

David C. Champion
Senior Attorney



Michigan Consolidated Gas Company
500 Griswold Street, Detroit, MI 48226

313 256-5092
313 256-5251 FAX

March 21, 2001

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

RE: Request to Withdraw Application, MPSC Case Nos. U-12762 (e-file)

Dear Ms. Wideman:

Enclosed for filing, please find the original and 5 copies of Michigan Consolidated Gas Company's Request to Withdraw its Application in the captioned proceeding together with a proof of service.

Should you have any questions regarding this filing or require additional information, please do not hesitate to contact me. Your attention to this matter is appreciated.

Very truly yours,

David Champion/dcc

DCC

Enclosures

c: Counsel of Record

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
MICHIGAN CONSOLIDATED GAS COMPANY)	
to terminate the suspension of its gas cost recovery)	Case No. U-12762 (e-file)
clause and establish a cashout mechanism)	
_____)	

REQUEST TO WITHDRAW APPLICATION

1. By order issued April 28, 1998, in Case No. U-11682, the Michigan Public Service Commission ("Commission") approved Michigan Consolidated Gas Company's ("MichCon") request to implement an experimental gas customer choice program during the period April 1, 1999 through March 31, 2002. The program approved by the Commission included, among other things, suspension of MichCon's gas cost recovery ("GCR") clause and implementation of a fixed natural gas price of \$2.95 per Mcf for customers choosing MichCon as their natural gas supplier. MichCon's fixed \$2.95 per Mcf rate was scheduled to end on December 31, 2001.

2. On December 15, 2000, MichCon initiated this case to terminate the suspension of its GCR clause and establish a cashout mechanism. MichCon's application in this case advised of MichCon's intent to terminate its fixed \$2.95 per Mcf rate and return to the GCR process effective April 1, 2001.

3. On December 15, 2000, MichCon also filed an application in Case No. U-12761 to terminate its experimental gas customer choice program and initiate a permanent gas customer choice program that incorporates the terms and conditions set forth in the Commission's October 13, 2000 order in Case No. U-12550, the uniform customer choice program proceeding. On December 21, 2000, MichCon filed an application in Case No. U-12766 for approval of a GCR Plan, 5-year forecast, and GCR factors for the nine-month period ending December 31, 2001. Case Nos. U-12761 and U-12766 were filed in furtherance of MichCon's request to implement a

permanent gas customer choice program with the natural gas sales rate set pursuant to MichCon's GCR clause.

4. On February 23, 2001, a hearing was held on MichCon's request in this case to terminate the suspension of its GCR clause. The Association of Businesses Advocating Tariff Equity, the Attorney General, the Residential Ratepayer Consortium, Energy America and the Commission Staff participated in the hearing. At the hearing, and in briefs filed subsequent to it¹, all but one party opposed MichCon's request to terminate the suspension of its GCR clause and return to the GCR process effective April 1, 2001. The opposing parties argued that termination was inappropriate because the experimental gas customer choice program approved in Case No. U-11682 included a guaranty that MichCon would charge its customers no more than \$2.95 per Mcf through December 31, 2001.

5. MichCon does not believe the order approving MichCon's experimental gas customer choice program included a fixed price guaranty. From the evidence and arguments presented in Case No. U-12762, it is abundantly clear that the opposing parties believe otherwise. It is equally clear that the opposing parties want MichCon to continue to charge its fixed \$2.95 per Mcf rate through December 31, 2001. MichCon submits that no amount of evidence or argument will alter the opposing parties views.

6. Given the significant opposition to MichCon's proposal to implement a permanent gas customer choice program at GCR rates reflective of market prices, MichCon has determined that the interests of all concerned parties will be best served by continuing MichCon's experimental gas customer choice program until its scheduled expiration date of March 31, 2002. Accordingly, MichCon's application to terminate the suspension of its GCR clause and establish a cashout mechanism is moot and should be withdrawn.

¹ Initial Briefs were filed March 2, 2001. Reply Briefs were filed March 9, 2001.

WHEREFORE, Michigan Consolidated Gas Company requests that the pending application in Case No. U-12762 to terminate the suspension of its GCR clause and establish a cashout mechanism be withdrawn.

Respectfully submitted,

MICHIGAN CONSOLIDATED GAS COMPANY

By: David Champion/Doc

David C. Champion (P42665)
Michigan Consolidated Gas Company
500 Griswold Street, GB 9
Detroit, Michigan 48226
(313) 256-5092

Its Attorney

Dated: March 21, 2001

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
MICHIGAN CONSOLIDATED GAS COMPANY)
to terminate the suspension of its gas cost recovery)
clause and establish a cashout mechanism)
_____)

Case No. U-12762 (e-file)

CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the Request to Withdraw Application of Michigan Consolidated Gas Company to be served upon all counsel of record in this case by electronic mail.



David C. Champion

Dated: March 21, 2001