

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
CONSUMERS ENERGY COMPANY for approval	)	
of a price change under its January 1, 1991 gas	)	Case No. U-12530
purchase agreement with Delta Energy Corporation,	)	
as amended.	)	
_____	)	

At the November 8, 2000 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On July 18, 2000, Consumers Energy Company (Consumers) filed an application, pursuant to Section 10 of 1929 PA 9, as amended, MCL 483.110; MSA 22.1320, seeking approval of an agreed upon change to the pricing terms of its January 1, 1991 gas purchase contract with Delta Energy Corporation.

Pursuant to due notice, a prehearing conference was held on September 28, 2000 before Administrative Law Judge George Schankler. Consumers, Attorney General Jennifer M. Granholm, and the Commission Staff participated in the proceedings.

Subsequently, the parties submitted a settlement agreement resolving all issues in this case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that the new price of \$3.25 per million British thermal units, which will be in effect from January 1, 2001 to December 31, 2003, is just and reasonable and should be approved.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1929 PA 9, as amended, MCL 483.101 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.202 et seq.; and the Commission's Rules of Practice and Procedure, R 460.17101 et seq.
- b. The settlement agreement is reasonable and in the public interest, and should be approved.
- c. The agreed upon price, which will be in effect from January 1, 2001 to December 31, 2003, is just and reasonable and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The new price of \$3.25 per million British thermal units for natural gas purchased by Consumers Energy Company under its January 1, 1991 gas purchase contract with Delta Energy Corporation is approved, effective January 1, 2001.
- C. Any future filings shall each be in a new docket.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of November 8, 2000.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of November 8, 2000.

Its Executive Secretary

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_____)

Case No. U-12530

Suggested Minute:

“Adopt and issue order dated November 8, 2000 approving the settlement agreement and establishing a new price for natural gas purchased under a contract between Consumers Energy Company and Delta Energy Corporation, as set forth in the order.”