

June 25, 2002

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**Via First Class Mail
and Electronic Case Filing**

Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

**Re: In the matter of the application of Consumers Energy Company for
authority to increase its rates for the distribution of natural gas and
for other relief.
Case No. U-13000**

Dear Ms. Wideman:

Enclosed for filing regarding the above-captioned matter, please find an original
and 4 copies of the following documents:

1. ***Motion For Leave To File Exceptions One Day Late;***
2. ***Exceptions Of The National Energy Marketers Association; and***
3. ***Proof of Service.***

If you have any questions, please contact me.

Very truly yours,



Jennifer L. Frye

JLF/drb

Enclosure

cc: Counsel of Record, w/enc.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

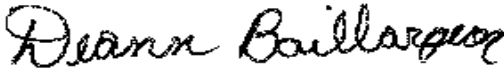
In the matter of the application of CONSUMERS)
ENERGY COMPANY for authority to increase)
its rates for the distribution of natural gas and)
for other relief)
_____)

Case No. U-13000

PROOF OF SERVICE

STATE OF MICHIGAN)
)
COUNTY OF INGHAM)

Deann Baillargeon, being first duly sworn, deposes and says she is employed at Dickinson Wright PLLC, and that she caused a copy of ***Motion For Leave To File Exceptions One Day Late; Exceptions Of The National Energy Marketers Association*** to be delivered upon the parties listed on the attached service list by placing same in envelopes addressed to said counsel at their respective addresses, with proper first-class postage affixed thereto, and by causing the same to be deposited in a mail receptacle maintained by the United States Government in Lansing, Michigan and via electronic mail on the 25th day of June 2002.



Deann Baillargeon

Subscribed and sworn to before me,
a Notary Public in and for said County,
this 25th day of June, 2002.



Mindy D. Smith, Notary Public
Eaton County, Michigan acting in Ingham
My Commission Expires: 12/14/02

SERVICE LIST - MPSC CASE NO. U-13000

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BEFORE THE PUBLIC SERVICE COMMISSION

MPSC Case No. U-13000

The National Energy Marketers Association (“NEM”), by its counsel, respectfully moves the Commission for leave to file its Exceptions to the Administrative Law Judge's Proposal for Decision (“PFD”) one day late, and in support thereof states as follows:

1. The PFD in the captioned matter was issued on June 3, 2002 – more than three months after all briefs were submitted to the Administrative Law Judge ("ALJ").
2. NEM was not aware that the PFD had been issued until it received a copy of the Exceptions to the PFD filed by Consumers Energy Company on June 24, 2002 (the deadline for the filing of exceptions).
3. It appears that NEM's counsel was not properly served with the PFD. On or about May 30, 2002, counsel for NEM (Ms. Jennifer Frye) filed an appearance in the captioned matter, along with a cover letter explaining that Mr. Dan Oginski was no longer with Dickinson Wright PLLC and that all service for NEM should henceforth be made by sending materials to Ms. Frye. Despite this filing, it appears that the PFD was erroneously sent to Mr. Oginski.
4. NEM is hereby filing its Exceptions to the PFD on the day after the Exceptions were due, on June 25, 2002.

5. No prejudice to any party would exist from grant of this motion. The parties still have 13 days (rather than 14) to submit replies to any exceptions filed in this docket. As NEM's Exceptions are only a few pages in length (less than 3 pages of text), NEM's late filing should not adversely affect any of the parties.

WHEREFORE, NEM respectfully requests leave to file its Exceptions to the PFD one day late.

Respectfully submitted,

DICKINSON WRIGHT PLLC



By: _____

Jennifer L. Frye (P57123)
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National Energy Marketers
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Washington, D.C. 20007

Dated: June 25, 2002

STATE OF MICHIGAN

BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of)
The application of Consumers)
Energy Company to increase)
its rates for the distribution of)
natural gas and for other relief)
_____)

MPSC Case No. U-13000

EXCEPTIONS OF THE NATIONAL ENERGY MARKETERS ASSOCIATION

Dated: June 25, 2002

STATE OF MICHIGAN

BEFORE THE PUBLIC SERVICE COMMISSION

**In the matter of)
The application of Consumers)
Energy Company to increase)
its rates for the distribution of)
natural gas and for other relief)**
_____)

MPSC Case No. U-13000

EXCEPTIONS OF THE NATIONAL ENERGY MARKETERS ASSOCIATION

The National Energy Marketers Association ("NEM") hereby files Exceptions to the Administrative Law Judge's Proposal for Decision ("PFD") issued June 3, 2002, in the above-referenced proceeding.

I. NEM'S EXCEPTIONS TO THE PROPOSAL FOR DECISION

The ALJ found in the PFD that NEM "has failed to provide a specific description of the services it proposes to apply any backout charges," and that it sought to, "require unbundling in the abstract." (PFD at page 90). NEM submits that it provided sufficient detail in its Brief of the services that should be unbundled and that the Commission in its prior Order had done so as well. NEM urged in its Brief that the Commission implement fully allocated embedded cost-based unbundled rates and/or backout charges and to explicitly endorse competitive suppliers rendering of competitive services. NEM noted in its Brief that in the July 11, 2001, Order in Case U-12550 [hereinafter "July Order"], Consumers was ordered to, "provide detailed and comprehensive studies on its costs to provide the following services, by customer class: (1) metering services, (2) billing information services, (3) transmission services, (4) balancing services, (5) storage

services, (6) backup and peaking services, and (7) customer turn-on and turn-off services.'" (NEM Brief at page 3 (quoting July Order at page 2)). As an initial matter, NEM submits that this is a sufficiently specific description of services to be unbundled.

Furthermore, NEM specifically quoted on page 7 of its Brief the Commission's description of unbundled metering services as follows,

[c]ustomers choosing to unbundle [metering] service would arrange for an approved third party to provide customer metering equipment and all related operating and maintenance activities for that metering equipment. Costs to be included in computing a backout credit would include, at a minimum, all of the following:

Plant Costs: return on investment in meters, regulators, and meter and regulator installations, a proportional allocation of general and common plant, metering construction work in progress, income taxes, property taxes, property insurance, and depreciation expenses relating to the plant investment.

Expenses: meter and regulator expense, customer installation expense, maintenance of meters and regulators expense, and a proportional allocation of administrative and general expense and uncollectibles expense. (July Order at 3).

The Commission also discussed what unbundled rates for billing information services would encompass. The Commission stated that,

Customers choosing to unbundle this service would arrange for an approved third party to provide all of the customary billing services. Costs to be included in computing a backout credit would include, at a minimum, all of the following: all costs recorded in Account 903 related to billing and collections, general supervision costs for billing recorded in Account 903, and a proportional allocation of administrative and general expense and uncollectibles expense. (July Order at pages 3-4).

The Commission's Order also provided descriptions of transmission services, balancing services, storage services, backup and peaking services, and customer turn-on and turn-off services. (July Order at pages 4-5). NEM submits that the Commission was specific and explicit in its description of services. There was not a requirement that intervenors

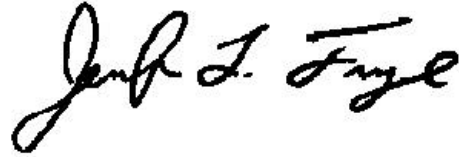
provide an additional degree of specificity in the July Order. Rather the express purpose of the unbundled cost of service study was, "for use by parties who wish to advocate or oppose unbundling." (July Order at page 2). NEM clearly met that requirement in its discussion in its Brief supporting implementation of fully allocated embedded cost-based unbundled rates for each of the products, services, information and technologies listed in its Brief and the Commission Order (a duplicate copy is attached hereto and incorporated by reference). Accordingly, NEM urges that the final Order issued in this proceeding require Consumers to implement fully allocated embedded cost-based unbundled rates for the services delineated in the Commission's July Order.

III. CONCLUSION

For the foregoing reasons, NEM urges the Commission to require Consumers to implement fully allocated embedded cost-based unbundled rates for the services set forth in its July Order.

Respectfully submitted,

DICKINSON WRIGHT PLLC



By: _____

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