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

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the filing by **MICHIGAN CONSOLIDATED GAS COMPANY** of its 2000 income sharing calculation.	))))	Case No. U-12893

At the December 20, 2001 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER

On March 30, 2001, Michigan Consolidated Gas Company (Mich Con) filed its income sharing computation for 2000, as required in the April 28, 1998 order in Case No. U-11682 approving the income sharing mechanism for the years 1999-2001. The computation indicated that Mich Con's return on common equity did not exceed the minimum return of 13.5% that triggers a customer refund.

On May 31, 2001, Attorney General Jennifer M. Granholm (Attorney General) filed a response to Mich Con's 2000 computation, in which she requested a refund. Attached to her response was an affidavit by William A. Peloquin, which proposed to reduce Mich Con's 2000 common equity by amounts attributed to two Mich Con subsidiaries. Incorporating these adjustments, Mr. Peloquin computed a return on common equity of 14.2%.

On July 16, 2001, Mich Con filed a reply disputing Mr. Peloquin's affidavit. Mich Con asserted that, unlike the Attorney General's approach, its computation conformed precisely to the methodology in Attachment D to its application in Case No. U-11682, which the April 28, 1998 order approved.

The Commission finds that the Attorney General's objections to Mich Con's 2000 income sharing computation are not well taken. Mich Con's computation follows the methodology approved in Case No. U-11682.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACS, R 460.17101 et seq.

b. Mich Con's income sharing computation for 2000 should be approved.

THEREFORE, IT IS ORDERED that the income sharing computation filed by Michigan Consolidated Gas Company for 2000 is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of December 20, 2001.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of December 20, 2001.

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Its Executive Secretary

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<u>Suggested Minute</u>:

> "Adopt and issue order dated December 20, 2001 approving the 2000 income sharing computation filed by Michigan Consolidated Gas Company, as set forth in the order."