

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
MICHIGAN GAS UTILITIES CORPORATION)
for authority to implement a gas cost recovery)
plan and factors for the 12-month period)
ending March 31, 2009)
_____)

Case No. U-15450

PETITION TO INTERVENE

The Area Agencies on Aging Association of Michigan (AAAAM) and the Michigan League for Human Services (MLHS), together referred to herein as the **Residential Ratepayer Consortium (RRC)**, petition the Michigan Public Service Commission (MPSC) for leave to intervene in this matter and say:

I. STATEMENT OF INTEREST

A. AAAAM

1. AAAAM is a nonprofit organization composed of 16 local area agencies on aging in Michigan.
2. Each local area agency on aging comprises a representative governing board and an advisory council and many members of both groups are 60 years of age or older.
3. AAAAM was formed to assist its member agencies to improve services and the quality of life for older persons, and to engage in advocacy on their behalf.

4. Some of AAAAM's member agencies have governing boards and advisory councils including persons who are natural gas customers of Michigan Gas Utilities Corporation (MGU) and will be affected by decisions of the MPSC in this matter.
5. Some of AAAAM's member agencies serve constituencies including residential natural gas customers of MGU in their region.
6. AAAAM, as one of the organizations in the RRC, petitioned to intervene in all of MGU's prior gas supply and cost reviews and reconciliations and was admitted as a party to those proceedings.
7. AAAAM, as one of the organizations in the RRC, is a grantee of the Utility Consumer Representation Fund created by 1982 PA 304, selected by the Michigan Utility Consumer Participation Board to represent residential utility customers in this matter.

B. MLHS

8. MLHS is a nonprofit organization whose broad purposes are to identify and help solve basic health and social problems and to seek high quality services from both voluntary and public agencies for the people of Michigan.
9. In recent years, MLHS has focused its programs on increasing access to basic necessities for the state's residents and protecting Michigan's most vulnerable citizens.
10. MLHS has over 2,000 dues paying members, including more than 300 organizational members, with many of the latter having statewide constituencies.

11. Many of MLHS's members are natural gas customers of MGU who will be affected by decisions of the MPSC in this matter.
12. MLHS, as one of the organizations in the RRC, petitioned to intervene in MGU's prior gas supply and cost reviews and reconciliations and was admitted as a party to those proceedings.
13. MLHS, as one of the organizations in the RRC, is a grantee of the Utility Consumer Representation Fund created by 1982 PA 304, selected by the Michigan Utility Consumer Participation Board to represent residential utility customers in this matter.

II. GROUNDS OF INTERVENTION

The RRC requests leave to intervene in this matter pursuant to Rule 201 of the Rules of Practice before the Michigan Public Service Commission, 1992 MR 3, R 460.17201.

III. STATEMENT OF POSITION

Based on its preliminary review of MGU's 2008-2009 GCR plan and 5-year forecast filing, the RRC reserves judgment on whether the \$8.4576 per Mcf GCR factor requested by MGU is higher than necessary and whether the Company's overall GCR plan and 5-year forecast are reasonable and prudent. It is the RRC's position that reasonable and prudent procurement and practices by MGU, given the market in natural gas in 2008-2009, are those which result in the lowest cost supply mix available to the utility, consistent with maintaining adequate supplies to assure reliable delivery of natural gas to its GCR customers. Costs in excess of the lowest priced, reliable gas supply mix are unreasonably burdensome to MGU's GCR customers and are

contrary to the public interest. The RRC takes the position that MGU should not be permitted to recover such costs from its GCR customers.

Because the charges to GCR customers resulting from MGU's 2008-2009 GCR factor are a substantial portion of their total gas bill, the RRC states that it should be permitted to intervene in these proceedings and be given the opportunity to conduct discovery, cross-examine witnesses, present testimony, and generally advocate the positions of its members and constituencies with respect to all issues presented, including but not limited to:

- the reasonableness of MGU's projections of gas commodity costs and pipeline and storage demand charges for the gas purchased by the company to meet GCR demand needs;
- the reasonableness of MGU's firm interstate and intrastate pipeline transportation arrangements;
- the reasonableness of MGU's plans for operation of its storage facilities and its plans for entering new or amended storage arrangements;
- the reasonableness of MGU's overall gas purchasing strategy including the Company's plans for purchasing fixed price supplies;
- the reasonableness of MGU's new approach to forecasting requirements for residential GCR customers, the overall requirements for all customer classes for the GCR Plan year and the four out-years of the five-year forecast, including the Company's projection of its peak day requirements;
- the Company's forecast for Company use and lost and unaccounted for gas;

- the Company's position on Capacity Assignment;
- the reasonableness of MGU's proposed GCR Factor and its GCR Ceiling Price Contingency Matrix; and
- MGU's study regarding the potential benefits, costs and risks associated with a risk-management hedging program.

WHEREFORE, the RRC requests that the Michigan Public Service Commission grant the RRC leave to intervene as a party in these proceedings.

THE RESIDENTIAL RATEPAYER
CONSORTIUM

February 7, 2008

By: _____
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PROOF OF SERVICE

The undersigned certified that on Thursday, February 7, 2008 he served a copy of the Residential Ratepayer Consortium's **Petition To Intervene** on MGU's attorney, Sherri A. Wellman, by first class United States Postal Service mail and by electronic mail at her address shown below.

David L. Shaltz (P29330)

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