

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
CONSUMERS ENERGY COMPANY) Case No. U-15943
for a 2009 electric choice incentive)
mechanism reconciliation.)
_____)

At the September 15, 2009 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER

On April 10, 2009, Consumers Energy Company (Consumers) filed an application requesting reconciliation of its electric choice incentive mechanism (ECIM) for the period June 20, 2008 through December 31, 2008. Because the ECIM for that period resulted in relatively small adjustments compared to total class revenues, Consumers proposed to roll these amounts into the 2009 ECIM reconciliation adjustments to be filed April 1, 2010.

The Commission approved Consumers' present retail electric base rates in orders issued June 10, 2008 and June 19, 2008 in Case No. U-15245. In those orders, the Commission approved the ECIM, which addresses the ratemaking impact of sales fluctuations due to variations in the level of retail open access (ROA) participation. In summary, the ECIM operates as follows:

A) A base level of ROA sales for the residential, secondary business, and primary business rate classes are established equal to the level of ROA sales active on the date of the Commission's order in Case No. U-15245;

B) If actual ROA sales do not deviate from that base level by more than 5%, no action is required;

C) If actual ROA sales deviate by more than 5% from the base levels for a customer class, a charge or credit would be assessed, on a rate class basis, to full service customers within the customer class where the sales deviation occurred;

D) If the level of ROA sales for a customer class exceeds 5% of the base level for that customer class, a surcharge would be calculated equal to 90% of the nonfuel revenue associated with those sales for that class;

E) If the level of ROA sales for a customer class is 95% or less of the base level for that customer class, a credit would be calculated equal to 100% of the nonfuel revenue for that class.

In its notice of opportunity to comment or request a hearing filed on June 25, 2009, the Commission proposed deferring the determination of the exact amounts involved in the application for the period June 20, 2008 through December 31, 2008 until the 2009 ECIM reconciliation is filed. Consumers filed proof of service on July 8, 2009, demonstrating that the notice of opportunity to comment or request a hearing was mailed to each city, incorporated village, township, and county within Consumers' combined gas and electric service areas, as well as to all intervening parties in Case Nos. U-15245 and U-15943. Comments were due by July 23, 2009. No comments were received.

THEREFORE, IT IS ORDERED that the reconciliation of Consumers Energy Company's electric choice incentive mechanism for the period June 20, 2008 through December 31, 2008 should be deferred until the 2009 electric choice incentive mechanism reconciliation is filed on April 1, 2010.

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

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of September 15, 2009.

Mary Jo Kunkle, Executive Secretary