Consumers Energy

A CMS Energy Company

General Offices:
212 West Michigan Avenue
Jackson, MI 49201
Tel: (517) 788-0550
Fax: (517) 788-0768

*Washington Office:
1016 – 16th Street, NW
Washington, DC 20036
Tel: (202) 293-5795
Fax: (202) 293-5367

Writer's Direct Dial Number: (517) 788-0698
Writer's E-mail Address: jrrobinson@cmsenergy.com

LEGAL DEPARTMENT

DAVID A MIKELONIS
Senior Vice President
And General Counsel

James E Brunner
William M Lange*
Jon R Robinson
Arunas T Udrys
Assistant General
Counsel

David E Barth
Francis X Berkemeier
H Richard Chambers
James W Dempsey
John P Dickey
Ann F Goodman
Deborah Ann Kile
Roger K Krakusin
Eric V Luoma
Wendy A McIntyre
Raymond E McQuillan
Deborah A Moss*
Mirče Michael Nestor
Robert M Neustifter
David A Pell
Vincent P Provenzano
Susan L Rasmussen
Catherine M Reynolds
John C Shea
P Leni Staley
Charlotte A Walls
Kimberly C Wilson
Michael G Wilson
Attorney

February 12, 2002

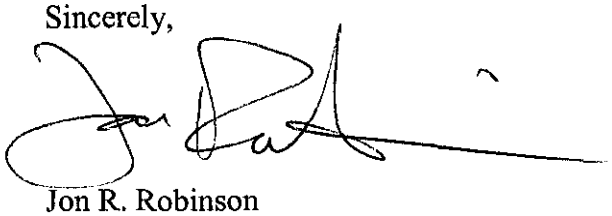
Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Re: Case No. U-12639

Dear Ms. Wideman:

Enclosed for filing in the above-captioned case are an original and four copies of the "**Reply of Consumers Energy Company to Petition for Clarification and Rehearing of Citizens for Power and Reliability**". This document was also filed electronically as part of the Commission's Electronic Filings Program. I have also enclosed a Proof of Service.

Sincerely,



Jon R. Robinson

CC: Hon. Daniel E. Nickerson, Jr., ALJ
Parties per Attachment 1 to
Proof of Service

fl0202-1-83f

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's Own motion, to implement the provisions of Section 10a(10) of 2000 PA 141	))))	Case No. U-12639

REPLY OF CONSUMERS ENERGY COMPANY TO PETITION FOR CLARIFICATION AND REHEARING OF CITIZENS FOR POWER AND RELIABILITY

Citizens for Power and Reliability ("CPR") filed a Petition for Clarification and Rehearing of the Commission's December 20, 2001 Opinion and Order in this case. CPR acknowledges that it is not seeking any substantive changes in the Commission's order, nor is it seeking any clarification concerning the substance of the Commission's order. To the contrary, it asserts it understands the Commission's order perfectly. Rather, it simply wishes the Commission to restate, in different words, what it has already stated with regard to the application of the Section 10d(5) offset to securitization and tax charges. The reason given by CPR is that a utility "seeking to unfairly evade its duty to apply the offsetting credit" might "exploit" the Commission's order in some fashion.

Consumers Energy has no idea what CPR is attempting to get the Commission to say or do. The Company fears that CPR's request is more likely based upon some unstated position or goal than any real misunderstanding concerning the December 20 order. In any event, Consumers Energy urges the Commission to reject CPR's invitation to say something further regarding the Section 10d(5) offsets.

On the other hand, CPR's second suggestion that the Commission move expeditiously in holding proceedings to calculate stranded costs for 2000, 2001 and beyond has

considerable merit. Consumers Energy supports the request to establish expedited process to make those calculations.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

Dated: February 12, 2002

By _____

Jon R. Robinson
212 West Michigan Avenue
Jackson, Michigan 49203
(517) 788-0698
Attorney for Consumers Energy Company

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter, on the Commission's Own Motion, to Implement the Provisions of Section 10a(10) of 2000 PA 141	))))	Case No. U-12639

PROOF OF SERVICE

STATE OF MICHIGAN)
) SS
COUNTY OF JACKSON)

Carolyn S. Hinton, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on February 12, 2002, she served an electronic copy of the "**Reply of Consumers Energy Company to Petition For Clarification And Rehearing of Citizens for Power and Reliability**" upon the persons listed in Attachment 1 hereto, at the e-mail addresses listed therein. She further states that she served a copy of the above-referenced document by first class mail at the addresses listed in Attachment 1, by depositing the same on February 12, 2002, in the United States mail in the City of Jackson, Michigan with first-class postage thereon fully paid.

Carolyn S. Hinton

Subscribed and sworn to before me this 12th day of February, 2002.

Sammie B. Dalton

Sammie B. Dalton
Notary Public, Jackson County, Michigan
My Commission Expires: 01/04/2004

ATTACHMENT 1 -- TO CASE NO. U-12639

Administrative Law Judge

Hon. Daniel E. Nickerson, Jr., ALJ
6545 Mercantile Way, Suite 14
P.O. Box 30221
Lansing, MI 48909
E-Mail: daniel.e.nickerson@cis.state.mi.us

Counsel for Energy Michigan

Eric J. Schneidewind, Esq.
The Victor Center, Suite 810
201 N. Washington Square
Lansing, MI 48933
E-Mail: ejschneidewind@vrsh.com

Counsel for Attorney General, Jennifer M. Granholm

Donald E. Erickson, Esq
Assistant Attorney General
6520 Mercantile Way, Suite 2
P O Box 30736
Lansing, MI 48909
E-Mail: ericksond@ag.state.mi.us

Counsel for the Michigan Public Service Commission Staff

David M. Gadaleto, Esq.
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911
E-Mail: gadaletod@ag.state.mi.us

Counsel for Unicom Energy, Inc.

John M. Dempsey, Esq.
Dickinson Wright PLLC
215 S. Washington Square, Suite 200
Lansing, MI 48933
E-Mail: jdempsey@dickinson-wright.com

Counsel for Midland Cogeneration Venture Limited Partnership

Michael J. Brown, Esq.
Howard & Howard Attorneys, P.C.
The Phoenix Building, Suite 500
222 North Washington Square North
Lansing, MI 48933-1817
E-Mail: mjbrown@howardandhoward.com

Gary B. Pasek, Esq.
Vice President, General Counsel
Midland Cogeneration Venture
Limited Partnership
100 Progress Place
Midland, MI 48640
E-Mail: gbpasek@midcogen.com

Counsel for the Association of Businesses Advocating Tariff Equity

Robert A. W. Strong, Esq.
Clark Hill PLC
255 S. Woodward Ave., Suite 301
Birmingham, MI 48009
E-Mail: rstrong@clarkhill.com

The Detroit Edison Company

Bruce R. Maters, Esq.
Jon. P. Christinidis, Esq.
The Detroit Edison Co.
2000 Second Ave., 688 WCB
Detroit, MI 48226
E-Mail: matersb@detroitedison.com
christinidisj@dteenergy.com
mpscfilings@dteenergy.com

Counsel for CMS MS&T Michigan L.L.C. and CMS Marketing, Services and Trading Company

Julio C. Mazzoli, Esq
Michael J. Sheridan
CMS Enterprises Company
330 Town Center Drive, Suite 1000
Dearborn, MI 48126-2712
E-Mail: jmazzoli@cmsenergy.com
msherida@cmsenergy.com

Counsel for Michigan Independent Power Producers Association

Ronald E. Russell, Esq.
Russell & Russell, P.C.
525 Okemos Street, Suite B
Mason, MI 48854
E-Mail: rrussell@enstarenergy.com

Counsel for Citizens For Power & Reliability; Dow Corning Corporation and Hemlock Semiconductor Corporation; North American Natural Resources, Genesee Power Station, LP, Viking Energy of Lincoln, Inc., Viking Energy of McBain, Inc., Hillman Power Company, LLC, Grayling Generating Station Limited Partnership, Michigan Cogeneration Systems, Inc., Sumpter Energy Associates Limited Partnership, Granger Electric Company, Riverview Energy Systems, Cadillac Renewable Energy, LLC and Michigan Power Limited Partnership

David E.S. Marvin, Esq.
Michael S. Ashton, Esq.
1000 Michigan National Tower
Lansing, MI 48933
E-Mail: dmarvin@fraserlawfirm.com
mashton@fraserlawfirm.com

Counsel for Alpena Power Company

James D. Florip, Esq.
Gillard, Bauer, Mazrum, Florip, Smigelski and Golden
109 E. Chisholm
Alpena, MI 49707
E-Mail: jdflorip@gillardlaw.com

Counsel for Northern States Power Company-Wisconsin, Wisconsin Electric Power Company, Edison Sault Electric Company, Wisconsin Public Service Corporation, and Upper Peninsula Power Company

Harvey J. Messing, Esq.
Sherri A. Wellman, Esq.
Sue A. Geiersbach, Esq.
Loomis, Ewert, Parsley, Davis & Gotting, P.C.
232 S. Capitol Avenue, Suite 1000
Lansing, MI 48933-1525
E-Mail: hjmessing@loomislaw.com
sawellman@loomislaw.com
sageiersbach@loomislaw.com

Counsel for Indiana Michigan Power Company

Richard J. Aaron, Esq.
Honigman Miller Schwartz and Cohn
222 N. Washington Square, Suite 400
Lansing, MI 48933-1800
E-Mail: rja@honigman.com

Marc E. Lewis, Esq.
Indiana Michigan Power Company
One Summit Square
P.O. Box 60
Fort Wayne, IN 46801
E-Mail: melewis@aep.com