

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
CONSUMERS ENERGY COMPANY	)	
for authority to revise its gas tariffs	)	Case No. U-12095
relating to its customer attachment program.	)	
_____	)	

At the April 11, 2000 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On August 25, 1999, Consumers Energy Company (Consumers) filed an application and report describing efforts made by Consumers to increase the likelihood that purchasers of residential real estate would be aware of the existence of gas main extension surcharges for which the purchaser may be responsible and to approve revisions to its Tariff B11 customer attachment program (CAP).

Pursuant to due notice, a prehearing conference was held on October 5, 1999 before Administrative Law Judge George Schankler. Consumers and the Commission Staff (Staff) participated in the proceedings.

Subsequently, the parties submitted a settlement agreement resolving all issues in this case. According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that a

recent legislative amendment to the Michigan Sellers Disclosure Statement, which must be provided pursuant to the Seller Disclosure Act, MCL 565.951 et seq.; MSA 26.1286(51) et seq., should result in an explicit disclosure by sellers of residential real estate of any unpaid CAP surcharge balances for gas main extensions. Specifically, the settlement agreement states that House Bill No. 5014, (now 2000 PA 13) which was signed by the Governor on February 29, 2000, provides for disclosure by the seller of “[a]ny outstanding utility assessments or fees, including any natural gas main extension surcharge.” The parties agree that disclosure by sellers to buyers at the time of negotiation of the real estate transaction is the best way for sellers and purchasers to identify the issue and to apportion the surcharge responsibility between the parties.

The settlement agreement goes on to state that Consumers will take several steps to better advise sellers and purchasers of their respective responsibilities, including (1) modifying the language on its customer attachment forms, (2) revising the provisions in Tariff B11.C, concerning the payment of customer contributions in aid of construction, and (3) amending Tariff B11.E, regarding the “excessive service line fee.”

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; MSA 22.21 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission’s Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. The settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Implementation of the revised tariff language approved in this order shall take effect on the date following the order's issuance.

C. Within 30 days, Consumers Energy Company shall file new tariff sheets B-60.00, B-61.00, and B-62.00 in conformance with this order.

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; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand

Chairman

(S E A L)

/s/ David A. Svanda

Commissioner

/s/ Robert B. Nelson

Commissioner

By its action of April 11, 2000.

/s/ Dorothy Wideman

Its Executive Secretary

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B. Implementation of the revised tariff language approved in this order shall take effect on the date following the order's issuance.

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of April 11, 2000.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated April 11, 2000 approving the settlement agreement and authorizing Consumers Energy Company to revise its gas tariffs relating to its customer attachment program, as set forth in the order.”