

A CMS Energy Company

October 13, 2003

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Mr. Robert W. Kehres
Acting Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Re: **Case No. U-12488**

Dear Mr. Kehres:

Enclosed, for filing in the above-referenced matter, are an original and four copies of the "Notice Of Consumers Energy Company of Termination of Retail Open Access Standby Rate ROA-SB" and an original Proof of Service. This document is also being filed electronically as part of the Commission's Electronic Filings Program.

Sincerely,

Jon R. Robinson

cc: Parties per Attachment 1
to Proof of Service

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the rates, terms and conditions	)	
of service for retail customers of CONSUMERS	)	Case No U-12488
ENERGY COMPANY to choose an alternative	)	
electric supplier	)	
_____	)	

**NOTICE OF CONSUMERS ENERGY COMPANY
OF TERMINATION OF RETAIL OPEN ACCESS STANDBY RATE ROA-SB**

Consumers Energy Company (“Consumers Energy”) hereby provides notice of the termination, pursuant to MCL 460.10b(4), of Retail Open Access Standby Rate ROA-SB.

1. Consumers Energy currently offers standby generation service to retail open access customers pursuant to Retail Open Access Standby Rate ROA-SB. This rate schedule was approved by the Commission in Case No. U-12488, and is available to a “Retail Open Access Retailer or ROA Customer with a monthly Maximum Demand greater than or equal to 1,000 kW who has an executed Transmission Service Agreement.”

2. MCL 460.10b(4) states, in relevant part, as follows:

“(4) An electric utility is obligated, with commission oversight, to provide standby generation service for open access load on a best efforts basis until December 31, 2001 or the date established under section 10d(2), whichever is later.”

As stated in this section, Consumers Energy’s obligation to offer standby generation service for ROA load terminates upon the later of December 31, 2001 or the “date established under section 10d(2)” (MCL 460.10d(2)).

3. MCL 460.10d(2) provides, in relevant part, as follows:

“(2) On and after December 31, 2003, rates for an electric utility with 1,000,000 or more retail customers in this state as of May 1, 2000 shall not be increased until the earlier of December 31, 2013 or until the commission determines, after notice and hearing, that the utility meets the market test under section 10f and has completed the transmission expansion provided for in the plan required under section 10v.”

Thus, the “date established under section 10d(2)” that is referenced in MCL 460.10b(4) is the earlier of (i) the date that the utility both meets the Section 10f (MCL 460.10f) market test and has completed the Section 10v (MCL 460.10v) transmission expansion, or (ii) December 31, 2013.

4. In an order issued July 23, 2002 in Cases No. U-12780/U-12781, the Commission found that the Joint Report submitted by Consumers Energy, The Detroit Edison Company and American Electric Power complied with Section 10v of PA 141. The Commission also found that, “once a utility has completed the projects identified in the Joint Report for its system and submitted appropriate verification, it will be deemed to be in technical compliance with Section 10v.” On December 6, 2002, Consumers Energy submitted verification to the Commission of the completion of the projects identified in the Joint Report for the Consumers Energy (subsequently transferred to the Michigan Electric Transmission Company or “METC”) system.

5. In an order issued September 11, 2003 in Case No. U-13750, the Commission approved a stipulation that found that Consumers Energy was in compliance with the market test set forth in Section 10f of PA 141. In that order, the Commission stated, “[t]he Commission confirms that Consumers Energy Company is in compliance with Section 10f of the Customer Choice and Electricity Reliability Act, 2000 PA 141; MCL 460.10f.”

6. Because the transmission expansion projects identified in the U-12780/U-12781 Joint Report have been completed, and because the Commission has determined that Consumers Energy meets the market test specified in MCL 460.10f, the Company's obligation under MCL 460.10b(4) to provide ROA standby service will terminate on December 31, 2003. Attached is the revised tariff sheet that the Company is filing to reflect this termination.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

Dated: October 13, 2003

By: _____
Jon R. Robinson
One Energy Plaza
Jackson, Michigan 49201
Attorney for Consumers Energy Company
(517) 788-0698

RETAIL OPEN ACCESS STANDBY RATE ROA-SB
(Effective January 1, 2004 This Rate is Closed to All Business)

Availability:

Subject to any restrictions, this rate is available on a best-efforts basis to a Retail Open Access Service Retailer or ROA Customer with a monthly Maximum Demand greater than or equal to 1,000 kW who has an executed Transmission Service Agreement.

Service under this rate is optional.

Nature of Service:

Service under this rate is available on a best-efforts basis. The service is available only during periods when the Retailer's or ROA Customer's source of generation is unavailable due to generator outage or transmission constraints. The Company is not required to build or purchase new capacity or interrupt firm customers to provide service under this rate.

This service is not available for the purpose of balancing energy due to scheduling of insufficient Power deliveries at the Point of Receipt. To the extent a Retail Open Access Service Retailer or ROA Customer takes Standby Service in a manner inconsistent with the provisions of this rate, then the Retailer or ROA Customer is required to reimburse the Company for all costs resulting from such actions.

The Retailer's or ROA Customer's contracted Power shall include all applicable Real Power Losses. The Retail Open Access Service Retailer or ROA Customer must schedule and notify the Company of any Standby Power to be taken under this rate.

Standby Charge:

Retail market price for each hour of standby usage will be the **greater** of:

- (i) the Company's highest hourly incremental cost of any generation or purchases of Power for that hour, plus 10 percent, plus applicable transmission charges, **or**
- (ii) the highest hourly market sales price for that hour, plus 10 percent, plus applicable transmission charges.

General Terms and Conditions:

The terms, conditions, charges and surcharges of Retail Open Access Service, contained in Section F and in the Retailer's or ROA Customer's contracted Retail Open Access Rate ROA-R, ROA-S or ROA-P, apply to Standby Power provided under this rate.

Due Date and Late Payment Charge:

The due date of the Retailer or ROA Customer bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance, net of taxes, shall be assessed to any bill which is not paid on or before the due date shown thereon.

Term and Form of Contract:

All service under this rate shall require a written Retail Open Access Service Contract with a Retailer or ROA Customer for a minimum term of one month with at least 30 days advance written notice.

Issued by
J. G. Russell,
President and Chief Executive Officer - Electric,
Jackson, Michigan

Effective for service rendered on
and after January 1, 2004

Issued under authority of the
Michigan Public Service Commission
dated December 20, 2001
in Case No. U-12488

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the rates, terms and conditions	)	
of service for retail customers of CONSUMERS	)	Case No U-12488
ENERGY COMPANY to choose an alternative	)	
electric supplier	)	
_____	)	

PROOF OF SERVICE

STATE OF MICHIGAN	)	
	) SS	
COUNTY OF JACKSON	)	

Carolyn S. Hinton, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on October 13, 2003 she served an electronic copy of the "Notice Of Consumers Energy Company of Termination of Retail Open Access Standby Rate ROA-SB" upon the persons listed in Attachment 1 hereto, at the e-mail addresses listed therein. She further states that she also served a hard copy of the same document to the addresses listed in Attachment 1 by depositing the same in the United States mail in the City of Jackson, Michigan with first-class postage thereon fully paid.

Carolyn S. Hinton

Subscribed and sworn to before me this 13th day of October, 2003.

Margaret Hillman
Notary Public, Jackson County, Michigan
My Commission Expires: 06/14/04

ATTACHMENT 1 -- TO CASE NO. U-12488

Administrative Law Judge

Honorable James N. Rigas
Administrative Law Judge
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