

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
CONSUMERS ENERGY COMPANY for a)
certificate of public convenience and necessity to)
construct facilities and render natural gas)
service in Section 24 of Cascade Charter)
Township, Kent County.)
_____)

Case No. U-16040

At the December 1, 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

OPINION AND ORDER

On August 20, 2009, Consumers Energy Company (Consumers) filed an application
requesting a Certificate of Public Convenience and Necessity, pursuant to 1929 PA 69, MCL
460.501 *et seq.* (Act 69), to provide natural gas service in Section 24 of Cascade Charter
Township, Kent County, Michigan.

On August 21, 2009, Michigan Consolidated Gas Company (Mich Con) filed a statement of
non-objection to the granting of the Act 69 certificate. A prehearing conference was held before
Administrative Law Judge Mark E. Cummins on October 7, 2009 at which Consumers and the
Commission Staff (Staff) appeared. Mich Con filed an amended statement of non-objection to the
granting of the Act 69 certificate on October 21, 2009.

Subsequently, Consumers and the Staff submitted a settlement agreement resolving all issues in this case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that: 1) Consumers currently holds a non-exclusive franchise to provide natural gas service in Section 24 of Cascade Charter Township, Kent County; 2) the provision of natural gas service by Consumers to customers located in Section 24 of Cascade Charter Township will serve the public convenience and necessity; 3) a certificate of public convenience and necessity should be granted to Consumers to provide that service; and 4) construction and maintenance of the system will comply with the Michigan Gas Safety Standards and all applicable Commission rules.

The Commission finds the settlement agreement to be reasonable and in the public interest. The Commission therefore finds that the Act 69 certificate should be granted.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Consumers Energy Company is granted a certificate of public convenience and necessity to construct facilities and to provide natural gas service to customers located in Section 24 of Cascade Charter Township, Kent County. The construction and maintenance of these facilities must comply with the Michigan Gas Safety Standards and applicable Commission rules; no newly constructed lines shall cross another utility's gas mains or service lines (or parallel another utility's mains or service lines within a street or right of way); and before constructing any extension of a main within the township, Consumers Energy Company must give 30 days' written notice to the Gas Operations Section of the Commission's Operations and Wholesale Markets Division and Michigan Consolidated Gas Company, identifying the location of the proposed extension and a copy of the customer attachment program worksheet, if applicable, for the extension. Consumers

Energy Company shall update quarterly the description of Territory Served in its Schedule of Rates Governing the Sale of Natural Gas Service to include new areas served under franchise or Act 69 Certificates.

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, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of December 1, 2009.

Mary Jo Kunkle, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of)	
Consumers Energy Company for a)	
Certificate of Public Convenience)	Case No. U-16040
and Necessity to Render Natural Gas)	
Service in Section 24, Cascade Charter)	
Township, Kent County, Michigan)	
_____)	

SETTLEMENT AGREEMENT

On August 20, 2009, Consumers Energy Company (“Consumers Energy”) filed an Application in Case No. U-16040 requesting issuance of a Certificate of Public Convenience and Necessity (“Certificate”) pursuant to MCL 460.501 et seq. (“Act 69”) to render natural gas service in Section 24, Cascade Charter Township, Kent County, Michigan.

Pursuant to the Notice of Hearing, a prehearing conference in Case No. U-16040 was held before Administrative Law Judge Mark E. Cummins on October 7, 2009. At the prehearing conference, the Commission (“Staff”) entered its appearance. Michigan Consolidated Gas Company (“MichCon”) filed a statement of non-objection to the granting of the Act 69 certificate with the Commission on August 21, 2009. However, MichCon became a party to this proceeding after its petition to intervene was granted on October 7, 2009.

Subsequent to the prehearing conference in this matter the parties discussed the issues in this case and, as a result, decided to resolve their differences by virtue of this Settlement Agreement (“Agreement”). In addition, MichCon filed an amended statement of non-objection to the granting of the Act 69 certificate with the Commission on October 21, 2009. This Agreement identifies the rights and obligations of the parties concerning the provision of natural gas service in

Section 24, Cascade Charter Township, Kent County, Michigan, in accordance with Section 78 of the Administrative Procedures Act of 1969, MCL 24.278, and Rule 333 of the Commission's Rules of Practice and Procedure, R460.17333.

WHEREFORE, the parties agree as follows:

1. On July 8, 2009, Cascade Charter Township granted Consumers Energy a non-exclusive franchise (Ordinance No. 02-2009) authorizing it to conduct a local gas business within Section 24 of the Township of Cascade, Kent County, Michigan. Provision of natural gas service by Consumers Energy to Section 24, Cascade Charter Township, Kent County, Michigan, will serve the public convenience and necessity.

2. An Act 69 Certificate shall be granted to Consumers Energy to provide natural gas service to customers in Section 24 of Cascade Charter Township, Kent County, Michigan.

3. Construction and maintenance of the system must comply with the Michigan Gas Safety Standards and applicable Commission rules, and no newly constructed lines shall cross another utility's gas mains or service lines or parallel another utility's mains or service lines within a street or right of way.

4. Prior to constructing any extension of main within Section 24 of the Township, Consumers Energy must give 30 days' written notice to the Commission's Gas Operations Section and Michigan Consolidated Gas Company, identifying the location of the proposed extension and a copy of the customer attachment program worksheet, if applicable, for the extension.

5. Consumers Energy will update quarterly the description of Territory Served in its Schedule of Rates Governing the Sale of Natural Gas Service to include new areas served under franchise or Act 69 Certificates.

6. The parties join in requesting the Commission to expeditiously issue an order approving this Agreement and issuing an Act 69 Certificate as provided in this Agreement. The Staff certifies that this Agreement is reasonable and in the public interest.

7. For the sole purpose of submitting this Agreement to the Commission the parties waive compliance with the provisions of Section 81 of the Administrative Procedures Act of 1969; MCL 24.281.

Dated: October 28, 2009

CONSUMERS ENERGY COMPANY

By: _____
Raymond E. McQuillan (P24100)

Dated: _____

STAFF OF THE MICHIGAN PUBLIC
SERVICE COMMISSION

By: _____
Spencer A Sattler (P70524)

Dated: _____

MICHIGAN CONSOLIDATED GAS COMPANY

By: _____
David S. Maquera (P66228)