



NEWS RELEASE

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LANSING, July 25. The Michigan Public Service Commission today approved a settlement agreement authorizing Consumers Energy Company to implement a gas cost recovery (GCR) plan and a factor of up to \$4.8700 per thousand cubic feet (Mcf) for the months of April a 2001 and a factor of up to \$4.6862 per Mcf for the months of June 2001 through March 2002, subject to a quarterly adjustment. The Commission approved the settlement agreement, sign by Consumers, Commission staff, the Attorney General, ABATE, and the Residential Ratepayer Consortium, because it is reasonable and in the public interest.

The settlement agreement includes a methodology Consumers may employ to adjust its gas cost recovery factors to reflect market price increases. The methodology permits Consumers to institute quarterly adjustments without first returning to the Commission for approval. Consumers' gas cost recovery plan will continue to be subject to a gas cost recovery reconciliation process.

"Approving this settlement agreement will help ensure that customers of Consumers will continue to enjoy the lowest possible rates for their home and business natural gas consumption," said Chairman Laura Chappelle.

Consumers is headquartered in Jackson, Michigan and provides natural gas service to approximately 1.3 million customers statewide.

The MPSC is an agency within the Department of Consumer and Industry Services.

Case No. U-12752

July 25, 2001

(Consumers Energy's GCR plan and factors for the 12-month period beginning April 2001 approved)
