



A CMS Energy Company

August 21, 2018

Ms. Kavita Kale
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Re: MPSC Case No. U-12505 - In the matter of the application of Consumers Energy Company for a financing order approving the securitization of its regulatory assets and other qualified costs.

Dear Ms. Kale:

Consistent with the Michigan Public Service Commission's February 23, 2016 Opinion and Order in this matter, Consumers Energy Company implemented negative surcharges to refund the bond principal and interest securitization surcharge credits of 3.855 mills per kilowatt-hour and to refund the tax surcharge credit of 0.627 mills per kilowatt-hour.

The implementation of the above surcharges resulted in a residual balance of \$31,383 owed to customers. The Company implemented a surcharge credit in the May 2018 billing to resolve this residual balance amount which resulted in a remaining residual balance of \$9,901 owed to customers. The Company then applied the residual balance reconciliation mechanism, as approved by the Commission in Case No. U-16759, and wrote off the remaining residual balances. No additional positive or negative surcharges will be implemented.

Sincerely,

Robert W. Beach

Consumers Energy Company

U-12505 Securitization Bond and Tax Charges - Residual Balance Refund Calculation

(a)		(b)
Line No.	Description	Residual Balance Calculation
		(\$)
1	Securitization Bond Charge Authorized Refund	\$ (11,771,918)
2	Securitization Tax Charge Authorized Refund	<u>(1,915,250)</u>
3	Total Securitization Authorized Refund	(13,687,168)
4	Actual Refund - April 2016	<u>(12,971,595)</u>
5	Residual (Over)/Under Recovery	(715,573)
6	Accrued Interest	<u>(10,508)</u>
7	Total (Over)/Under Recovery	(726,081)
8	Actual Refund - November 2017	<u>(694,697)</u>
9	Residual (Over)/Under Recovery	(31,383)
10	Accrued Interest	<u>(181)</u>
11	Total (Over)/Under Recovery	(31,564)
12	Actual Refund - May 2018	<u>(21,664)</u>
13	Remaining Residual (Over)/Under Recovery	<u>\$ (9,901)</u>

Consumers Energy Company

U-12505 Securitization Bond and Tax Charges - Residual Balance Refund Calculation

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No.	Description	Residual (Over)/Under Recovery	Interest	May 2018 (Over)/Under Recovery	May 2018 Actual (Refund)/ Collection	Residual (Over)/Under Recovery	Final Disposition
		(\$)	(\$)	(\$)	(\$)	(\$)	
				(b) + (c)		(d) - (e)	
<u>Remaining Residual Balance by Rate Class</u>							
1	Residential	\$ (9,114)	\$ -	\$ (9,114)	\$ (4)	\$ (9,110)	Write Off
2	Primary	(15,612)	(128)	(15,740)	(15,217)	(523)	Write Off
3	Secondary	(6,464)	(53)	(6,517)	(6,457)	(60)	Write Off
4	Lighting & Unmetered	(193)	-	(193)	15	(208)	Write Off
5	Total Jurisdictional Service	<u>\$ (31,383)</u>	<u>\$ (181)</u>	<u>\$ (31,564)</u>	<u>\$ (21,664)</u>	<u>\$ (9,901)</u>	