

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter, on the Commission's own motion,	)	
to commence an investigation into a January 30,	)	
2019 fire at <b>CONSUMERS ENERGY COMPANY's</b>	)	Case No. U-20463
Ray Compressor Station in Macomb County.	)	
_____	)	

**ERRATUM**

Due to an error, the Commission's May 8, 2020 order in Case No. U-20463 did not include the administrative settlement agreement as Exhibit A. The administrative settlement agreement is attached hereto.

MICHIGAN PUBLIC SERVICE COMMISSION

\_\_\_\_\_  
Lisa Felice  
Its Executive Secretary

September 24, 2020  
Lansing, Michigan

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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*IN THE MATTER OF  
THE ADMINISTRATIVE CONSENT AGREEMENT  
BETWEEN CONSUMERS ENERGY COMPANY AND  
MICHIGAN PUBLIC SERVICE COMMISSION STAFF*

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**ADMINISTRATIVE SETTLEMENT AGREEMENT**

This Administrative Settlement Agreement (“Agreement”) is entered into, as of the dates listed below, between the Michigan Public Service Commission (“MPSC” or the “Commission”) Staff (“Staff”) and Consumers Energy Company (“Consumers Energy” or the “Company”) for the purpose of resolving all matters related to Staff’s January 31, 2020 letter which alleged that Consumers Energy committed “probable violations” of the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) Rule 49 CFR 192.167(a)(2). The undersigned parties agree as follows:

WHEREAS, on January 31, 2020, Staff sent a letter to Consumers Energy indicating that

“On January 30, 2019, Consumers Energy Company . . . notified the Michigan Public Service Commission Staff . . . of a fire at their Ray Compressor Station in Armada Township. This fire initiated from the ignition of gas that was venting from a localized shutdown of Plant 3. The gas from Plant 3 vented out of the blowdown silencers and then ignited when the wind blew the gas towards Plant 2’s thermal oxidizer. Upon recognizing the fire, Consumers initiated an emergency shutdown (ESD) of the entire station, increasing the amount of gas venting from the blowdown silencers for Plants 2 and 3, which ultimately added additional fuel to the existing fire.”

As a result of Staff’s investigation, Staff determined that Consumers Energy committed “probable violations” of the Michigan Gas Safety Standards, MCL 483.151 *et seq.*, specifically Rule 49 CFR

192.167(a)(2) as incorporated in those standards, and recommended a civil penalty totaling \$10,000.

NOW THEREFORE, in full and final resolution of all matters related to the “probable violations” and civil penalty proposed in Staff’s January 31, 2020 letter, the parties to this Agreement agree as follows:

1. The parties agree that Consumers Energy shall pay \$10,000 to the MPSC no later than 30 days after the receipt of any minute entry accepting this Agreement. The parties further agree that this payment amount shall not be recoverable in the rates charged to Consumers Energy customers, but Consumers Energy may pursue reimbursement through other means allowed by law.

2. The parties further agree that Staff shall accept as timely a Consumers Energy response letter to Staff indicating remedial actions that the Company will implement to address issues related to the alleged “probable violations” of Rule 49 CFR 192.167(a)(2), as indicated in Staff’s January 31, 2020 letter, with the payment addressed in Paragraph 1 of this Agreement. Once the aforementioned remedial actions have been completed, Consumers Energy shall submit a letter of final resolution which provides Staff with notice of the completion of those actions.

3. The parties agree that this Agreement is entered into for the sole and express purpose of reaching a compromise among the parties and avoiding further use of administrative or judicial resources in connection with this matter. All offers of settlement and discussions relating to this settlement are, and shall be considered, privileged under MRE 408 and other similar laws. Neither the parties to this Agreement nor the Commission shall make any reference to, or use, this Agreement or the minute entry accepting 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 except

as required by MCL 483.161(2)(e); provided, however, such references may be made to enforce or implement the provisions of this Agreement.

4. This Agreement is in response to the allegations contained in Staff's January 31, 2020 letter to Consumers Energy. The parties agree that this Agreement is intended for the full and final disposition of that matter. So long as the Commission accepts this Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission minute entry accepting this Agreement. The parties agree and understand that this Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative or judicial proceedings, or appeals related thereto, including, but not limited to, future PSCR, GCR, rate, and gas safety cases for the relevant time period.

5. The parties agree that this Agreement has been negotiated in good faith, and that neither this Agreement nor actions taken by Consumers Energy in negotiation, execution, or satisfaction of this Agreement shall constitute or be construed as a finding or admission of any liability or violation of any law, rule, regulation, or requirement. The execution of this Agreement by Consumers Energy is not an admission of liability with respect to any issue addressed by the Agreement, nor is it an admission of any factual allegations or legal determinations stated or implied herein. Consumers Energy does not admit, and retains the right to dispute in any subsequent proceeding other than a proceeding to implement or enforce this Agreement, the validity of any findings, conclusions, or determinations made or implied by Staff's January 31, 2020 letter or in this Agreement.

6. If the Commission rejects or modifies this Agreement or any provision of the Agreement, this Agreement shall be deemed to be withdrawn, shall not be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the parties.

7. This Agreement may be modified upon mutually acceptable terms and conditions. Any modification to this Agreement must be in writing and will become effective upon the approval of authorized representatives of all of the undersigned parties.

8. This Agreement does not expand or impact the jurisdiction or authority of the Commission.

9. The parties agree that acceptance of this Agreement by the Commission would be reasonable and in the public interest.

10. This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as original business records. The parties agree to not object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

WHEREFORE, the undersigned authorized signers for the parties have caused this Agreement to be signed as of the date(s) indicated below their respective signatures:

MICHIGAN PUBLIC SERVICE  
COMMISSION STAFF

By: **Michael J. Orris**  
Digitally signed by  
Michael J. Orris  
Date: 2020.04.29  
08:50:09 -04'00'

Michael J. Orris, Esq.  
Assistant Attorney General  
Public Service Division  
7109 W. Saginaw Hwy  
Lansing, MI 48917

Dated: \_\_\_\_\_

CONSUMERS ENERGY COMPANY

By: **Bret A. Totoraitis**  
Digitally signed  
by Bret A.  
Totoraitis  
Date: 2020.04.29  
07:46:08 -04'00'

Bret A. Totoraitis, Esq.  
Attorney for Consumers Energy  
One Energy Plaza  
Jackson, MI 49201

Dated: April 29, 2020

# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-20463

County of Ingham )

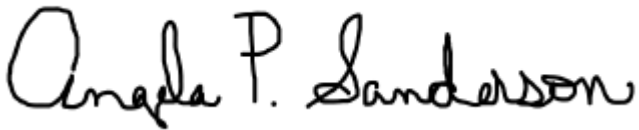
Lisa Felice being duly sworn, deposes and says that on September 24, 2020 A.D. she electronically notified the attached list of this **Erratum via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).



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Lisa Felice

Subscribed and sworn to before me  
this 24th day of September 2020



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

**Service List for Case: U-20463**

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**Name**

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**Email Address**

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Consumers Energy Company 1 of 2	mpsc.filings@cmsenergy.com
Consumers Energy Company 2 of 2	michael.torrey@cmsenergy.com



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Tri-County Electric Co-Op  
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Consumers Energy Company  
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Superior Energy Company  
WEC Energy Group  
Upper Peninsula Power Company  
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Midwest Energy Coop  
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