

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	)	Case No. U-13000
gas and for other relief.	)	
_____	)	

At the January 21, 2003 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 DENYING PETITION FOR REHEARING

In an order issued on November 7, 2002 in this proceeding (the November 7 order), the Commission authorized Consumers Energy Company (Consumers) to increase its retail rates for the distribution of natural gas in the annual amount of \$55,728,000. On December 9, 2002, Attorney General Jennifer M. Granholm (Attorney General)¹ filed a petition seeking rehearing of the November 7 order regarding the amount of working capital included in Consumers' rate base. On December 27, 2002, Consumers filed an answer opposing the Attorney General's petition for rehearing.

Rule 403 of the Commission's Rules of Practice and Procedure, 1992 AACSR, R 460.17403, provides that a petition for rehearing may be based on claims of error, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from

¹ On January 1, 2003, Michael A. Cox was sworn in to replace Ms. Granholm as Attorney General.

compliance with the order. A petition for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission's decision. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.

The Commission finds that the Attorney General's petition for rehearing should not be granted. The issue of the proper amount of working capital to include in Consumers' rate base was fully litigated during the course of the evidentiary hearing. Witnesses for several parties, including the Attorney General, presented testimony and exhibits concerning this issue. It was the Attorney General's position that 50% of the net effect of a reclassification of gas stored underground resulting from the October 24, 2000 order in Case No. U-12679, or \$105,982,000, should be removed from Consumers' rate base. This issue was addressed in the briefs and reply briefs submitted by the parties. In offering a recommendation regarding Consumers' working capital allowance, Administrative Law Judge Daniel E. Nickerson, Jr., specifically rejected the Attorney General's position. The Attorney General's exceptions were focused on this issue. The Commission considered and rejected her arguments in the November 7 order.

An examination of the Attorney General's December 9, 2002 petition fails to reveal any new citation of authority or factual analysis to support a claim of error. The petition also lacks claims of newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from compliance with the order. In short, the petition merely expresses dissatisfaction with the November 7 order, which is not a legitimate basis for seeking a rehearing. Accordingly, the Attorney General's petition for rehearing does not comply with the requirements of Rule 403.

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. The December 9, 2002 petition for rehearing filed by the Attorney General should be denied.

THEREFORE, IT IS ORDERED that the December 9, 2002 petition for rehearing filed by Attorney General Jennifer M. Granholm is denied.

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 E A L)

/s/ Laura Chappelle
Chairman

By its action of January 21, 2003.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

The Commission FINDS that:

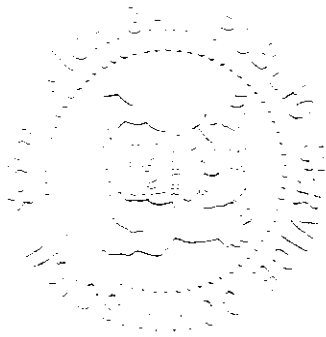
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b. The December 9, 2002 petition for rehearing filed by the Attorney General should be denied.

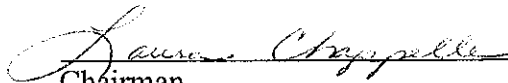
THEREFORE, IT IS ORDERED that the December 9, 2002 petition for rehearing filed by Attorney General Jennifer M. Granholm is denied.

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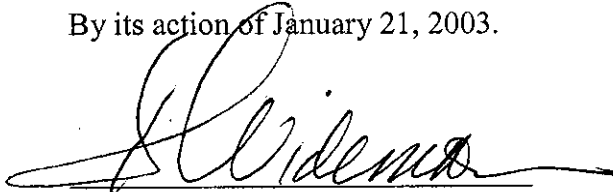


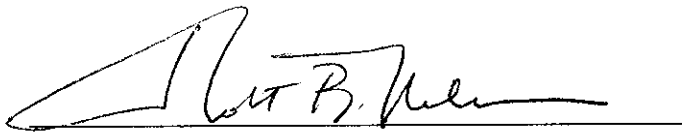
MICHIGAN PUBLIC SERVICE COMMISSION


Chairman


Commissioner

By its action of January 21, 2003.


Its Executive Secretary


Commissioner

PROOF OF SERVICE

STATE OF MICHIGAN

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Case No. U-13000

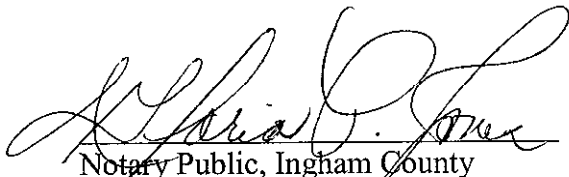
County of Ingham

)

Laura L. Vogt, being duly sworn, deposes and says that on January 22, 2003, A.D. she served a copy of the attached notice of hearing, by mailing copies thereof by first class mail, postage prepaid, or by inter-departmental mail, or by fax, to the persons as shown on the attached service list.

Laura L. Vogt

Subscribed and sworn to before me
This 22nd day of January, 2003



Notary Public, Ingham County
My Commission expires June 5, 2003

SERVICE LIST FOR DOCKET # U - 13000-
DATE OF PREPARATION: 01/14/2003

CASE #

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PAGE: 1
DATE: 12/10/2002

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