

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of **CONSUMERS
ENERGY COMPANY** for accounting and
ratemaking approval of depreciation rates for gas
utility plant.

Case No. **U-12999**
(e-file)

**ANSWER OF THE MICHIGAN PUBLIC SERVICE COMMISSION STAFF
TO PETITION OF CONSUMERS ENERGY COMPANY FOR REHEARING**

The Michigan Public Service Commission Staff (Staff) files this Answer to the Petition of Consumers Energy Company (Consumers) for Rehearing.

I. Argument

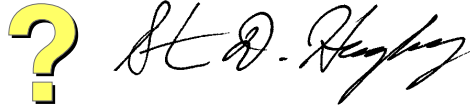
Staff supports the relief requested by Consumers in its Petition for Rehearing for the reasons stated in Consumers' Petition. Staff believes that it is reasonable to continue a reduction in depreciation rates to levels voluntarily agreed to in Consumers' December 8, 2003 Statement of Voluntary Reduction and Request for Interim Rate Relief filed in Case No. U-13730.

II. Relief Requested

Staff recommends that the Michigan Public Service Commission grant Consumers' Petition for Rehearing and approve continued use of depreciation rates identified in Attachment A to Consumers' Petition.

Respectfully submitted,

**MICHIGAN PUBLIC SERVICE COMMISSION
STAFF**

A yellow question mark icon is positioned to the left of a handwritten signature in black ink. The signature appears to read "S.D. Hughey".

Steven D. Hughey (P32203)
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911

Dated: November 3, 2004

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Pamela A. Walters, being first duly sworn, deposes and says that on November 3, 2004, she served a true copy of the Answer of the MPSC Staff to Petition of Consumers Energy Company for Rehearing upon the following parties via e-mail and by depositing the same in a United States postal depository enclosed in an envelope bearing postage fully prepaid, plainly addressed as follows:

H. Richard Chambers
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201-2211

Robert A. W. Strong
Thomas E. Maier
Clark Hill, PLC
255 South Old Woodward Avenue, 3rd Floor
Birmingham, MI 48009-6179

Donald E. Erickson
Assistant Attorney General
Special Litigation Division
P.O. Box 30212
Lansing, MI 48909

 *Pamela A. Walters*

Pamela A. Walters

Subscribed and sworn to before me
this 3rd day of November, 2004.



Carol Ann Dane

Carol Ann Dane, Notary Public
State of Michigan, County of Eaton
Acting in the County of Ingham
My Commission Expires: 07/23/2011