

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 and )  
Necessity to Serve a customer in the , )  
City of Zeeland, Ottawa County, )  
Michigan )

Case No. U-12878

BOH No. 2001-427

**SETTLEMENT AGREEMENT**

On March 26, 2001, Consumers Energy Company ("Consumers Energy") filed an Application in Case No. U-12878 requesting issuance of a Certificate of Public Convenience and Necessity ("Certificate") pursuant to MCL 460.501 et seq., MSA 22.141 et seq. ("Act 69") to render electric service in to a single customer (SEI Michigan, L.L.C., or its successors and assigns) in the City of Zeeland, Ottawa County, Michigan.

Pursuant to the Notice of Hearing, a prehearing conference in Case No. U-U-12878 was held before Administrative Law Judge James Rigas on May 11, 2001. At the prehearing conference, the Commission ("Staff") entered its appearance. The City of Zeeland also participated. No other utility or municipality appeared or participated in the proceeding.

Subsequent to the prehearing conference in this matter the parties discussed and resolved the issues in this case and, as a result, decided to resolve their differences by virtue of this Settlement Agreement ("Agreement"). This Agreement identifies the rights and obligations of the parties concerning the provision of electric service in the City of Zeeland, Ottawa County, Michigan, in accordance with Section 78 of the Administrative Procedures Act of 1969, MCL 24.278, MSA 3.560(178) and Rule 333 of the Commission's Rules of Practice and Procedure, R460.17333.

WHEREFORE, the parties agree as follows:

1. On January 8, 2001, the City of Zeeland granted Consumers Energy a non-exclusive franchise (Ordinance No. 744) authorizing it to conduct a local electric business consisting of two steel lattice towers and one steel pole, as depicted on Exhibit 2 to the Franchise Ordinance, 345 kV electrical transmission lines having minimum ground clearance of forty-five feet, and such other electrical appliances as may be necessary to provide electric auxiliary and standby power to the named customer located at 425 North Fairway, within the City of Zeeland, Ottawa County, Michigan. Provision of electric service by Consumers Energy to the City of Zeeland, Ottawa County, Michigan, will serve the public convenience and necessity.
2. An Act 69 Certificate shall be granted to Consumers Energy Company to provide electric service to this customer within the City of Zeeland, Ottawa County, Michigan.
3. Construction and maintenance of the system must comply with the National Electric Safety Code, Michigan statutes and applicable Commission rules, and any newly constructed facilities shall comport with the Exhibits attached to the Franchise Ordinance.
4. 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.

5. 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; MSA 3.560 (181).

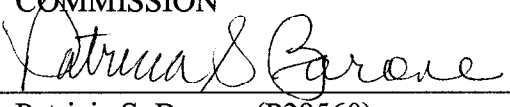
CONSUMERS ENERGY COMPANY

Dated: May 11, 2001

By:   
Raymond E. McQuillan (P24100)

STAFF OF THE MICHIGAN PUBLIC SERVICE COMMISSION

Dated: May 11, 2001

By:   
Patricia S. Barone (P29560)

**JAMES A. DONKERSLOOT***Attorney at Law*

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**FAX TRANSMITTAL SHEET**

TO: Mr. Raymond E. McQuillan, Esq.  
Consumers Energy Company  
Fax Number: (517) 788-0768

FR: JAMES A. DONKERSLOOT  
Date: May 10, 2001  
Number of Pages Including Cover Sheet: 2

RE: In the Matter of the Application of Consumers Energy Company for a Certificate of Public Convenience and Necessity to Serve a Customer in the City of Zeeland, Ottawa County, Michigan, Case No. U-12878, BOH Docket No. 2001-427

Dear Mr. McQuillan:

In regard to the above entitled matter, please be advised as to the following:

- A. The City of Zeeland does not find a need to intervene in the above referenced case.
- B. The City of Zeeland approves and consents to the granting of an Act 69 Certificate for the providing of electric service to Mirant Zeeland, L.L.C., or its successors and assigns, at its current site of 425 N. Fairview, Zeeland, Michigan 49464. (It is our understanding that Mirant Zeeland, L.L.C. is the customer for whom this petition was filed.)
- C. The City of Zeeland understands that this Act 69 Certificate will only permit the construction of the electrical transmission lines, poles, and towers which were specified in the franchise which the City of Zeeland granted to Consumers Energy Company.

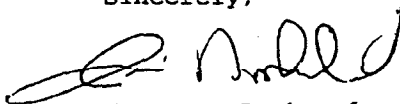
Because of Zeeland's consent to your application, we believe that it is not necessary for us to attend the public hearing which has been scheduled for Friday, May 11, 2001, at 9:00 a.m. If I can be of any assistance in this matter, please feel free to contact me. I would note that I will be in my office on the date and time of the hearing if it should be necessary to reach me during such time.

I have also discussed this matter with Patricia Barone from the Michigan Attorney General's Office. By copy of this fax, I am also providing written confirmation to her as to the approval by the City of Zeeland of this matter.

If desirable, please feel free to also file a copy of this fax with the Michigan Public Service Commission.

Following the granting of the said Certificate, please provide me with a certified copy of such order or Certificate. Your assistance in this matter has been appreciated.

Sincerely,



James A. Donkersloot  
Zeeland City Attorney

cc Patricia S. Barone  
Asst. Attorney General  
[via fax to (517) 241-6678]  
City of Zeeland

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