

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s own motion,)
regarding procedures for refunding amounts)
collected on behalf of the Low-Income and Energy)
Efficiency Fund from the natural gas customers of)
CONSUMERS ENERGY COMPANY.)
_____)

Case No. U-16963

At the January 26, 2012 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

ORDER

On July 21, 2011, the Court of Appeals issued its decision in *In re Michigan Consolidated Gas Company*, ___ Mich App ___; ___ NW2d ___ (2011) determining that “administration of a Low-Income and Energy Efficiency Fund (LIEEF) does not fall within the scope of the Commission’s general statutory powers.” (Slip opinion, p. 6.)

Subsequently, the Commission ordered each affected utility, charged with collecting retail rates designated for LIEEF, to hold those amounts in separate escrow accounts until the issue was resolved by the Michigan Supreme Court or Legislature. On December 20, 2011, Public Act 276 was enacted and reads in relevant part:

By February 1, 2012, the commission shall commence on its own motion a proceeding for each affected utility to determine the manner in which all money in the low-income and energy efficiency fund, including any unspent funds returned by grantees, and all money being held in escrow for the low-income and energy efficiency fund will be refunded to customers. The refund shall be allocated

among each rate schedule proportional to the amount paid by each rate schedule, except that the refund to customers using 10 megawatts or more shall be within at least 6.5% of the actual amount paid and escrowed by that customer. As used in this subsection, “affected utility” means a regulated electric or natural gas utility that was authorized by the commission to collect in retail rates an amount that was designated to be contributed to the low-income and energy efficiency fund, and that since July 21, 2011 has been holding that collected amount in escrow.

MCL 460.10d(9). Consumers Energy Company (Consumers) is an “affected utility” subject to the refund procedures.

The Commission directs Consumers to file in this docket by March 1, 2012, a comprehensive plan for refunding all money in the manner described above. The utility shall serve a copy of its plan on all parties involved in its most recently pending general natural gas rate case along with a notice of an opportunity to comment.

Written and electronic comments by interested persons may be filed with the Commission, but must be received no later than 5:00 p.m. on March 21, 2012. Written comments should be sent to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. Electronic comments may be emailed to: mpscedockets@michigan.gov. Any person requiring assistance prior to filing comments, may contact the Commission Staff at (517) 241-6180. All comments should reference Case No. U-16963. Comments and other documents received in this proceeding will become public information, posted on the Commission’s website, and subject to disclosure.

THEREFORE, IT IS ORDERED that Consumers Energy Company shall file a plan for refunding amounts consistent with the legislative directive of Public Act 276 of 2011 by March 1, 2012, and shall simultaneously serve a copy of the plan on all parties involved in its most recent pending general natural gas rate case along with notice of an opportunity to comment.

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

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of January 26, 2012.

Mary Jo Kunkle, Executive Secretary