

James H. Climer
Director of Rates and Rate Research



7639 Rates Summary
Consumers
Power
Company

General Offices: 212 West Michigan Avenue, Jackson, Michigan 49201 • Area Code 517 788-1238

August 5, 1977

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Mr. Thomas R. Lonergan
Acting Secretary
Michigan Public Service Commission
PO Box 30221
Lansing, MI 48909

Dear Mr. Lonergan:

Enclosed are 12 copies of the fourth quarterly report of the effect of the introduction of inverted rates on the level of residential use. The scope of this report has been broadened to include an analysis of residential usage patterns following the electric rate increase of January 1975. These data were included in an attempt to ascertain if any statistically significant changes were unique to the inverted rate design, or if changes in usage can be expected after a rate increase which does not involve a change in rate design.

The highlights of the report reveal minor decreases in usage (1-2 percent) in most of the subgroups following both the 1975 and 1976 rate increases. This provides evidence that changes in residential usage are not attributable to the inverted rate but probably due to the general nature of a rate increase and/or conservation or other factors.

This report completes a full year of data and analysis following the introduction of inverted rates and also investigates previous rate increases. This represents our final report on the subject, complying with the Michigan Public Service Commission rate order of April 12, 1976 in Case U-4621 and 4840 (page 53).

Yours very truly,

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