

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 12-month 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
12-month 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
12-month period ended
December 31, 2001. Case No. U-13340

PREHEARING CONFERENCE

Proceedings had in the above-entitled
matters before Daniel E. Nickerson, Jr., J.D.,
Administrative Law Judge, at the Michigan Public Service
Commission, 6545 Mercantile Way, Lansing, Michigan, on
Tuesday, June 22, 2004.

APPEARANCES:

H. RICHARD CHAMBERS, J.D.
Consumers Energy Company
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Appearing on behalf of Consumers Energy Company

MICHAEL E. MOODY, J.D.
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Appearing on behalf of Attorney General Michael A. Cox

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Assistant Attorney General
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Appearing on behalf of the Commission Staff

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I N D E XEXHIBIT NO.PAGE

A-1 Status of Electric Competition in Michigan,
 February 1, 2004, MPSC Department of Labor &
 Economic Growth

7

1 Lansing, Michigan

2 Tuesday, June 22, 2004

3 1:30 p.m.

4 - - -

5 JUDGE NICKERSON: All right, on the record.

6 Good afternoon, everyone. This is the date
7 and time set for a hearing before the Michigan Public
8 Service Commission in several dockets: Case No. U-11955,
9 U-12358, U-12891, U-13340.

10 My name is Daniel Nickerson. I'm an
11 Administrative Law Judge assigned on this particular case.

12 Let's take appearances of counsel for the
13 record, please, beginning with the applicant.

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

16 MR. MOODY: Michael Moody on behalf of
17 Attorney General Mike Cox.

18 MR. HUGHEY: Steven Hughey on behalf of the
19 Commission Staff.

20 JUDGE NICKERSON: All right, thank you for
21 your appearances.

22 This hearing was set by Commission order
23 dated June 3, 2004, and in that Commission order -- it was
24 in response to a Court of Appeals opinion -- it provided
25 that additional testimony and/or exhibits may be filed on

1 June 11, 2004. June 11, 2004 has come and gone, and it is
2 my understanding that there was no additional testimony
3 and/or exhibits filed.

4 This matter was set for an evidentiary
5 hearing on today to receive additional proofs, if any,
6 that may be submitted by the parties. So we're here for
7 that purpose.

8 Are there any additional proofs or
9 exhibits?

10 MR. CHAMBERS: I have two procedural
11 matters, your Honor.

12 The Commission attached Consumers Energy's
13 May 7th filing to its June 3rd order. It is our
14 assumption that since they have done that, there's no need
15 for that to be marked separately as a document since it's
16 already in the record pursuant to their indication that
17 they will be combining the four existing records, and
18 since they already attached it, they're obviously aware of
19 it.

20 Would that be an accurate conclusion?

21 JUDGE NICKERSON: I think that it would be.
22 However, part of the record will be today's transcript,
23 and your comments would also be part of that transcript.

24 MR. CHAMBERS: Because I have copies that
25 we could mark if necessary. However, I don't believe it

1 would be necessary.

2 JUDGE NICKERSON: I concur.

3 MR. CHAMBERS: The second matter is we will
4 likely ask that the Commission take notice of the February
5 1, 2004 report that the Commission filed with the
6 Legislature pursuant to statute, in particular the
7 transmittal letter and the portions related to Consumers
8 Energy.

9 We believe that that is within their
10 expertise and we could do so without marking those
11 portions of the document. However, if you believe it
12 would be more expedient, I have copies here that we could
13 place into the record itself.

14 JUDGE NICKERSON: If there are certain
15 provisions or special certain areas of that report that
16 you want them to pay particular attention to, I think it
17 would be wise to have that specifically identified.

18 MR. CHAMBERS: I can do that, your Honor.

19 As I indicated, your Honor, this is a
20 portion of the Commission's report to the Legislature
21 dated February 1, 2004. This was taken from the
22 Commission's Internet site, and it is comprised of the
23 cover sheet, the transmittal letter signed by the three
24 Commissioners, and then pages 4, 5 and 6, which relate to
25 Consumers Energy's Electric Customer Choice program.

1 Do you wish, your Honor, to have this
2 marked with an exhibit number or --

3 JUDGE NICKERSON: I think we should. A-1.

4 (The document was marked Exhibit A-1 by the
5 reporter.)

6 JUDGE NICKERSON: All right. Anything
7 else, Mr. Chambers?

8 MR. CHAMBERS: No, your Honor.

9 JUDGE NICKERSON: All right.
10 Anything from the Attorney General?

11 MR. MOODY: No, your Honor.

12 JUDGE NICKERSON: All right. Anything from
13 Staff?

14 MR. HUGHEY: No, your Honor.

15 JUDGE NICKERSON: All right. This matter
16 will be transmitted to the Commission for its
17 consideration.

18 Anything else for the record?

19 MR. HUGHEY: Your Honor, do we want to put
20 formally on the record that the parties waive Section 81,
21 just so there isn't any question by anyone?

22 JUDGE NICKERSON: I considered that, and do
23 you waive Section 81? Does Staff waive Section 81?

24 MR. HUGHEY: Yes, Staff's willing to waive
25 Section 81.

1 MR. MOODY: I kind of talked to Don
2 Erickson about -- he's counsel also on this case -- and is
3 that an agreement that the parties have already done?

4 MR. CHAMBERS: We are certainly willing to
5 do so. However, I don't believe it's necessary, since the
6 four underlying records have already had proposals for
7 decision and Commission orders. So I think that statutory
8 requirements have been met. The only additional material
9 would be the May 7th filing, which the Commission is aware
10 of, and this document today, which I presume the
11 Commission will be looking at. But we are certainly
12 willing to waive it.

13 MR. MOODY: I can check back and we can
14 submit something after this hearing if we need to to waive
15 that, but I just didn't know ...

16 JUDGE NICKERSON: All right. Well, you may
17 submit it in your brief if you feel you can waive Section
18 81.

19 For the record, the parties have until June
20 25, 2004 to submit briefs to the Commission.

21 Is there anything else for the record?

22 All right. The record's closed. Thank you
23 very much.

24 (At 1:35 p.m., the hearing was concluded
25 and the record was closed.)

C E R T I F I C A T E

I, Evelyn R. Merrill (CSR-2146), do hereby certify that I reported stenographically the foregoing proceedings had in the within-entitled matters, being Case Nos. U-11955, U-12358, U-12891 and U-13340, before Daniel E. Nickerson, Jr., J.D., Administrative Law Judge, at the Michigan Public Service Commission, 6545 Mercantile Way, Lansing, Michigan, on Tuesday, June 22, 2004; and that the foregoing transcript constitutes a true and correct transcript of my said stenographic notes.

Dated: June 22, 2004