

STATE OF MICHIGAN
DEPARTMENT OF COMMERCE
MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application
of Consumers Energy Company for Case No. U-12970
approval of the unbundling of its
commercial and industrial rate VOLUME 3
schedules.

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Proceedings held and testimony taken in
the above-entitled matter before Administrative Law Judge
George Schankler, at the Michigan Public Service
Commission, 6545 Mercantile Way, Lansing, Michigan, on
Tuesday, November 27, 2001, commencing at or about 9:00
a.m.

APPEARANCES:

Consumers Energy Company
BY: JON R. ROBINSON, ESQUIRE, (P27953)
212 West Michigan Avenue
Jackson, Michigan 49201-2277

Appearing on Behalf of Consumers Energy,

Department of Attorney General
BY: DONALD E. ERICKSON, ESQUIRE, (P13212)
6545 Mercantile Way, Suite 15
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Appearing on Behalf of Attorney General
Jennifer Granholm,

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1 APPEARANCES, Continuing.

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Clark Hill, PLC

3 BY: MICHAEL P. CALABRESE, ESQUIRE, (P60199)

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4 Okemos, Michigan 48864-5941

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Assistant Attorney General

7 BY: LARRY G. WATTERWORTH, ESQUIRE, (P28440)

6545 Mercantile Way, Suite 15

8 Lansing, Michigan 48911

9 Appearing on Behalf of Michigan Public
10 Service Commission Staff,

11 Varnum, Riddering, Schmidt & Howlett, LLP

12 BY: ERIC J. SCHNEIDEWIND, ESQUIRE, (P20037)

201 North Washington Square, Suite 810

13 Lansing, Michigan 48933

14 Appearing on Behalf of Energy Michigan.

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4 STEVEN L. GAARDE

5 (Bound-In Testimony Pages 48-52)

6 THOMAS A. YEHL

7 (Bound-In Testimony Pages 53-66)

8 LARRY W. BAILEY

9 (Bound-In Testimony Pages 68-74)

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18 INDEX OF EXHIBITS

19 EXHIBIT

MARKED

OFFERED

RECEIVED

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21 A-1 through A-3

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1 Lansing, Michigan
2 Tuesday, November 27, 2001
3 9:00 a.m.

4 P R O C E E D I N G S

5 (Exhibits A-1 through A-3 were marked by
6 the Reporter for identification prior to
7 going on the record)

8 JUDGE SCHANKLER: Let's go on the record.

9 This is a continued hearing in the matter
10 of the Application of Consumers Energy Company for
11 approval of the unbundling of its commercial and
12 industrial rate schedules.

13 This is Case U-12970. I am George
14 Schankler. I am the presiding Administrative Law
15 Judge.

16 Would counsel enter their appearances,
17 please.

18 MR. ROBINSON: Jon R. Robinson, appearing
19 on behalf of Consumers Energy Company.

20 MR. ERICKSON: Donald E. Erickson,
21 appearing on behalf of Attorney General Jennifer M.
22 Granholm.

23 MR. SCHNEIDEWIND: Eric Schneidewind,

24 appearing for Energy Michigan.

25 MR. WATTERWORTH: Good morning, Your

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1 Honor. My name is Larry G. Watterworth, Assistant
2 Attorney General, appearing on Behalf of the Michigan
3 Public Service Commission Staff.

4 JUDGE SCHANKLER: All right. It's my
5 understanding that there is no cross-examination for
6 any of the witnesses who were prepared to testify
7 today and that the parties wish to simply bind in the
8 testimony and admit the exhibits.

9 Mr. Robinson, you can identify the
10 testimony that's being offered and the exhibits and
11 then we'll proceed from there.

12 MR. ROBINSON: Thank you, Your Honor.

13 Your Honor, we're presenting the testimony
14 of Mr. Steven Gaarde and Mr. Thomas Yehl. Mr. Gaarde
15 is sponsoring one exhibit, which has been marked as
16 Exhibit A-1. Mr. Yehl is sponsoring two exhibits,
17 which have been marked as Exhibits A-2 and A-3. And
18 we would ask that you bind in their prefiled direct
19 testimony and that Exhibits A-1, 2 and 3 be admitted
20 into evidence.

21 JUDGE SCHANKLER: All right. Is there any
22 objection?

23 MR. ERICKSON: No objection, Your Honor.

24 MR. SCHNEIDEWIND: No objection.

25 MR. WATTERWORTH: No objection.

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1 JUDGE SCHANKLER: All right. There being
2 no objection, the prepared testimony of the witnesses
3 will be bound into the record at this point.

4 (The prepared direct testimony of Steven
5 L. Gaarde and Thomas A. Yehl were bound
6 into the record as follows:)

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1 JUDGE SCHANKLER: Exhibits A-1, A-2 and A-
2 3 are received in evidence.

3 Does that conclude your direct case?

4 MR. ROBINSON: It does, Your Honor. Thank
5 you.

6 JUDGE SCHANKLER: All right. Now we have
7 Mr. Watterworth with the Staff's testimony?

8 MR. WATTERWORTH: Yes, Your Honor. Larry
9 W. Bailey has filed testimony in this case. And I
10 would move that that be bound into the record. That
11 testimony was filed October 12, 2001. It consists of
12 a cover sheet, Pages 1 through 4 are his
13 qualifications and his history of testifying in
14 cases. And Pages 1 and 2 consist of his testimony.

15 So with that I would move that the testimony and
16 qualifications of Mr. Bailey be bound into the
17 record.

18 JUDGE SCHANKLER: All right. Without
19 objection, the testimony of Mr. Bailey is bound into
20 the record at this point.

21 (The prepared direct testimony of Larry W.
22 Bailey was bound into the record as
23 follows:)

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1 JUDGE SCHANKLER: And I believe that
2 concludes all of the direct testimony and exhibits
3 submitted in this case.

4 The briefing schedule called for initial
5 briefs on December 19th and reply briefs on January
6 11th. Is there anything further?

7 All right. Then this record is closed.

8 (Hearing concluded at 9:10 a.m.)

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CERTIFICATE OF REPORTER

STATE OF MICHIGAN)
COUNTY OF EATON) SS

I hereby certify that on the date and
at the place hereinbefore set forth, I reported
stenographically the proceedings held in the matter
hereinbefore set forth, and that the testimony so recorded
was subsequently transcribed under my direction and
supervision, and that the foregoing is a full, true and
accurate transcript of my original stenographic notes.

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Dated: December 10, 2001

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Timothy J. Boroski, RPR-CSR-2378