

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>CONSUMERS ENERGY COMPANY</b>	)	
for reconciliation of its gas cost recovery plan	)	Case No. U-20815
for the 12 months ended March 31, 2022.	)	
_____	)	

At the March 24, 2023 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair  
Hon. Tremaine L. Phillips, Commissioner  
Hon. Katherine L. Peretick, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 29, 2022, Consumers Energy Company (Consumers Energy) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its gas cost recovery costs and revenues for the 12-month period ended March 31, 2022, pursuant to Section 6h of Public Act 304 of 1982.

A prehearing conference was held on August 10, 2022, before Administrative Law Judge Christopher S. Saunders (ALJ). At the prehearing conference, the ALJ granted intervention to the Retail Energy Supply Association and acknowledged the Michigan Department of Attorney General's notice of intervention. Consumers and the Commission Staff also participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

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 proceeding, and should be approved.

THEREFORE, IT IS ORDERED that the settlement agreement, attached as Exhibit A, is approved.

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](mailto:mpscedockets@michigan.gov) and to the Michigan Department of Attorney General - Public Service Division at [pungpl@michigan.gov](mailto: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

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Daniel C. Scripps, Chair

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Tremaine L. Phillips, Commissioner

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Katherine L. Peretick, Commissioner

By its action of March 24, 2023.

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Lisa Felice, Executive Secretary

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
<b>CONSUMERS ENERGY COMPANY</b>	)	
for reconciliation of its gas cost recovery	)	Case No. U-20815
plan (Case No. U-20814) for the	)	
12-month period April 2021 through	)	
March 2022.	)	
_____	)	

**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:

1. On June 29, 2022, Consumer Energy Company (“Consumers Energy” or the “Company”) filed an Application requesting reconciliation of its gas costs for the period April 2021 through March 2022 pursuant to Section 6h of 1982 Public Act 304 (“Act 304”), MCL 460.6h. The Company filed testimony and exhibits in support of its positions concurrently with its Application.

2. The initial prehearing conference in this proceeding was held on August 10, 2022 before Administrative Law Judge (“ALJ”) Christopher S. Saunders. The parties to the case are Consumers Energy; the MPSC Staff (“Staff”); Attorney General Dana Nessel (“Attorney General”); and the Retail Energy Supply Association (“RESA”).

3. Consumers Energy filed testimony and exhibits in support of its request for full recovery of the cost of gas incurred by Consumers Energy for gas sold to its customers for the April 2021 through March 2022 Gas Cost Recovery (“GCR”) year. Consumers Energy calculated that, during the 2021-2022 GCR year, it experienced a cumulative under-recovery in the cost of

gas sold totaling \$9,424,596. Consumers Energy proposed the calculated amount reflects an under-recovery for the GCR period of \$9,488,868 minus accrued interest owed by Consumers Energy to customers for the GCR period, pursuant to Act 304, of \$64,272. The Company proposed refunding this amount to customers using the roll-in treatment described in the Company's tariff, Rule C7.2.

4. Staff filed testimony and exhibits on February 1, 2023.

5. Staff's review consisted of tests of mathematical accuracy and analytical tests for reasonableness. Staff conducted a detailed analysis of the GCR costs and revenues for the reconciliation period and found no adjustment to the filed \$9,424,596 under-recovery was necessary. Staff found that the Company's actions and prices paid for procurement of gas related were reasonable and prudent including, but not limited to, the following: (i) execution of its operational plan, including storage dispatch; (ii) fixed price and intramonth purchases; (iii) use of storage assets during winter months; and (iv) purchase prices for gas for the winter months.

6. For purposes of settlement, the undersigned parties agree that Consumers Energy's 2021-2022 GCR reconciliation shall be approved as presented by the Company, with a total under-recovery for the GCR period of \$9,424,596, consisting of an under-recovery for the GCR period of \$9,488,868 minus accrued interest owed by Consumers Energy to customers for the GCR period of \$64,272, which amount shall be subject to the roll-in treatment described in the Company's tariff, Rule C7.2.

7. 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, none of 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.

8. This Settlement Agreement is based on the facts and circumstances of this case and is intended for the final disposition of Case No. U-20815. 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. 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 appeals related thereto.


9. This Settlement Agreement is not severable. Each position 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-negotiated positions of the parties.

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

11. For the sole purpose of submitting this Settlement Agreement to the Commission, the parties waive compliance with the provision of Section 81 of the Administrative Procedures Act of 1969, MCL 24.281, if the Commission approves this Settlement Agreement without modification.

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


**CONSUMERS ENERGY COMPANY**

By:  Digitally signed by  
Theresa A.G. Staley  
Date: 2023.02.16  
14:47:22 -05'00'

Theresa A.G. Staley (P56998)  
Anne M. Uitvlugt (P71641)  
Attorneys for Consumers Energy  
One Energy Plaza  
Jackson, MI 49201

Date: February 16, 2023


**MICHIGAN PUBLIC SERVICE  
COMMISSION STAFF**

By: 

Daniel E. Sonneveldt (P58222)  
Assistant Attorney General  
Public Service Division  
7109 W. Saginaw Highway  
Lansing, MI 48911

Date: February 16, 2023


**ATTORNEY GENERAL DANA NESSEL**

By:  Digitally signed by Celeste  
R. Gill  
Date: 2023.02.16 13:28:22  
-05'00'

Celeste R. Gill (P52484)  
Assistant Attorney General  
Michigan Department of Attorney  
General, Special Litigation Division  
Sixth Floor Williams Bldg.  
525 W. Ottawa Street, P.O. Box 30755  
Lansing, MI 48909

Date: February 16, 2023

**RETAIL ENERGY SUPPLY ASSOCIATION – (NON-OBJECTION ONLY)**

By: **Jennifer Utter Heston**  Digitally signed by  
Jennifer Utter Heston  
Date: 2023.02.15  
11:33:54 -05'00'

Date: February 15, 2023

Jennifer Utter Heston, Esq.  
Fraser Trebilcock Davis & Dunlap, P.C.  
124 West Allegan, Suite 1000  
Lansing, MI 48933

**The Retail Energy Supply Association signs this Settlement Agreement only to indicate its non-objection to the Settlement Agreement.**




# PROOF OF SERVICE

STATE OF MICHIGAN )

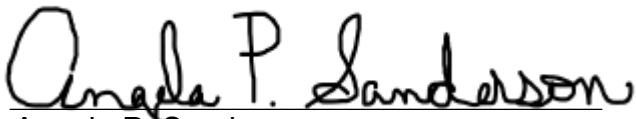
Case No. U-20815

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on March 24, 2023 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 24<sup>th</sup> day of March 2023.



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

**Service List for Case:****U-20815**

Name	On Behalf of	Email Address
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Celeste R. Gill	Department of Attorney General	gillc1@michigan.gov
Christopher Saunders	ALJs - MPSC	saundersc4@michigan.gov
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	michael.torrey@cmsenergy.com
Daniel E. Sonneveldt	MPSC Staff	sonneveldtd@michigan.gov
Jennifer U. Heston	Retail Energy Supply Association	jheston@fraserlawfirm.com
Theresa A.G. Staley	Consumers Energy Company	theresa.staley@cmsenergy.com