

Consumers Energy's Response to the Attorney General's Initial Comments for the Cost of Service Collaborative

On December 22, 2005, the Michigan Public Service Commission issued its Order in Case No. U-14347 and directed the MPSC Staff "to work with Consumers, Detroit Edison, and other interested parties to develop a standardized COSS model that can be exchanged electronically and provides sufficient flexibility to allow all parties to understand the bases for the data underlying the COSS."

In order to comply with the above directive, Consumers Energy has converted its cost of service process to an Excel-based workbook. It is the Company's intent to file this Excel workbook and all workpapers that support the Company's position in any future electric rate cases.

However, it appears that some of the items contained in the Attorney General's comments go beyond the Commission's intended scope of this collaborative. The Company's interpretation of the collaborative's intent is that the collaborative does not include rate case filing requirements, rate design, and centralized support provided by the Company.

It is the position of Consumers Energy that the probability of a successful collaborative rests in keeping the number of issues to a minimum.

Eric Keaton  
ejkeaton@cmsenergy.com  
517-788-0862