

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of
CONSUMERS ENERGY COMPANY for Approval
of a Gas Cost Recovery Plan and
Authorization of Gas Cost Recovery
Factors for the 12-Month Period
April 2001 - March 2002.

Case No. U-12752

Proceedings had in the above-entitled
matter before James N. Rigas, J.D., Administrative Law
Judge, at the Michigan Public Service Commission, 6545
Mercantile Way, Lansing, Michigan.

SESSION OF TUESDAY, JUNE 26, 2001

VOLUME 3

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APPEARANCES:

H. RICHARD CHAMBERS, J.D.
Consumers Energy Company
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Jackson, Michigan 49201

Appearing on behalf of Consumers Energy Company

CLARK HILL, PLC
By THOMAS E. MAIER, J.D.
2455 Woodlake Circle
Okemos, Michigan 48864

Appearing on behalf of the Association
of Businesses Advocating Tariff Equity

APPEARANCES: (Continued)

DIANE R. ROYAL, J.D.
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Appearing on behalf of the Residential
Ratepayer Consortium

DONALD E. ERICKSON, J.D.
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Appearing on behalf of Attorney General
Jennifer M. Granholm

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6545 Mercantile Way, Suite 15
Lansing, Michigan 48911

Appearing on behalf of the Commission Staff

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1 Lansing, Michigan

2 Tuesday, June 26, 2001

3 11:05 A.M.

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5 (The hearing was resumed pursuant to the
6 adjournment.)

7 JUDGE RIGAS: We'll go on the record.

8 Good morning. This is a continued hearing
9 before the Michigan Public Service Commission in Case No.
10 U-12752. This matter is being continued from the session
11 held on January 23rd of this year.

12 My name is James N. Rigas. I'm an
13 administrative law judge with the Bureau of Hearings.

14 May I have the appearances, please.

15 MR. CHAMBERS: Richard Chambers on behalf
16 of Consumers Energy.

17 MR. MAIER: Thomas Maier of the firm Clark
18 Hill, PLC on behalf of the Association of Businesses
19 Advocating Tariff Equity.

20 MR. ERICKSON: Donald E. Erickson
21 appearing on behalf of Attorney General Jennifer M.
22 Granholm.

23 MS. ROYAL: Diane R. Royal appearing on
24 behalf of Residential Ratepayer Consortium.

25 MR. GADALETO: Dave Gadaleto appearing on

1 behalf of the staff of the Michigan Public Service
2 Commission.

3 JUDGE RIGAS: Thank you. Are there any
4 other appearances? I hear none.

5 Today was the scheduled day for the
6 presentation of witnesses for cross-examination. The
7 parties have taken the opportunity to confer this morning
8 in an effort to reach an understanding with regard to this
9 case.

10 Mr. Chambers, would you report on the
11 progress.

12 MR. CHAMBERS: Yes, your Honor.

13 The parties have reached a settlement in
14 this proceeding and have entered into a written settlement
15 agreement which we will provide to your Honor. The
16 settlement agreement consists of five pages of textual
17 material and two exhibits. Exhibit 1 consists of two
18 pages, Exhibit 2 consists of three pages.

19 I would like to note for the record that
20 at the bottom of the third page of Exhibit 2 there is a
21 note on the original which says, "Note: Illustration uses
22 70% instead of 50%." Regrettably that did not appear on
23 some of the copies that were made for circulation purposes
24 but that does appear on the original, and that was the
25 intent of the parties.

1 JUDGE RIGAS: Very good. And the
2 settlement is entered into by all the parties of record;
3 is that true?

4 MR. CHAMBERS: Yes, your Honor. All
5 parties through their counsel have signed the settlement
6 agreement.

7 JUDGE RIGAS: Very good. This settlement
8 appears to be reasonable and is accepted.

9 Do the parties wish to waive the
10 provisions of Section 81 in this matter?

11 MR. CHAMBERS: Yes, your Honor.

12 MR. MAIER: Yes, your Honor.

13 MS. ROYAL: Yes, your Honor.

14 MR. GADALETO: And that is contained in
15 paragraph 8, page 4 of the settlement agreement.

16 JUDGE RIGAS: Oh, O.K. Very good.

17 For the record, do you concur as well, Mr.
18 Erickson?

19 MR. ERICKSON: Yes, your Honor.

20 JUDGE RIGAS: Very well. Section 81 will
21 be deemed waived.

22 Anything further this morning, then, for
23 any party?

24 MR. GADALETO: Nothing further.

25 MR. MAIER: Nothing further, your Honor.

1 JUDGE RIGAS: Very well. This matter is
2 concluded. Thank you very much.

3 (At 11:10 A.M., the hearing was concluded
4 and the record was closed.)

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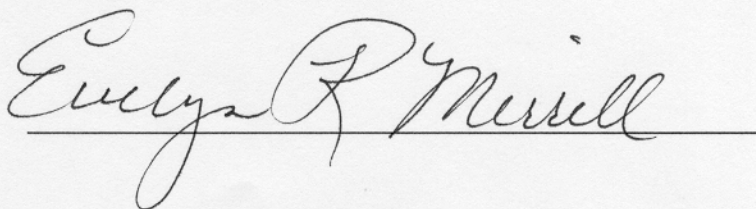
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C E R T I F I C A T E

I, Evelyn R. Merrill, do hereby certify that I reported stenographically the foregoing proceedings had in the within-entitled matter, being Case No. U-12752, before James N. Rigas, J.D., Administrative Law Judge, at the Mercantile Building, Lansing, Michigan, on Tuesday, June 26, 2001, and that the foregoing transcript constitutes a full, true and correct transcript of my said stenographic notes.

A handwritten signature in cursive script, reading "Evelyn R. Merrill", is written over a horizontal line.

Dated: June 26, 2001

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