

Edison Sault Customers Favored in Legal Opinion

Island Case Next Goes to PSC

By Karen Gould

An administrative law judge says that Edison Sault Electric Company should return \$2,124,000 to its 23,000 EUP customers, and her decision will be taken into consideration by the Public Service Commission (PSC) when it makes the final ruling on the case. The judge, who sides with Mackinac Island in its protest over 2005 power recovery costs Edison is saying it should recoup, reached her opinion this month on the second of three complaints filed by Mackinac Island against the electric company. In the meantime, closed-door settlement talks continue between the city and the company that could resolve all three protests.

As it stands now, with her latest opinion, Michigan Administrative Law Judge Sharon Feldman is recommending the company return more than \$4.6 million to customers. In her first opinion filed in November, Judge Feldman also favored the Island in its protest and said Edison should return approximately \$2.5 million to customers. The judge has yet to offer an opinion on a third case, the Island's protest of Edison's 2006 Reconciliation Plan.

Judge Feldman's opinions on the three cases will be taken into

consideration by the PSC. Whether her opinions will stand is up to the PSC, which will make a final ruling on each of the three cases.

The verbal understanding that electric company customers could receive as much as \$347,000 in lower electric bills reached earlier this month between the city and company has not been finalized, as the parties put the agreement in writing. If the early January agreement can be formalized, then it will be sent to the PSC for its approval, as reported in *The St. Ignace News* January 18.

If the Island and Edison are not able to ink the deal that would settle all three pending protests filed by the Island, then the PSC will act on its own and take the administrative law judge's opinion into consideration before ruling on this protest and two other protests the Island has filed against the Sault Ste. Marie-based company.

Currently, the parties have agreed to postpone all proceedings for 30 days as they work to reach a settlement on all three cases, said Tom Evashevski, attorney for the Island.

In her latest opinion, Judge Feldman responded to Edison Sault's 2005 power supply cost recovery reconciliation request.

The request, which is submitted by the company to the PSC, seeks to reconcile the power costs the company thought it would incur during the year with actual costs the company paid for purchased power.

Judge Feldman opined that the PSC should disallow capacity costs of \$2,124,000, and if the PSC did not agree with her decision, then it should disallow \$1,084,000, and if not that, then \$347,000.

Her recommendation to disallow \$2,124,000 was based on Edison Sault's failure to obtain prior approval from the PSC for a joint operating agreement amendment it made with Wisconsin Electric Power Company (WEPCo).

WEPCo is a wholly owned subsidiary of Wisconsin Energy Corporation. Wisconsin Energy Corporation is the parent company of Edison Sault.

Edison Sault had asked to recover \$4,062,208 in power supply costs for 2005 through a surcharge to customers of 0.644¢ per kilowatt hour for a 12-month period. Edison Sault had an agreement in place to purchase power from WEPCo. While the agreement had been approved by the PSC, the amendment was never submitted for PSC approval. Judge Feldman said that the amendment called for a capacity charge and an energy charge that must be paid to receive power and the amendment called "for a majority of the company's power supply to be purchased from WEPCo."

Edison Sault acquired power from its hydro plant in Sault Ste. Marie, from the U.S. Army Corps of Engineers hydro plant, and from Consumers Energy Company.

Further, Judge Feldman said if the commissioner did not agree with her findings, then it should consider disallowing \$1,084,000 because Edison Sault failed to demonstrate that its decision to enter into the amendment was reasonable and prudent.

Finally, she said if the com-

mission decided that entering into the agreement was reasonable, she recommended that \$347,000, which was the amount determined WEPCo overcharged Edison Sault under the terms of the agreement.

The filings were initiated by the Island and the city council had sought written and financial support from all local governments that had residents who were customers of Edison Sault. Only Clark Township offered written support. The Island now is responsible for its legal fees, which are estimated to be \$65,000. About five percent of the money the company returns

to customers will affect Mackinac Island residents.

The proposed settlement calls for approximately \$347,000 to be returned to taxpayers. Other stipulations of the settlement include: A refund of \$25,000 to be given to the Island is to be used for its attorney fees and Edison Sault would not seek reimbursement of attorney fees from rate payers. The company also would donate \$25,000 to the City of Mackinac Island through the Mackinac Island Community Foundation. Plans to purchase outside power would follow a procedure proposed by the Island.

Chili Champ To Seek Repeat Success at This Year's Contest

Annual Island Chili Cook-off Set for Feb. 17

Hot and cold are the two main elements for fun in the 14th annual Mackinac Island Chili Cook-off and Postcard Poker Ski and Walk Rally Saturday, February 17.

A poker rally, in which participants can either cross-country ski or walk at their own pace to each designated stop, will begin at 9 a.m., with the starting point at Village Inn Restaurant on Hoban Street. The rally will take participants to many landmarks throughout the Island, including Arch Rock, Fort Holmes, Fort Mackinac, and Sugarloaf.

Registration for the poker rally will be at the Village Inn between 9 a.m. and noon. Prizes will be announced at 5 p.m.

The chili cook-off contest will be from noon until 4 p.m. Last year's winner, Ray Card, of Mackinac Island, said he is set to win it again as he boasts an improved chili recipe this year. Mr. Card beat out second-place finisher John Cadotte by only one vote, the closest contest since the cook-off began in 1993, according to the Village Inn. There were 11 entries last year.

The entries will be judged by the public.

People can enter their chili in the contest until 10 a.m. Saturday. Participants should make two to four gallons of chili for the contest.

To taste and judge at the all-you-can-eat chili buffet, the fee is \$6 per person, with no charge for children ages 12 and younger. Hot cocoa and lemonade will be offered, as well.

Winners of the contest will be announced at 5 p.m.

Prizes include a two-night stay on the Island, dinner for two at the Village Inn, a trophy, and \$200 cash.

After the chili contest, a winter stone skipping contest may be held at the shore near the Village Inn. Competition will start out with participants digging through the snow to find a stone to throw.

To enter the chili cook-off contest, contact Peter Dewey at 847-3542 or 643-9511.

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Posters To Commemorate Mackinac Bridge Milestone



A commemorative Mackinac Bridge poster depicts construction phases of the five-mile-long span. The bridge celebrates its 50th anniversary this year. (Photograph courtesy of the Michigan Department of Transportation)

Four commemorative posters are being sold by the Michigan Department of

Transportation to commemorate the 50th anniversary of the Mackinac Bridge.

Two of the posters are in a landscape format, with one poster in color and the other a black and white print. They are 30 inches wide by 12 inches tall and depict three photographs of the bridge. A third poster is a color photograph of the bridge taken at Bridge View Park in St. Ignace and features five historic photographs along the bottom of the 16-inch-wide

by 30-inch-tall print. The fourth poster is the official celebration logo and is 15 inches wide by 30 inches tall.

The posters are \$4 each through MDOT but will not be sold in stores. A \$3.77 cost per poster is available to non-profit organizations. The posters can be ordered by calling (517) 322-1676. To view the posters online and to print out an order form for mail or fax, visit www.michigan.gov/mackinacbridge.

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