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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION
GREG R. WHITE JOHN D. QUACKENBUSH SALLY A. TALBERG
COMMISSIONER CHAIRMAN COMMISSIONER

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January 31, 2014

Honorable Rick Snyder
Governor of Michigan

Honorable Members of the Senate
Secretary of the Senate

Honorable Members of the House of Representatives
Clerk of the House of Representatives

The enclosed annual report for 2013, *Status of Electric Competition in Michigan*, is submitted on behalf of the Michigan Public Service Commission in accordance with Section 10u of 2000 PA 141, MCL 460.10u, and represents the 12th year of electric choice in Michigan. The report is available on the Commission's website.

As of December 2013, Consumers Energy had just over 1,000 customers participating in the electric choice program and DTE Electric Company had just under 5,500 choice customers participating. The electric choice programs for both companies were fully subscribed at the 10 percent cap throughout the year. As of December 2013, Upper Peninsula Power Company had 39 customers participating in the electric choice program and Indiana Michigan Power Company had zero customers participating. During 2013 customers began taking choice service in the Wisconsin Electric Power Company and Wisconsin Public Service Corporation territories. As of December 2013, Wisconsin Electric Power Company had over 50 customers participating in the electric choice program and Wisconsin Public Service Corporation had 13 customers participating. Upper Peninsula Power Company and Wisconsin Electric Power Company were fully subscribed at year end 2013.

To date, Michigan remains one of 16 states that had full or limited restructuring of the competitive electric market. Benchmark information comparing Michigan's electric retail rates versus the 16 restructured states, 10 largest states, Midwest states and the national average can be found in Section I (D) of this report.

In 2013, the Commission issued multiple orders that adhere to the established framework for Michigan's electric customer choice programs and support the provisions of Public Act 141 of 2000 and Public Acts 286 and 295 of 2008.

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Highlights of the report include:

- Choice Participation Data in Michigan
- Utility Specific 10 percent Cap Data
- Benchmark Data for Michigan's Rates

Statutory changes and policy decisions with respect to electric customer choice can have complex ramifications for the citizens and economy of Michigan. The Commission remains committed to working with legislative members and staff to help ensure that the best possible public policy for Michigan is achieved.

Sincerely,

John D. Quackenbush, Chairman
Michigan Public Service Commission

Greg R. White, Commissioner
Michigan Public Service Commission

Sally A. Talberg, Commissioner
Michigan Public Service Commission

Enclosure