

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of	)	
Consumers Energy Company for a	)	
Certificate of Public Convenience	)	Case No. U-12430
and Necessity to Render Natural Gas	)	
Service in Martin Township,	)	
Allegan County, Michigan	)	
_____	)	

SETTLEMENT AGREEMENT

On May 11, 2000, Consumers Energy Company ("Consumers Energy") filed an Application in Case No. U-12430 requesting issuance of a Certificate of Public Convenience and Necessity ("Certificate") pursuant to MCL 460.501 et seq., MSA 22.141 et seq. ("Act 69") to render natural gas service in Martin Township, Allegan County, Michigan.

Pursuant to the Notice of Hearing, a prehearing conference in Case No. U-12430 was held before Administrative Law Judge Barbara Stump on July 5, 2000. At the prehearing conference, intervention was granted to Michigan Gas Utilities and the Commission Staff ("Staff") entered its appearance. No other utility or municipality appeared or participated in the proceedings.

Subsequent to the prehearing conference in this matter the parties discussed and resolved the issues in this case and, as a result, decided to resolve their differences by virtue of this Settlement Agreement ("Agreement"). This Agreement identifies the rights and obligations of the parties concerning the provision of natural gas service in Martin Township, Allegan County, Michigan, in accordance with Section 78 of the Administrative Procedures Act of 1969,

MCL 24.278, MSA 3.560(178) and Rule 333 of the Commission's Rules of Practice and Procedure, R460.17333.

WHEREFORE, the parties agree as follows:

1. On August 13, 1997, the Township granted Consumers Energy a non-exclusive franchise authorizing it to conduct a local gas business within the Township of Martin, Allegan County, Michigan. Provision of natural gas service by Consumers Energy to Martin Township, Allegan County, Michigan, will serve the public convenience and necessity.

2. An Act 69 Certificate shall be granted to Consumers Energy to provide natural gas service to customers in Martin Township, Allegan County, Michigan.

3. Construction and maintenance of the system must comply with the Michigan Gas Safety Standards and applicable Commission rules, and no newly constructed lines shall cross another utility's gas mains or service lines or parallel another utility's mains or service lines within a street or right of way.

4. Prior to constructing any extension of main within the township, Consumers Energy must give 30 days' written notice to the Commission's Competitive Services Section and Michigan Gas Utilities, identifying the location of the proposed extension and a copy of the customer attachment program worksheet, if applicable, for the extension.

5. The parties join in requesting the Commission to expeditiously issue an order approving this Agreement and issuing an Act 69 Certificate as provided in this Agreement. The Staff certifies that this Agreement is reasonable and in the public interest.

6. For the sole purpose of submitting this Agreement to the Commission the parties waive compliance with the provisions of Section 81 of the Administrative Procedures Act of 1969; MCL 24.281; MSA 3.560 (181).

Dated: August 12, 2000

CONSUMERS ENERGY COMPANY

By: Raymond E. McQuillan
Raymond E. McQuillan (P24100)

Dated: August 15, 2000

STAFF OF THE MICHIGAN PUBLIC
SERVICE COMMISSION

By: William W. Derengoski
William W. Derengoski (P34242)

Dated: August 11, 2000

MICHIGAN GAS UTILITIES

By: Richard J. Aaron
Richard J. Aaron (P35605)