Canada B3J 2V1
Tel 902.425.6500 Fax 902.425.6350

Our File: G-2937
April 24, 2007

RECEIVED
APR 25 2007
Nova Scotia
Utility and Review Board

Ms. Nancy McNeil
Regulatory Affairs Officer
Nova Scotia Utility and Review Board
1601 Lower Water Street
Suite 300
Halifax, NS B3J 3P6

Dear Ms. McNeil:

Re: Rate Hearing Future Filing Requirements: Board File P-886.2
Comments on Board Draft Strawman

On April 11, 2007, the Board Staff circulated a draft "strawman" proposal for NSPI Future Filing Requirements. Comments on this proposal were to be filed with the Board by Tuesday, April 24, 2007. Please accept the following as the submission of Stora Enso Port Hawkesbury Limited and Bowater Mersey Paper Company Limited ("SEB").

SEB is pleased to see that Board Staff have incorporated the majority of its recommendations into the draft proposal. In its review of the "strawman", SEB did however find that some of the headings listed were not specific as to the information NSPI would be required to submit. We would request that for clarity this level of detail be included in the final Standard Filing Requirements, and enclose with this letter a black-lined revised version of the "strawman" that incorporates our recommended additions. These changes are all consistent with our initial submission of March 12, 2007.

SEB would like to specifically note the following:

1. As mentioned in our submission of March 12, 2007, it is the experience of SEB's consultants that in numerous jurisdictions utilities provide electronic access to the Cost of Service Study ("COSS") model. For jurisdictions where access has been required by the regulator, and its rationale, see, for example, the attached Orders from Michigan, Colorado, and Kentucky. In the most recent general rate case in New Brunswick the COSS model was provided electronically by the applicant utility pursuant to a non-disclosure agreement. SEB continues to believe it appropriate that NSPI should make the COSS model available in electronic format, including all calculations, assumptions, and workpapers, on a confidential

basis so intervenors may appropriately assess the underlying methodology and its results.

2. NSPI's comments on the filing requirements suggest that the adoption of standard filing requirements should be accompanied by the "formal elimination of one round of Information Requests". SEB believes, in principle, that if standard filing requirements are sufficient this could be appropriate. SEB notes that provision of the COSS model in electronic format would itself cut down on the Information Requests that would need to be submitted, as Intervenors consultants would be able to see for themselves how certain internal allocations were developed. However, SEB believes that it would be premature to make changes to the Information Request process until NSPI, Board Staff, and the Intervenors have had the opportunity to assess the impact and compliance with the standard filing requirements that are ultimately adopted by the Board. While SEB agrees that, in general, two rounds of Information Requests should not normally be necessary, this right should be preserved in the schedule for at least the first use of standard filings to ensure that all relevant information can be requested by Board Staff, Consultants, and Intervenors.

   NSPI went a step further in its submissions, noting "requests for additional detail beyond the standard filing requirements would have to be clearly justified on an exception basis". SEB believes this would amount to a potentially severe and unnecessary constraint on Information Requests. There is a significant amount of information that cannot be part of standard filing requirements, and Information Requests can only be posed once the parties see what NSPI is applying for in any general rate case. SEB submits that the usual criteria governing Information Requests continue to apply.

SEB looks forward to seeing the final report on Standard Filing Requirements that will be filed with the Board on May 4, 2007.

Yours very truly,

McINNES COOPER

DAVID S. MacDOUGALL

Enclosure
cc: NSPI
Board counsel
Intervenors
SEB
(1029107)

FUTURE FILING REQUIREMENTS (Draft Strawman – April 10, 2007)

The following "strawman" proposal for NSPI Future Filing Requirements (FFR) has several objectives:

a. To make the initial filing as complete as possible so examination of the case can begin on filing, without waiting for answers to IRs. The ultimate goal is to enhance the efficiency and effectiveness of the General Rate Application (GRA) process from a cost, time, and complexity basis
b. To ensure the filing is in appropriate formats
c. To identify each document for reference (ie DE-1, SR-2,etc)
d. To facilitate the objective of submitting the complete case electronically so it can be E-filed and "searcheable"
e. To eliminate similar or routine Information Requests
f. To allow for consistency in presentation from one GRA to the next

BINDER 1

A – Statement of Case MS Word documents, formatted in Court of Appeal (numbered lines, double spaced)

DE - Direct Evidence

1. Notice of application
2. Table of contents
3. Direct evidence
4. Testimony of experts

B – Supporting Studies MS Word or Excel documents as required, formatted in Court of Appeal (numbered lines, double spaced)

SR – Studies and Reports (latest available)

1. Cost of Service study in electronic format, including all assumptions, calculations and workpapers
2. Load Forecast report

BINDER 2

C – Organization Profile MS Word or Excel documents as required, formatted in Court of Appeal (numbered lines, double spaced)

OP - Organization Profile

1. Latest regulated annual reports of NSPI and EMERA
2. Current organization chart of NSPI showing all positions reporting no further than two levels down from the President and CEO, including a full organizational chart for the positions reporting to the Director, Fuels, Energy, and Risk Management c/w resumes of same
3. Copy of latest OM & G review undertaken
4. Listing of all assets (by function)(Length of transmission lines by voltage class, length of distribution lines by voltage, number of substations, etc.)
5. Test year Power Production unit maintenance schedule of all units including hydro, and tidal, submitted as a Gant chart
6. Breakdown of generating units by type showing in service date, net capacity, fuel type, heat rate, contribution to system peak, contribution towards annual energy. (include IPP and purchased power)
7. Chemical specification sheets for all fuels
8. IPP contract details
9. Reliability Statistics for fossil fleet, and customer outage indices for NSPI and comparison to latest CEA all Canada values
10. Numbers of customers by rate class
11. Latest Hydro Quebec report "Comparison of Electric Prices in Major North American Cities"
12. Presentations made by NSPI/Emera to Analysts and Bondholders, within the last year, on behalf of NSPI and Emera (to the extent NSPI is included in the Emera presentation)

12(a) Copies of any reports NSPI has received from financial analysts or bondholders since the last general rate case

13. Most recent Emera Proxy statement
14. Applicable emissions targets legislated and compliance accomplished for past year and current year, and how compliance is planned for the test year and five years into the future.
15. Quantities and classes of shares, and price as of filing

BINDER 3

D – Financial Documents Unless otherwise noted all Financial Documents shall be Excel spreadsheets. They shall be enumerated over five years – latest year - actual, current year - compliance, current year - forecast, test year - existing rates, test year – proposed rates.

FO – Financial Outlook

1. Regulated statement of earnings
2. Regulated balance sheet
3. Regulated statement of retained earnings
4. Regulated statement of cash flows
5. Electric revenue details
6. Gwh production and sales
7. Details of Fuel and Purchased Power
8. Operating, maintenance, and general expenses breakdown (by major component) in real and nominal dollars for the test year and five historic years.
9. Revenue requirement and rate increase breakdown, in table format as in the response to Stutz IR-1 in P-886
10. Estimated average capital and cost of capital
11. Details of Interest Charges
12. Average rate base, supporting schedule – capital assets
13. Average rate base, supporting schedule – deferred charges & credits
14. Average rate base, supporting schedule – allowance for materials & supplies
15. Average rate base, supporting schedule – allowance for working capital

RB - Rate base:

1. Plant in service continuity schedule (by function) including beginning balance, additions, asset retirements, ending balance, accumulated depreciation beginning balance, depreciation/accretion expense, retirements, accumulated depreciation ending balance, and net plant

~~RB – Rate Base cont'd:~~

For the following provide a schedule showing last year actual, current year forecast, current year compliance, test year present rates, and test year proposed rates

2. Plant held for future use
3. Construction work-in-progress
4. Acquisition adjustments
5. Cash working capital
6. Customer deposits
7. Prepayments
8. Contributions-in-aid of construction

9. Materials and supplies
10. Accumulated deferred income taxes
11. Regulatory assets and other deferrals
12. Clearing accounts
13. Financing charges
14. Tax charges
15. Pension charges
16. Steam plant charges
17. Other general charges
18. Asset retirement obligations
19. Other deferred credits
20. Long term receivables
21. Rate of return calculations (specifically identifying capital structure, capital ratios and costs of the components).

DA - Depreciation and amortization expense and accumulated reserves

1. Depreciation rates by asset class, as in the response to UARB IR-57 in P-886
2. Accumulated reserve for depreciation
3. Amortization expense

BINDER 4

OR - Operating revenues

1. "Proof of Revenues", similar to that provided in Appendix 6 of the Company's Compliance Filing dated April 29, 2005. Include a table showing the components of the change in required revenues for the test year with all supporting workpapers
2. Miscellaneous revenues and special charges
3. Unbilled revenues
4. Unregulated revenues
5. Uncollectibles
6. Sharing mechanisms
7. Deferred cost recovery mechanisms
8. Provide monthly data for the last two years for NSPI's sales of natural gas: quantities sold, prices received, buyer, and location of title transfer. For transportation paid for by NSPI, provide the name of the transporter, nature of the transportation service (firm, interruptible, released firm, etc.), and price paid. Also, provide summaries of the associated contracts that were in place over the last two years.

OE - Operating expenses

1. Fuel, purchased power costs (These items may need to be revised depending on the resolution of the FAM issue, but may be required in any event to establish base fuel costs prior to establishment of a FAM. and in any GRA)
   a. Latest detailed fuel forecast for test year in the same format and level of detail as the 2005 rate case (P-881) response to UARB IR-49 and as submitted in 2007 rate case (P-886) response to UARB IR-84. Also provide the Strategist runs used to compute the fuel and purchased power costs for the test year.
   aa. Provide the substantiating detail for each of the fuels as in the response to Liberty IR-43 in P-886
   ab. Identify the date and price of the forward price curve data used for HFO and natural gas forecasts, as in the response to Liberty IR-35 in P-886
   ac. Provide the working calculations to support any proposed changes to the fuel mix and pricing differentials in the format in the response to IR-4 in P-886
   b. Current forecast of fuel burn levels for each plant for current year, test year, and three subsequent years. Include projections for each fuel type, MMBTU consumed, % sulphur in the fuel, tonnes of SO2 emitted, dollars for each fuel type, and $/MMBTU for each fuel type

OE – Operating expenses, 1 cont'd:

c. Fuel costs per MWh for a historic period, e.g. five years. Provide the substantiating detail for the fuel costs for each of these years; such detail should include all of the individual fuel cost components as follows, on a cost per MWh basis, and a total dollar basis:
    a. Costs for import coal
    b. Costs for domestic coal
    c. Costs for pet-coke
    d. Costs for oil
    e. Costs for natural gas used
    f. Credits from the sale of natural gas
    g. Costs for purchased power, and
    h. Solid fuel transportation costs
d. Fuel procurement history and any recent procurement audits
e. Provide a summary of the current fuel contract status for each fuel (domestic coal, pet-coke, low sulfur coal, mid sulfur coal, high sulfur coal, heavy fuel oil, natural gas), and by fuel supplier, for the next five years. Show for each fuel both the amount of fuel already under contract for each year, as well as the balance of open or un-contracted fuel for each year. Include the sulfur content of the fuels as appropriate.
f. Solid Fuel Procurement Manual.
fa. Copies of all solid fuel contracts, supply requests, tenders, offers, internal analysis, consultant reports/assessments, minutes of fuel strategy table meetings, and other documents associated with procurement. To the extent confidential, this information is to be made available in the Confidential Data Room one week after filing of the Application
g. Solid Fuel Contracts – Portfolio Summary listing each contract and its price, volume, execution date, options available and exercised, and whether it is considered short, medium, or long term
h. Provide the test year monthly quantities of fossil fuels projected to replace the natural gas under contract that is assumed to be sold, rather than used by NSPI. Provide the calculations that support NSPI's fuel cost savings of buying these replacement fuels, as compared to NSPI using the quantities of natural gas under contract

i. ~~For~~Provide backup information for the test year forecast (proposed rates) regarding the solid fuel commodity cost, ~~provide~~ transportation costs to move the solid fuel to Nova Scotia, foreign exchange, and the costs to move the solid fuels within Nova Scotia to each of the generating stations. Show each cost component separately for the various solid fuels used at each NSPI generating plant. Include in the response a calculation of the fuel price in $/MMBTU for each component of the fuel price, so that the final plant-delivered cost is that used as input to the Strategist run. Include sources used to derive the requested data, and the date the forecast was prepared.

j. Provide a summary of the current fuel transportation contract status for each fuel, and by transportation provider, for the next five years. Show for each fuel both the amount of fuel transportation already under contract for each year, as well as the balance of open or un-contracted fuel transportation for each year

~~OE – Operating Expenses, 1 cont'd~~

k. For each fuel, describe (qualitatively and quantitively) any hedging programs in place, current year hedge positions, and any hedging programs planned for the test year, as in response to Liberty IR-26 in P-886

ka. Fuel Quantity Committed or Contracted in Test Period, in the format in the response to SEB IR-45 in P-886

l. Forecasted Prices Calculation for Uncommitted Tonnages of solid fuels, including details of all calculations used to arrive at the forecasts.

m. Provide data showing how much gas is contracted to be supplied, how much was used (Show separately the volumes burned in the combustion turbines at Tufts Cove, and those burned in the steam units, by month), how much was available for sale, and how much was sold

n. Provide information on all fuel related Affiliate Transactions. To the extent confidential, this information should be placed in a Confidential Data Room, and in any case should include all supporting documentation relating to negotiations, analysis, review, contracts, reports and audits for transactions affecting the Test Period.

o. Transportation Cost of Solid Fuel per metric tonne by Source and by Plant.

p. ~~Latest~~ Fuel Supply or Transportation Studies Conducted since the last general rate case

q. Details on Export and Import Power Calculations in the format of the responses to UARB IR-8 and UARB IR-26 in P-886

r. Information on Force Majeure issues or other known disputes that may impact deliveries , in the detail of the responses to Liberty IR-21 and IR-84 in P-886

s. Provide a table showing the calculation of the cost and recoveries for Fuel for Resale (i.e. Appendix A, Table 8 of NSPI's October 2006 filing) for the current year, test year, and the most recent five years of actual data. In the table address each of the key elements in the calculation (as shown on page 53 of the October 2006 filing). For the test year, the forecast of natural gas sales should be provided by month.

2. Maintenance and repair expenses
3. Insurance and security costs
4. Salaries and benefits
5. Pension expenses, including all studies supporting the forecasted expenses and details on any changes to the assumptions since the last general rate case
6. Other post retirement benefits
7. Customer sales expense
8. Billing and collection expense
9. Dues and donations
10. Outside or contract services
11. Regulatory expenses
12. Income tax, including details of tax calculations, in the format of the response to UARB IR-53 in P-886.
13. Taxes other than income taxes, including details of tax calculations
14. Foreign exchange hedging information, including an explanation of the forecast ratio for the test year (i.e. response to CA-11 in P-886), the views of market experts NSPI has relied on in developing the forecast, and any reports conducted or solicited by NSPI on foreign exchange risk management.

BINDER 5

CS - Capital structure

1. Capitalization
   a. Debt (%)
   b. Preferred (%)
   c. Common (%)
   d. Total Regulated Capitalization ($)

2. Financial ratios and supporting calculations
   a. Return on average common equity (%)
   b. Average common equity ($M)
   c. FFO interest coverage (times)
   d. FFO to Adjusted Debt (%)

3. Details of Debt (short, medium, and long-term)

BINDER 6

E – Proposed Rates and regulations

PR – Proposed Rates & Regulations

1. Proposed rates
2. Proposed miscellaneous charges
3. Proposed regulation changes

~~(1029732)~~
(1029732.2)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENTS IN ELECTRIC RATES OF KENTUCKY POWER COMPANY	)))	CASE NO. 2005-00341

O R D E R

Pending before the Commission are three motions, one filed by the Attorney General's Office ("AG") and two filed by Kentucky Power Company ("Kentucky Power"). The AG's motion requests that Kentucky Power be compelled to fully respond to the AG's data request Nos. 1-179 and 1-180 or, in the alternative, that Kentucky Power's rate application be rejected as deficient for failing to comply with Commission regulation 807 KAR 5:001, Section 10(6)(u). The AG's data request Nos. 1-179 and 1-180 sought, in an electronic format, a copy of Kentucky Power's cost-of-service study, including supporting software, as well as all calculations, assumptions, and workpapers used to prepare that study.

The AG states that Kentucky Power declined to provide the requested information because to do so would violate licensing agreements. However, absent the requested information, the AG claims it is impossible to determine whether Kentucky Power's cost-of-service study is "based on a methodology generally accepted within the industry and based on current and reliable data from a single time period," as required by 807 KAR 5:001, Section 10(6)(u).

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Kentucky Power filed a response in opposition to the motion, stating that the AG had originally been provided with the electronic files containing all inputs and outputs to Kentucky Power's cost-of-service study. Kentucky Power states that it subsequently received authorization from the software developer to provide the AG with a laptop computer containing the cost-of-service software utilized in this case. Additionally, Kentucky Power states that it has sponsored a witness in support of its cost-of-service study and that witness will be available at the hearing in this case to respond to questions related to the study.

Based on the motion and being otherwise sufficiently advised, the Commission finds that Kentucky Power's responses to the AG's data request Nos. 1-179 and 1-180, including the furnishing of a copy of the cost-of-service study software, are reasonable and satisfy Kentucky Power's good faith obligation to respond to discovery requests. Consequently, the Commission finds no basis to compel Kentucky Power to provide further responses to these data requests.

In determining whether Kentucky Power's rate application should be rejected for failing to comply with the filing requirements for a general adjustment in rates, Commission regulation 807 KAR 5:001, Section 2(2), authorizes the rejection of "any document which on its face does not comply with the rules and regulations of the Commission." The regulation at issue here, 807 KAR 5:001, Section 10(6)(u), requires a cost-of-service study that is based on a methodology generally accepted within the industry and based on current and reliable data from a single time period. The cost-of-service study utilized by Kentucky Power is described in the prepared direct testimony of its witness, Larry C. Foust. The study is based on a twelve coincident peak ("CP")

methodology, the same methodology Kentucky Power utilized in its last rate case. The Commission has previously accepted the use of a twelve CP methodology, and this methodology is one that is generally accepted in the industry.

The description of Kentucky Power's cost-of-service study, as set forth in the Foust direct testimony and supporting schedules, indicates that the study utilized information and data contained on Kentucky Power's books and records for the 12 months ending June 30, 2005. There is nothing on the face of Kentucky Power's cost-of-service study to indicate that it is not based on current and reliable data from a single time period. Thus, the Commission finds no basis to grant the AG's alternative relief in the form of rejecting Kentucky Power's rate application for failing to comply with the filing requirements applicable to a cost-of-service study.

The motions filed by Kentucky Power requests authority to: (1) substitute a revised response to the data request of Kentucky Industrial Utility Customers, Inc. ("KIUC"), Second Set, Item No. 49, for the original response which was provided to a different party; and (2) substitute its data requests to the AG and KIUC as filed on January 19, 2006 for those originally filed on January 18, 2006 to correct the numbering scheme. Since these substituted filings reflect no substantive changes, the Commission finds good cause and will grant the motion.

IT IS THEREFORE ORDERED that:

1. The AG's motion to compel further data responses or to reject the rate application is denied.

2. The motions filed by Kentucky Power to file a revised data response and to revise its data requests as filed on January 19, 2006 for those filed on January 18, 2006 are granted.

Done at Frankfort, Kentucky, this 27th day of January, 2006.

By the Commission

ATTEST:

Executive Director

Decision No. C04-0176

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 03S-539E

RE: THE INVESTIGATION AND SUSPENSION OF TARIFF SHEETS FILED BY AQUILA, INC., DOING BUSINESS AS AQUILA NETWORKS-WPC, WITH ADVICE NO. 586.

ORDER ESTABLISHING PROCEDURAL SCHEDULE

Mailed Date: February 18, 2004
Adopted Date: February 11, 2004

I. BY THE COMMISSION

A. Statement

1. The Commission held a prehearing conference in this matter on February 11, 2004. Appearances were entered on behalf of Aquila, Inc., doing business as Aquila Networks-WPC (Aquila); Staff of the Commission (Staff); the Office of Consumer Counsel; Fountain Valley Authority, the Board of Water Works of Pueblo, Colorado, and the City of Canon City; and Cripple Creek & Victor Gold Mining Company, Goodrich Corporation, Holcim (U.S.), Inc., and The Trane Company. This order memorializes our decisions from the prehearing conference.

2. At the prehearing conference the parties proposed a mutually agreed upon procedural schedule. We adopt the proposed procedural schedule as follows:

Answer Testimony	April 14, 2004
Rebuttal/Cross-Answer Testimony	May 21, 2004
Prehearing Motions[1]	June 11, 2004
Corrections to Testimony, Exhibits, or Models	June 16, 2004

[1] Response time to Prehearing Motions is shortened to seven calendar days.

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Technical Conference	June 21, 2004 - 9:00 a.m.
Hearing	June 23 – July 2, 2004
Statements of Position	July 16, 2004

Work papers will be served when testimony and exhibits are filed. Aquila will provide the work papers for its direct testimony no later than February 18, 2004. Aquila will pay for daily transcripts of the hearing.

3. Response and objections to discovery on direct testimony and answer testimony shall be served within ten calendar days. Response and objections to discovery on rebuttal testimony and cross-answer testimony shall be served within seven calendar days. Any discovery requests served on Friday shall be served no later than noon, Central Standard Time. The cut-off date for all discovery requests shall be June 16, 2004. All discovery disputes (*e.g.*, motions to compel) shall be resolved by an Administrative Law Judge.

4. All parties expressed an interest in electronic service of testimony and exhibits. The parties may serve testimony and exhibits on each other through electronic means. Parties shall provide, in writing to each other, the e-mail addresses of individuals to receive electronic copies and the mailing addresses of individuals to receive hard copy by overnight delivery. Parties shall serve electronic documents in Adobe Portable Document Format. The parties shall file an original and seven hard copies of all testimony and exhibits with the Commission.

5. The Commission took oral comment on the suggestion that parties provide executable electronic copies of the cost of service studies that they used for their proposed rate designs. Aquila explained that it used, in part, a proprietary cost of service study model and would require time to analyze the license agreements to determine how it can provide those cost

of service studies in this case. The other parties agreed to provide executable electronic copies of the cost of service study models used if they propose rate designs. We direct each party that proposes a rate design to provide, at the time it files testimony, the cost of service study model(s), in executable electronic format, it used to develop that rate design.[2] Aquila shall provide to all other parties and the Advisory Staff of the Commission, within 14 calendar days of the effective date of this order, a copy of the executable electronic cost of service study model(s) used for the rate design proposed in its direct testimony. If any party's case changes in subsequent testimony based on updated models, the updated model(s) shall be provided with that testimony.

6. The Commission also took oral comment on the suggestion that parties provide a hard copy and an executable electronic copy of the rate impact for average residential and commercial customer usages in both dollars and percentages. No party opposed this as a requirement.[3] We direct any party that proposes a rate design to provide, in hard copy and electronic format, the average residential and commercial customer impacts of their proposal both in dollars and percentages. The parties shall use for an average electric residential customer a usage of 625 kWh, for an average electric commercial customer a usage of 1,265 kWh. Aquila shall file within seven days of this order its average customer impact in hard copy and electronic format. If any party's case changes substantially in subsequent testimony, the party shall provide updated information on average impacts when it files that testimony.

[2] Any party that does not propose its own rate design, but suggests changes to another party's rate design is not required to provide cost of services studies.

[3] Likewise, any party that does not propose its own rate design, but suggests changes to another party's rate design is not required to provide rate impact information.

7. Staff requested that the Commission set a public hearing in Pueblo two weeks prior to the due date of answer testimony, or in this case, approximately the first of April. We take this request under advisement and will address it at a later date.

8. Aquila represented that it would accept waiver by the Commission of the statutory timeframe required in this proceeding if the Commission would issue its decision on this matter by September 3, 2004.[4] We agree with Aquila that it would be ambitious given the adopted procedural schedule for us to issue a decision by July 29, 2004, and find the September 3, 2004 date reasonable.

II. ORDER

A. The Commission Orders That:

1. The procedural schedule proposed by the parties to this matter at the pre-hearing conference as articulated above is adopted.

2. Aquila, Inc., doing business as Aquila Networks-WPC shall provide work papers for its direct testimony no later than February 18, 2004.

3. Response and objections to discovery on direct testimony and answer testimony shall be served within ten calendar days. Response and objections to discovery on rebuttal testimony and cross-answer testimony shall be served within seven calendar days. Any discovery requests served on a Friday shall be served no later than noon, Central Standard Time. This cut-

[4] The 120-day period in which the Commission must render a decision in this matter expires April 30, 2004. The Commission could have extended the time period to 210 days, which would have extended the expiration date to July 29, 2004.

off date for all discovery requests shall be June 16, 2004. Any discovery disputes shall be resolved by an Administrative Law Judge.

4. Any party to this matter that proposes a rate design, shall provide, at the time it files testimony, the cost of service study model(s), in executable electronic format, which it used to develop that rate design. If any party's case changes in subsequent testimony, based on updated models, the updated models shall be provided with that testimony.

5. Aquila, Inc., doing business as Aquila Networks-WPC shall provide, within 14 calendar days of the effective date of this Order, to all parties to this matter, and to Commission Advisory Staff, a copy of the executable electronic cost of service study model(s) used for the rate design proposed in its direct testimony.

6. Any party to this matter that proposes a rate design shall provide, in hard copy and electronic format, the average residential and commercial customer impacts of their proposal as expressed in both dollars and percentages. The parties shall use for an average electric residential customer, a usage of 625 kWh. The usage for an average electric commercial customer shall be 1,264 KWh.

7. Aquila, Inc., doing business as Aquila Networks-WPC, shall file within seven days of the effective date of this Order its average customer impact in hard copy and electronic format.

8. The 210-day time period for the Commission to issue a decision in this matter pursuant to § 40-6-111, C.R.S., is hereby waived by agreement of the parties. In the alternative, a Commission decision in this matter shall be rendered by September 3, 2004.

9. A hearing is scheduled in this matter as follows:

DATES:	June 23, 24, 25, 28, 29, and 30, 2004, and July 1 and 2, 2004
TIME:	9:00 a.m.
PLACE:	Commission Hearing Room A 1580 Logan Street, OL2 Denver, Colorado

10. This Order is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' PREHEARING CONFERENCE February 11, 2004.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of **THE DETROIT EDISON COMPANY** to unbundle and realign its rate schedules for jurisdictional retail sales of electricity.	)	Case No. U-14399
In the matter of the application of **CONSUMERS ENERGY COMPANY** for authority to increase its rates for the generation and distribution of electricity and other relief.	)	Case No. U-14347

At the March 21, 2007 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER

On December 22, 2005, the Commission issued an order approving, with modifications, The Detroit Edison Company's (Detroit Edison) proposal to unbundle and realign rates; and an order in the Consumers Energy Company's (Consumers) rate case. Both orders directed the Commission Staff (Staff) to conduct a collaborative process with Detroit Edison, Consumers, and other interested parties for the purpose of developing a Cost of Service Study (COSS) model. Order,

Case No. U-14399, p. 37; Order, Case No. U-14347, pp. 75-76. On February 26, 2007, the Staff filed its report on the results of the COSS collaborative.[1]

The collaborative had 30 participants, including representatives from Detroit Edison, Consumers, the Association of Businesses Advocating Tariff Equity (ABATE), Energy Michigan, Constellation New Energy, Inc., The Kroger Company, Dow Corning/Hemlock Semiconductor, and WalMart, as well as the Staff and Attorney General Michael A. Cox (Attorney General). Active participants in the formulation of the COSS model were the Staff, Detroit Edison, Consumers, ABATE, and the Attorney General.

The Staff reports that its goal was to develop an electric COSS model that would be used by Detroit Edison and Consumers in their next general rate cases (both of which will be filed this year), and would meet the following criteria:

1. In order to facilitate the free exchange of information, the COSS model would not be proprietary.

2. The COSS model would permit all parties to view the data and the formulae in electronic format.

3. The COSS model would run on a personal computer using Excel-based software, but would not require the latest version of Excel in order to be executed.

4. The COSS model would have sufficient flexibility to permit any party to run the model as filed by the utility, or with different assumptions such as different cost or allocation methodologies.

5. The COSS models for Detroit Edison and Consumers would be standardized to the maximum extent possible, recognizing that some variation is necessary due to the differences in the two companies, such as different rate classes.

The Staff reports that the parties actively involved in the collaborative agreed that all of the above criteria had been met. In addition, both Detroit Edison and Consumers have agreed to use

[1]Due to its length, the Staff report is not attached to this order but is available electronically on the Commission's website.

the models in their next rate case filings. The Staff reports that the recommended COSS models will facilitate the exchange of information and formulae and enable all parties with a reasonable level of expertise to modify the models based on a variety of assumptions, and compare the results. The models can be opened and modified with a standard version of Excel. The Staff states, "The key result of this process is not the models so much as it is the establishment of the principle that Edison and Consumers should be required to provide a fully loaded, working copy of their COSS in electronic format, without any proprietary constraints." Staff's Report, p. 7. The Commission commends the parties for reaching this goal.

The Commission wishes to thank the Staff and the participants for their cooperation in the collaborative. As the Staff notes, the contributions of the parties were critically important to the successful completion of this process. The Commission finds that Detroit Edison and Consumers have complied with the Commission's directive to collaborate on the development of a standardized COSS model, and the COSS collaborative is closed. Detroit Edison and Consumers are directed to utilize the COSS models developed in the collaborative in their next general rate case filings, and to make them available to all parties in electronic format, along with supporting documentation. This represents the first step of a process that will continue to evolve, which may include addressing some issues left outstanding.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; 1939 PA 3, as amended, MCL 460.1 *et seq.*; 1982 PA 304, as amended, MCL 460.6h *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*

b. Detroit Edison and Consumers have complied with the Commission's directive to collaborate on the development of a standardized COSS model, and the COSS collaborative should be closed.

c. Detroit Edison and Consumers should utilize the COSS models developed in the collaborative in their next general rate case filings, and make them available to all parties in electronic format, along with supporting documentation.

THEREFORE, IT IS ORDERED that:

A. The Cost of Service Study collaborative is closed.

B. The Detroit Edison Company and Consumers Energy Company are directed to utilize the Cost of Service Study models developed in the collaborative in their next general rate case filings, and to make them available to all parties in electronic format, along with supporting documentation.

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/ J. Peter Lark
Chairman

(S E A L)

/s/ Laura Chappelle
Commissioner

/s/ Monica Martinez
Commissioner

By its action of March 21, 2007.

/s/ Mary Jo Kunkle
Its Executive Secretary

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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Chairman

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Commissioner

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Commissioner

By its action of March 21, 2007.

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Its Executive Secretary