

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )  
**CONSUMERS ENERGY COMPANY** )  
seeking a revision in the date for filing of )  
a study of depreciation rates and practices )  
for electric and common utility plant. )  
\_\_\_\_\_ )

Case No. U-12933

At the July 11, 2001 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

**OPINION AND ORDER**

On November 14, 1996, the Commission issued an order in Case No. U-10685 et al. Among other things, the order set depreciation rates and directed Consumers Energy Company (Consumers) to file its next electric and common utility plant depreciation study no later than September 1, 2001. On April 27, 2001, Consumers filed an application requesting that the Commission eliminate the requirement that it file the depreciation study by September 1, 2001. Consumers cites the Customer Choice and Electricity Reliability Act, 2000 PA 141 (Act 141), which, among other things, would prevent a change in rates to correspond to any change in depreciation expense that might be shown by a new depreciation study.

On June 18, 2001, Attorney General Jennifer M. Granholm filed a response. She asserts that the company's reliance on Act 141 is misplaced because it freezes retail rates, not depreciation accrual rates. She therefore argues that the Commission should require Consumers to file its depreciation case no later than September 1, 2001.

The Commission is currently considering a similar argument in the context of a depreciation case filed by The Detroit Edison Company, Case No. U-11722. The Commission understands that the preparation of such a case is a complex undertaking, with costs that should not be incurred unnecessarily. Therefore, to provide time for the Commission to fully consider and render a decision on the issue of how Act 141 affects, if at all, pending and future depreciation cases, the Commission concludes that the September 1, 2001 deadline for Consumers to file should be changed to January 11, 2002.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; MSA 22.151 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.

b. Consumers should not be required to file an electric and common utility plant depreciation study by September 1, 2001.

THEREFORE, IT IS ORDERED that Consumers Energy Company shall file an electric and common utility plant depreciation study by January 11, 2002, unless otherwise ordered.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle  
Chairman

( S E A L )

/s/ David A. Svanda  
Commissioner

/s/ Robert B. Nelson  
Commissioner

By its action of July 11, 2001.

/s/ Dorothy Wideman  
Its Executive Secretary

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of July 11, 2001.

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Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated July 11, 2001 extending the time for Consumers Energy Company to file an electric and common utility plant depreciation study, as set forth in the order.”