

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	)	Case No. U-20650
distribution of natural gas and for other relief.	)	
_____	)	

At the September 10, 2020 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Sally A. Talberg, Commissioner
Hon. Tremaine L. Phillips, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On December 16, 2019, Consumers Energy Company (Consumers) filed an application seeking authority to increase rates, amend its rate schedules, obtain approval of certain accounting matters, and modify certain terms and conditions of providing natural gas service. Consumers indicated in its application that, based on a projected test year commencing October 1, 2020, and ending September 30, 2021, the utility expected to experience a revenue deficiency of \$245 million annually.

A prehearing conference was held on January 9, 2020, before Administrative Law Judge Jonathan F. Thoits (ALJ). At the prehearing conference, the ALJ granted petitions for leave to intervene filed by the Association of Businesses Advocating Tariff Equity; the Michigan Department of Attorney General; Citizens Utility Board of Michigan; Energy Michigan, Inc.; Lansing Board of Water & Light; Michigan State University (MSU); Midland Cogeneration

Venture Limited Partnership; and Residential Customer Group. The Commission Staff also participated in the proceeding.

Evidentiary hearings took place on May 21 and 27, 2020. The record consists of 2,423 pages of transcript and 438 exhibits.

On August 20, 2020, Consumers filed a settlement agreement, attached to this order as Exhibit A, executed by all of the parties with the exception of MSU, who, on the same day, filed a statement of non-objection to the settlement agreement. The parties agree that Consumers should be authorized to increase its retail gas distribution rates so as to produce additional annual revenues of \$144 million; that the rate increase should be implemented using the rate design shown on Attachment 1 to the settlement agreement; and that the Commission should approve the tariff sheets attached as Attachment 2 to the settlement agreement for implementation effective October 1, 2020.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceedings, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Beginning October 1, 2020, Consumers Energy Company shall implement tariffs consistent with those contained in Attachment 2 to the settlement agreement.
- C. Within 30 days of the date of this order, Consumers Energy Company shall file tariff sheets substantially similar to those contained in Attachment 2 to the settlement agreement.

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, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Sally A. Talberg, Commissioner

Tremaine L. Phillips, Commissioner

By its action of September 10, 2020.

Lisa Felice, Executive Secretary

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_____	)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), the undersigned parties agree as follows:

WHEREAS, on December 16, 2019, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application requesting authority to increase its rates for the distribution of natural gas and other relief. The Company filed testimony and exhibits in support of its positions concurrently with its Application.

WHEREAS, the initial prehearing conference in this proceeding was held on January 9, 2020 before Administrative Law Judge Jonathon F. Thoits. The parties to the case are Consumers Energy, the Commission Staff (“Staff”), the Attorney General of Michigan (“Attorney General”), the Association of Businesses Advocating Tariff Equity (“ABATE”), the Retail Energy Supply Association (“RESA”), Lansing Board of Water & Light, Michigan State University (“MSU”), Energy Michigan, Inc (“Energy Michigan”), Citizens Utility Board (“CUB”), the Residential Customer Group (“RCG”), and the Midland Cogeneration Venture Limited Partnership (“MCV”).

WHEREAS, Consumers Energy filed testimony and exhibits requesting an increase in its natural gas rates of approximately \$245 million and seeking various other forms of relief, and Staff and other intervening parties filed testimony and exhibits addressing various issues. In rebuttal

testimony, Consumers Energy has subsequently reduced its request to increase its natural gas rates to approximately \$229 million.

NOW THEREFORE, for purposes of settlement of Case No. U-20650, the undersigned parties agree as follows:

1. Consumers Energy should be authorized to increase its retail natural gas distribution rates so as to produce additional annual revenues in the amount of approximately \$144 million.

2. The parties agree that the above-referenced rate increase will be implemented using a rate design that is reflected in the rates shown on Attachment 1 to this Settlement Agreement, which should be approved by the Commission. Tariff sheets implementing the rate increase, shown on Attachment 1, are attached to this Settlement Agreement as Attachment 2 and should be approved by the Commission.

3. The parties agree that on a non-precedential basis, Consumers Energy's authorized rate of return on common equity is 9.9% and common equity ratio is 52.05%.

4. Consumers Energy agrees that it will not file a new natural gas general rate case under Section 6a(1) of Public Act 3 of 1939 as amended, MCL 460.6a(1), earlier than December 1, 2021. Nothing in this Settlement Agreement shall be construed to limit the Company's right to file, or the Commission's authority to approve, requests for rate adjustments pursuant to other provisions of law before December 1, 2021.

5. The parties agree to the acceleration of the amortization of the remaining balance of the gas utility's portion of the unprotected, non-property component of the Tax Cuts and Jobs Act of 2017 deferred tax liability and the remaining balance of deferred tax liability associated with pre-1993 book/tax timing differences associated with gas utility plant. This additional

amortization of the remaining balances will occur between October 1, 2021 and September 30, 2022 and is forecasted to be approximately \$84.5 million.

6. The parties agree that the Enhanced Infrastructure Replacement Program (“EIRP”), as approved in Case No. U-20322, will continue with the increased spending amount of \$100 million for 2020 and at least \$150 million starting in 2021. In order to improve the cost per mile of installed pipe in the EIRP, the Company is modifying its approach for project selection to a grid approach. The Company additionally agrees to continue to file the required annual EIRP planning and performance reports.

7. The parties agree that any rate recovery of the costs related to the investments made to repair and modify the Ray Compressor Station as a result of the January 30, 2019 fire should neither be approved nor disallowed in this proceeding. Instead, the parties agree that any decision on the rate recovery of those costs should be addressed in the Company’s next natural gas general rate case filing once any insurance proceeds received by the Company associated with these capital investments are known. In deferring consideration regarding the rate recovery of these costs, the parties expressly reserve their respective rights to advocate for or against inclusion of the fire-related Ray investments costs in rates in the Company’s next gas rate case.

8. In its next natural gas general rate case, Consumers Energy will propose a plan that shows movement towards a more balanced capital structure.

9. The parties agree that, commencing with the Commission’s order approving this Settlement Agreement, Consumers Energy will implement the following customer charges:

Residential	\$12.60
A-1	\$12.60
GS-1	\$15.00
GS-2	\$91.63
GS-3	\$234.57
ST	\$890.85

Tariff sheets implementing all the different customer charges are included in Attachment 2 and should be approved by the Commission.

10. The parties agree that Consumers Energy will hold a collaborative for interested parties that will address the design of a Demand Response (“DR”) Pilot. The Company will launch a residential DR Pilot in the winter of 2021 and has the objective of launching a Commercial and Industrial DR Pilot in 2021. The Company commits to allow participation of Gas Customer Choice and End Use Transportation customers in a DR Pilot. With regard to the elements of the DR Pilot, including but not limited to the costs associated with the DR Pilot (which costs will consist of Consumer Energy’s incremental costs of DR Pilot implementation), prior to the DR Pilot being implemented and Consumers Energy incurring costs or expenses related thereto, Consumers Energy agrees to work with stakeholders to share existing proposals regarding DR Pilot design and details, discuss refinement of the proposals, and agree on a process to implement the DR Pilot. Consumers Energy will also defer all costs associated with the DR Pilots implementation as a regulatory asset subject to a reasonableness and prudence review for recovery in a future proceeding.

11. The parties agree that the gas-in-kind percentage for end-use transportation customers should be 2.12%.

12. The parties agree to add an Authorized Tolerance Level (“ATL”) option of 2% for all transportation classes in addition to the existing ATL options available (4%, 6.5%, 7.5%, 8.5%, 9.5%, and 10.5%).

13. The parties agree for purposes of this Settlement Agreement that for use in Consumers Energy’s Customer Attachment Program under Rule C8, the carrying cost rate is 9.27% and the discount rate is 7.40%.

14. The parties agree that the Revenue Decoupling Mechanism proposed by Consumers Energy in this proceeding, which is the same mechanism as approved by the Commission in Case No. U-20322, should be approved.

15. Consumers Energy agrees to hold its fleet capital spending to the level previously approved by the Commission in Case No. U-20322. For future fleet capital spending above the level approved in Case No. U-20322, Consumers Energy agrees to work with interested parties and perform an updated business case to support future increased capital spending.

16. For the purposes of this settlement agreement, unit, turbocharger, engine, and compressor rebuilds or overhauls at issue in this case are considered an operations and maintenance expense and not a capital expenditure. Prior to the filing of its next rate case, the Company and Staff agree to meet and discuss the opposing positions for accounting treatment in an attempt to reach alignment. Staff reserves the right to recommend disallowances in future rate cases for expenditures of this nature that it believes are inappropriately classified as capital expenditures.

17. In this proceeding, proposed non-rate changes were made to the Company's natural gas tariffs. The proposals that have been agreed to by the parties are included in Attachment 2 to this Settlement Agreement. The parties agree that all the tariff sheets included as Attachment 2 to this Settlement Agreement are consistent with the foregoing provisions of this Settlement Agreement and should be approved by the Commission. In addition, Consumers Energy agrees to work with Staff to revise its RIA/LIA tariff language regarding verification and file an ex parte case for Commission approval of the revised tariff.

18. In 2020, Consumers Energy will make one-time contributions totaling \$2 million to The Heat and Warmth Fund ("THAW") and other non-affiliated non-profits with funds directed towards providing energy assistance to Consumers Energy's customers. One million dollars of the contributions shall be distributed to THAW with the remaining balance being distributed to other non-profits that serve Consumers Energy's customers. The cost of these contributions shall be borne by shareholders and not recovered from ratepayers.

19. The Company will explore the structure of a low-income percentage-of-income pilot ("PIP") with the assistance of Staff and interested stakeholders and develop an ex parte case within six months of the Commission order approving the settlement agreement. This ex parte case should include, but is not limited to, a proposal for customers at and below 150% of the Federal Poverty Level ("FPL") to pay no more than 6% of their household income for gas and/or combined gas and electric services, means of financing the pilot, quantity of enrolled customers, means of choosing eligible customers and means of verifying household income. The PIP proposal will use current funds, and not cause an increase in gas or electric rates for ratepayers. This pilot will also require data analysis and mutually agreed upon metrics in order to determine the success and outcome of the pilot. Any costs associated with the pilot will be subject to a

review of their reasonableness and prudence in future filings prior to any potential recovery. The parties expressly reserve their respective rights to advocate for or against any proposed PIP program in any future proceeding.

20. The parties agree that new rates will be effective October 1, 2020.

21. Except as otherwise expressly set forth in this Settlement Agreement, the parties agree that this Settlement Agreement does not reflect specific spending requirements for any particular programs of the Company or include any specific disallowances related to amounts presented in Consumers Energy's December 16, 2019 filing in this case.

22. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this Settlement Agreement are, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement nor the Commission shall make any reference to, or use, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

23. This Settlement Agreement is based on the facts and circumstances of this case and is intended for the final disposition of Case No. U-20650. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement with respect to issues resolved via this Settlement Agreement. The parties agree and understand that this

Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings or related appeals.

24. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of the Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the parties.

25. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

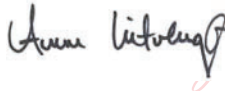
26. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues resolved in this Settlement Agreement, if the Commission approves this Settlement Agreement without modification.

WHEREFORE, the undersigned parties respectfully request the Commission to approve this Settlement Agreement on an expeditious basis and to make it effective in accordance with its terms by final order.

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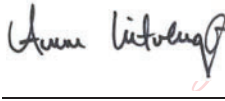
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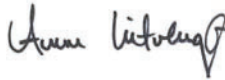
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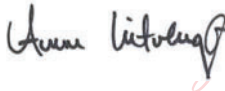
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Lansing, MI 48933

U-20650

The Lansing Board of Water and Light (LBWL) does not wish to be a signatory to this Settlement Agreement; however LBWL has no objection to the Settlement Agreement:

Dated: August 19, 2020

Richard Aaron

Digitally signed by: Richard Aaron
DN: CN = Richard Aaron email =
raaron@dykema.com C = US O =
Dykema
Date: 2020.08.19 09:48:57 -04'00'

By _____

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Attorneys for Lansing Board of Water & Light

Attachment 1

Line	(a)	(b)	(c)	(d)	(e)
No.	Description	Present	Proposed	Difference	
		Revenue	Revenue	Revenue	Percent
		\$000	\$000	\$000	%
	Residential Service				
1	Single Family Dwelling A	\$ 1,181,710	\$ 1,288,353	\$ 106,642	9.0
2	Multifamily Dwelling A-1	40,004	43,772	3,767	9.4
3	Total Residential Service	1,221,715	1,332,124	110,410	9.0
	General Service				
4	Small Service GS-1	191,156	203,100	11,944	6.2
5	Medium Service GS-2	143,268	151,303	8,035	5.6
6	Large Service GS-3	42,734	45,882	3,148	7.4
7	Outdoor Lighting GL	4	4	(1)	(13.4)
8	Total General Service	377,161	400,288	23,127	6.1
9	Total Gas Sales ⁽¹⁾	1,598,876	1,732,413	133,537	8.4
	Transportation				
10	Small Transport ST	28,935	33,275	4,340	15.0
11	Large Transport LT	19,922	22,910	2,988	15.0
12	Extremely Large Transport XLT	18,498	21,199	2,701	14.6
13	Extra Extremely Large Transport XXL	7,211	7,212	1	0.0
14	Total Transportation	74,567	84,597	10,030	13.5
15	Total Service (Delivery & Fuel)	<u>\$ 1,673,443</u>	<u>\$ 1,817,009</u>	<u>\$ 143,567</u>	<u>8.6</u>
16	Additional Late Payment Charge Revenue			373	
17	Revenue Increase/(Decrease) Due to Rounding			1	
18	Total Revenue (Sufficiency)/Deficiency			<u>\$ 143,940</u>	

Notes

⁽¹⁾ Includes aggregate billed transportation accounts.

Line No.	(a) Description	(b) Units	(c) Present	(d) Proposed
Residential Class				
Single Family Dwelling A				
1	Customer Charge	\$/Mth	\$ 11.75	\$ 12.60
2	Income Assistance - RIA Program	\$/Mth	\$ (11.75)	\$ (12.60)
3	Income Assistance - LIAC Pilot	\$/Mth	\$ (30.27)	\$ (30.27)
4	Distribution Charge	\$/Mcf	\$ 3.6139	\$ 4.2013
Multifamily Dwelling A-1				
5	Customer Charge	\$/Mth	\$ 11.75	\$ 12.60
6	Excess Peak Charge	\$/Mcf	\$ 0.0715	\$ 0.0767
7	Distribution Charge	\$/Mcf	\$ 3.6139	\$ 4.2013
General Service				
Small Service GS-1				
8	Customer Charge - Master	\$/Mth	\$ 14.00	\$ 15.00
9	Customer Charge - Contiguous	\$/Mth	\$ 14.00	\$ 14.00
10	Distribution Charge	\$/Mcf	\$ 3.2637	\$ 3.6255
Medium Service GS-2				
11	Customer Charge - Master	\$/Mth	\$ 81.86	\$ 91.63
12	Customer Charge - Contiguous	\$/Mth	\$ 40.00	\$ 40.00
13	Distribution Charge	\$/Mcf	\$ 2.4491	\$ 2.7060
Large Service GS-3				
14	Customer Charge - Master	\$/Mth	\$ 482.55	\$ 234.57
15	Customer Charge - Contiguous	\$/Mth	\$ 80.00	\$ 80.00
16	Distribution Charge	\$/Mcf	\$ 1.9682	\$ 2.5344
Outdoor Lighting GL				
17	Single Mantle	\$/Lum.	\$ 6.00	\$ 5.00
18	Multiple Mantle	\$/Lum.	\$ 10.00	\$ 9.00
Transportation				
Small Transport ST				
19	Customer Charge - Master	\$/Mth	\$ 500.00	\$ 890.85
20	Customer Charge - Contiguous	\$/Mth	\$ 60.00	\$ 60.00
21	Distribution Charge	\$/Mcf	\$ 1.1487	\$ 1.2162
Large Transport LT				
22	Customer Charge - Master	\$/Mth	\$ 2,351.35	\$ 1,584.04
23	Customer Charge - Contiguous	\$/Mth	\$ 60.00	\$ 60.00
24	Distribution Charge	\$/Mcf	\$ 0.9265	\$ 1.1330
Extremely Large Transport XLT				
25	Customer Charge - Master	\$/Mth	\$ 8,794.20	\$ 15,876.55
26	Customer Charge - Contiguous	\$/Mth	\$ 60.00	\$ 60.00
27	Remote Meter Charge	\$/Mth	\$ 70.00	\$ 70.00
28	Distribution Charge	\$/Mcf	\$ 0.7719	\$ 0.7900
Extra Extremely Large Transport XXL				
29	Customer Charge - Master	\$/Mth	\$ 40,096.32	\$ 44,381.36
30	Remote Meter Charge	\$/Mth	\$ 70.00	\$ 70.00
31	Distribution Charge	\$/Mcf	\$ 0.4350	\$ 0.4375

Line No.	(a) Description	(b) Units	(c) Present	(d) Proposed
Authorized Tolerance Level (ST, LT, XLT, XXLT) ⁽²⁾				
32	2.0% ATL	\$/Mcf	\$ -	\$ (0.0629)
33	4.0% ATL	\$/Mcf	\$ (0.0703)	\$ (0.0436)
33	6.5% ATL	\$/Mcf	\$ (0.0312)	\$ (0.0194)
34	7.5% ATL	\$/Mcf	\$ (0.0156)	\$ (0.0097)
34	8.5% ATL	\$/Mcf	\$ -	\$ -
35	9.5% ATL	\$/Mcf	\$ 0.0156	\$ 0.0097
35	10.5% ATL	\$/Mcf	\$ 0.0312	\$ 0.0194
Customer Attachment Program				
36	Discount Rate	%	7.17	7.40
37	Carrying Cost Rate	%	8.92	9.27
Other Transportation				
38	Authorized Gas Use Charge	\$/Mcf	\$ 1.00	\$ 1.00
39	Unauthorized Gas Use Charge	\$/Mcf	\$ 10.00	\$ 10.00
40	Load Balancing Charge	\$/MMBtu	\$ 0.25	\$ 0.25
41	EUT Gas In Kind	%	2.24	2.12
Non-Transmitting Gas Meter - Automated Meter Reading (AMR) Provision				
42	One Time Charge Prior to AMR Install	\$/Customer	\$ 109.94	\$ 109.94
43	One Time Charge After AMR Install	\$/Customer	\$ 177.53	\$ 177.53
44	Monthly Charge	\$/Customer	\$ 6.03	\$ 6.03

Notes

⁽¹⁾ Excludes Outdoor Lighting GL

⁽²⁾ Only the 2.0% ATL adjustment is available to XXLT and the 4.0% ATL adjustment is subtracted to get a credit of \$(0.0204)

Attachment 2

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Proposed Gas Tariff Sheets (MPSC No. 3 – Redlined Version)

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Proposed Gas Tariff Sheets (MPSC No. 3 – Redlined Version)

(Continued From Sheet No. C-32.00)

C7. GAS COST RECOVERY CLAUSE AND STANDARD REFUND PROCEDURES (Contd)

C7.1 Gas Cost Recovery Clause (Contd)

C. Billing

- (1) In applying the Gas Cost Recovery Factor, per Mcf or Dekatherm, any fraction of 0.01 cent shall be rounded to the nearest 0.01 cent.
- (2) Each month the Company shall include in its rates a Gas Cost Recovery Factor up to the maximum authorized by the Commission as shown on Sheet No. D-5.00. For months in which the Commission has not approved a specific Gas Cost Recovery Factor, the Company may include an appropriate Gas Cost Recovery Factor in its rates if authorized by law to do so.
- (3) The Gas Cost Recovery Factor shall be the same per Mcf or Ccf for each billed customer. The factor shall be placed into effect in the first billing cycle of each monthly billing period and shall continue in effect throughout all cycles in each monthly billing period.
- (4) The Gas Cost Recovery Factor shall appear on all customer bills.

D. General Conditions

- (1) At least ~~10~~¹⁵ days prior to a billing month for which the GCR factor to be billed is to differ from that currently in effect, the Company shall file a revised Sheet No. D-5.00 to notify the Commission as to the actual factor to be billed to its customers in the subsequent month.
- (2) This Gas Cost Recovery Clause is authorized by the provisions of 1982 PA 304. A copy of that act is available for public inspection at each business office of the Company. The Company shall provide a copy of the act to any customer upon request.

C7.2 Standard Refund Procedures for Gas Cost Recovery and Other Supplier Refunds

A. Receipt of Refunds by the Company

(1) Supplier Refunds

By April 15 of each year, the Company shall notify the Commission Staff of any pipeline or other supplier refunds (other than a routine billing adjustment) received during the prior twelve months ended March 31. The notification shall be in the form of a letter, and include:

- (a) The amount of each refund, including interest.
- (b) The date each refund was received.
- (c) The source and reason for each refund.
- (d) The period covered by each refund (historical refund period).

Additionally, if any portion of any pipeline or other supplier refund is properly allocable to non-GCR customers, this amount, along with any calculations of deductions wherefrom for Company Use and Lost and Unaccounted-For Gas, shall also be included in the written notification.

Failure of the Company to report a refund to the Commission Staff by the April 15 deadline shall result in an interest penalty of 50% over the normal authorized rate of return on common equity for the period of time that the Company fails to comply with the refund notification requirement.

(Continued on Sheet No. C-34.00)

(Continued From Sheet No. C-39.00)

C8. CUSTOMER ATTACHMENT PROGRAM (Contd)

I. Model Assumptions

Incremental Revenues:

The incremental revenues will be calculated based on current rates and a forecast of the timing and number of customer attachments as well as the customer's annual consumption levels.

Incremental Costs:

(1) Carrying Cost Rate

The carrying cost rate will be based on the weighted rate of debt, preferred stock, equity and associated taxes. The cost will be equal to and weighted in proportion to those authorized in the Company's most recent rate order. The carrying cost rate is equal to 9.27 ~~8.92~~%.

(2) Plant in Service

Plant in Service shall reflect the Company's estimated cost to construct distribution mains, customer service lines, meters and pressure regulators or regulating facilities for the Project. The timing of the facility investment, primarily service lines, will correspond with the projected timing of the customer attachments.

(3) Carrying Costs

The Carrying Costs will be the product of the average of beginning and end-of-year net plant, Plant in Service minus accumulated depreciation minus deferred taxes, multiplied by the Carrying Cost Rate, noted in paragraph 1 above.

(4) Depreciation

Depreciation expense will be the product of Plant in Service multiplied by the appropriate prescribed depreciation rates approved for the Company.

(5) Property Taxes and Other Operating Expenses

Property taxes will be the product of Plant in Service multiplied by the Company's average property tax rate. All other incremental operating expenses will be included as identified. Incremental O&M will at a minimum include a proportional cost for monthly meter reading, billing and mailing.

(6) Discount Rate

The discount rate will be a weighted rate of long-term debt, preferred stock and common equity. The cost will be equal to and weighted in proportion to those authorized in the Company's most recent rate order. Based on the Company's rate order in Case No. U-20650 ~~U-20322~~, the discount rate is equal to 7.40 ~~7.17~~%.

J. Customer Attachment Project Areas

All gas sold in any area specifically listed below is subject to the following Customer Attachment Project (CAP) charges. CAP areas and charges shall be added to or removed from the list from time to time by the Company.

(Continued on Sheet No. C-41.00)

M.P.S.C. No. 3 - Gas
Consumers Energy Company

Sheet No. D-5.00

GAS COST RECOVERY (GCR) FACTORS

2018-2019 Plan Case <u>Billing Months</u>	Maximum Allowable GCR Factor \$/Mcf (Subject to Ceiling Price Adjustment)	Actual GCR Factor Billed \$/Mcf
April 2018	\$2.9429	\$2.8617
May 2018	2.9429	2.8699
June 2018	2.9429	2.8573
July 2018	2.9429	2.9429
August 2018	2.9429	2.9429
September 2018	2.9840	2.9840
October 2018	2.9429	2.9429
November 2018	3.0662	3.0662
December 2018	3.1484	3.1484
January 2019	3.4360	3.4360
February 2019	3.1484	3.1484
March 2019	3.1484	3.1484
2019-2020 Plan Case <u>Billing Months</u>	Maximum Allowable GCR Factor \$/Mcf (Subject to Ceiling Price Adjustment)	Actual GCR Factor Billed \$/Mcf
April 2019	\$3.1655	\$3.1655
May 2019	3.1246	3.0311
June 2019	3.1246	2.8942
July 2019	3.1246	2.7691
August 2019	3.1246	2.7262
September 2019	3.1246	2.6497
October 2019	3.1246	2.7681
November 2019	3.1246	2.7220
December 2019	3.1246	2.8244
January 2020		
February 2020		
March 2020		

The listed monthly Gas Cost Recovery (GCR) factors are authorized pursuant to Rule No. C7., Gas Cost Recovery Clause and Standard Refund Procedures. The Maximum Allowable GCR Factors shown above are subject to adjustment pursuant to the GCR Factor Ceiling Price Adjustment (Contingency) Mechanism beginning on Sheet No. D-6.00 for the April 2019 through March 2020 period. Sheet No. D-5.00 will be updated if adjustments are made pursuant to this mechanism. The Commission is authorized to approve GCR ceiling price adjustments contingent on future events pursuant to Section 6h(6) of 1982 PA 304, as amended.

The Maximum Allowable GCR Factors, adjusted pursuant to the GCR Factor Ceiling Price Adjustment (Contingency) Mechanism beginning on Sheet No. D-6.00, are the maximum rates the Company may charge. The actual GCR Factor Billed in any month may be less than the Maximum Allowable GCR Factor.

The Company has filed for Maximum Allowable GCR Factors for April 2019 - March 2020 in Case No. U-20233 currently pending before the Michigan Public Service Commission. Pursuant to MCL 460.6h, the Company will adjust its rates to incorporate all or part of the requested factors as filed, including contingent factors, until the issuance of an order in Case No. U-20233.

The Company will file on or before December 31, 2019 for Maximum Allowable GCR Factors for April 2020 - March 2021 pursuant to MCL 460.6h.

The Company will file a revised Sheet No. D-5.00 at least ~~10~~¹⁵ days before the actual GCR factor is billed to its customers in the subsequent billing month.

RESIDENTIAL SERVICE RATE A

Availability

Subject to any restrictions, this rate is available to any customer desiring gas service for any usual residential use in private family dwellings; tourist homes, rooming houses, dormitories, nursing homes and other similarly occupied buildings containing sleeping accommodations for up to six persons; or multifamily dwellings containing two households served through a single meter.

This rate is not available for resale service, multifamily dwellings containing more than two living units served through a single meter or for tourist homes, rooming houses, dormitories, nursing homes and similarly occupied buildings containing sleeping accommodations for more than six persons or for any other Non-Residential usage.

Residences in conjunction with commercial or industrial enterprises and mobile home parks may take service on this rate only under the Rules and Regulations contained in the Company's Gas Rate Book.

Monthly Rate

Customer Charge

\$~~12.60~~ ~~11.75~~ per customer per month, plus

Income Assistance Service Provision:

When service is supplied to a Principal Residence Customer, where the total household income does not exceed 150% of the Federal Poverty level, verified by confirmation of an authorized State, ~~or~~ Federal, or community agency, a credit shall be applied during all billing months.

The monthly credit for the Residential Income Assistance (RIA) Service Provision shall be applied as follows:

Income Assistance Credit: \$(~~12.60~~ ~~11.75~~) per customer per month

Low Income Assistance Credit (LIAC):

Company selected Residential customers may receive LIAC for up to 12 consecutive months. ~~To qualify for LIAC, a customer must have been billed \$2,500 or less over the last 12 months for gas service.~~ The number of customers enrolled may be adjusted, at the Company's discretion, in order to dispense Commission-approved LIAC funding on an annual basis. Any shortfall in the dispensing of annual LIAC funds to qualified customers shall be carried over into the subsequent LIAC program year. LIAC customer selection will be based on highest need chosen from ~~those with a significant medical condition, customers with lowest income and those with highest past due balances, based on~~ one or more of the following eligibility criteria:

1. Customers with an approved critical care certification where the total household income does not exceed 150% of the Federal Poverty level within the last 12 months, as verified by an authorized State, ~~or~~ Federal, or community agency.
2. Customers who are enrolled in the Company's Consumers Affordable Resource for Energy (CARE) program.
- ~~3.2.~~ Customers who have received a Home Heating Credit in the previous 12 months.
~~a. Enrollment based on customers with highest arrears balance.~~
- ~~4.3.~~ Customers whose total household income does not exceed 150% of the Federal Poverty level as verified by an authorized State, Federal, or community agency, and have a past due balance.
~~a. Enrollment based on customers with highest arrears balance.~~
a. Assistance from a state emergency relief program;
b. Food Assistance Program;
c. Medicaid

The monthly credit for LIAC shall be applied as follows:

Low Income Assistance Credit: (\$30.27) per meter per month

If a credit balance occurs, the credit shall apply to the customer's future gas utility charges. Re-enrollment, if applicable, and confirmation of qualification is required for each annual period of participation.

Customers selected for LIAC, will not be eligible for the RIA Provision while enrolled in LIAC.

Distribution Charge

\$~~4.2013~~ ~~3.6139~~ per Mcf for all Mcf purchased.

MULTIFAMILY DWELLING SERVICE RATE A-1

Availability

Subject to any restrictions this rate is available to any multifamily dwelling installation containing more than two households served through a single meter and where, in the Company's opinion, it is impractical to provide gas service to each household through an individual meter. This rate is not available for multifamily dwellings containing two households served through a single meter.

Monthly Rate

Customer Charge

\$~~12.60~~ ~~11.75~~ per month

Distribution Charge

\$~~4.2013~~ ~~3.6139~~ per Mcf for all Mcf purchased plus
 \$~~0.0767~~ ~~0.0715~~ per Mcf of excess peak demand

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-5.00.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00 and surcharges shown on Sheet Nos. D-2.00 through D-4.00.

Minimum Charge

The Customer Charge included in the rate, adjusted for qualified service provision credit and any applicable non-consumption based surcharges.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Determination of Excess Peak Demand

The Mcf used for billing the excess demand shall be equal to all usage in excess of 45 Mcf in the peak month. The peak month shall be that month in the latest 12 months in which the greatest consumption occurred.

If 12 months of historical data are not available for a premises, then the Company shall use an estimated peak usage while accumulating 12 months of data. If, during the accumulation of 12 months of data, any month's actual usage exceeds the original estimated peak usage, then the actual usage shall become the new peak demand. However, if after 12 months the estimated peak usage exceeds the actual peak month's usage, then the customer's bills shall be recalculated using the actual and any overcharge shall be refunded with interest.

Term and Form of Contract

Service under this rate shall not require a written contract.

M.P.S.C. No. 3 - Gas
Consumers Energy Company

Sheet No. D-13.00

GENERAL SERVICE RATE
(Rates GS-1, GS-2 and GS-3)

Availability

Subject to any restrictions, this rate is available to any customer desiring gas service for any Non-Residential usage which includes tourist homes, rooming houses, dormitories, nursing homes and similarly occupied buildings containing sleeping accommodations for more than six persons. Gas shall not be purchased under any other rate for any equipment or process which uses gas under this rate.

This rate is not available for residential usage or for resale purposes.

Monthly Rate

	Service Category		
	GS-1	GS-2	GS-3
Master Customer Charge	\$15.00 <u>\$14.00</u> /meter	\$91.63 <u>\$81.86</u> /meter	\$234.57 <u>\$182.55</u> /meter
Contiguous Customer Charge	14.00/meter	40.00/meter	80.00/meter
Distribution Charge	\$3.6255 <u>\$3.2637</u> /Mcf	\$2.7060 <u>\$2.4491</u> /Mcf	\$2.5344 <u>\$1.9682</u> /Mcf

Selection of Service Category and Rates

Customers may choose the Service Category under which they take service, consistent with the provisions of Rules C4.1, Classes of Service, and C4.2, Choice of Rates. When the Customer is selecting its initial Service Category, the Company must advise them that the estimated economic breakeven point between GS-1 and GS-2 is approximately 1,000 Mcf per year and the estimated economic breakeven point between GS-2 and GS-3 is approximately 10,000 Mcf per year. Economic breakeven points may vary based on the usage and number of customer contiguous accounts. After the initial selection is made, then it is the customer's responsibility to determine when it is appropriate to switch Service Categories, as permitted by Rule C4.2.,Choice of Rates.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-5.00.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00 and surcharges shown on Sheet Nos. D-2.00 through D-4.00.

Minimum Charge

The Customer Charge included in the rate and any applicable non-consumption based surcharges.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Term and Form of Contract

Service under this rate shall not require a written contract.

GENERAL SERVICE OUTDOOR LIGHTING RATE GL
This Rate Is Not Open to New Business

Availability

Subject to any restrictions, this rate is available to any commercial or industrial customer for streetlighting or outdoor area lighting service for any system consisting of two or more gas luminaires where the Company has an existing gas distribution system.

Nature of Service

The customer shall furnish the necessary posts, luminaires and fixtures. The Company shall install this equipment and make all connections to its gas distribution system. The Company shall supply the gas, renew the mantles, clean the luminaires and paint all metal parts as needed; all other renewals and maintenance shall be paid for by the customer.

Monthly Rate

~~\$5.00~~ ~~6.00~~ per luminaire having a rated consumption of 2.5 cubic feet or less per hour.

~~\$9.00~~ ~~10.00~~ per luminaire having a rated consumption of more than 2.5 cubic feet but not more than 4.5 cubic feet per hour.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00 and surcharges shown on Sheet Nos. D-2.00 through D-4.00.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Term and Form of Contract

Minimum term of three years on written contract and year to year thereafter until terminated by mutual consent or upon three months' written notice given by either party.

Special Terms and Conditions

The Company reserves the right to make special contractual arrangements as to term or duration of contract, termination charges, contributions in aid of construction, monthly charges or other special consideration when the customer requests service, equipment or facilities not normally provided under this rate.

(Continued From Sheet No. E-2.00)

E2. RECORDS, ACCOUNTING AND CONTROL (Contd)

E2.2 Nominations, Accounting and Control.

- A. If the customer designates some other party as agent for purposes of nominating, and of giving and receiving notices, the customer shall provide the Company with written notice of such designation. Any such designation shall be effective until revoked in writing by the customer.
- B. All Nominations shall be submitted by facsimile, e-mail or an available electronic nomination system.
- C. **Daily:** The customer or the customer's authorized representative shall notify the Company's Gas Transportation Services Department of the daily quantity of Gas (in MMBtu) that the customer is nominating for delivery to the Company on behalf of the customer. Such Nominations shall be submitted by 2:00 PM Eastern Clock Time on the Business Day prior to the effective Day of the proposed delivery. Nominations made after the 2:00 PM deadline shall be accepted at the sole discretion of the Company. Customers are required to have nomination on file for each Day of the Month. (A single nomination shall be assumed to apply for each subsequent Day of the Month, unless otherwise indicated.)
- D. The customer or the customer's authorized representative may transfer all or any portion of their Gas balance to another customer. The customer from whom the Gas is transferred shall be charged a \$25 fee. Such transactions are prospective and may not be used to avoid penalties once charged.
- E. The Company may at its sole discretion, allow one transfer of Gas per Month between customers. The customer to whom the Gas is transferred shall be charged a \$500 fee. Such transfers shall be received by the Company prior to 2:00 PM Eastern Clock Time one Business Day prior to the last business Day of that Month.

E2.3 Customer Data

The Company will make a reasonable effort to provide the Customer, or its designated agent, with accurate individual customer consumption data no later than 6 business days after the conclusion of the calendar month

E3. GAS QUALITY

E3.1 Quality.

The Gas delivered to the Company shall meet the following requirements:

- A. Gas shall not contain more than 0.005 percent (50 ppm) oxygen by volume;
- B. Gas shall be commercially free from objectionable odors, solid or liquid matter, bacteria, dust, gum or gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters or other appliances through which it flows;
- C. Gas shall not contain more than 0.25 grain of hydrogen sulphide nor more than 0.5 grain of mercaptan sulfur per 100 cubic feet;
- D. Gas shall not contain more than 5.0 grains of total sulfur (including hydrogen sulphide and mercaptan sulfur) per 100 cubic feet;
- E. Gas shall not at any time have a carbon dioxide content in excess of two percent by volume;
- F. Gas shall not contain an amount of moisture which at any time exceeds seven pounds per million cubic feet;
- G. Gas shall be fully "interchangeable" in accordance with the provisions of AGA Research Bulletin No. 36.
- H. The temperature of the Gas shall not exceed 100° F;
- I. The hydrocarbon dewpoint of the Gas shall not exceed 30° F at 500 pounds per square inch.

(Continued on Sheet No. E-4.00)

(Continued From Sheet No. E-3.00)

E3. GAS QUALITY (Contd)

E3.2 Heating Value.

~~Except for gas received from the Hanover 19 Transport Meter Station (TMS) as provided for in the MPSC Order in Case No. U-17929,~~ The Gas transported shall have a Total Heating Value Per Cubic Foot of not less than 965 Btu nor more than 1,110 Btu at a base pressure of 14.65 psi and 60 degrees Fahrenheit. Unless otherwise agreed, differences in the thermal value of the Gas transported shall be determined by the Company based on the assumption that the Gas delivered to the customer has a Btu content per Mcf that is the same as the Company's then-current system average Btu content per Mcf which shall be redetermined Monthly.

E4. SERVICE REQUIREMENTS

E4.1 Quantities.

- A. The customer may deliver, or cause to be delivered, and the Company shall, subject to other provisions in the Company's Gas Rate Book, accept quantities of Gas up to the MDQ specified in the transportation contract. If deliveries to the Company exceed the agreed upon quantities, the Company may terminate the contract upon 30 Days' written notice to the customer.
- B. Deliveries to the Company may be made by or on behalf of the customer at existing interconnections between the gas transmission facilities of the Company and other pipeline systems. These points of receipt shall be those that are agreed to from time to time by the customer and the Company.
- C. The Company shall endeavor to deliver Gas to the customer, and the customer shall endeavor to take a quantity of Gas that is thermally equivalent to the Gas that it delivers or causes to be delivered. Such delivery on the part of the Company and take on the part of the customer is to be made at the outlet of the Company Gas meter(s) identified in the transportation contract.
- D. The Company shall retain 2.12 ~~2-24~~ percent of all Gas received from customers being billed for distribution service on the Transportation Service Rate at the points of receipt to compensate it for the Company's use and lost and unaccounted for Gas on the Company's system ("Allowance for Use and Loss"). Gas received from customers being billed for distribution services on the General Service Rate shall not be subject to this provision. This volume shall not be included in the quantity available for delivery to the customer.
- E. If, in any month, the quantity of Gas received by the Company at the points of receipt, less the Allowance for Use and Loss, is more than the quantity of Gas taken by the customer at the points of delivery, then the difference shall be retained by the Company and delivered to the customer in those succeeding months when the quantity of gas received by the Company is less than the customer's requirements. Such subsequent deliveries to the customer shall be subject to the withdrawal limitations identified on the Transportation Service Rate Schedule. Should the aggregate quantity of gas, less the Allowance for Use and Loss, retained by the Company at any month-end exceed 10% of the Annual Contract Quantity for ST, LT and XLT, or exceed 4% of the Annual Contract Quantity for XXLTL, then the Company shall have the right: (1) to refuse to receive any additional quantity of gas for that customer until the Company has satisfied itself that the quantity of gas retained for the customer is less than the Authorized Tolerance Level and (2) to assess the customer a Load Balancing Charge for any month-end balance that exceeds the Authorized Tolerance Level.
- F. After termination of the customer's gas transportation contract, the customer must withdraw or transfer any gas retained by the Company within 60 days. If the customer has not withdrawn or transferred all of the gas retained by the Company within 60 days, the Company will cash out the remaining balance at a rate of \$1.00 per Mcf.

(Continued on Sheet No. E-5.00)

TRANSPORTATION SERVICE RATE
(Rates ST, LT, XLT and XXLT)

Availability

Subject to any restrictions, service under this Rate Schedule is available to any customer that could otherwise purchase gas under another Company Rate Schedule. A customer selecting transportation service, is not eligible to receive Gas under any of the Company's firm Gas sales rates for a minimum period of one year from the date the customer commenced taking Transportation Service.

Service provided to Rate Schedule XXLT is available to customers with an annual minimum throughput of 4,000,000 Mcf, subject to an annual review to ensure the minimum requirement is met. Customers served under the XXLT Rate Schedule will be required to operate at a contracted Authorized Tolerance Level of 4% *or less*.

Under this Rate Schedule, the Company shall transport Gas for the customer to the interconnections between the Company's facilities and those of the customer (points of delivery) from the interconnections between the Company's facilities and those of a third party that delivers Gas to the Company for redelivery to the customer (points of receipt).

A producer or a broker may contract for service on this Rate Schedule for the transportation of Gas from a wellhead through the Company's system to another pipeline, for the transportation of Gas from one pipeline to another pipeline or for the transportation of Gas from a specified interconnection between the Company's facilities and those of a third party for delivery to a specific customer within the Company's integrated distribution system, provided that all Gas transported for a producer or broker pursuant to this Rate Schedule is consumed in and never leaves the State of Michigan after entering the Company's system.

All customers requesting transportation service under this Rate Schedule shall make written application for such service on a form provided by the Company.

Monthly Rate

	Service category			
	ST	LT	XLT	XXLT
Master Customer Charge	\$ 890.85 500.00 <u>1,584.04</u> 2,351.35		\$ 15,876.55 8,794.20 <u>44,381.36</u> 40,096.32	
	/meter	/meter	/meter	/meter
Contiguous Customer Charge	60.00 /meter	60.00 /meter	60.00/meter	NA
Remote Meter Charge	NA	NA	70.00/meter	70.00 /meter
Transportation Rates	<u>1.2162</u> 1.1487 /Mcf	<u>1.1330</u> 0.9265 /Mcf	<u>0.7900</u> 0.7719 /Mcf	<u>0.4375</u> 0.4350 /Mcf *

*The XXLT Transportation Rate reflects a contracted Authorized Tolerance Level of 4%.

Selection of Service Category and Rates

A customer may choose the Service Category under which they take service, consistent with the provisions of Rules C4.1, Classes of Service, and C4.2, Choice of Rates. When the customer is selecting its initial Service Category, the Company must advise them that the estimated economic breakeven point between ST and LT is approximately 100,000 Mcf per year, the estimated economic breakeven point between LT and XLT is approximately 500,000 Mcf per year. The estimated economic breakeven points assume an 8.5% ATL for rates ST, LT and XLT and exclude contiguous customer charges and all surcharges. Economic breakeven points may vary based on the throughput, contracted ATL and number of customer contiguous accounts. After the initial selection is made, then it is the customer's responsibility to determine when it is appropriate to switch Service Categories, as permitted by Rule C4.2, Choice of Rates.

TRANSPORTATION SERVICE RATE
(Rates ST, LT, XLT and XXL)
(Continued from Sheet No. E-9.00)

Monthly Rate (Contd)

Load Balancing Charge (Contd)

ST, LT and XLT customer's ATL shall be 8.5% of the Customer's ACQ unless the customer contracts for a different percent in accordance with the Attachment 2. The Transportation Charge shall be adjusted as follows except for Transportation customers served on XXL, where service is offered ~~only~~ at 4% ATL or less:

Authorized As a % of ACQ Tolerance Level	<u>ST, LT and XLT</u> Transportation Charge Adjustment	<u>XXL</u> Transportation Charge Adjustment
<u>2.0%</u>	<u>\$(0.0629)/Per Mcf</u>	<u>\$(0.0194)/Per Mcf</u>
4.0%	<u>\$(0.0436</u> 0.0703 <u>)Per Mcf *</u>	<u>No Change*</u>
6.5%	<u>\$(0.0194</u> 0.0312 <u>) Per Mcf</u>	<u>NA</u>
7.5%	<u>\$(0.0097</u> 0.0156 <u>) Per Mcf</u>	<u>NA</u>
8.5%	No Change	<u>NA</u>
9.5%	<u>\$ 0.0097</u> 0.0156 <u>Per Mcf</u>	<u>NA</u>
10.5%	<u>\$ 0.0194</u> 0.0312 <u>Per Mcf</u>	<u>NA</u>

*For XXL customers, the 4% ATL adjustment is reflected in their Transportation Rate, therefore there is no additional ATL adjustment required.

The monthly injection of Gas into the customer's ATL shall be at the customer's discretion except in September and October when any monthly injections in excess of 1.43% of the customer's ACQ, will be charged the Load Balancing Charge.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 Days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Metering Requirements

All eligible XLT and XXL customers shall be required to provide, at no expense to the Company, a dedicated telecommunication line(s) as required for metering purposes, to a location specified by the Company. The communication link must be installed and operating prior to a transportation customer receiving service under Service Category XLT or XXL. The customer shall be responsible for (i) ensuring that the communication links allow access to the meter data by the Company and are compatible with the Company's metering and billing systems, and (ii) all associated costs relating to the communication links including other accompanying equipment and monthly fees. The Company shall own and maintain the actual metering equipment and modem.

(Continued From Sheet No. F-3.00)

F1. GENERAL PROVISIONS (Contd)

- Q. The annual reconciliation, load requirement, delivery schedules, Supply Equalization Charges, and delivery shortfall Failure Fees shall apply on an aggregate basis for all accounts served by a Supplier, i.e., all Supplier-designated pricing categories will be combined.
- R. The Company may disclose, at such times as requested by the Commission or its staff, the gas rates charged to Rate CC customers.
- S. The Company shall have the authority to issue operational flow orders, or take other action which it deems necessary, to ensure system reliability, even if such action may be inconsistent with other provisions of these Program rules.
- T. The Company will act as Supplier of last resort under the Program.
- U. A Supplier must include the Company's required tariff language in all of its contracts.
- V. If a customer has a complaint against a Supplier, the customer should try to resolve it first with the Supplier. If the complaint is unresolved, the customer should involve the Commission by contacting the Commission Staff. Should the customer choose to involve the Company in a complaint, the Company shall forward the complaint information to the Commission Staff and the Supplier for resolution. The Company shall have no responsibility for resolving disputes between customers and Suppliers but shall provide information if requested by the customer or Commission Staff.
- W. The Transportation Standards of Conduct, Rules E9 and E10, shall apply to the GCC Program.
- X. *The Company will make a reasonable effort to provide the Supplier with accurate individual customer consumption data on a monthly basis no later than 5 business days after the conclusion of the calendar month*

F2. CUSTOMER PROTECTIONS

These provisions shall be monitored and enforced solely by the Commission or its Staff.

- A. A Supplier must provide residential and small commercial customers with a 30-day unconditional right to cancel the contract without termination fees following the date the customer signs the contract. The first day of the 30-day period is the day after the contract is entered into by the customer. The exercise of this unconditional right by the customer may occur through a verbal or written communication with the Supplier. The Supplier shall promptly submit a de-enrollment file to the Company within three (3) business days after receiving notice that a customer has cancelled the contract in order to return to the Company sales rate. The Supplier shall not submit a de-enrollment file to the Company if the customer is transferring to another AGS. A customer who cancels within the specified period will be treated as not having exercised their customer choice option with respect to the enrollment which is cancelled. The Company is not required to de-enroll a customer until after it receives a de-enrollment file from the Supplier or a new enrollment file from a different Supplier.
- B. A customer has the right to terminate participation with a Supplier at any time after the unconditional cancellation period, through verbal or written communication with the Supplier. The customer may switch Suppliers or cancel their contract at any time with a Supplier. However, the customer shall be made aware of the existence and amount of any early termination fee by the Supplier. The Supplier shall execute a customer's request for cancellation without delay, irrespective of whether an early termination fee or other penalty is paid to the Supplier.
- C. A Supplier's sales representatives, agents, or employees must not represent itself in any manner as an employee, affiliate, subcontractor, or agent of the Company. A Supplier's sales representatives or agents must prominently display identification on the front of their outer clothing that identifies them as employees or agents working on behalf of a Supplier and includes the name of the Supplier and the name and identification number of the person representing the supplier. Suppliers must comply with all local ordinances before their sales representatives, agents, or employees begin door-to-door marketing. Door-to-door marketing and telephone marketing must be performed between 9:00 AM and 8:00 PM.

(Continued on Sheet No. F-5.00)

PROOF OF SERVICE

STATE OF MICHIGAN)

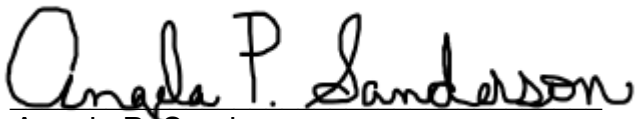
Case No. U-20650

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 10, 2020 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 10th day of September 2020.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-20650

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