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August 15, 2017

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Post Office Box 30221
Lansing, MI 48909

Re: Case No. U-12103 – In the matter of the application of Consumers Energy Company for approval of a partial waiver of Rule 606(2)(b) if the Michigan Gas Safety Standards.

Re: Case No. U-18410 – In the matter, on the Commission's own motion, directing Consumers Energy Company to show cause why the partial waiver of Rule 606(2)(b) of the Michigan gas and Safety Standards should not be rescinded.

Dear Ms. Kale:

Enclosed for electronic filing in the above-captioned cases, please find the **Consumers Energy Company's Response to the Michigan Public Service Commission's Show Cause Order**. This is a paperless filing and is therefore being filed only in a PDF format.

Sincerely,

Robert W. Beach

cc: Brian Ballinger, Esq.
David Chislea, Esq.
Steven Hughey, Esq.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
CONSUMERS ENERGY COMPANY	)	
for approval of a partial waiver of Rule 606(2)(b)	)	Case No. U-12103
of the Michigan Gas Safety Standards.	)	
_____	)	

In the matter, on the Commission's own motion,	)	
directing CONSUMERS ENERGY COMPANY	)	
to show cause why the partial waiver of	)	Case No. U-18410
Rule 606(2)(b) of the Michigan Gas Safety Standards	)	
should not be rescinded.	)	
_____	)	

**CONSUMERS ENERGY COMPANY'S RESPONSE TO
THE MICHIGAN PUBLIC SERVICE COMMISSION'S SHOW CAUSE ORDER**

Consumers Energy Company ("Consumers Energy" or the "Company") files this Response to the Michigan Public Service Commission's ("MPSC" or the "Commission") July 31, 2017 Order to show cause why the Company's partial waiver of Rule 460.20606(b) ("Rule 606") of the Michigan Gas Safety Standards should not be rescinded.

In Case No. U-12103, the Company filed an Application requesting a partial waiver of the requirement that it conduct a leakage survey on certain portions of its natural gas system's copper service lines at least once every three years as required by 49 CFR 192.723(b)(2), adopted by reference in Rule 606. The Company instead proposed to conduct leakage surveys on copper service lines once every five years. At the time the Company requested the waiver, conducting leakage surveys of copper service lines every five years was a more reasonable approach than every three years, due to the limited number of leaks the Company was finding when surveying these lines. The Company's waiver request was approved by the Commission on March 14, 2000. See MPSC Case No. U-12103, March 12, 2000 Order Granting Waiver.

As indicated in the Commission's July 31, 2017 Order in this docket, the leak rate for the Company's copper service lines has changed since the Company's leakage survey waiver was granted in 2000. Therefore, the Company is agreeable to resuming a three-year leakage survey process for the portion of copper service line covered by the waiver in Case No. U-12103. Due to the time required to plan and implement this change to the Company's current copper service line leakage survey process, the Company requests that its current leakage survey waiver not expire until December 31, 2017. This would allow the Company to begin performing leakage surveys on the affected portions of copper service line on a once every three-year basis beginning January 1, 2018. Furthermore, as directed by the Commission, the Company intends to meet with the Commission Staff to discuss its leakage survey plan.

Respectfully submitted,

Consumers Energy Company

Date: August 15, 2017

By:

Mary P. Palkovich
Vice President of Gas Engineering
and Supply
Consumers Energy Company

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