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June 25, 2004

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Re: Case Nos. U-11955, U-12358, U-12891 and U-13340

Dear Ms. Kunkle:

Enclosed for filing in the above captioned cases are four originals (one for each case listed above) and four copies of the "**Brief of Consumers Energy Company**". I have also enclosed a Proof of Service. This document is also being electronically filed with the Commission in the portable document format (PDF).

Sincerely,

Signature Not Verified

H. Richard Chambers

Digitally signed by H. Richard Chambers
Date: 2004.06.25 11:33:05 -04'00'

H. Richard Chambers

CC: Parties per Attachments
To Proof of Service

f10604-1-223

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of CONSUMERS ENERGY COMPANY for authority to recover implementation costs, approval of a stranded cost true-up methodology, and other relief	))))))	Case No. U-11955
In the matter of the application of CONSUMERS ENERGY COMPANY to recover implementation costs for the period ended December 31, 1999	)))))	Case No. U-12358
In the matter of the application of CONSUMERS ENERGY COMPANY to recover electric restructuring implementation costs for the period ended December 31, 2000	))))))	Case No. U-12891
In the matter of the application of CONSUMERS ENERGY COMPANY to recover electric restructuring implementation costs for the period ended December 31, 2001	))))))	Case No. U-13340

BRIEF OF CONSUMERS ENERGY COMPANY

Date: June 25, 2004

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In the matter of the application of CONSUMERS ENERGY COMPANY to recover electric restructuring implementation costs for the period ended December 31, 2000	Case No. U-12891
In the matter of the application of CONSUMERS ENERGY COMPANY to recover electric restructuring implementation costs for the period ended December 31, 2001	Case No. U-13340

BRIEF OF CONSUMERS ENERGY COMPANY

On May 7, 2004 Consumers Energy Company ("Consumers Energy" or the "Company") filed a proposal for recovery of its approved implementation costs. On June 3, 2004 the Michigan Public Service Commission ("MPSC" or "Commission") issued an Order and Notice of Hearing in the above captioned cases. The Commission (i) attached the May 7, 2004 proposal and (ii) established a schedule for further proceedings. Consumers Energy is submitting this brief pursuant to the schedule established by the Commission in that Order.

Consumers Energy requests that the Commission provide for recovery of the 1997-2001 electric restructuring implementation costs that were approved in the above captioned cases through use of surcharges in the manner proposed by Consumers Energy in its May 7, 2004 filing.

I. PROCEDURAL HISTORY AND BACKGROUND

A. Orders Establishing a Framework for Electric Restructuring

During the period 1997-1999 the Commission issued a series of orders defining and providing a framework for an electric retail open access program. The Commission's June 5, 1997 Order in MPSC Case No. U-11290 was the foundational order in developing a framework for retail open access. In its June 5, 1997 Order, the Commission stated with regard to electric restructuring implementation costs:

> "These are costs that would not be incurred absent a direct access program... If the costs are prudently incurred, it would...be inappropriate to disallow recovery by the utility. Thus, the only remaining option is to include these costs in the transition charge if they are prudently incurred." June 5, 1997 Order, pp. 12-13.[1]

In its March 8, 1999 Order in Case Nos. U-11290, et al, pp. 55-56, the Commission approved Consumers Energy's implementation plan.

The Commission in its orders has recognized that carrying costs must be added to implementation costs in order for Consumers Energy to be made whole. The purpose of carrying costs is to recognize the time value of money between when the costs are incurred and when they are recovered from customers. In its October 24, 2000 Order in Case No. U-11955, p. 11, the Commission found that Consumers Energy should use 7% to compute carrying costs.

[1] This conclusion was reiterated in later orders. See e.g., October 29, 1997 Order in Case Nos. U-11451 and U-11452, pp. 3-4; January 14, 1998 Rehearing on Restructuring Order in Case No. U-11290, et al, p. 4; March 8, 1999 Order in Case No. U-11290, et al., pp. 2-3

B. Orders Approving Recovery of 1997-2001 Implementation Costs

The implementation costs that Consumers Energy seeks to recover through surcharges in this proceeding are costs that the Commission has previously reviewed and approved for deferred recovery. The MPSC issued orders approving conditional deferred recovery of electric restructuring implementation costs incurred by Consumers Energy for 1997 through 2001[2] in the following dockets and amounts:

Case	Year of Expenditure	Deferred Recovery Amount (millions)
U-11955	1998	$15.376
U-12358	1999	$25.156
U-12891	2000	$19.587
U-13340	2001	$ 7.947

The Commission determined in these four cases that the amounts listed were properly classified as implementation costs, that the costs were incurred by Consumers Energy, and that the amounts listed above should be approved deferred recovery.

In orders issued in each of these annual implementation cost review cases (Case Nos. U-11955, U-12358, U-12891, and U-13340) the Commission approved recovery by Consumers Energy of carrying costs at the rate of 7%. The approved amounts listed above include carrying costs at the rate of 7% through the end of the year of expenditure listed.

The Commission re-affirmed that the Company is entitled to recovery of carrying costs at the rate of 7% until amounts are collected from customers in its orders in Case No. U-13715. The June 2, 2003 order in that case approved carrying costs at 7% through December 31, 2000 for the 1997/1998-2000 costs. In its December 18, 2003 order in Case No. U-13715, p. 5, the Commission concluded that the calculation of interest on the implementation

[2] Case No. U-11955 involved a review of costs incurred in 1997 in addition to costs incurred in 1998. For ease of reference, these combined costs are sometimes referred to as 1998 costs. The review of implementation costs for 2002 and 2003 is pending in Case No. U-14050.

costs should have included an additional $14.427 million of carrying costs for 2001-2003. Adding these additional carrying costs results in a total, with carrying costs through 2003, of $78.535 million for the approved 1997-2000 implementation costs.

While the Case No. U-13340 order was not issued until two weeks after the June 2, 2003 order in Case No. U-13715, the costs relate to a time period (i.e., year 2001) that predated both the order and hearing in Case No. U-13715. The 2001 implementation costs of $7.947 million approved by the Commission in it June 16, 2003 order in Case No. U-13340 included carrying costs through 2001. Adding 2002-2003 carrying costs increases this total to $9.099 million, bringing the total for 1997-2001 costs, with carrying costs through 2003, to the $86.633 million referenced at page 3 of the Commission's June 3, 2004 Order and Notice of Hearing in this combined proceeding.

C. Orders of the Michigan Court of Appeals Regarding Recovery of Implementation Costs

On April 1, 2004 the Michigan Court of Appeals issued a decision in Consumers Energy Company v Michigan Public Service Commission, Docket No. 243360; ___ Mich App ___; ___ NW2d ___; 2004 Mich App LEXIS 863 (2004). That case concerned an appeal by Consumers Energy from the MPSC's July 11, 2001 and July 23, 2002 orders in Case No. U-12358 that approved 1999 implementation expenses incurred by Consumers Energy to implement a retail open access program, but which deferred recovery and held that those implementation expenses could be adjusted upon further review.

In the Consumers Energy decision the Court stated:

> "we conclude that in requiring that the PSC 'provide for full recovery' of implementation costs... the Legislature did not intend to allow the PSC to adopt a methodology that would indefinitely defer the determination of the amount to be allowed. An approval made contingent on future unknown facts that may indeed

> eradicate the initial approval is not a provision for full recovery." Slip op. p. 3

It further held "the Legislature contemplated that the PSC would make a timely determination regarding Consumers' implementation costs." Id. The Court remanded the case to the Commission for further proceedings, specifying in Section III of the decision the procedure to be followed after remand.

The Court established the following timetable for holding a hearing and issuing an order providing for recovery of implementation costs:

> "The PSC will (1) convene a hearing no later than 90 days from the release of this Opinion and (2) no later than 60 days after the conclusion of the hearing, issue an order which provides for full recovery of Consumers' implementation costs..." Slip op. p. 4.

The Court indicated that the Commission should notify the Company within 30 days of April 1 of any additional data needed regarding the implementation costs.[3]

On April 1, 2004 the Court of Appeals also issued a decision in Detroit Edison Company v Michigan Public Service Commission, Docket No. 243268; ___ Mich App ___; ___ NW2d ___; 2004 Mich App LEXIS 862 (2004). That case concerned an appeal by Detroit Edison from the MPSC's July 23, 2002 order that approved the year 2000 implementation expenses incurred by Detroit Edison to implement a retail open access program, but which deferred recovery and held that those implementation expenses could be adjusted upon further review. In the Detroit Edison decision the Court held "the PSC must review the utility's expenses in light of the knowledge that was available at the time the expenditures were made." Slip op. p. 3. The Court of Appeals also stated: "The Legislature requires that these orders provide for full recovery of implementation costs." Id.

[3] Pursuant to the procedure established by the Court of Appeals, Consumers Energy and the MPSC agreed to a 30-day extension of this date.

In orders issued on May 6, 2004, the Court of Appeals remanded Consumers Energy's 2000 implementation cost case (Case No. U-12891) and its 2001 implementation cost case (Case No. U-13340) with directions to the Commission to follow the same procedure after remand as in the prior published decisions.

D. Orders of the MPSC Following Remand by the Court of Appeals

The Commission issued orders on April 28, 2004 and June 3, 2004 identifying additional information needed and addressing the expedited procedure that would be followed in response to the Court of Appeals remand.

1. The April 28, 2004 Order

On April 28, 2004 the MPSC issued an order directing Consumers Energy to make a filing by May 7, 2004 for the purpose of exercising the option of recovering its approved implementation costs either (i) in Case No. U-13715 through securitization or (ii) through a surcharge mechanism. The Commission stated as follows:

> "The Court of Appeals ordered the Commission to convene a hearing and to issue an order that provides for full recovery of Consumers' 1999 implementation costs....
>
> "...[T]he Commission finds that Consumers should have the option of choosing whether it prefers to recover its approved implementation costs pursuant to the Commission's final order in Case No. U-13715 as part of its second securitization filing, or whether the company would prefer to withdraw the implementation costs from consideration in Case No. U-13715 and have their recovery controlled by this proceeding. If Consumers chooses the latter approach, the Commission intends to authorize recovery of such implementation costs through use of surcharges on all customer classes that coincides with the expiration of the Act 141 rate caps.[2]
>
> [2] See MCL 460.10d(2). Consumers' May 7, 2004 filing should include proposed surcharges and documentation of their

> derivation for use in this proceeding." (April 28, 2004 Order, pp 2-3)

Consumers Energy elected to recover its approved implementation costs through use of surcharges. On May 7, 2004 Consumers Energy filed with the Commission the information requested in the April 28 Order. The May 7 filing included proposed surcharges that would provide for recovery of the 1997-2001 implementation costs and documentation of their derivation.

2. The June 3, 2004 Order and Notice of Hearing

As noted previously, the June 3, 2004 Order and Notice of Hearing in this consolidated proceeding set forth Consumers Energy's proposal for recovery of the 1997-2001 implementation costs and established an expedited schedule to address that proposal. The Order and Notice of Hearing was issued in Case Nos. U-11955 (1997-1998 implementation costs), U-12358 (1999 implementation costs), U-12891 (2000 implementation costs), and U-13340 (2001 implementation costs).

The Commission stated:

> "[C]opies of this order and notice of hearing shall be served on all parties to these four proceedings.[4] The Commission advises these parties that it intends to take official notice of all pleadings, testimony, and exhibits already contained in the records of the four individually captioned proceedings so as to minimize the need of any party to present additional proofs.
>
> ---
>
> [4] Case Nos. U-11955, U-12358, U-12891, and U-13340." Order, pp. 4-5

The Company's May 7, 2004 proposal for a recovery mechanism and surcharges was both summarized in the Commission's Order and Notice of Hearing and set forth as Attachment A to the Order and Notice of hearing.

The Commission in its June 3 Order and Notice of Hearing established the following procedural schedule:

> "Although under no obligation to do so, parties to any of the four proceedings will have until June 11, 2004 to file additional testimony and/or exhibits relevant to the issues left open by the Court of Appeals' April 1, 2004 order or raised by Consumers' May 7, 2004 filing. In the event that additional testimony and/or exhibits are filed on June 11, 2004, parties may file responsive testimony and/or exhibits by June 18, 2004. An evidentiary hearing has been scheduled for 1:30 p.m. on June 22, 2004 to receive additional proofs, if any, that may be submitted by the parties. Thereafter the parties shall have until June 25, 2004 to submit briefs to the Commission." Order, p 5.

No party filed any testimony or exhibits challenging any aspect of Consumers Energy's May 7 proposal for recovery of its approved implementation costs.

II. OVERVIEW OF THE IMPLEMENTATION OF RETAIL OPEN ACCESS

A. Overview of the Implementation Process

Consumers Energy presented evidence in Case No. U-13340 that it has been guided by the following goals in developing and implementing a program for offering retail open access:

> "1) To develop and establish flexible business processes and systems to support the retail open access program approved by the Commission.
> 2) To allow all classes of customers to participate in Consumers Energy's retail open access program with minimum administrative burdens.
> 3) To communicate the retail open access program in a clear and understandable manner.
> 4) To minimize the costs associated with implementing retail open access." Case U-13340, 2 Tr 19-20.

The Company presented evidence that it has implemented systems and processes that both minimize the overall cost of the program and are consistent with the goals of retail open access. Case U-13340, 2 Tr 22.

The Commission approved Consumers Energy's implementation plan in its March 8, 1999 Opinion and Order in Case Nos. U-11290 et al. Consumers Energy presented evidence in Case No. U-13340 that the expenditures which the Company had incurred through 2001 were incurred in support of that plan. Case U-13340, 2 Tr 19. Similar evidence can be found in Case No. U-12891 at 2 Tr 55-56 and Case No. U-12358 at 3 Tr 46, 59, 61.

In Case No. U-13340, Ronald T. Carrier, who at that time was Consumers Energy's Acting Electric Customer Choice Program Manager, presented evidence that the implementation plan was prudently designed, developed, and implemented. Case U-13340, 3 Tr 23. He stated:

> "We have used existing systems where possible and have used a phased-in approach where possible. The plan provides flexible business processes, allows customers to easily participate, and minimizes costs. The Company's implementation plan has proven to be effective, efficient, and workable and the implementation expenditures made have advanced the progress to retail open access." Case U-13340, 2 Tr 23.

Similar evidence was presented in the records in the earlier cases.

The Commission determined in its June 5, 1997 Order in Case No. U-11290 that retail open access should be phased in over a period of years, with all customers eligible for service on January 1, 2002. As of January 1, 2002 electric customer choice became available to all of Consumers Energy's electric customers. Case U-13340, 3 Tr 23.

B. <u>Overview of Approved 1997-2001 Implementation Costs</u>

The 1997-2001 implementation expenses incurred by Consumers Energy to establish a retail open access program were reviewed by the Commission in Case Nos. U-11955, U-12358, U-12891, and U-13340. The previously approved costs and the carrying costs through the end of 2003 were summarized by the Commission as follows in its June 3, 2004 Order and Notice of Hearing:

> "On May 7, 2004, Consumers filed its election.... In so doing, Consumers elected to recover its implementation costs incurred for the years 1997-2001 through surcharges rather than through its securitization case (Case No. U-13715). <u>Including carrying costs calculated at the rate of 7%, the total amount of previously approved implementation costs totals $87,633,000, as follows</u>:

Determination of Recoverable Implementation Charges

Line No.	Year	1998	1999	2000	2001	2002	2003
1	1998	$15,376	$16,452	$17,604	$18,836	$20,155	$21,566
2	1999		25,156	26,917	28,801	30,817	32,974
3	2000			19,587	20,958	22,425	23,995
4	Sub-Total			64,108			**78,535**
5	2001				7,947	8,503	9,099
6	**Total Recoverable Implementation Charges**						**$87,633**

June 3, 2004 Order, p. 3 (Emphasis added).

The Company presented evidence in each of the individual annual review cases regarding the prudence of the costs incurred during each of the years. Conclusions of witnesses for Consumers Energy that the costs incurred were prudent and that the implementation process was prudently designed, developed and implemented are set forth in Case U-13340 at 2 Tr 18-23, 39-40, 41, 55 and 69-70; Case No. U-12891 at 31, 45, 58-59, 68-69, 76, and 88; Case No. U-12358 at 3 Tr 46-47, 56-57, 61,83; and Case No. U-11955, 4 Tr 160, 474-475, 477, 484, 497-

498, 503-504. Support for those conclusions is located throughout the testimony of Company witnesses in the individual cases.

The prudence of the implementation costs was not challenged by any witness in Case Nos. U-11955, U-12358, U-12891 or U-13340.

C. Status of Electric Retail Open Access

Electric customer choice is available to all customers in Consumers Energy's service territory—residential, commercial and industrial. Case U-13340, 3 Tr 23. Record evidence in Case No. U-13340 shows that the implementation expenditures have been effective and have produced results. Mr. Carrier testified in Case No. U-13340:

> "In order to provide service, virtually every system, process and procedure included in the Electric Customer Choice implementation plan was utilized. In addition to being utilized, the systems, processes and procedures advanced the implementation of retail open access." Case U-13340, 2 Tr 52-53 (Emphasis added).

The approved expenditures were both necessary to facilitate the transition to competition and did facilitate that transition. Case U-13340, 2 Tr 39. See also Case U-13340, 2 Tr 26, 30, 31-32, 33, 34-35, 35-36, 36-37, 37-38, 38-39, 62-64, 71. While the Company maintains that success cannot be used in evaluating prudence,[4] the Commission is aware and can take notice from its records that the implementation of retail open access by Consumers Energy has been successful.

The amount of load in Consumers Energy's service territory being served the alternative suppliers began increasing dramatically in 2001. During 2001, the number of customers increased from 30 to over 330 and the load being served increased from less than 70 MW to over 230 MW. Case U-13340, 2 Tr 23-24. The number of customers and load continued to increase in 2002. Case U-13340, 2 Tr 52. By March 2002, load had increased to

[4] See Detroit Edison v Public Service Commission, supra, __ Mich App at __, slip op. at 3 ABATE v Public Service Comm, 208 Mich App 248, 257-258, 260, 262, 267; 527 NW2d 533 (1994)

approximately 310 MW and number of customers served by alternative suppliers had increased to over 340. Id. As the Commission is aware from its specialized knowledge, by December 2003 the retail open access MW in service in Consumers Energy's service territory had increased to over 650 and the number of customers in service had increased to over 800. See the annual report "Status of Electric Competition in Michigan" submitted on behalf of the Commission on February 1, 2004 to the Governor and Legislature in accordance with Section 10u of 2000 PA 141.[5] As the Commission is further aware from its specialized knowledge, during 2004 substantial growth has continued, with additional new load added to the program and additional customers beginning service.

III. THE IMPLEMENTATION COST RECOVERY SURCHARGES AND RECOVERY APPROACH PROPOSED BY CONSUMERS ENERGY ARE REASONABLE AND SHOULD BE APPROVED IN THIS PROCEEDING

On May 7, 2004 Consumers Energy filed proposed surcharges for recovery of its 1998-2001 implementation costs. The Company's proposal, as noted previously, is attached to the Commission's June 3, 2004 Order and Notice of Hearing as Attachment A. Page 1 shows the determination of the recoverable implementation charges with carrying costs through the end of 2003. Page 2 shows the development of the surcharges for large commercial and industrial, small commercial and industrial, and residential customers. Pages 3 and 4 provide additional detail. The proposal by the Company involves a fixed charge, is predictable in duration and amount, spreads the implementation costs among all customers who are eligible to participate in retail open access, and involves a reconciliation so that customers pay no more and no less than the approved costs, plus appropriate carrying costs.

[5] For the convenience of the Commission, the cover page, February 1, 2004 transmittal letter signed by the Commission, and pp. 4-6 (which relate to Consumers Energy electric customer choice) were marked in the consolidated case as Exhibit A-1. The cumulative numbers of MW and customers in-service are discussed on p. 4 and shown on p. 5.

The Commission stated at page 3 of its April 28, 2004 Order in Case No. U-12358 that if the Company chooses to recover implementation costs through surcharges the Commission intends to authorize recovery of such implementation costs through use of surcharges on all customer classes. Consumers Energy proposes to recover the approved implementation costs through the use of per kWh surcharges on all customer classes (for both full service and retail open access customers). The surcharges would begin for large manufacturing and commercial customers during the first billing month after the surcharges are approved[6] and for other rate classes at the expiration of the applicable Act 141 rate caps.

The Commission summarized Consumers Energy's proposal as follows in its June 3, 2004 Order and Notice of Hearing:

> "Consumers proposes to recover the approved implementation costs through the use of per kilowatt-hour (kWh) surcharges on all customer classes (for both full service and retail open access customers) that begin, for large manufacturing and commercial customers, when the surcharges are approved, and for other rate classes at the expiration of the applicable rate caps. For purposes of calculation of surcharges, Consumers has assumed that recovery from large commercial and industrial customers will begin July 1, 2004. The proposed recovery period for each customer group is 36 months. Because the residential surcharge will not commence until January 1, 2006, the total recovery period will extend over 5 years. The proposed per kWh surcharges for the large commercial and industrial group, the small commercial and industrial group, and the residential customer group are equal except for an adjustment to reflect differences in carrying costs that occur based upon when collection begins and ends. This is done so that customers do not receive a benefit or suffer a detriment based upon when collection begins from their customer group. Consumers proposes that each customer group be separately reconciled through the filing of reconciliation filings after the three collection periods so that amounts collected can be reconciled with total implementation costs, including carrying costs, and so that customers will pay no more and no less than the recoverable costs." Order, p. 4.

[6] Rate caps for large commercial and industrial customers ended January 1, 2004.

As noted previously, the development of the surcharges was set forth in Attachment A to the June 3 Order.

As the Commission is aware, billing months do not precisely coincide with calendar months. For purposes of the calculations, Consumers Energy assumed recovery would begin on the first day of the respective calendar month. Consumers Energy proposes billing months be utilized for determining the commencement and completion dates of the 36-month collection periods.

The Commission stated in its June 5, 1997 Order in Case No. U-11290 that "it would be inappropriate to require all of these costs to be borne by those customers who do not wish to participate in direct access." (Emphasis added.) The Commission clarified in its December 20, 2001 Order in Case No. U-12639 that "Except for any costs that should be assigned solely to ROA customers, implementation costs will be recovered from all customers." The Company's proposal applies the surcharge to both full service and Retail Open Access ("ROA") customers.

By applying the surcharge to full service and Retail Open Access customers for a period of three years, the Company's proposal reduces the impact on any single customer and recognizes that the costs were incurred to implement systems that provide the potential to benefit from choice to all of these customers. In addition, it avoids the possibility that imposing the charge only on ROA customers would inhibit the ability of customers to economically participate in the ROA program. Use of a 36-month collection period for the individual customer groups is reasonable given the amounts involved.

From its earliest orders the Commission made clear that the purpose of choice was not to require customers to leave the incumbent utility. In its June 5, 1997 Order the Commission stated:

> "With today's order, the Commission is taking the initial step toward replacing the existing model of the electric industry with a more competitive approach based on choice for those customers who desire it. In the process of implementing customer choice, the Commission is committed to ensuring that customers who choose to remain sales customers of the existing utility are not harmed by the change." June 5, 1997 Order, p 12.

This concept of choice, selection of an alternative supplier by those who want to do so, with protection for those who choose to remain bundled sales customers, was embodied in Public Act 141. See e.g., MCL 460.10(2).

This goal has been accomplished for Consumers Energy's customers. Recovering implementation costs from all customers, both those who choose to obtain electricity from an alternative supplier and those who choose to obtain electricity from Consumers Energy is consistent with, and promotes, the goal of making choice available to all electric customers.

As noted above, the proposed surcharges are equal except for an adjustment to reflect differences in carrying costs that occur based upon when collection begins and ends. Thus customers do not receive a benefit or suffer a detriment based upon when collection begins or ends. The use of a reconciliation assures that customers pay and Consumers Energy receives no more and no less than the approved implementation costs, plus appropriate carrying charges.

The Company's proposed recovery mechanism is reasonable and should be approved.

IV. CONCLUSION

Recovery by Consumers Energy from its customers of its electric restructuring implementation costs should be authorized in this proceeding. Consumers Energy requests that the Commission authorize recovery of the approved 1997-2001 implementation costs as set forth on Attachment A to the Commission's June 3 Order and Notice of Hearing, with recovery for large commercial and industrial customers beginning the first billing month after an order is issued in this case, recovery for small commercial and industrial customers beginning with the January 2005 billing month, and recovery from residential customers beginning with the January 2006 billing month.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

H. Richard Chambers

Signature Not Verified

Digitally signed by H. Richard Chambers
Date: 2004.06.25 11:33:33 -04'00'

Dated: June 25, 2004 By: ______________________________

H. Richard Chambers
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S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of CONSUMERS ENERGY COMPANY for authority to recover implementation costs, approval of a stranded cost true-up methodology, and other relief	))))))	Case No. U-11955
In the matter of the application of CONSUMERS ENERGY COMPANY to recover implementation costs for the period ended December 31, 1999	)))))	Case No. U-12358
In the matter of the application of CONSUMERS ENERGY COMPANY to recover electric restructuring implementation costs for the period ended December 31, 2000	))))))	Case No. U-12891
In the matter of the application of CONSUMERS ENERGY COMPANY to recover electric restructuring implementation costs for the period ended December 31, 2001	))))))	Case No. U-13340

PROOF OF SERVICE

STATE OF MICHIGAN)
) SS
COUNTY OF JACKSON)

Sammie B. Dalton, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on June 25, 2004 she served an electronic copy of the "**Brief of Consumers Energy Company**" upon the persons listed in the Attachments hereto, at the e-mail addresses listed therein. She further states that she also served a hard copy of the same document to the addresses listed in the Attachments by depositing the same in the United States mail in the City of Jackson, Michigan with first-class postage thereon fully paid.

Signature Not Verified

Sammie B Dalton

Digitally signed by Sammie B. Dalton
Date: 2004.06.25 11:34:09 -04'00'

Sammie B. Dalton

Subscribed and sworn to before me this 25th day of June, 2004.

Signature Not Verified

Mary K. Polack

Digitally signed by Mary K. Polack
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Mary K. Polack, Notary Public
State of Michigan, County of Jackson
My Commission Expires: 09/09/06
Acting in the County of Jackson

ATTACHMENT 1 – to Case Nos. U-11955, U-12358, U-12891, U-13340

Administrative Law Judge

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ATTACHMENT 1 – to Case Nos. U-11955 and U-11956

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