

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s own motion, )  
of the election by the Board of Directors of )  
**PRESQUE ISLE ELECTRIC & GAS CO-OP** )  
to become member-regulated in accordance with )  
2008 PA 167, MCL 460.34. )  
\_\_\_\_\_ )

Case No. U-17016

At the July 13, 2012 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**

On June 25, 2012, the Board of Directors of Presque Isle Electric & Gas Co-op (Presque Isle) adopted a resolution to become member-regulated in accordance with 2008 PA 167, MCL 460.31 *et seq.*, the Electric Cooperative Member-Regulation Act (the Act). *See*, MCL 460.34. By letter dated June 26, 2012, Presque Isle informed the Commission of the resolution.

“Member-regulation” means that the Board of Directors of Presque Isle will be responsible for establishing, maintaining, and applying all rates, charges, accounting standards, billing practices, and terms and conditions of service for its electric operations. MCL 460.32(f). Section 6(2) of the Act provides that:

Notwithstanding the provisions of this act, the commission shall retain jurisdiction and control over all member regulated cooperatives for matters involving safety, interconnection, code of conduct . . . , customer choice

including, but not limited to, the ability of customers to elect service from an alternative electric supplier . . . , and the member-regulated cooperative's rates, terms, and conditions of service for customers electing service from an alternative electric supplier, service area, distribution performance standards, and quality of service, including interpretation of applicable commission rules and resolution of complaints and disputes, except any penalties pertaining to performance standards and quality of service shall be established by the cooperative's members.

MCL 460.36(2). In addition, Section 9 provides that the Commission retains jurisdiction over certificates of need, and enforcement of 1999 AC, R 460.3411, which deals with areas served and line extensions. MCL 460.39(1).

Assuming that Presque Isle fulfilled all of the notice and hearing requirements of Section 4 of the Act, Presque Isle will become member-regulated as of September 23, 2012. MCL 460.34(f). The Commission directs Presque Isle to file additional documentation, if any, upon which it intends to rely within seven days of the date of this order showing compliance with the notice and hearing requirements of Section 4(a)-(f) of the Act. MCL 460.34(a)-(f).

In order to establish an orderly process for the transition of Presque Isle to member-regulation, the Commission directs Presque Isle to begin a dialogue with the Commission Staff (Staff) no later than July 27, 2012 to discuss issues related to the transition. Given the apparent lack of any opposition to the cooperative's transition to member-regulation by its member-consumers, and the time and cost involved in travel to and from the Commission's offices, Presque Isle and the Staff may accomplish the necessary tasks through teleconferencing activity or other similar arrangements. The Staff is directed to file a written report in this docket by August 16, 2012 on the results of those discussions.

THEREFORE, IT IS ORDERED that:

A. Presque Isle Electric & Gas Co-op shall file additional documentation, if any, in this docket within seven days of the date of this order showing compliance with the notice and hearing requirements of MCL 460.34(a)-(f).

B. Presque Isle Electric & Gas Co-op shall begin a dialogue with the Commission Staff no later than July 27, 2012, to discuss issues regarding the orderly transition of the cooperative to member-regulation.

C. The Commission Staff shall report to the Commission on the results of discussions with Presque Isle Electric & Gas Co-op regarding transition no later than August 16, 2012.

The Commission reserves jurisdiction and may issue further orders as necessary.

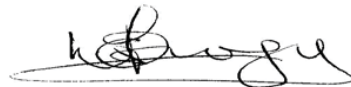
Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION



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John D. Quackenbush, Chairman



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Orjiakor N. Isiogu, Commissioner

By its action of July 13, 2012.



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Mary Jo Kunkle, Executive Secretary



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Greg R. White, Commissioner

# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-17016

County of Ingham )

Alyssa Sherman being duly sworn, deposes and says that on July 13, 2012 A.D. she served a copy of the attached Commission orders by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



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Alyssa Sherman

Subscribed and sworn to before me  
This 13<sup>th</sup> day of July 2012



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Gloria Pearl Jones  
Notary Public, Ingham County, MI  
My Commission Expires June 5, 2016  
Acting in Eaton County

Service List – Case No. U-17016

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Dykema Gossett PLLC  
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Lansing MI 48933

Presque Isle Electric & Gas Co-Op  
Brian Burns, President & CEO  
19831 M-68 Highway  
P.O. Box 308  
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# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-17016

County of Ingham )

Lisa Felice being duly sworn, deposes and says that on July 13, 2012 A.D. she served a copy of the attached **Commission Order (Commission's Own Motion) via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).



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Lisa Felice

Subscribed and sworn to before me  
this 13th day of July 2012



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Gloria Pearl Jones  
Notary Public, Ingham County, MI  
As acting in Eaton County  
My Commission Expires June 5, 2016

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