

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



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P.O. Box 30218
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JENNIFER MULHERN GRANHOLM
ATTORNEY GENERAL

April 13, 2000

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

Dear Ms. Wideman:

Re: MPSC Case No. U-12227

I am enclosing for filing an original and 4 copies of the Notice of Intervention by Attorney General Jennifer M. Granholm along with a proof of service. An electronic copy is also being filed pursuant to the terms of the Commission's electronic filings pilot program.

Sincerely yours,

A handwritten signature in cursive script that reads "Donald E. Erickson".

Donald E. Erickson
Assistant Attorney General

c All Parties
sld/cases/U-12227

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Request of CONSUMERS
ENERGY COMPANY for Approval of a
Proper Accounting and Ratemaking
Treatment for a Pipeline Refund

MPSC Case No. U-12227

Notice of Intervention
by Attorney General Jennifer M. Granholm

Now comes Attorney General Jennifer M. Granholm and gives notice of her intervention as a party and of her appearance in this proceeding. In response to the application filed by Consumers Energy Company (CECo or the Company), the Attorney General says:

I. Statement of Interest

1. She is the duly elected and qualified Attorney General of the State of Michigan and holds such office by virtue of and pursuant to Const 1963, art 5, § 21, and by mandate of the qualified electorate of the State of Michigan, and she is head of the Department of Attorney General created by the Executive Organization Act, 1965 PA 380, ch 3; MCL 16.150; MSA 3.29(5), and The State of Michigan is a body politic established under the Constitution of the United States and admitted into the Union by act of Congress under date of January 26, 1837.

2. The Attorney General intervenes and appears in this proceeding for and on behalf of the People of the State of Michigan and for and on behalf of the State of Michigan, its departments, commissions and agencies, as customers and ratepayers of Consumers Energy Company (CECo). The interest of these ratepayers

is a public one, being common among virtually all natural gas ratepayers in CECO's service area. The State of Michigan is a substantial user of and ratepayer for CECO's natural gas services.

3. The Attorney General's intervention and appearance in this proceeding are authorized by both the statutory and common law of Michigan. MCL 14.28; MSA 3.181 provides in pertinent part:

"... the attorney general . . . may, when in [her] own judgment the interests of the state require it, intervene in and appear for the people of this state in any other court or tribunal, in any cause or matter, civil or criminal, in which the people of this state may be a party or interested."

The Attorney General has the right to intervene in any administrative proceeding when the Attorney General, in her own discretion, deems it in the public interest to do so. *People v O'Hara*, 278 Mich 281; 270 NW 298 (1936), and *Gremore v People's Community Hospital Authority*, 8 Mich App 56; 153 NW2d 377 (1967).

Furthermore, when the Attorney General deems it in the public interest to do so, she may intervene in any administrative proceeding at any stage of that proceeding. *Attorney General v Liquor Control Comm*, 65 Mich App 88; 237 NW2d 196 (1975).

4. The Attorney General, in her judgment, has determined that the interests of both the State and the People of the State of Michigan require her to intervene in this proceeding on their behalf. This proceeding will directly affect the State and a large number of the People of this State who are customers of CECO. The State and correspondingly the taxpayers of this State pay significant amounts for utility service for the State in the conduct of the People's affairs. In addition, the People of this State who are customers of CECO also pay large sums for utility service for their homes and businesses. Any action taken in this proceeding will directly affect both the economy of the state and the general well-being of all of the citizens and residents of this State.

II. Statement of Positions

5. The Attorney General takes the position that CECo's application to the Michigan Public Service Commission (MPSC or Commission) falls within the scope of suppliers refunds described in Exhibit S-47 in MPSC Case No. U-11225-R. That exhibit presented Staff-proposed amendments to CECo's MPSC-approved Standard Refund Procedures, and on page 19 of the Commission's Opinion and Order dated September 28, 1999, the Commission adopted the Staff's proposed revisions.

6. The Attorney General takes the position that page 19 of the order in U-11225-R reserved a determination of how CECo should dispose of pipeline refunds should be reserved for a later decision.

7. The Attorney General takes the position that the \$691,589 refund from Panhandle Eastern Pipeline Company, which is identified in CECo's application, relates to historical costs previously recovered from customers via CECo's GCR clause.

8. The Attorney General takes the position that any supplier refund relating to a historical period during which costs were recovered from GCR customers should not be retained by CECo merely because the refund is received by CECo during the period in which the MPSC has partially¹ suspended CECo's GCR clause and has otherwise frozen rates.

9. The Attorney General takes the position that the historical nature of the refund in this case and the reservation on page 19 of the MPSC's order in Case No. U-11225-R justify and require hearings in this case.

¹ The Attorney General describes the suspension as partial because under the tariffs approved in Case No. U-11599 CECo is still charging a GCR factor albeit a frozen rate.

Relief Reauested

WHEREFORE, Attorney General Jennifer M Granholm requests the Michigan Public Service Commission to:

- A. Enter her Notice of Intervention upon the official record of the captioned proceeding and treat her as a party for all purposes;
- B. Conduct hearings and proceedings in this case in a manner consistent with prior MPSC orders; and
- C. Grant the ratepayers of Consumers Energy Company such further and additional relief as the facts and circumstances show to be appropriate.

Respectfully submitted,

JENNIFER M. GRANHOLM
Attorney General

J. Peter Lark (P26970)
Assistant in Charge
Special Litigation Division

Donald E Erickson

Donald E. Erickson (P13212)
Assistant Attorney General

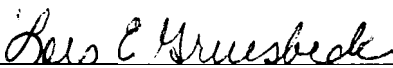
6520 Mercantile Way, Suite 2
P. O. Box 30218
Lansing, Michigan 48909
(517) 373-1123

Dated: April 13, 2000
sld/cases/U-12227

Proof of Service

MPSC Case No. U-12227

The undersigned certifies that, on the 13th day of April, 2000, a copy of the Notice of Intervention by Attorney General Jennifer M. Granholm was served upon the parties listed below by mailing the same to them at their respective addresses with first class postage fully prepaid thereon, or by State of Michigan Interdepartmental mail as indicated below.


Lois E. Gruesbeck

Michigan Public Service Commission Staff.

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