

A CMS Energy Company

May 22, 2009

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Michigan Public Service Commission  
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Lansing, MI 48909

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Attorney

**Re: Case No. U-15986 - In the matter of the application of Consumers Energy Company for authority to increase its rates for the distribution of natural gas and for other relief**

Dear Ms. Kunkle:

Included in this electronic file for electronic filing are Consumers Energy Company's Application, a proposed Notice of Hearing, and the testimony and exhibits of Consumers Energy Company's witnesses. Also included is a Proof of Service showing service upon the parties in Consumers Energy Company's last gas rate case (Case No. U-15506). This case has been designated as a paperless case and is therefore being filed in PDF format.

In accordance with filing procedures adopted by the Michigan Public Service Commission in Case No. U-15895: (i) exhibits that were prepared in Excel format are being filed in Excel format in addition to PDF format, (ii) tariff changes are being filed in Word format in addition to PDF with changes shown in redline format, and (iii) economic models used to support the rate increase request will be provided to parties upon request in working Microsoft Excel version. Copies of the rate case filing are being provided to parties to Case No. U-15506 on electronic disks concurrently with this filing and will be made available on electronic disks to all requesting parties to this case. Workpapers of Consumers Energy's witnesses are being provided on electronic disks to the Commission Staff and to other parties to Case No. U-15506 and will be provided to any parties to Case No. U-15986 who were not parties to Case No. U-15506.

Sincerely,

H. Richard Chambers

cc: Hon. James N. Rigas, ALJ  
Dr. Nicholas Nwabueze  
Parties to Case No. U-15506

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
CONSUMERS ENERGY COMPANY )  
for authority to increase its rates for the )  
distribution of natural gas and for other relief )  
\_\_\_\_\_ )

Case No. U-15986

**APPLICATION**

Consumers Energy Company (“Consumers Energy” or the “Company”) respectfully requests that the Michigan Public Service Commission (“Commission” or “MPSC”) authorize Consumers Energy to increase its rates for the distribution of natural gas and grant it additional relief as set forth herein. In support of this Application, Consumers Energy states as follows:

**Introduction**

1. Consumers Energy is, among other things, engaged as a public utility in the business of purchasing, storing, transporting, distributing, and selling natural gas to approximately 1.7 million customers in the State of Michigan. The natural gas system of Consumers Energy is an integrated and interconnected system and is operated as a single utility system in which the same rates and tariffs are applicable.

2. Consumers Energy’s retail natural gas business, including its retail transportation, storage, and distribution business, is subject to the jurisdiction of the Commission pursuant to various statutory provisions of 1909 PA 300, as amended, MCL 462.2 et seq; 1919 PA 419, as amended, MCL 460.54 et seq; 1939 PA 3, as amended, MCL 460.1 et seq; and 1982 PA 304, as amended, MCL 460.6h(1) et seq. Pursuant to these statutory provisions, the Commission has power and jurisdiction to regulate Consumers Energy’s retail natural gas sales, transportation, storage, and distribution rates.

3. The Commission approved Consumers Energy's current retail natural gas transportation, storage, and distribution rates in an order issued December 23, 2008 in Case No. U-15506. Consumers Energy currently recovers its cost of gas associated with sales to its retail natural gas sales customers by means of a gas cost recovery ("GCR") clause authorized by the Commission pursuant to the provisions of 1982 PA 304, MCL 460.6h.

### **Requested Rate Increase**

4. For purposes of this case, Consumers Energy has undertaken a complete examination, using a projected test year for the 12 month period ending September 30, 2010, of relevant items of investment, expense, and revenues for the determination of just and reasonable natural gas rates. Using the projected test year will allow the rates established in this case to more closely reflect conditions that will exist at the time the rates established in this case are likely to be in effect.

5. Consumers Energy's presently-effective rates are now, and in the future will be, unreasonably low and inadequate without rate relief. Consumers Energy has calculated that for the projected test year it will experience an annual jurisdictional gas revenue deficiency of approximately \$114.4 million as a result of reduced throughput levels and increased costs.

6. An increase in Consumers Energy's gas rates is required to afford the Company an opportunity to collect revenues sufficient to cover its reasonable ongoing and future costs of providing natural gas service, including a reasonable return on common equity, as more fully described in the accompanying testimony and exhibits. Consumers Energy is requesting that the Commission approve, in this case, rates designed to recover additional annual jurisdictional gas revenues of approximately \$114.4 million.

7. Factors contributing to Consumers Energy's need for additional gas revenues above levels currently recovered in base rates include:

- (i) Declines in gas throughput levels;
- (ii) The Company's ongoing investment in gas utility assets in order to provide safe, reliable, and efficient service to customers;
- (iii) Increases in certain categories of Operation and Maintenance costs; and
- (iv) Continuation of funding for the Low Income Energy Efficiency Fund

Consumers Energy is requesting that the Commission authorize increases in the Company's gas rates to reflect the impacts of these changes, each of which has contributed to the revenue deficiency calculated by Consumers Energy in this case. These and other factors, as described in more detail in the supporting testimony and exhibits, necessitate an increase in Consumers Energy's current retail natural gas rates.

8. The investments necessary to enhance and maintain the Company's aging natural gas delivery infrastructure continue at Consumers Energy. These investments include those required to maintain compliance with pipeline integrity requirements, transmission and storage system upgrades, and distribution system improvements. These investments are necessary to ensure that the Company is able to safely and reliably deliver natural gas to its customers.

9. The majority of the Operation and Maintenance ("O&M") cost increases which are reflected in Consumers Energy's projected test year revenue requirement reflect only the effects of inflation. Consumers Energy is requesting that the Commission establish health care, pension, certain other benefit costs, and uncollectible expenses based on cost-specific analyses as described in this filing. In addition, the Company is proposing to update the manufactured gas plant amortization expense.

10. Consumers Energy is, of course, aware of the current state of the Michigan economy. The Company believes that, perhaps especially during periods of economic distress, it remains important that the financial health of utilities be sufficient to maintain adequate service quality and reliability, and to ensure the ability of the utility to access capital markets at reasonable terms so that needed investments can be made. Harming the state's utilities ability to invest in Michigan infrastructure will obviously not help the state's economy. In direct recognition of current economic conditions, the Company also proposes to continue funding of the Low Income Energy Efficiency Fund ("LIEEF") in the annual amount of \$17,427,000.

11. Consumers Energy proposes that rates be established, in this case, which reflect an overall rate of return on total rate base of 7.28% and an authorized rate of return on common equity of 11.00%.

12. Without rate relief, Consumers Energy's retail natural gas rates will be so low as to deprive Consumers Energy of a reasonable return on the Company's property, and amount to confiscation and deprivation of the Company's property, contrary to the Company's rights under the Constitutions of the United States and of the State of Michigan. Without the requested rate relief, Consumers Energy's gas revenues and gas overall rate of return will be below a proper and reasonable level.

### **Rate Design, Tariff, and Other Proposals**

13. Natural gas distribution companies, in general, and Consumers Energy, in particular, have been and are continuing to be subject to increased revenue volatility as a result of decreasing overall volumetric throughput. Factors contributing to this decrease include increased energy efficiencies, higher furnace and appliance efficiencies, volatile natural gas wholesale costs, conservation, and weather trends. Consumers Energy is requesting in this case

that the Commission authorize use of a symmetrical sales adjustment mechanism. Adoption of a this mechanism is a necessary element of an effort to promote national and state goals of conservation and energy independence without penalizing Consumers Energy for promoting energy efficiency and conservation. Approval of the deferred accounting practices necessary to implement this mechanism is also sought.

14. Consumers Energy is also proposing rate adjustment mechanisms to address the increasing volatility of uncollectible, pension, and other benefits expenses. These expenses have been unusually volatile, and are difficult to predict. To assure that customers only pay for actually incurred costs, the Company proposes rate adjustment mechanisms that will allow annual reconciliations of the amount of these costs included in rates with the actual amounts experienced. Approval of the deferred accounting practices necessary to implement these mechanisms is also sought. The details of these rate adjustment mechanisms are set forth in the testimony and exhibits that accompany this Application.

15. Consumers Energy proposes to allocate the required gas revenue increase among rate classes as set forth on Attachment A to this Application. A comparison of present and proposed rates is set forth on Attachment B to this Application.

16. In addition to seeking authority to increase the level of rates and charges, Consumers Energy is proposing various revisions to its gas general rules and regulations and tariffs, all of which are described in Consumers Energy's testimony and exhibits. Reference to these materials will provide additional details on the rate increase and other relief being sought.

**Testimony, Exhibits, and Reservation of Right to Amend**

17. The Company's presentation is being filed in accordance with the standard filing requirements for gas utilities adopted in Case No. U-15895, Order dated December 23, 2008.

The historical presentation reflects actual results for calendar year 2008, and uses a projected test period of the 12 months ended September 30, 2010.

18. Consumers Energy is, concurrently with this application, filing written testimony and exhibits in support of its requested natural gas rate increase and the other relief it is seeking in this case. Reference to this material will provide additional details on the relief being sought. The relief described in the testimony and exhibits should be considered as if specifically requested in this Application. Consumers Energy expressly reserves the right to revise, amend, or otherwise change the relief it is requesting in any way appropriate depending upon the duration and progress of hearings in this proceeding, the issuance of orders that have an impact upon this case, or the occurrence of other material events.

19. In addition to the issues described above, it is possible that other pending or to be filed proceedings or other events may have impacts upon the rate adjustments requested at this time. These impacts will be evaluated for materiality and may need to be considered in the results of this proceeding.

**Self-Implementation Pursuant to MCL 460.6a**

20. As set forth in 2008 PA 286, if the Commission has not acted on the Company's application within 180 days of the filing, the Company may implement up to the amount of the proposed annual rate request through increases applied to all rates. The Company reserves the right to exercise this option.

## **Request for Relief**

WHEREFORE, Consumers Energy respectfully requests that the Commission:

A. Authorize Consumers Energy to adjust its existing retail natural gas rates so as to provide additional revenue not less than \$114.4 million annually above levels established in Case No. U-15506;

B. Authorize Consumers Energy to adjust its existing retail natural gas rates so as to produce a rate of return on common equity of not less than 11.00%;

C. Approve the sales adjustment mechanism, the uncollectibles expense adjustment mechanism, the pension expense adjustment mechanism and the other benefits expense mechanism as described in the testimony that accompanies this Application, as well as the deferred accounting practices necessary to implement these mechanisms;

D. Approve the modifications to the rates, rules, and regulations as are described in the testimony and exhibits that accompany this Application;

E. Promptly issue a Notice of Hearing for the proceeding; and

F. Grant Consumers Energy such other and further relief as is just and reasonable.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

Dated: May 22, 2009

By: \_\_\_\_\_

Ronn J. Rasmussen  
Vice President Rates and Regulation  
Consumers Energy Company

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H. Richard Chambers (P34139)  
Raymond E. McQuillan (P24100)  
John C. Shea (P36854)  
M. Bryan Little (P71440)

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Jackson, Michigan 49201  
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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
CONSUMERS ENERGY COMPANY )  
for authority to increase its rates for the )  
distribution of natural gas and for other relief )  
\_\_\_\_\_ )

Case No. U-15986

**VERIFICATION**

Ronn J. Rasmussen, states that he is Vice President Rates and Regulation of Consumers Energy Company; that he has executed the foregoing Application for and on behalf of Consumers Energy Company; that he has read the foregoing Application and is familiar with the contents thereof; that the facts contained therein are true, to the best of his knowledge and belief; and that he is duly authorized to execute such Application on behalf of Consumers Energy Company.

Dated: May 22, 2009

\_\_\_\_\_  
Ronn J. Rasmussen  
Vice President Rates and Regulation  
Consumers Energy Company

# **Attachment A**

**CONSUMERS ENERGY COMPANY**  
 Summary Proposed Gas Rate Increase  
 Case No. U-15986

ATTACHMENT A

Line	Rate Class (a)	Test Year	Annual Operating Revenues (\$000)		Increase/Decrease	
		MMcf (b)	Current <sup>(1)</sup> (c)	Test Year Proposed <sup>(1)</sup> (d)	Revenues (\$000) (d - c) (e)	Percent (e / c) (f)
<b>Residential</b>						
1	Rate A Space Heating & Non-Space Heating	152,142	1,638,242	1,718,920	80,678	4.92%
2	Rate A-1 Multifamily Dwelling	7,187	69,402	73,497	4,095	5.90%
3	Total Residential Services	159,329	1,707,644	1,792,417	84,773	4.96%
<b>General Services</b>						
4	Rate GS-1 General Service Com. & Ind.	14,466	148,114	154,680	6,566	4.43%
5	Rate GS-2 General Service Com. & Ind.	40,128	364,394	377,109	12,715	3.49%
6	Rate GS-3 General Service Com. & Ind.	13,227	104,964	107,980	3,017	2.87%
7	Total General Commercial Services	67,821	617,472	639,769	22,298	3.61%
8	Rate GL Outdoor Lighting	2	13	14	0	1.53%
9	Total General Services	67,823	617,485	639,783	22,298	3.61%
10	Subtotal Gas Sales Revenues	227,151	2,325,129	2,432,200	107,070	4.60%
<b>Transportation</b>						
11	Rate ST Small Transportation Service	13,018	13,620	16,424	2,804	20.59%
12	Rate LT Large Transportation Service	15,432	11,699	14,107	2,408	20.59%
13	Rate XLT Extra-Large Transportation Service	15,973	7,850	9,466	1,616	20.58%
14	Total Transportation Services	44,424	33,169	39,997	6,828	20.59%
15	<b>Total Revenues</b>	<b>271,575</b>	<b>2,358,298</b>	<b>2,472,197</b>	<b>113,899</b>	<b>4.83%</b>
16	Less: GCR Revenues		1,681,781	1,681,781	-	
17	Total Rates Revenues		676,517	790,416	113,899	
18	Plus: Additional Late Payment Charge Revenues				532 <sup>(2)</sup>	
19	Adjusted Rates Revenues				114,431	
20	Revenue deficiency increase(decrease) due to rounding				3	
21	<b>Total Revenue Deficiency</b>				<b>114,434</b> <sup>(3)</sup>	

**Footnotes**

<sup>(1)</sup> Exhibit A-55 (RLP-4) Schedule F-3 pages 1-9

<sup>(2)</sup> WP-RLP-1, line 6.

<sup>(3)</sup> Exhibit A-75 (TAY-2) Schedule F-1 line 17 column c

## **Attachment B**

**CONSUMERS ENERGY COMPANY**Comparison of Rates  
Case No. U-15986**ATTACHMENT B**  
Page 1 of 2

Line	Rate Class (a)	Current Rates (\$/Mcf) (b)	Proposed Rates (\$/Mcf) (c)
<b><u>Residential</u></b>			
1	Rate A Non-Space Heating		
2	Customer Charge	\$9.50	\$11.00
3	Income Assistance Provision	\$0.00	-\$11.00
4	Distribution Charge	\$2.0819	\$2.6188
5	Rate A Space Heating		
6	Customer Charge	\$9.50	\$11.00
7	Income Assistance Provision	\$0.00	-\$11.00
8	Distribution Charge	\$2.0819	\$2.6188
9	Rate A-1 Multifamily Dwelling		
10	Customer Charge	\$9.50	\$11.00
11	Distribution Charge	\$2.0819	\$2.6188
12	Excess Peak Demand	\$0.0489	\$0.0566
<b><u>General Service</u></b>			
13	Rate GS-1 General Service		
14	Customer Charge	\$10.50	\$12.25
15	Distribution Charge	\$1.9259	\$2.2464
16	Rate GS-2 General Service		
17	Customer Charge	\$16.00	\$19.00
18	Distribution Charge	\$1.7477	\$2.0353
19	Rate GS-3 General Service		
20	Customer Charge	\$482.00	\$568.50
21	Distribution Charge	\$0.9066	\$1.0514
22	Rate GL Outdoor Lighting		
23	Up to 2.5 Cubic Feet Per Hour	\$16.00	\$16.00
24	2.6 to 4.5 Cubic Feet Per Hour	\$21.00	\$22.00

**CONSUMERS ENERGY COMPANY**Comparison of Rates  
Case No. U-15986**ATTACHMENT B**  
Page 2 of 2

Line	Rate Class (a)	Current Rates (\$/Mcf) (b)	Proposed Rates (\$/Mcf) (c)
<b><u>Transportation Service</u></b>			
25	Rate ST Small Transportation Service		
26	Customer Charge	\$510.00	\$631.30
27	Transportation Charge - Cost Based	\$0.8135	\$0.9734
28	Transportation Charge - Market Floor	\$0.2300	\$0.2300
29	Transportation Charge - Market Ceiling	\$1.3970	\$1.7168
30			
31	<u>Authorized Tolerance Level</u>		
32	6.5%	-\$0.0490	-\$0.0591
33	7.5%	-\$0.0245	-\$0.0295
34	8.5%	\$0.0000	\$0.0000
35	9.5%	\$0.0245	\$0.0295
36	10.5%	\$0.0490	\$0.0591
37	Rate LT Large Transportation Service		
38	Customer Charge	\$2,830.00	\$3,481.30
39	Transportation Charge - Cost Based	\$0.5283	\$0.6314
40	Transportation Charge - Market Floor	\$0.2300	\$0.2300
41	Transportation Charge - Market Ceiling	\$0.8266	\$1.0328
42			
43	<u>Authorized Tolerance Level</u>		
44	6.5%	-\$0.0490	-\$0.0591
45	7.5%	-\$0.0245	-\$0.0295
46	8.5%	\$0.0000	\$0.0000
47	9.5%	\$0.0245	\$0.0295
48	10.5%	\$0.0490	\$0.0591
49	Rate XLT Extra-Large Transportation Service		
50	Customer Charge	\$7,210.00	\$8,739.80
51	Remote Meter Charge	\$70.00	\$70.00
52	Transportation Charge - Cost Based	\$0.4178	\$0.5035
53	Transportation Charge - Market Floor	\$0.1500	\$0.1500
54	Transportation Charge - Market Ceiling	\$0.6856	\$0.8570
55			
56	<u>Authorized Tolerance Level</u>		
57	6.5%	-\$0.0490	-\$0.0591
58	7.5%	-\$0.0245	-\$0.0295
59	8.5%	\$0.0000	\$0.0000
60	9.5%	\$0.0245	\$0.0295
61	10.5%	\$0.0490	\$0.0591
<b><u>Other Transportation Charges</u></b>			
61	Authorized Gas Use Charge	\$1.00	\$1.00
62	Unauthorized Gas Use Charge	\$10.00	\$10.00
63	Load Balancing Charge	\$0.25	\$0.25

**STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

**NOTICE OF HEARING  
FOR THE NATURAL GAS CUSTOMERS OF  
CONSUMERS ENERGY COMPANY**

**CASE NO. U-15986**

- Consumers Energy Company may increase its rates to produce additional revenue of approximately \$114.4 million annually for the distribution of natural gas above base rate levels and utilize several expense recovery mechanisms that would match certain revenues with expenses if the Michigan Public Service Commission approves its request.
- **A TYPICAL RESIDENTIAL CUSTOMER WHO USES 100 Mcf (THOUSAND CUBIC FEET) OF NATURAL GAS PER YEAR MAY SEE A NATURAL GAS INCREASE OF APPROXIMATELY \$72 PER YEAR.**
- The information below describes how a person may participate in this case.
- You may call or write Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201, (800) 477-5050 for a free copy of its application. Any person may review the application at the offices of Consumers Energy Company.
- A public hearing in this matter will be held:

**DATE/TIME:** \_\_\_\_\_, 2009, at 9:00 a.m.

This hearing will be a prehearing conference to set future hearing dates and decide other procedural matters.

**LOCATION:** Michigan Public Service Commission  
6545 Mercantile Way, Suite 7  
Lansing, Michigan

**BEFORE:** Administrative Law Judge \_\_\_\_\_

**PARTICIPATION:** Any interested person may attend and participate. The hearing site is accessible, including handicapped parking. Persons needing any accommodation to participate should contact the Commission's Executive Secretary at (517) 241-6160 in advance to request mobility, visual, hearing or other assistance.

The Michigan Public Service Commission (Commission) will hold a public hearing to consider the May 22, 2009 application of Consumers Energy Company (Consumers) seeking approval to adjust its existing retail natural gas rates to provide additional revenue of approximately \$114.4 million annually above levels established in Case No. U-15506, and to produce a rate of return on common equity of not less than 11.00%. Consumers is also requesting various other relief. Details of the proposals are contained in the application and filing materials.

Consumers states that, as set forth in 2008 PA 286, if the Commission has not acted upon the Company's application within 180 days of the filing, it may implement up to the amount of the proposed annual rate request through increases applied to all rates.

Consumers states that additional revenues are needed as a result of reduced throughput levels and increased costs. The chart below summarizes the proposed gas rate increase for rate classes by percentage:

CONSUMERS ENERGY COMPANY  
Summary Proposed Gas Rate Increase by Percentage  
Case No. U-15986

<u>Line</u>	<u>Rate Class</u>	<u>Percent</u>
<b><u>Residential</u></b>		
1	Rate A Space Heating & Non-Space Heating	4.92%
2	<u>Rate A-1 Multifamily Dwelling</u>	<u>5.90%</u>
3	Total Residential Services	4.96%
<b><u>General Services</u></b>		
4	Rate GS-1 General Service Com. & Ind.	4.43%
5	Rate GS-2 General Service Com. & Ind.	3.49%
6	<u>Rate GS-3 General Service Com. &amp; Ind.</u>	<u>2.87%</u>
7	Total General Commercial Services	3.61%
8	<u>Rate GL Outdoor Lighting</u>	<u>1.53%</u>
9	Total General Services	3.61%
10	Subtotal Gas Sales Revenues	4.60%
<b><u>Transportation</u></b>		
11	Rate ST Small Transportation Service	20.59%
12	Rate LT Large Transportation Service	20.59%
13	<u>Rate XLT Extra-Large Transportation Service</u>	<u>20.58%</u>
14	Total Transportation Services	20.59%
15	<b>Total Revenues</b>	<b>4.83%</b>

Consumers is further requesting that the Commission authorize it to use a sales adjustment mechanism, and rate adjustment mechanisms to address uncollectible, pension, and other benefits expenses and related deferred accounting. The proposed mechanisms would allow annual reconciliation of the amount of these items included in rates with actual amounts experienced.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets Website at: [michigan.gov/mpscedockets](http://michigan.gov/mpscedockets). Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). If you

require assistance prior to e-filing, contact Commission staff at (517) 241-6170 or by e-mail at [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov).

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by \_\_\_\_\_, 2009. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Consumers Energy Company's Legal Department, MPSC Regulatory Attorneys, One Energy Plaza, Jackson, Michigan 49201.

Any person wishing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his or her wish to make a statement of position. All information submitted to the Commission in this matter will become public information: available on the Michigan Public Service Commission's Web site, and subject to disclosure.

Requests for adjournment must be made pursuant to the Commission's Rules of Practice and Procedure R 460.17315 and R 460.17335. Requests for further information on adjournment should be directed to (517) 241-6060.

A copy of Consumers' request may be reviewed on the Commission's Web site at [michigan.gov/mpscdockets](http://michigan.gov/mpscdockets), and at the office of Consumers Energy Company, One Energy Plaza, Jackson, MI. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 241-6170.

Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 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.

**CONSUMERS ENERGY COMPANY HAS REQUESTED THE INCREASES AND OTHER PROPOSALS DESCRIBED IN THIS NOTICE. THE MICHIGAN PUBLIC SERVICE COMMISSION MAY GRANT OR DENY THE REQUESTED INCREASES AND OTHER PROPOSALS, IN WHOLE OR IN PART, AND MAY GRANT LESSER OR GREATER INCREASES THAN THOSE REQUESTED, AND MAY AUTHORIZE A LESSER OR GREATER RATE FOR ANY CLASS OF SERVICE THAN THAT REQUESTED.**

\_\_\_\_\_, 2009