

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



WILLIAM J. RICHARDS
Deputy Attorney General

P.O. Box 30218
LANSING, MICHIGAN 48909

JENNIFER MULHERN GRANHOLM
ATTORNEY GENERAL

September 21, 2000

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Dear Ms. Wideman:

Re: MPSC Case No. U-12530

I am enclosing for filing an original and 4 copies of the Notice of Intervention by Attorney General Jennifer M. Granholm. I am also enclosing a proof of service. In addition, a copy of this filing is being submitted electronically pursuant to the instructions in the Commission's notice of hearing

Sincerely,

A handwritten signature in cursive script that reads "Donald E. Erickson".

Donald E. Erickson
Assistant Attorney General

c All Parties
sld/cases/U-12530

PROOF OF SERVICE

MPSC Case No. U-12530

The undersigned certifies that a copy of the Notice of Intervention by Attorney General Jennifer M. **Granholm** was served upon the parties listed below by mailing the same to them at their respective addresses with first class postage fully prepaid thereon, or by State Interdepartmental mail as indicated, on the 21st day of September, 2000.



Lois E. Gruesbeck

Administrative Law Judge:

ALJ George Schankler (P23237)
Michigan Public Service Commission
6545 Mercantile Way, Suite 14
P. O. Box 30221
Lansing, MI 48909 [I. D. Mail]

MPSC Staff:

Mr. Larry G. Watterworth (P28440)
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911 [I.D. MAIL]

Residential Ratepayer Consortium (RRC):

Mr. David L. Shaltz (P29330)
Ms. Diane R. Royal (P39965)
Shaltz & Royal, P.C.
3303 W Saginaw, Suite C-1
Lansing, MI 48917

Consumers Energy Company (CECo):

Mr. Francis X. Berkemeier (P24205)
Consumers Energy Company
212 W. Michigan Avenue
Jackson, MI 49201

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of
CONSUMERS ENERGY COMPANY for
approval of a price change under its January 1, 1991 gas purchase agreement with Delta
Energy Corporation, as amended

MPSC Case No. U-12530

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Notice of Intervention
by Attorney General Jennifer M. Granholm

Attorney General Jennifer M. Granholm gives notice of her intervention as a party and of her appearance in this proceeding. In response to the application filed by Consumers Energy Company (CECo or the Company) and the notice of hearing issued by the Michigan Public Service Commission (MPSC or Commission), the Attorney General says:

I. Statement of Interest

1. She is the duly elected and qualified Attorney General of the State of Michigan and holds such office by virtue of and pursuant to Const 1963, art 5, § 21, and by mandate of the qualified electorate of the State of Michigan, and she is head of the Department of Attorney General created by the Executive Organization Act, 1965 PA 380, ch 3; MCL 16.150; MSA 3.29(5), and The State of Michigan is a body politic established under the Constitution of the United States and admitted into the Union by act of Congress under date of January 26, 1837.

2. The Attorney General intervenes and appears in this proceeding for

and on behalf of the People of the State of Michigan and for and on behalf of the State of Michigan, its departments, commissions and agencies, as customers and ratepayers of CEC Co. CEC Co has approximately 1.6 million ratepayers. The interest of these ratepayers is a public one, being common among virtually all natural gas customers in CEC Co's service area. The State of Michigan is a substantial user of and ratepayer for CEC Co's natural gas services.

3. The Attorney General's intervention and appearance in this proceeding are authorized by both the statutory and common law of Michigan. MCL 14.28; MSA 3.181 provides in pertinent part:

"... the attorney general ... may, when in [her] own judgment the interests of the state require it, intervene in and appear for the people of this state in any other court or tribunal, in any cause or matter, civil or criminal, in which the people of this state may be a party or interested."

The Attorney General has the right to intervene in any administrative proceeding when the Attorney General, in her own discretion, deems it in the public interest to do so. *People v O'Hara*, 278 Mich 281; 270 NW 298 (1936), and *Gremore v People's Community Hospital Authority*, 8 Mich App 56; 153 NW2d 377 (1967).

Furthermore, when the Attorney General deems it in the public interest to do so, she may intervene in any administrative proceeding at any stage of that proceeding. *Attorney General v Liquor Control Comm*, 65 Mich App 88; 237 NW2d 196 (1975).

4. The Attorney General, in her judgment, has determined that the interests of both the State and the People of the State of Michigan require her to intervene in this proceeding on their behalf. This proceeding will directly affect the State and a large number of the People of this State who are customers of CEC Co. The State and correspondingly the taxpayers of this State pay significant amounts for utility service for the State in the conduct of the People's affairs. In addition, the

People of this State who are customers of CEC Co also pay large sums for utility service for their homes and businesses. Any action taken in this proceeding will directly affect both the economy of the state and the general well-being of all of the citizens and residents of this State.

II. Statement of Positions

5. The Attorney General takes the position that the price increase proposed by CEC Co should not automatically be approved.

6. The Attorney General takes the position that the proposed new price may not be reasonable when the price of all available alternative sources of natural gas have been reviewed and considered.

7. The Attorney General takes the position that CEC Co must prove by a preponderance of the evidence that the proposed new price is just and reasonable.

8. The Attorney General takes the position that the Commission properly noticed this case for hearings despite CEC Co's request for an ex parte order.

Relief Reauested

Attorney General Jennifer M. Granholm requests the Michigan Public Service Commission to:

- A. Enter her Notice of Intervention upon the official record of the captioned proceeding and treat her as a party for all purposes;
- B. Conduct proceedings in this case in a manner consistent with its notice of hearing; and
- C. Grant the ratepayers of Consumers Energy Company such further and additional relief as the facts and circumstances show to be appropriate.

Respectfully submitted,

JENNIFER M. GRANHOLM
Attorney General

J. Peter Lark (P26970)
Assistant in Charge
Special Litigation Division



Donald E. Erickson (P13212)
Assistant Attorney General

6520 Mercantile Way, Suite 2
P. O. Box 30218
Lansing, Michigan 48909
(517) 373-1123

Dated: September 21, 2000
sld/cases/U-125530