

Consumers Energy Company

“Adopt and issue minute dated April 11, 2024, acknowledging that, in response to a July 31, 2018 letter of probable non-compliance sent to Consumers Energy Company (Consumers) by the Commission Staff (Staff), the company and the Staff have entered into the attached administrative consent agreement that resulted in, among other things, the waiving of the \$10,000 civil penalty proposed by the Staff for alleged probable violations of the Michigan Gas Safety Standards, MCL 483.151 *et seq.*, specifically 49 CFR 192.503 and Mich Admin Code, R 460.20314 as incorporated therein. The Commission notes that miscommunications between the Staff and Consumers were involved during inspections that gave rise to the proposed civil penalty and that Consumers has since updated the company’s procedures to clearly define requirements for pressure testing tie-in welds. The Commission, therefore, accepts the attached administrative consent agreement without modification as a full and final disposition of this matter.”

MICHIGAN PUBLIC SERVICE COMMISSION

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

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Alessandra R. Carreon, Commissioner

By its action of April 11, 2024.

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Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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

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**ADMINISTRATIVE CONSENT AGREEMENT**

This Administrative Consent 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 July 31, 2018 letter which alleged that Consumers Energy committed “probable violations” of the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) Rule 49 CFR 49 CFR 192.503 and Michigan Gas Safety Standards Rule 460.20314. The undersigned parties agree as follows:

WHEREAS, on July 31, 2018, Staff sent a letter to Consumers Energy indicating that”

“On May 8, 2018, Michigan Public Service Commission Staff (Staff) Engineer Ms. Heather David inspected the Huron Compressor of Consumers Energy Company (Consumers) at Armada”

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 Rules 49 CFR 192.503 and 460.20314 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 July 31, 2018 letter, the parties to this Agreement agree as follows:

1. The parties agree that, due to the satisfactory outcome of discussions between the parties regarding the alleged “probable violations,” Consumers Energy shall not be required to pay the \$10,000 fine proposed in Staff’s July 31, 2018 letter.

2. 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.

3. This Agreement is in response to the allegations contained in Staff’s July 31, 2018 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.

4. 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 July 31, 2018 letter or in this Agreement.

5. 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.

6. 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.

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

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

9. 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, Esq.  
Assistant Attorney General  
Public Service Division  
7109 W. Saginaw Hwy., 3rd Floor  
Lansing, MI 48917

Dated: February 1, 2024

CONSUMERS ENERGY COMPANY



Digitally signed by  
Robert W. Beach  
Date: 2024.02.06  
10:30:45 -05'00'

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

Robert W. Beach, Esq.  
Attorney for Consumers Energy  
One Energy Plaza  
Jackson, MI 49201

Dated: February 6, 2024