

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of
**MICHIGAN CONSOLIDATED GAS
COMPANY** for approval of a gas cost
recovery plan, 5-year forecast and monthly
GCR factor for the 12 months ending
March 31, 2007.

Case No. **U-14717**
(e-file paperless)

**THE MICHIGAN PUBLIC SERVICE COMMISSION STAFF'S
MOTION TO STRIKE TESTIMONY OF
MARTIN G. KUSHLER AND GEOFFREY C. CRANDALL**

The Michigan Public Service Commission Staff ("Staff"), by its counsel, moves to strike the following testimony offered by the Michigan Community Action Agency Association (MCAAA).

A. Martin G. Kushler

MCAAA has offered the testimony of Martin G. Kushler to "provide the Commission with information about the demonstrated effectiveness of energy efficiency as a low-cost natural gas resource that is being widely used in other states to help lower their total electric system costs and provide significant savings to utility customers." Kushler testimony at page 2.

This case involves an application to approve MichCon's gas cost recovery ("GCR") plan and factors. The Commission has previously been presented with testimony in the context of an Act 304 proceeding such as this one and has determined that evidence regarding energy efficiency measures that the utility could offer was not relevant in the context of an Act 304 case. In Case No. U-13060, the Commission ruled that it would not consider energy efficiency issues in a GCR plan proceeding. In its March 12, 2003 Order, the Commission held that similar material was properly struck by the Administrative Law Judge because, the Commission stated,

it is well established that the Commission has no authority to force a utility to engage in energy efficiency and conservation programs against its wishes citing the Michigan Court of Appeals' decision in *Ford Motor Company v PSC*, 221 Mich App 370; 562 NW2d 224 (1997).¹ Since the testimony offered here is not materially different from that offered in U-13060, the testimony should also be stricken.

While Staff certainly supports efforts to encourage utilities to provide energy efficiency programs to its customers, Staff maintains that presentation of information regarding such programs is not relevant in this Act 304 proceeding. However, the Commission has provided a forum for exploration of these issues. On October 18, 2005, the Commission issued an order in Case No. U-14667, to initiate a process to explore energy efficiency options for customers of electric and gas utilities. Staff supports this effort to assist customers in dealing with the high cost of energy.

In conclusion, Staff urges the Administrative Law Judge to strike Dr. Kushler's testimony in its entirety and not admit the supporting exhibits, MCA-1, MCA-2 and MCA-3.

B. Geoffrey C. Crandall

Staff also seeks to strike page 2, lines 18-21, page 3, lines 17-22; page 4, lines 8-21; page 5, lines 7-14; page 5, line 16 through page 8, line 5 of Geoffrey C. Crandall's testimony on the same basis that it is offered to discuss his opinion that the company should offer energy efficiency programs, and that discussion is not relevant in this Act 304 proceeding.² Staff also

¹ Order, Case No. U-13060, March 12, 2003, pages 31-32.

² MCAAA used the following terms to describe energy efficiency: "usage reduction strategy", page 2; "resource displacement plans", page 3; "innovative resource planning", page 4; "cost minimization program and strategies", page 4 and "available reduction in energy demand through energy efficiency programs", page 4.

requests that the Administrative Law Judge not admit Exhibit MCA-5 because it relates to the non-relevant energy efficiency discussion.

Wherefore, Staff respectfully requests that the Administrative Law Judge strike Martin G. Kushler's testimony and exhibits and strike the portions of Geoffrey C. Crandall's testimony set forth above.

Respectfully submitted,

**MICHIGAN PUBLIC SERVICE COMMISSION
STAFF**

A handwritten signature in black ink that reads "Kristin M. Smith". The signature is written in a cursive, flowing style.

Kristin M. Smith (P46323)
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Dated: June 13, 2006

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

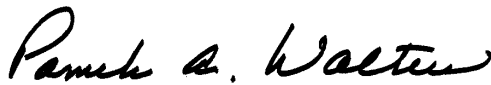
Pamela A. Walters, being first duly sworn, deposes and says that on June 13, 2006, she served a true copy of the Michigan Public Service Commission Staff's Motion to Strike Testimony of Martin G. Kushler and Geoffrey C. Crandall upon the following parties by depositing the same in a United States postal depository enclosed in an envelope bearing postage fully prepaid, plainly addressed as follows:

Richard P. Middleton
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Detroit, MI 48226

Don L. Keskey
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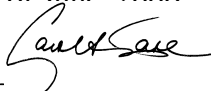
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Pamela A. Walters

Subscribed and sworn to before me
this 13th day of June 2006



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