

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
Historical Year Section					
1	A-1	A-1	DSAlfred	DSA-1	Schedule A1 Computation of Gas Revenue Deficiency for the Year Ended December 31, 2010
2	A-1	A-2	DSAlfred	DSA-2	Schedule A2 Financial Metrics - Gas Results Only
3	A-2	B-1	DSAlfred	DSA-3	Schedule B1 Average Gas Rate Base for the Year Ended December 31, 2010
4	A-2	B-2	DSAlfred	DSA-4	Schedule B2 Rate Base - Average Gas Plant and Other Assets for the Year Ended December 31, 2010
5	A-2	B-3	DSAlfred	DSA-5	Schedule B3 Rate Base - Average Gas Depreciation Reserve and Other Deductions for the Year Ended December 31, 2010
6	A-2	B-4	DSAlfred	DSA-6	Schedule B4 Gas Balance Sheet Working Capital Summary for the Year Ended December 31, 2010
7	A-2	B-5	DSAlfred	DSA-7	Schedule B5 Gas Balance Sheet Working Capital Summary 13 Month Average for the Year Ended December 31,2010
8	A-2	B-6	DSAlfred	DSA-8	Schedule B6 Gas Balance Sheet Working Capital Summary for the Year Ended December 31, 2010
9	A-3	C-1	DSAlfred	DSA-9	Schedule C1 Adjusted Net Operating Income for the Year Ended December 31, 2010
10	A-3	C-2	DSAlfred	DSA-10	Schedule C2 Computation of Revenue Multiplier for the Year Ended December 31, 2010
11	A-3	C-3	DSAlfred	DSA-11	Schedule C3 Historical Sales Revenue for the Year Ended December 31, 2010
12	A-3	C-4	DSAlfred	DSA-12	Schedule C4 Cost of Gas Sold for the Year Ended December 31, 2010
13	A-3	C-5	DSAlfred	DSA-13	Schedule C5 Other Operation and Maintenance Expense for the Year Ended December 31, 2010
14	A-3	C-6	DSAlfred	DSA-14	Schedule C6 Depreciation and Amortization Expense for the Year Ended December 31, 2010
15	A-3	C-7	DSAlfred	DSA-15	Schedule C7 General Taxes for the Year Ended December 31, 2010
16	A-3	C-8	DSAlfred	DSA-16	Schedule C8 Federal Income Taxes for the Year Ended December 31, 2010
17	A-3	C-9	DSAlfred	DSA-17	Schedule C9 State Income Taxes for the Year Ended December 31, 2010
18	A-3	C-10	DSAlfred	DSA-18	Schedule C10 City Income Taxes for the Year Ended December 31, 2010
19	A-3	C-11	DSAlfred	DSA-19	Schedule C11 Allowance for Funds Used During Construction for the Year Ended December 31, 2010
20	A-3	C-12	DSAlfred	DSA-20	Schedule C12 Compensation Disallowances for the Year Ended December 31, 2010

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
21	A-3	C-13	DSAlfred	DSA-21	Schedule C13 Dues and Donations Disallowances Included in Operating Income for the Year Ended December 31, 2010
22	A-3	C-14	DSAlfred	DSA-22	Schedule C14 Advertising Classification and Disallowance for the Year Ended December 31, 2010
23	A-3	C-15	DSAlfred	DSA-23	Schedule C15 Corporate Giving and Communications - Staff Salaries for the Year Ended December 31, 2010
24	A-3	C-16	DSAlfred	DSA-24	Schedule C16 Corporate Service Normalizations for the Year Ended December 31, 2010
25	A-3	C-17	DSAlfred	DSA-25	Schedule C17 Weather Normalization Impact on Net Operating Income for the Year Ended December 31, 2010
26	A-3	C-18	DSAlfred	DSA-26	Schedule C18 PEM/OEM Revenue and Expense Impact on Net Operating Income for the Year Ended December 31, 2010
27	A-3	C-19	DSAlfred	DSA-27	Schedule C19 EO Surcharge & Expenses Impact on Net Operating Income for the Year Ended December 31, 2010
28	A-3	C-20	DSAlfred	DSA-28	Schedule C20 Sales & Use Tax Normalization Impact on Net Operating Income for the Year Ended December 31, 2010
29	A-3	C-21	DSAlfred	DSA-29	Schedule C21 Interest Income on Cash Equivalents Impact on Net Operating Income for the Year Ended December 31, 2010
30	A-3	C-22	DSAlfred	DSA-30	Schedule C22 Jobwork Revenues for the Year Ended December 31, 2010
31	A-3	C-23	DSAlfred	DSA-31	Schedule C23 Jobwork Expenses Impact on Net Operating Income for the Year Ended December 31, 2010
32	A-3	C-24	DSAlfred	DSA-32	Schedule C24 Adjusted Net Operating Income Income Tax Savings for the Year Ended December 31, 2010
33	A-3	C-25	DSAlfred	DSA-33	Schedule C25 Tax Effect of Interest Synchronization Adjustment for the Year Ended December 31, 2010
34	A-4	D-1	DSAlfred	DSA-34	Schedule D1 Overall Rate of Return Summary for the Year Ended December 31, 2010
35	A-4	D-2	DSAlfred	DSA-35	Schedule D2 Cost of Long-Term Debt - for the Year Ended December 31, 2010
36	A-4	D-3	DSAlfred	DSA-36	Schedule D3 Weighted Cost of Short-Term Debt for the Year Ended December 31, 2010
37	A-4	D-4	DSAlfred	DSA-37	Schedule D4 Preferred Stock Cost for the Year Ended December 31, 2010
38	A-4	D-5	DSAlfred	DSA-38	Schedule D5 Cost of Common Equity for the Year Ended December 31, 2010
39	A-5	E-1	HWMiller	HWM-1	Summary of 2010 Historic Year Revenues
40	A-5	E-2	HWMiller	HWM-2	2010 Historic Year Consumption and Customer Counts
41	A-5	E-3	HWMiller	HWM-3	2010 Historic Year Operating Revenues

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
42	A-6	F-1	TAYehl	TAY-1	Schedule F-1, 2010 Historical Gas Cost-of-Service Study
Test Year Section					
43	A-13	-	RKAdibhatla	RKA-1	Manufactured Gas Plant Sites Information
44	A-14	-	RKAdibhatla	RKA-2	MGP Environmental Response Cash Outflows for December 2010-June 2012 by Phase
45	A-15	-	RKAdibhatla	RKA-3	Department of Environmental Quality Letter to Consumers Energy Dated January 6, 2000
46	A-7	A-1	DSAlfred	DSA-39	Schedule A1 Computation of Gas Revenue Deficiency for Test Year - December 2012
47	A-7	A-2	DSAlfred	DSA-40	Schedule A2 Comparison of Gas Revenue Deficiency Between Historical and Period and Test Period
48	A-7	A-3	DSAlfred	DSA-41	Schedule A3 Reconciliation of Gas Revenue Deficiency - Historical Period Versus Test Year
49	A-7	A-3a	DSAlfred	DSA-42	Schedule A3a Financial Metrics - Ratemaking Basis
50	A-8	B-1	DSAlfred	DSA-43	Schedule B1 Development of Rate Base for Test Year- December 2012
51	A-8	B-1a	DSAlfred	DSA-44	Schedule B1a Development of Rate Base for Test Year - December 2012
52	A-8	B-2	DSAlfred	DSA-45	Schedule B2 Projected Utility Plant Test Year - December 2012
53	A-8	B-3	DSAlfred	DSA-46	Schedule B3 Projected Accumulated Provision for Depreciation Test Year - December 2012
54	A-8	B-4	DSAlfred	DSA-47	Schedule B4 Gas Balance Sheet Working Capital Summary - Test Year - December 2012
55	A-9	C-1	DSAlfred	DSA-48	Schedule C1 Projected Net Operating Income Test Year - December 2012
56	A-9	C-2	DSAlfred	DSA-49	Schedule C2 Computation of Revenue Multiplier Test Year - December 2012
57	A-9	C-3	DSAlfred	DSA-50	Schedule C3 Projected Sales Revenue Test Year - December 2012
58	A-9	C-4	DSAlfred	DSA-51	Schedule C4 Projected Cost of Gas Sold Test Year - December 2012
59	A-9	C-5	DSAlfred	DSA-52	Schedule C5 Projected Other O&M Expense Test Year - December 2012
60	A-9	C-6	DSAlfred	DSA-53	Schedule C6 Projected Depreciation & Amortization Expense Test Year - December 2012
61	A-9	C-7	DSAlfred	DSA-54	Schedule C-7 Projected General Taxes Test Year - December 2012
62	A-9	C-8	DSAlfred	DSA-55	Schedule C8 Projected Federal Income Taxes Test Year - December 2012

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
63	A-9	C-9	DSAlfred	DSA-56	Schedule C9 Projected State Income Taxes Test Year - December 2012
64	A-9	C-10	DSAlfred	DSA-57	Schedule C10 Projected Other (or Local) Taxes Test Year - December 2012
65	A-9	C-11	DSAlfred	DSA-58	Schedule C11 Projected AFUDC Test Year - December 2012
66	A-9	C-12	DSAlfred	DSA-59	Schedule C12 Adjusted Net Operating Income Pro Forma Interest Adjustment for Test Year - December 2012
67	A-9	C-13	DSAlfred	DSA-60	Schedule C13 Tax Effect of Interest Synchronization Adjustment for Test-Year - December 2012
68	A-9	C-14	DSAlfred	DSA-61	Schedule C14 Development of Net Operating Income for Test Year - December 2012
69	A-16	-	SBBeachum	SBB-1	Summary of Projected Gas Operations O&M Expenses for the Year 2012
70	A-17	-	SBBeachum	SBB-2	Summary of Projected Gas Division O&M Expenses for the Years 2011 and 2012
71	A-18	-	SBBeachum	SBB-3	Summary of Projected Gas Operations O&M Expense Adjustments for the Years 2011 and 2012
72	A-19	-	SBBeachum	SBB-4	Summary of Projected Gas O&M Expenses for Lost and Unaccounted for Gas & Company Use Gas for the Year 2012
73	A-20	-	SBBeachum	SBB-5	Calculation of Gas Line Loss Percentage 2005 through 2010
74	A-21	-	SBBeachum	SBB-6	Calculation of Allowance for Gas Use and Losses Test Year 2012
75	A-22	-	SBBeachum	SBB-7	Summary of Projected Gas O&M Expense for Injuries and Damages for the Years 2011 and 2012
76	A-23	-	SBBeachum	SBB-8	Summary of Projected Gas Capital Expenditures for Gas Operations for 2011 and 2012
77	A-24	-	SBBeachum	SBB-9	Summary of Projected Capital Expenditures for the New Business Program 2011 and 2012
78	A-25	-	SBBeachum	SBB-10	Summary of Projected Capital Expenditures for the Asset Relocation Program 2011 and 2012
79	A-26	-	SBBeachum	SBB-11	Summary of Projected Capital Expenditures for the Regulatory Compliance Program 2011 and 2012
80	A-27	-	SBBeachum	SBB-12	Summary of Projected Capital Expenditures for the Material Condition Program 2011 and 2012
81	A-28	-	SBBeachum	SBB-13	Summary of Projected Capital Expenditures for the Capacity/Deliverability Program 2011 and 2012
82	A-29	-	SBBeachum	SBB-14	Summary of Projected Capital Expenditures for the Gas Operations Other Programs 2011 and 2012
83	A-30	-	SBBeachum	SBB-15	Summary of Projected Capital Expenditures for the Gas Business Services Program 2011 and 2012

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
84	A-31	-	SBBeachum	SBB-16	LAUF Program Assessment
85	A-12	F-2	PEClifford	PEC-1	Schedule F-2, Summary of Present and Proposed Revenue by Rate Schedule
86	A-12	F-2.1	PEClifford	PEC-2	Schedule F-2.1, Summary of Present and Proposed Rates by Rate Schedule
87	A-12	F-2.2	PEClifford	PEC-3	Schedule F-2.2, Test Year Calculation of Rate Design Targets
88	A-12	F-3	PEClifford	PEC-4	Schedule F-3, Test-Year Present and Proposed Revenue Detail
89	A-12	F-4	PEClifford	PEC-5	Schedule F-4, Comparison of Present and Proposed Monthly Bills
90	A-32	-	PEClifford	PEC-6	Illustrative Calculation of 2012 Test-Year Self Implemented Interim Adjustment
91	A-33	-	PEClifford	PEC-7	Illustrative Calculation of Proposed Revenue Decoupling Method
92	A-34	-	PEClifford	PEC-8	Calculation of 2012 Test Year Discount and Carrying Cost Rates for the Customer Attachment Program
93	A-35	-	PEClifford	PEC-9	Development of Rates for Transportation ATL Services
94	A-36	-	PEClifford	PEC-10	Illustrative Calculation of Proposed Uncollectible Expense Tracker Mechanism
95	A-37	-	PEClifford	PEC-11	Summary of Tariff Changes
96	A-12	F-5	PEClifford	PEC-12	Schedule F-5, Proposed Tariff Sheets, MPSC No. 2 - Gas (Redlined Version)
97	A-38	-	DLHarry	DLH-1	Summary of Gas O&M Expense for the Years 2010-2012
98	A-39	-	DLHarry	DLH-2	Gas Uncollectible Accounts Expense for the Years 2010-2012
99	A-40	-	DLHarry	DLH-3	Manufactured Gas Plant Amortization Schedule and Direct Project Management Costs 2001 through 2012
100	A-41	-	DLHarry	DLH-4	Organization Chart, Affiliate Group of Companies Doing Business with Consumers Energy Company - 2010; Purpose of Business, Affiliate Group of Companies Doing Business With Consumers Energy Company - 2010
101	A-42	-	DLHarry	DLH-5	Summary of Costs Billed to Affiliated Companies for the Year Ended December 31, 2010; and Summary of Payments Made to Affiliated Companies for the Year Ended December 31, 2010
102	A-43	-	DLHarry	DLH-6	Impact on Gas Operations for Costs Billed to Affiliated Companies for the Year Ended December 31, 2010
103	A-44	-	DLHarry	DLH-7	Impact on Gas Operations for Payments Made to Affiliated Companies for the Year Ended December 31, 2010
104	A-45	-	DLHarry	DLH-8	Affiliated Companies - Rate of Return on Common Equity for the Year Ended December 31, 2010

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
105	A-46	-	DLHarry	DLH-9	2010 Gas Utilities Ranked by A and G per Customer (less Pension and Benefits)
106	A-47	-	DSPelmear	DSP-1	Storage Fields Month End Summary
107	A-48	-	DSPelmear	DSP-2	2012 Design Peak Day Requirements
108	A-49	-	DSPelmear	DSP-3	Miscellaneous Revenue
109	A-50	-	HBKops	HBK-1	Summary of Benefits O&M Expense for the Years 2010-2012 - Gas Portion
110	A-11	E-4	HWMiller	HWM-4	Market Outlook: 5-Year Annual Calendar Gas Forecast by Class
111	A-11	E-5	HWMiller	HWM-5	2012 Test-Year Calendar Gas Delivery Forecast by Class
112	A-11	E-6	HWMiller	HWM-6	2012 Test-Year Calendar Gas Deliveries by Rate Schedule
113	A-11	E-7	HWMiller	HWM-7	2012 Test-Year Authorized Tolerance Levels by Rate Schedule
114	A-11	E-8	HWMiller	HWM-8	Market Outlook: 5-Year Average Customer Forecast by Class
115	A-11	E-9	HWMiller	HWM-9	2012 Test-Year Customer Count Forecast by Class
116	A-11	E-10	HWMiller	HWM-10	2012 Test-Year Customer Count by Rate Schedule
117	A-11	E-11	HWMiller	HWM-11	Calculation of Test-Year Projected Income Assistance Enrollments
118	A-11	E-12	HWMiller	HWM-12	Calculation of 2012 Test-Year Excess Peak Consumption
119	A-11	E-13	HWMiller	HWM-13	Transition from 2010 Historic Actuals to 2012 Test-Year Revenues, Deliveries, and Customers
120	A-10	D-1	DVRao	DVR-1	Schedule D1, Rate of Return Summary
121	A-10	D-1a	DVRao	DVR-2	Schedule D1a, Capital Structure Development
122	A-10	D-1c	DVRao	DVR-3	Schedule D1c, Comparison of Development of Capital Structure on a Financial versus MPSC Ratemaking Basis
123	A-10	D-2	DVRao	DVR-4	Schedule D2, Cost of Long Term Debt
124	A-10	D-3	DVRao	DVR-5	Schedule D3, Cost of Short Term Debt
125	A-10	D-4	DVRao	DVR-6	Schedule D4, Cost of Preferred Stock
126	A-10	D-1b	DVRao	DVR-7	Schedule D1b, Accounts Receivable (A/R) Financing Program and Short-term Debt Utilization
127	A-10	D-5	DVRao	DVR-8	Schedule D5, Cost of Common Shareholder's Equity
128	A-10	D-5a	DVRao	DVR-9	Schedule D5a, Risk Analysis
129	A-51	-	DVRao	DVR-10	Current and Historical Credit Ratings
130	A-52	-	DVRao	DVR-11	Recent Utility Corporate Bond Issuances
131	A-53	-	LERoth	LER-1	Summary of Projected Gas & Common O&M Expense for the Years 2010-2012
132	A-54	-	LERoth	LER-2	Summary of Projected Gas & Common Capital Expenditures for the Years 2010-2012
133	A-55	-	TJVogel	TJV-1	Development of the Property Tax Rate for 2012
134	A-12	F-1	TAYehl	TAY-2	Schedule F-1, 2012 Test Year Gas Cost-of-Service Study; and

Consumers Energy Company

Gas Rate Case U-16855

Index of Exhibits - Alphabetical by Witness

Line No.	Exhibit # (a)	Schedule # (b)	Witness (c)	Witness Exhibit # (d)	Description (e)
135	A-56	-	TAYehl	TAY-3	Revenue Deficiency/(Sufficiency) Comparison for 2012 Test Year Gas Cost-of-Service Study Using Historical Peak Day and Design Peak Day

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

RAVI K. ADIBHATLA

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

**Consumers Energy Company
 Manufactured Gas Plant Sites Information**

Location	Size (Acres)	Estimated Peak Plant Capacity (CFD)	Date Acquired or Built by CPCo	Date Natural Gas Arrived	Date Put on Standby	Date Plant Retired	Date Holder Retired
Alma	2	340,000	1934	1936	1936?	1948	1951
Alpena	1	250,000	1934	NA	1946(b)		
Bay City	5.5	1,500,000	1922	1933	1924(c)	1942	1954
Charlotte	1	50,000	1927	1929		1929(d)	1954
Flint Court St	40	5,400,000	1927	1942	1942	1945	1953
Flint East St.	3	6,000,000	1922	1942	1928	1951	1954
Grand Ledge	1	30,000	1926	1936?		1926(d)	1934
Hastings	1.5	240,000	1922	1936		1931(d)	1954
Ionia	12	50,000	1925	1936		1931(d)	1954
Jackson	7.5	3,800,000	1922	1942	1942	1947	1956
Kalamazoo	9	3,500,000	1917	1943	1943	1956	1958
Lansing	20	3,200,000	1925	1936	1936	1945	1956
Manistee	0.5	150,000	1922	1950		1950	1952?
Marshall	2	190,000	1934	1943		1943	1963
Mt. Clemens	4	800,000	1934	1941	1941?	1942	1953
Owosso	6	510,000	1934	1942		1935(e)	1954
Plymouth	4	120,000	1934	1942		1942	1955
Pontiac	15	4,500,000	1922	1942	1942	1949	1955
Royal Oak	48	8,000,000	1932	1941	1941	1951	1954
Saginaw	5.5	1,000,000	1922	1933	1924(c)	1942	1953
St. Johns	0.7	50,000	1934	1942	1934?(f)		1952
Sault Ste. Marie	0.5	240,000	1934	NA	1945(b)		
Zilwaukee	33	3,000,000	1924	1933	1933	1951	1953

- (b) Date sold
- (c) Switched to gas produced by Zilwaukee MGP
- (d) Switched to gas produced by Lansing MGP
- (e) Switched to gas produced by Flint MGP
- (f) Switched to gas produced by Owosso MGP

Consumers Energy Company
MGP Environmental Response Cash Outflows by Phase December 2010 to June 2012 Forecast by Phase & Site

FEASIBILITY STUDY

MGP Site	Actual Dec. 2010	Actual Jan. to July 2011	Estimate Aug to Dec. 2011	Estimate Jan. to June 2012	Total
Sault Ste. Marie	\$0	\$3,835	\$0	\$0	\$3,835
Total	\$0	\$3,835	\$0	\$0	\$3,835

REMEDIAL ACTION

MGP Site	Actual Dec. 2010	Actual Jan. to July 2011	Estimate Aug to Dec. 2011	Estimate Jan. to June 2012	Total
Alma	\$37,281	\$52,715	\$197,000	\$157,500	\$444,495
Alpena	\$8,873	\$8,053	\$102,000	\$16,450	\$135,376
Bay City	\$0	\$4,700	\$45,000	\$339,150	\$388,850
Charlotte	\$7,265	\$42,479	\$258,000	\$35,000	\$342,744
Flint Court	\$12,370	\$24,259	\$76,000	\$8,400	\$121,028
Flint East	\$54,235	\$568,020	\$432,000	\$1,129,800	\$2,184,054
Grand Ledge	\$8,189	\$19,662	\$340,000	\$17,500	\$385,351
Hastings	\$0	\$13,874	\$11,000	\$17,500	\$42,374
Ionia	\$0	\$18,361	\$32,000	\$35,000	\$85,361
Jackson	\$79,610	\$223,326	\$327,000	\$80,500	\$710,436
Kalamazoo	\$1,113	\$15,786	\$99,000	\$19,250	\$135,149
Lansing	\$9,737	\$24,850	\$75,000	\$98,000	\$207,586
Manistee	\$43,175	\$1,125,654	\$424,000	\$87,500	\$1,680,329
Marshall	\$6,105	\$45,271	\$105,000	\$43,750	\$200,127
Mt. Clemens	\$9,676	\$24,965	\$85,000	\$255,465	\$375,106
Owosso	\$3,478	\$504,219	\$96,000	\$99,050	\$702,746
Plymouth	\$5,507	\$19,654	\$110,000	\$12,250	\$147,411
Pontiac	\$61,581	\$183,435	\$817,000	\$47,250	\$1,109,266
Royal Oak	\$6,518	\$27,286	\$173,000	\$898,590	\$1,105,394
Saginaw	\$0	\$7,455	\$58,000	\$249,200	\$314,655
St. Johns	\$1,165	\$14,679	\$585,000	\$191,625	\$792,469
Sault Ste. Marie	\$0	\$4,285	\$1,021,000	\$35,000	\$1,060,285
Zilwaukee	\$0	\$5,877	\$54,000	\$42,350	\$102,227
Total	\$355,875	\$2,978,865	\$5,522,000	\$3,916,080	\$12,772,820

23 MGP SITES

MGP Site	Actual Dec. 2010	Actual Jan. to July 2011	Estimate Aug to Dec. 2011	Estimate Jan. to June 2012	Total
Feasibility Study	\$0	\$3,835	\$0	\$0	\$3,835
Remedial Action	\$355,875	\$2,978,865	\$5,522,000	\$3,916,080	\$12,772,820
Total	\$355,875	\$2,982,700	\$5,522,000	\$3,916,080	\$12,776,655

Note:

MGP Environmental Response Cash Outflows do not include Project Management and related costs. Pursuant to Staff's recommendation in Case No. U-14547, these costs were removed from the MGP Environmental Response Cash Outflows and are included in O&M expense.



JOHN ENGLER, Governor

DEPARTMENT OF ENVIRONMENTAL QUALITY
"Better Service for a Better Environment"

HOLLISTER BUILDING, PO BOX 30473, LANSING MI 48909-7973

INTERNET: www.deq.state.mi.us

RUSSELL J. HARDING, Director

REPLY TO:

 SE MICHIGAN DISTRICT OFFICE
 38980 SEVEN MILE RD
 LIVONIA MI 48152-1006

January 6, 2000

WORKING COPY

Ms. Natalie Stopyak
 Consumers Energy
 Environmental & Technical Services Department
 1945 West Parnall Road
 Jackson, Michigan 49201-8643

Dear Ms. Stopyak:

SUBJECT: Notice of Approval of a Generic Industrial Interim Response Action for the north portion of the Consumers Royal Oak Service Center, Oakland County, Michigan

The Michigan Department of Environmental Quality (MDEQ), Environmental Response Division, has reviewed the Request for Written Interim Response Approval for the northern parcel of the Consumers Royal Oak Service Center. This report was submitted by Soil and Materials Engineers, Inc. on August 2, 1999. The interim action that is the subject of this document is the investigation of contaminant levels in the north portion of the Royal Oak Service Center. The response proposed is to limit actions on this portion of the site to land use consistent with the Industrial closure category. Subject to appropriate zoning of this property, land use consistent with Commercial II, Commercial III, or Commercial IV closure categories is also acceptable, provided the MDEQ is notified in writing of the change in zoning of this property. The north portion consists of the north end of the property of some 1.75 acres, as surveyed.

This Request for Written Interim Response Approval was reviewed to determine if it would, when implemented, be consistent with the likely final remedial action that will be taken at the Consumers' Royal Oak Service Center facility to satisfy Consumers' Energy Corporation (Consumers') obligations under the provisions of Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended, MCL 324.20101, et seq. This Interim Remedial Action Plan (IRAP) is approved as an interim action. This is not to be construed to constitute approval of a final remedial action plan for the closure of the Royal Oak Service Center facility.

Final approval for closure of the facility pursuant to Part 201 of NREPA, will require response action for the remainder of this facility consistent with the NREPA Sections 20120a and 20120b. Pursuant to Consumers' June 3, 1997 submittal of a proposed schedule of investigation and remediation, the MDEQ still expects reports on the investigation phases.

Consumers' should also rewrite the proposed Notice of Approved Environmental Remediation (NAER) for this north part of the facility to reflect the work done on this portion as an *Approved Interim Response* as opposed to an Approved Environmental Remediation. References in this

2/17/00

document to a Remedial Action Plan or RAP should be changed to an Interim Response Action. It should be noted that this limitation on the closure of this north portion of the property is predicated on Consumers' status as a liable party with clean-up obligations for the entire facility.

The MDEQ expresses no opinion as to other contaminants beyond those identified and remediated as a part of the approved IRAP. The MDEQ also makes no warranty as to the fitness of this site for any general or specific use and prospective purchasers or users are advised to use due diligence prior to acquiring or using this site.

If you have any questions or concerns, you may contact Mr. Benjamin Mathews, Environmental Response Division, Southeast Michigan District Office, at (734) 953-1447, or please feel free to contact me at the telephone number indicated below.

Sincerely,



Gary Klepper, Supervisor
Southeast Michigan District Office
Environmental Response Division
(734)-953-1424

cc: Ms. Cheryl Kehres-Dietrich, Soil and Materials Engineers, Inc.
Ms. Cheryl Wilson, MDEQ
Mr. Benjamin Mathews, MDEQ
Field Operations Section, MDEQ

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

DANIEL S. ALFRED

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule A1**

Case No: U-16855

Witness: DSAIfred

Exhibit: A-1 (DSA-1)

Schedule A1

Date: September 2011

Page 1 of 1

Consumers Energy Company
Computation of Gas Revenue Deficiency
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Total Gas Amount</u> (b)	<u>Source</u> (c)
1	Rate Base	\$ 2,943,754	Exhibit: A-2 (DSA-3)
2	Adjusted Net Operating Income	<u>211,271</u>	Exhibit: A-3 (DSA-9)
3	Overall Rate of Return	7.18%	L2 / L1
4	Required Rate of Return	<u>6.73%</u>	Exhibit: A-4 (DSA-34)
5	Income Required	<u>\$ 198,138</u>	L1 x L4
6	Income Deficiency (Sufficiency)	\$ (13,133)	L5 - L2
7	Revenue Multiplier	<u>1.6323</u>	Exhibit: A-3 (DSA-10)
8	Revenue Deficiency (Sufficiency)	<u>\$ (21,437)</u>	L6 x L7

Consumers Energy Company
 Financial Metrics - Financial Basis
 Gas Results Only
 (000)

Witness: DSAlfred
 Exhibit: A-1 (DSA-2)
 Schedule A2
 Date: September 2011
 Page 1 of 6

Line	Description (a)	Calendar Year				
		2006 (b)	2007 (c)	2008 (d)	2009 (e)	2010 (f)
1	Operating Revenues - Gas	\$2,384,263	\$ 2,621,245	\$2,827,389	2,555,268	2,353,903
2	Operating Expenses - Gas	<u>2,271,720</u>	<u>2,451,078</u>	<u>2,637,480</u>	<u>2,353,958</u>	<u>2,101,420</u>
3	Pre-Tax Operating Income	\$ 112,543	\$ 170,167	\$ 189,909	\$ 201,310	\$ 252,483
4	Income Taxes	<u>18,128</u>	<u>47,012</u>	<u>44,378</u>	<u>55,947</u>	<u>67,001</u>
5	Net Operating Income	\$ 94,415	\$ 123,155	\$ 145,531	\$ 145,363	\$ 185,482
6	Other Income and Deductions	17,505	32,403	2,724	15,472	12,501
7	Allowance for Funds Used During Construction (AFUDC)	876	3,008	2,695	3,751	5,065
8	Interest Charges	(75,609)	(71,502)	(61,489)	(67,252)	(75,313)
9	Preferred Dividends	<u>(577)</u>	<u>(570)</u>	<u>(528)</u>	<u>(526)</u>	<u>(567)</u>
10	Balance Available for Common	<u>\$ 36,610</u>	<u>\$ 86,494</u>	<u>\$ 88,933</u>	<u>\$ 96,808</u>	<u>\$ 127,168</u>
11	Average Common Equity	<u>\$ 825,467</u>	<u>\$ 944,982</u>	<u>\$ 965,078</u>	<u>\$ 974,855</u>	<u>\$ 1,163,703</u>
12	Earned Rate of Return on Common Equity %	<u>4.44%</u>	<u>9.15%</u>	<u>9.22%</u>	<u>9.93%</u>	<u>10.93%</u>
13	Authorized Rate of Return on Common Equity %	<u>11.00%</u>	<u>11.00%</u>	<u>10.75%</u>	<u>10.55%</u>	<u>10.55%</u>

Consumers Energy Company

Witness: DSAlfred

Financial Metrics - Financial Basis

Exhibit: A-1 (DSA-2)

Gas Results Only

Schedule A2

(000)

Date: September 2011

Page 2 of 6

Line	Description	Calendar Year				
		2006	2007	2008	2009	2010
	(a)	(b)	(c)	(d)	(e)	(f)
<u>EBIT Interest Coverage:</u>						
14	Pre-Tax Operating Income	\$ 112,543	\$ 170,167	\$ 189,909	\$ 201,310	\$ 252,483
15	Other Income and Deductions	17,505	32,403	2,724	15,472	12,501
16	Allowance for Funds Used During Construction (AFUDC)	876	3,008	2,695	3,751	5,065
17	Total EBIT	130,924	205,578	195,328	220,533	270,049
18	Interest Charges	75,609	71,502	61,489	67,252	75,313
19	EBIT Interest Coverage Ratio	1.73	2.88	3.18	3.28	3.59
<u>EBITDA Interest Coverage:</u>						
20	EBIT	130,924	205,578	195,328	220,533	270,049
21	Depreciation & Amortization	122,206	127,589	135,861	117,954	121,551
22	Total EBITDA	253,130	333,167	331,189	338,487	391,600
23	Interest Charges	75,609	71,502	61,489	67,252	75,313
24	EBITDA Interest Coverage Ratio	3.35	4.66	5.39	5.03	5.20
<u>Funds Flow from Operations (FFO) Interest Coverage:</u>						
25	Net Operating Income	\$ 94,415	\$ 123,155	\$ 145,531	\$ 145,363	\$ 185,482
26	Depreciation & Amortization	122,206	127,589	135,861	117,954	121,551
27	Deferred Income Tax	(21,455)	22,810	71,424	32,186	55,480
28	AFUDC	876	3,008	2,695	3,751	5,065
29	Other Major Recurring Non-Cash Items	0	0	0	0	0
30	Interest Paid	64,541	62,952	55,474	62,112	68,254
31	Less:					
32	Operating Lease Adjustment to Depreciation	546	616	0	0	0
33	Sub-Total	260,037	338,898	410,985	361,366	435,832
34	Interest Charges	75,609	71,502	61,489	67,252	75,313
35	FFO Interest Coverage	3.44	4.74	6.68	5.37	5.79

Consumers Energy Company

Witness: DSAlfred

Financial Metrics - Financial Basis

Exhibit: A-1 (DSA-2)

Gas Results Only

Schedule A2

(000)

Date: September 2011

Page 3 of 6

Line	Description	Calendar Year				
		2006	2007	2008	2009	2010
	(a)	(b)	(c)	(d)	(e)	(f)
<u>Overall Fixed Charge Coverage:</u>						
36	Net Income	\$ 36,610	\$ 86,494	\$ 88,933	\$ 96,808	\$ 127,168
37	Interest Charges	75,609	71,502	61,489	67,252	75,313
38	Sub-Total Numerator	112,219	157,996	150,422	164,060	202,481
39	Interest Charges	75,609	71,502	61,489	67,252	75,313
40	Preferred Stock Dividends	577	570	528	526	567
41	Sub-Total Denominator	76,186	72,072	62,017	67,778	75,880
42	Overall Fixed Charge Coverage	1.47	2.19	2.43	2.42	2.67
<u>Cash Flow Coverage of Dividend:</u>						
43	Balance Available for Common	\$ 36,610	\$ 86,494	\$ 88,933	\$ 96,808	\$ 127,168
44	Depreciation & Amortization	122,206	127,589	135,861	117,954	121,551
45	Deferred Taxes	(21,455)	22,810	71,424	32,186	55,480
46	Deferred ITC (Included in Deferred Taxes Above)	0	0	0	0	0
47	Sub-Total	\$ 137,361	\$ 236,893	\$ 296,218	\$ 246,948	\$ 304,199
48	Common Dividends (1)	29,288	69,195	71,146	77,446	101,734
49	Cash Flow Coverage of Dividends	4.69	3.42	4.16	3.19	2.99
<u>Common Dividend Payout Ratio:</u>						
50	Common Dividends (1)					
51	Balance Available for Common	29,288	69,195	71,146	77,446	101,734
52	Common Dividend Payout Ratio	\$ 36,610	\$ 86,494	\$ 88,933	\$ 96,808	\$ 127,168
		0.80	0.80	0.80	0.80	0.80
<u>Permanent Capitalization:</u>						
<i>MPSC P-521, page 112</i>						
53	Long Term Debt					
54	Preferred Stock	4,143,200	4,076,691	4,231,433	4,348,240	4,467,433
55	Common Equity	44,160	44,160	44,160	44,160	44,160
56	Total Permanent Capital	2,957,517	3,647,075	3,704,657	3,813,541	4,136,175
		7,144,877	7,767,926	7,980,250	8,205,940	8,647,768
57	Long Term Debt					
58	Preferred Stock	57.99%	52.48%	53.02%	52.99%	51.66%
59	Common Equity	0.62%	0.57%	0.55%	0.54%	0.51%
60	Total Permanent Capital	41.39%	46.95%	46.42%	46.47%	47.83%
		100.00%	100.00%	100.00%	100.00%	100.00%

Consumers Energy Company

Witness: DSAIlfred

Financial Metric - Ratemaking Basis

Exhibit: A-1 (DSA-2)

Gas Results Only

Schedule A2

(000)

Date: September 2011

Page 4 of 6

Line	Description	Calendar Year				
		2006	2007	2008	2009	2010
	(a)	(b)	(c)	(d)	(e)	(f)
1	Operating Revenues - Gas	\$ 2,394,672	\$ 2,632,089	\$ 2,827,084	\$ 2,555,268	\$ 2,360,409
2	Operating Expenses - Gas	2,269,656	2,445,955	2,636,534	2,343,606	2,102,001
3	Pre-Tax Operating Income	\$ 125,016	\$ 186,134	\$ 190,550	\$ 211,662	\$ 258,407
4	Income Taxes	15,524	38,845	40,013	47,898	59,171
5	Net Operating Income	\$ 109,492	\$ 147,289	\$ 150,537	\$ 163,764	\$ 199,236
6	Tax Impact of Pro-Forma Interest on NOI	(2,118)	(2,023)	1,132	1,551	(1,853)
7	Allowance for Funds Used During Construction (AFUDC)	876	3,008	2,695	3,751	5,065
8	Interest Charges	(69,558)	(65,233)	(64,722)	(71,127)	(70,340)
9	Preferred Dividends	(489)	(489)	(528)	(556)	(567)
10	Balance Available for Common and JDITC	\$ 38,203	\$ 82,552	\$ 89,114	\$ 97,383	\$ 131,542
11	Return Assignable to JDITC	(1,468)	(1,466)	(1,319)	(1,111)	(1,147)
12	Balance for Common	\$ 36,735	\$ 81,086	\$ 87,795	\$ 96,272	\$ 130,395
13	Average Common Equity	\$ 857,065	\$ 969,208	\$ 1,082,493	\$ 1,089,415	\$ 1,197,405
14	Earned Rate of Return on Common Equity - %	4.29%	8.37%	8.11%	8.84%	10.89%
15	Net Income Effect of Normalized Weather	18,401	9,066	(6,933)	(10,457)	6,969
16	Adjusted Balance For Common	\$ 55,136	\$ 90,152	\$ 80,863	\$ 85,815	\$ 137,364
17	Weather Adjusted Earned Return On Equity - %	6.43%	9.30%	7.47%	7.88%	11.47%
18	Authorized Return on Equity - % *	11.00%	10.75%	10.75%	10.55%	10.55%

MICHIGAN PUBLIC SERVICE COMMISSION

Case No: U-16855

Witness: DSAlfred

Consumers Energy Company

Exhibit: A-1 (DSA-2)

Financial Metric - Ratemaking Basis

Schedule A2

Gas Results Only

Date: September 2011

(000)

Page 5 of 6

Line	Description	Calendar Year				
		2006	2007	2008	2009	2010
	(a)	(b)	(c)	(d)	(e)	(f)
<u>EBIT Interest Coverage:</u>						
16	Pre Tax Operating Income	\$ 125,016	\$ 186,134	\$ 190,550	\$ 211,662	\$ 258,407
17	Allowance for Funds Used During Construction (AFUDC)	876	3,008	2,695	3,751	5,065
18	Total EBIT	125,892	189,142	193,245	215,413	263,473
19	Interest Charges	67,440	63,210	65,854	72,678	68,487
20	EBIT Interest Coverage Ratio	1.87	2.99	2.93	2.96	3.85
<u>EBITDA Interest Coverage:</u>						
21	EBIT	125,892	189,142	193,245	215,413	263,473
22	Depreciation & Amortization	122,206	127,589	135,861	117,954	121,551
23	Total EBITDA	248,098	316,731	329,106	333,367	385,024
24	Interest Charges	67,440	63,210	65,854	72,678	68,487
25	EBITDA Interest Coverage Ratio	3.68	5.01	5.00	4.59	5.62
<u>Funds Flow from Operations (FFO) Interest Coverage:</u>						
26	Net Operating Income	\$ 109,492	\$ 147,289	\$ 150,537	\$ 163,764	\$ 199,236
27	Depreciation & Amortization	122,206	127,589	135,861	117,954	121,551
28	Deferred Income Tax	(21,455)	22,810	71,424	32,186	55,480
29	AFUDC	876	3,008	2,695	3,751	5,065
30	Other Major Recurring Non-Cash Items	0	0	0	0	0
31	Interest Paid	64,541	62,952	55,474	62,112	68,254
32	Less:					
33	Operating Lease Adjustment to Depreciation	546	616	0	0	0
34	Sub-Total	275,114	363,032	415,992	379,767	449,587
35	Interest Charges	67,440	63,210	65,854	72,678	68,487
36	FFO Interest Coverage	4.08	5.74	6.32	5.23	6.56
<u>Overall Fixed Charge Coverage:</u>						
37	Net Income	\$ 36,735	\$ 81,086	\$ 87,795	\$ 96,272	\$ 130,395
38	Interest Charges	67,440	63,210	65,854	72,678	68,487
39	Sub-Total Numerator	104,175	144,296	153,649	168,950	198,882
40	Interest Charges	67,440	63,210	65,854	72,678	68,487
41	Preferred Stock Dividends	489	489	528	556	567
42	Sub-Total Denominator	67,929	63,699	66,382	73,234	69,054
43	Overall Fixed Charge Coverage	1.53	2.27	2.31	2.31	2.88

Consumers Energy CompanyFinancial Metric - Ratemaking Basis

Gas Results Only

(000)

Line	Description	Calendar Year				
		2006	2007	2008	2009	2010
	(a)	(b)	(c)	(d)	(e)	(f)
Cash Flow Coverage of Dividend:						
44	Net Income	\$ 36,735	\$ 81,086	\$ 87,795	\$ 96,272	\$ 130,395
45	Depreciation & Amortization	122,206	127,589	135,861	117,954	121,551
46	Deferred Taxes	(21,455)	22,810	71,424	32,186	55,480
47	#REF!	0	0	0	0	0
48	Sub-Total	\$ 137,486	\$ 231,485	\$ 295,080	\$ 246,412	\$ 307,426
49	Common Dividends (2)	29,388	64,869	70,236	77,017	104,316
50	Cash Flow Coverage of Dividends	4.68	3.57	4.20	3.20	2.95
Common Dividend Payout Ratio:						
51	Common Dividends (2)	29,388	64,869	70,236	77,017	104,316
52	Net Income	\$ 36,735	\$ 81,086	\$ 87,795	\$ 96,272	\$ 130,395
53	Common Dividend Payout Ratio	0.80	0.80	0.80	0.80	0.80
Permanent Capitalization Ratemaking Basis:						
<i>Rates Department - Cost of Capital Study</i>						
54	Long Term Debt Excl Securitization	3,791,390	3,799,753	3,991,121	4,138,249	4,297,457
55	Preferred Stock	44,038	44,038	44,038	44,038	44,038
56	Common Equity	2,949,846	3,661,045	3,698,803	3,815,776	4,135,979
57	Total Permanent Capital	6,785,274	7,504,836	7,733,962	7,998,063	8,477,474
58	Long Term Debt	55.88%	50.63%	51.61%	51.74%	50.69%
59	Preferred Stock	0.65%	0.59%	0.57%	0.55%	0.52%
60	Common Equity	43.47%	48.78%	47.83%	47.71%	48.79%
61	Total Permanent Capital	100.00%	100.00%	100.00%	100.00%	100.00%

Note:

(1) Case No. U-14347, dated December 22, 2005, at 11.15%.

Case No. U-15245, dated June 10, 2008, at 10.70%.

Case No. U-15645, dated November 2, 2009, at 10.70%.

Case No. U-16191, dated November 4, 2010, at 10.70%.

(2) Consumers Energy dividends to the parent as a total company. These numbers represent the Company's 80% dividend policy applied to the Balance Available for Common above.

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B1

Case No: U-16855
Witness: DSAlfred
Exhibit: A-2 (DSA-3)
Schedule B1
Date: September 2011
Page 1 of 1

Consumers Energy Company
Average Gas Rate Base
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Total Gas Amount</u> (b)	<u>Source</u> (c)
Average Gas Rate Base			
1	Net Utility Plant	\$ 1,709,481	Exhibit: A-2 (DSA-5)
2	Working Capital	1,212,487	Exhibit: A-2 (DSA-6)
3	Unamortized MGP Expense -Net	<u>21,786</u>	WP-DSA-3
4	Total Rate Base	<u>\$ 2,943,754</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B2

Case No: U-16855

Witness: DSAlfred

Exhibit: A-2 (DSA-4)

Schedule B2

Date: September 2011

Page 1 of 1

Consumers Energy Company

Rate Base-Average Gas Plant and Other Assets

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u> (a)	<u>Total Gas Amount</u> (b)	<u>Source</u> (c)
Utility Plant			
1	Plant in Service	\$ 3,793,355	WP-DSA-2
2	Property Held for Future Use	414	WP-DSA-2
3	Other Assets and Deferred Debits	-	WP-DSA-2
4	Construction Work in Progress (CWIP)	<u>150,275</u>	WP-DSA-2
5	Total Utility Plant	<u>\$ 3,944,044</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B3

Case No: U-16855

Witness: DSAlfred

Exhibit: A-2 (DSA-5)

Schedule B3

Date: September 2011

Page 1 of 1

Consumers Energy Company

Rate Base-Average Gas Depreciation Reserve and Other Deductions

For the Year Ended December 31, 2010

(000)

Line	Description (a)	Total Gas Amount (b)	Source (d)
1	Accumulated Depreciation, Amortization and Depletion of Plant in Service (PIS)	\$ (2,234,183)	WP-DSA-2
2	Retained from Contractors	-	
3	Customer Advances for Construction	<u>(380)</u>	WP-DSA-1
4	Rate Base-Average Gas Depreciation Reserve and Other Ded	<u>(2,234,563)</u>	
5	Net Utility Plant	<u>\$ 1,709,481</u>	Exhibit: A-2 (DSA-4) Line 5 less Exhibit: A-2 (DSA-5) Line 4

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B4

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-2 (DSA-6)
 Schedule B4
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Gas Balance Sheet Working Capital Summary
 For the Year Ended December 31, 2010
 (000)

Line	Description (a)	Amount ¹ (b)
Assets		
1	Cash	\$ 7,075
2	Cash Equivalents	111,635
3	Notes Receivable	69,600
4	Accounts Receivable	174,558
5	Sale of Receivables	(143,361)
6	CE Receivable Funding	264,262
7	Materials & Supplies	18,831
8	Gas Stored Underground	910,229
9	Accrued Revenues	122,434
10	Sale of Accrued Revenues	(121,135)
11	Prepayments	6,646
12	Real & Personal Property Taxes	50,021
13	Other Current Assets	<u>15,395</u>
14	Total Current Assets	\$ 1,486,189
15	Deferred Debits	<u>460,148</u>
16	Total Assets	<u>\$ 1,946,337</u>
Liabilities		
17	Accounts Payable	\$ 162,798
18	Dividends Payable	7,979
19	Accrued Interest	16,025
20	Accrued Taxes	82,842
21	Other Current Liabilities	<u>6,561</u>
22	Total Current Liabilities	\$ 276,205
23	Deferred Credits and Operating Reserves	<u>457,645</u>
24	Total Liabilities	<u>\$ 733,850</u>
25	Net Gas Working Capital Requirement - 2010	<u>\$ 1,212,487</u>

Footnotes

¹ Exhibit: A-2 (DSA-7)

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Gas Balance Sheet Working Capital Summary-Assets
 For the Year Ended December 31, 2010

Schedule B5

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-2 (DSA-7)
 Schedule B5
 Date: September 2011
 Page 1 of 2

13 Month Average Balance Sheet
 December 31, 2010

Line	Description	Total Co. (c)	Investor Supplied				Plant				Working Capital					
			CECo (b)	Subs (c)	Elec. (d)	Mid-land (e)	Gas (f)	MGP (g)	Non-Utility (h)	Total (i)	Elec. (j)	Gas (k)	Non-Utility (l)			
ASSETS:																
1	UTILITY PLANT	13,345,150,040	342,777,473	-	9,377,511,680	-	-	3,624,855,464	-	-	-	5,423	17,869,074	10,597,447	7,074,724	196,903
2	COMMON PLANT	779,773,728	1,660,235	-	456,923,223	-	-	319,190,271	-	-	-	-	275,053,846	163,416,659	11,635,186	(1)
3	TOTAL GROSS PLANT	14,124,923,768	344,437,708	-	9,834,434,903	-	-	3,944,045,734	-	-	-	5,423	18,124,127,920	10,760,866,106	18,709,910	196,892
4	DEPRECIATION RESERVE	(4,058,478,442)	134,273,909	-	(2,833,700,059)	-	-	(1,359,053,286)	-	-	-	-	(37,568,446)	300,330,855	174,387,676	2,663,647
5	COMMON DEPRECIATION RESERVE	(556,333,275)	(1,723,694)	-	(212,394,937)	-	-	(142,214,643)	-	-	-	-	(222,328,306)	480,239,251	284,262,244	-
6	TOTAL DEPRECIATION	(4,614,812,716)	132,550,216	-	(3,046,094,993)	-	-	(1,501,267,939)	-	-	-	-	103,277,347	84,446,778	18,630,939	(0)
7	NET PLANT (Line 3 + Line 6)	9,710,111,052	476,987,923	-	6,790,339,911	-	-	2,442,777,795	-	-	-	5,423	17,780,859,573	10,506,419,330	16,578,975	196,892
8	OTHER PROPERTY	48,378,811	35,008,899	(311,009)	-	-	-	-	-	-	-	13,680,921	128,381,346	54,624	-	-
CURRENT & ACCRUED ASSETS:																
9	CASH EQUIVALENTS	74,141,757	56,272,684	-	-	-	-	-	-	-	-	-	340,845,470	218,400,164	122,433,591	12,273
10	NOTES RECEIVABLE	278,922,353	3,860,597	-	-	-	-	-	-	-	-	-	3,408,650,551	(218,400,164)	(121,135,398)	-
11	ACCOUNTS RECEIVABLE	69,000,072	-	-	-	-	-	-	-	-	-	-	1,000,000,000	1,000,000,000	1,000,000,000	-
12	SALES RECEIVABLE	491,739,179	4,287,001	-	-	-	-	-	-	-	-	-	27,432,683	20,616,199	6,000,254	20,240
13	SALES RECEIVABLE	(373,869,446)	-	-	-	-	-	-	-	-	-	-	(27,432,683)	(20,616,199)	(6,000,254)	20,240
14	DEFERRED FUNDING	74,391,475	-	-	-	-	-	-	-	-	-	-	135,635,535	5,031,352	5,031,352	5,031,352
15	MATERIALS AND SUPPLIES	103,277,777	-	-	-	-	-	-	-	-	-	-	53,677,611	37,985,211	15,395,361	297,041
16	FUELS STOCK	126,361,348	-	-	-	-	-	-	-	-	-	-	126,361,346	-	-	-
17	CUSTOMER ALLOWANCES	49,624	-	-	-	-	-	-	-	-	-	-	54,624	-	-	-
18	GOODS STORED UNDERGROUND	910,228,612	-	-	-	-	-	-	-	-	-	-	910,228,612	-	-	-
19	ACCUMULATED DEPRECIATION	(375,253,788)	34,407,847	-	-	-	-	-	-	-	-	-	340,845,470	218,400,164	122,433,591	12,273
20	SALE OF ACCRUED REVENUES	(339,335,951)	-	-	-	-	-	-	-	-	-	-	(339,335,951)	(218,400,164)	(121,135,398)	-
21	PREPAID EXPENSES	186,462,663	-	-	-	-	-	-	-	-	-	-	27,432,683	20,616,199	6,000,254	20,240
22	DEFERRED PERSONAL PROP. TAX	186,462,663	-	-	-	-	-	-	-	-	-	-	27,432,683	20,616,199	6,000,254	20,240
23	OTHER ASSETS	2,177,260,672	2,123,983,061	-	-	-	-	-	-	-	-	-	169,071,616	135,635,535	5,031,352	5,031,352
24	TOTAL CURRENT ASSETS	4,811,720,499	2,222,419,858	-	-	-	-	-	-	-	-	-	5,877,611	1,099,597,562	1,486,189,261	3,513,820
25	DEFERRED DEBITS	2,100,053,415	665,236,225	-	18,624	-	-	-	-	-	60,591,098	-	1,374,207,489	914,055,246	460,147,845	378
26	TOTAL ASSETS	16,670,263,778	3,399,652,904	(311,009)	6,790,339,911	-	-	2,442,777,795	-	-	60,591,098	13,680,921	3,963,508,110	2,013,656,807	1,946,337,106	3,514,198

Source: WP-DSA-4 to WP-DSA-62

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B5

Case No: U-16855
 Witness: DSA/Alfred
 Exhibit: A-2 (DSA-7)
 Schedule B5
 Date: September 2011
 Page 2 of 2

Consumers Energy Company
 Gas Balance Sheet Working Capital Summary-Capitalization and Liabilities
 For the Year Ended December 31, 2010

**13 Month Average Balance Sheet
 December 31, 2010**

	LIABILITIES:	Investor Supplied	Plant	Working Capital
27	COMMON EQUITY	(4,026,440,400)	-	-
28	PREFERRED STOCK	(44,038,159)	-	-
29	LONG TERM DEBT	(4,158,179,350)	-	-
30	CAPITAL LEASES	(220,248,386)	-	-
31	TOTAL CAPITALIZATION	(8,448,906,296)	998,173	-
	CURRENT/ACCRUED LIABILITIES:			
32	NOTES PAYABLE	(27,395,393)	-	-
33	ACCOUNTS PAYABLE	(371,453,312)	-	(162,798,214)
34	CUSTOMER DEPOSITS	(37,021,081)	-	(206,751,698)
35	DIVIDENDS DECLARED	(27,886,063)	-	(7,978,933)
36	ACCRUED INTEREST	(63,492,246)	-	(19,851,273)
37	ACCRUED TAXES	(272,452,181)	-	(39,845,436)
38	CURRENT MATURITIES	(133,390,462)	-	(192,328,809)
39	OTHER LIABILITIES	(4,330,274)	(4,401,188)	(6,561,088)
40	TOTAL CURRENT LIABILITIES	(668,635,181)	(4,401,188)	(479,029,107)
	DEFERRED CREDITS:			
41	CUSTOMER ADVANCES	(42,415,151)	-	-
42	INVESTMENT TAX CREDITS	(35,575,741)	(390,353)	-
43	JOB DEVELOP. INVEST. TAX CRED.	(14,231,311)	-	-
44	DEFERRED INCOME TAXES	(3,794,251,186)	-	-
45	DEFERRED CREDITS/OPER. RES.	(3,366,248,914)	(34,404,378)	(893,873,076)
46	TOTAL DEFERRED CREDITS	(7,252,772,302)	(34,404,378)	(457,645,487)
47	TOTAL LIABILITIES	(16,670,263,778)	(38,805,566)	(1,372,902,183)
48	ASSETS NET OF LIABILITIES	(8,800,226,486)	1,709,482,368	(753,850,378)
		687,164	21,785,531	640,754,624
			13,686,345	1,212,488,728
				(17,39,495)
				1,774,713

Source: WP-DSA-4 to WP-DSA-62

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Gas Balance Sheet Working Capital Summary-Assets
 For the Year Ended December 31, 2010

Schedule B6

Case No: U-16655
 Witness: DSAlfred
 Exhibit: A-2 (DSA-8)
 Schedule B6
 Date: September 2011
 Page 1 of 2

**YDSA End Balance Sheet
 December 31, 2010**

Line	Description	Total Co. (a)	Investor Supplied				Plant				Working Capital			
			CECo (b)	Subs (c)	Elec. (d)	Mid-land (e)	Gas (f)	MGP (g)	Elec. (h)	Non-Utility (i)	Total (j)	Elec. (k)	Gas (l)	Non-Utility (m)
ASSETS:														
1	UTILITY PLANT	13,668,573,165	339,703,046	-	9,615,984,796	-	3,712,885,323	-	-	-	-	-	-	-
2	COMMON PLANT	832,173,762	1,705,397	-	489,810,253	-	340,658,131	-	-	-	-	-	-	-
3	TOTAL GROSS PLANT	14,500,746,947	341,408,444	-	10,105,795,049	-	4,053,543,455	-	-	-	-	-	-	-
4	DEPRECIATION RESERVE	(4,138,379,931)	130,695,729	-	(2,894,332,640)	-	(1,374,743,021)	-	-	-	-	-	-	-
5	COMMON DEPRECIATION RESERVE	(378,740,257)	(1,767,069)	-	(225,827,430)	-	(151,145,758)	-	-	-	-	-	-	-
6	TOTAL DEPRECIATION	(4,517,120,188)	128,928,660	-	(3,120,160,069)	-	(1,525,888,779)	-	-	-	-	-	-	-
7	NET PLANT (Line 3 + Line 6)	9,983,626,759	470,337,103	-	6,985,634,980	-	2,527,654,676	-	-	-	-	-	-	-
8	OTHER PROPERTY	53,244,429	39,861,560	(319,454)	-	-	-	-	-	-	-	13,702,322	-	-
CURRENT & ACCRUED ASSETS:														
9	CASH	104,912,394	57,733,662	-	-	-	-	-	-	-	-	-	-	-
10	CASH EQUIVALENTS	23,534,403	4,934,403	-	-	-	-	-	-	-	-	-	-	-
11	NOTES RECEIVABLE	76,312,026	758	-	-	-	-	-	-	-	-	-	-	-
12	ACCOUNTS RECEIVABLE	523,620,023	4,699,237	-	-	-	-	-	-	-	-	-	-	-
13	SALE OF RECEIVABLES	(409,373,234)	-	-	-	-	-	-	-	-	-	-	-	-
14	CF RECEIVABLE FUNDING	851,945,369	-	-	-	-	-	-	-	-	-	-	-	-
15	MATERIALS AND SUPPLIES	99,865,143	-	-	-	-	-	-	-	-	-	-	-	-
16	FUEL STOCK	123,954,820	-	-	-	-	-	-	-	-	-	-	-	-
17	CLEAN AIR ALLOWANCES	24,018	-	-	-	-	-	-	-	-	-	-	-	-
18	GAS STORED UNDERGROUND	941,345,284	-	-	-	-	-	-	-	-	-	-	-	-
19	ACCRUED REVENUES	460,754,536	21,166,014	-	-	-	-	-	-	-	-	-	-	-
20	SALE OF ACCRUED REVENUES	(439,359,523)	-	-	-	-	-	-	-	-	-	-	-	-
21	PREPAYMENTS	26,887,653	-	-	-	-	-	-	-	-	-	-	-	-
22	REAL & PERSONAL PROP. TAX	271,996,152	-	-	-	-	-	-	-	-	-	-	-	-
23	OTHER ASSETS	1,999,207,189	1,947,162,390	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL CURRENT ASSETS	4,655,626,272	2,035,696,454	-	-	-	-	-	-	-	-	-	-	-
25	DEFERRED DEBITS	2,063,265,790	621,541,565	-	8,566	-	57,765,743	-	-	-	-	-	-	284
26	TOTAL ASSETS	16,755,783,250	3,167,436,683	(319,454)	6,995,643,546	2,527,654,676	57,765,743	13,702,322	4,003,279,724	1,950,927,853	2,049,944,690	3,006,936	284	3,007,220

Source: Rates Department - Year End Working Capital Study

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B6

Case No: U-16655
 Witness: DSA/Red
 Exhibit: A-2 (DSA-8)
 Schedule B6
 Date: September 2011
 Page 2 of 2

Consumers Energy Company
 Gas Balance Sheet Working Capital Summary-Capitalization and Liabilities
 For the Year Ended December 31, 2010

**Year End Balance Sheet
 December 31, 2010**

LIABILITIES:		Investor Supplied	Plant	Working Capital
27	COMMON EQUITY	(4,137,306,188)	-	-
28	PREFERRED STOCK	(44,036,159)	-	-
29	LONG TERM DEBT	(4,484,529,617)	-	-
30	CAPITAL LEASES	(211,569,865)	-	-
31	TOTAL CAPITALIZATION	(8,877,258,779)	-	-
32	CURRENT/ACCRUED LIABILITIES:			
33	NOTES PAYABLE	(27,395,393)	-	-
34	CUSTOMER DEPOSIT	(403,288,879)	-	(161,473,297)
35	DIVIDENDS DECLARED	(38,029,768)	-	(349,515)
36	ACCRUED INTEREST	(490,981)	-	(490,981)
37	ACCRUED TAXES	(3,175,303)	-	(49,627,188)
38	CURRENT MATURITIES	(72,899,288)	-	(19,957,177)
39	OTHER LIABILITIES	(199,894,289)	-	(45,484,197)
40	TOTAL CURRENT LIABILITIES	(771,445,758)	(4,478,497)	(230,806,633)
41	DEFERRED CREDITS:			
42	CUSTOMER ADVANCES	(36,926,750)	(342,300)	-
43	INVESTMENT TAX CREDITS	(35,298,635)	-	-
44	JOB DEVELOP. INVEST. TAX CRED.	(13,902,882)	-	-
45	DEFERRED INCOME TAXES	(3,841,235,792)	(744,874,341)	(389,101,988)
46	DEFERRED CREDITS/OPER. RES.	(3,180,712,826)	(31,274,514)	(757,633,741)
	TOTAL DEFERRED CREDITS	(4,578,523,946)	(745,216,644)	(389,101,988)
47	TOTAL LIABILITIES	(13,528,782,045)	(35,753,011)	(1,213,589,019)
48	ASSETS NET OF LIABILITIES	(10,361,345,362)	1,782,438,034	1,430,036,069

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C1

Case No: U-16855
 Witness: DSAIfred
 Exhibit: A-3 (DSA-9)
 Schedule C1
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Adjusted Net Operating Income
 For the Year Ended December 31, 2010
 (000)

Line	Description (a)	Total Gas Amount (b)	Source (c)
1	Sales Revenue	\$ 2,209,291	Exhibit: A-3 (DSA-11)
2	Transportation Revenue	57,480	Exhibit: A-3 (DSA-11)
3	Miscellaneous Revenue	<u>93,638</u>	Exhibit: A-3 (DSA-11)
4	Operating Revenues	<u>\$ 2,360,409</u>	
Operating Expenses			
5	Cost of Gas Sold	\$ 1,494,798	Exhibit: A-3 (DSA-12)
6	Lost and Unaccounted For (LAUF)	24,180	Exhibit: A-3 (DSA-12)
7	Company Use	5,482	Exhibit: A-3 (DSA-12)
8	Other Operation & Maintenance	389,175	Exhibit: A-3 (DSA-13)
9	Depreciation & Amortization Expense	124,918	Exhibit: A-3 (DSA-14)
10	Property Taxes	45,655	Exhibit: A-3 (DSA-15)
11	General Taxes - Other	12,071	Exhibit: A-3 (DSA-15)
12	Michigan Business Tax	8,001	Exhibit: A-3 (DSA-17)
13	City Income Taxes	(37)	Exhibit: A-3 (DSA-18)
14	Federal Income Taxes	<u>59,171</u>	Exhibit: A-3 (DSA-16)
15	Total Operating Expenses	<u>\$ 2,163,415</u>	
16	Net Operating Income	\$ 196,994	
17	Allowance for Funds Used During Construction (AFUDC)	<u>5,065</u>	Exhibit: A-3 (DSA-19)
18	Sub-total	\$ 202,059	
Normalizing Adjustments			
19	Compensation Disallowances	3,918	Exhibit: A-3 (DSA-20)
20	Dues and Donations Disallowances	131	Exhibit: A-3 (DSA-21)
21	Advertising Classification and Disallowance	1	Exhibit: A-3 (DSA-22)
22	Corporate Giving & Communications - Staff Salaries	165	Exhibit: A-3 (DSA-23)
23	Corporate Services Normalizations	1,724	Exhibit: A-3 (DSA-24)
24	Weather Normalization	6,969	Exhibit: A-3 (DSA-25)
25	PEM/OEM Revenue & Expense	(4)	Exhibit: A-3 (DSA-26)
26	EO Surcharge & Expenses	-	Exhibit: A-3 (DSA-27)
27	Sales & Use Tax Normalization	(2,104)	Exhibit: A-3 (DSA-28)
28	Interest Income on Cash Equivalents	69	Exhibit: A-3 (DSA-29)
29	Jobwork Revenues	1,847	Exhibit: A-3 (DSA-30)
30	Jobwork Expenses	(1,652)	Exhibit: A-3 (DSA-31)
31	Tax Benefit of Proforma Interest	(2,000)	Exhibit: A-3 (DSA-32)
32	Interest Synchronization	<u>148</u>	Exhibit: A-3 (DSA-33)
33	Adjusted Net Operating Income	<u>\$ 211,271</u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C2**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-10)

Schedule C2

Date: September 2011

Page 1 of 1

Consumers Energy Company
Computation of Revenue Multiplier
For the Year Ended December 31, 2010

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Base Prior to Income Tax	\$ 100.00	
2	Michigan Business Tax	<u>5.7500</u>	L1 x 5.75% MBT Rate
3	Federal Income Tax Base	\$ 94.250	L1 - L2
4	Federal Income Tax	<u>32.988</u>	L3 x 35% Fed Tax Rate
5	Income Base - after taxes	<u>\$ 61.263</u>	L3 - L4
6	Revenue Multiplier	<u><u>1.6323</u></u>	L1 / L5

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C3**

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-11)
Schedule C3
Date: September 2011
Page 1 of 1

Consumers Energy Company
Historical Sales Revenues
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> ¹ (b)	<u>Source</u> (c)
1	Sales Revenue	\$ 2,209,291	P-522, p. 300 line 12 & line 26
2	Transportation Revenue	57,480	WP-DSA-67
3	Miscellaneous Revenues	<u>93,638</u>	WP-DSA-67
4	Total Revenues	<u>\$ 2,360,409</u>	MPSC P-521, p.115

Footnotes

¹ WP-DSA-65 to WP-DSA-69

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C4**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-12)

Schedule C4

Date: September 2011

Page 1 of 1

Consumers Energy Company

Cost of Gas Sold

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Purchased Gas	\$ 1,429,788	WP-DSA-77
2	Gas Withdrawn From Storage	755,163	WP-DSA-77
3	Gas Delivered To Storage	(662,580)	WP-DSA-77
4	Gas Used In Utility Operations	(5,482)	Exhibit A-16 (SBB-1)
5	Lost and Unaccounted For (LAUF)	<u>(22,091)</u>	WP-DSA-70
6	Cost of Gas Sold	<u>\$ 1,494,798</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C5

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-13)

Schedule C5

Date: September 2011

Page 1 of 3

Consumers Energy Company

Other Operation and Maintenance Expense

For the Year Ended December 31, 2010

(000)

Line	Description (a)	Amount (b)	Source (c)
1	Exclude Company Use	\$ (5,482)	Exhibit A-16 (SBB-1)
2	Exclude Amortization of Storage Losses	(2,090)	WP-DSA-73
3	Exclude Amortization of MGP	(3,366)	Exhibit A-40 (DLH-3)
4	Underground Storage Expense	20,071	MPSC Report P-522, p.323, line 177
5	Transmission Expense	23,688	MPSC Report P-522, p.324, line 201
6	Distribution Expense	106,415	MPSC Report P-522, p.324, line 229
7	Customer Accounts Expense	74,437	MPSC Report P-522, p.324, line 237
8	Customer Service & Informational Expense	43,303	MPSC Report P-522, p.325, line 244
9	Sales Expense	71	MPSC Report P-522, p.325, line 251
10	Administrative & General Expense	<u>132,128</u>	MPSC Report P-522, p.325, line 270
11	Total Other O&M	<u>\$ 389,175</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Historic 2010 Adjusted O&M Expense
 By MPSC Account and Witness

Schedule C5

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-3 (DSA-13)
 Schedule C5
 Date: September 2011
 Page 2 of 3

Account	MPSC P-522 Pg 322 - 325	SBBeachum Gas Division	SBBeachum Company Use	SBBeachum I & D	SBBeachum LIEEF	HBKops Benefits	DLHarry Corporate	DLHarry Uncoll Exp	DLHarry MGP Direct	DLHarry AR Sale Cost	LERoth BTS	MKTrumble Smart Grid	Other	Gas Total	MPSC P-522 Pg 322-325	Variance																											
																	Line 101	Line 103	Line 104	Line 105	Line 106	Line 107	Line 110	Line 111	Line 116	Line 118	Line 119	Line 120	Line 121	Line 180	Line 181	Line 182	Line 183	Line 184	Line 186	Line 187	Line 189	Line 193	Line 195	Line 196	Line 197	Line 204	Line 208
814	1,014	88	-	-	-	-	-	-	-	-	-	-	-	1,014	0	0																											
816	88	-	-	-	-	-	-	-	-	-	-	-	-	88	0	0																											
817	1,478	-	-	-	-	-	-	-	-	-	-	-	-	1,478	(0)	(0)																											
818	3,399	-	-	-	-	-	-	-	-	-	-	-	-	3,399	(0)	(0)																											
819	-	-	-	-	-	-	-	-	-	-	-	-	-	3,399	(0)	(0)																											
820	8,180	-	-	-	-	-	-	-	-	-	-	-	-	8,180	(0)	(0)																											
821	39	-	-	-	-	-	-	-	-	-	-	-	-	(3)	0	0																											
822	2,090	-	-	-	-	-	-	-	-	-	-	-	-	2,150	0	0																											
823	360	-	-	-	-	-	-	-	-	-	-	-	-	991	0	0																											
824	681	-	-	-	-	-	-	-	-	-	-	-	-	681	-	-																											
830	339	-	-	-	-	-	-	-	-	-	-	-	-	339	(0)	(0)																											
832	997	-	-	-	-	-	-	-	-	-	-	-	-	997	(0)	(0)																											
833	997	-	-	-	-	-	-	-	-	-	-	-	-	997	(0)	(0)																											
834	721	-	-	-	-	-	-	-	-	-	-	-	-	721	(0)	(0)																											
835	37	-	-	-	-	-	-	-	-	-	-	-	-	37	(0)	(0)																											
850	2,113	-	-	-	-	-	-	-	-	-	-	-	-	2,113	0	0																											
851	3,481	-	-	-	-	-	-	-	-	-	-	-	-	3,982	0	0																											
852	244	-	-	-	-	-	-	-	-	-	-	-	-	244	0	0																											
853	2,872	-	-	-	-	-	-	-	-	-	-	-	-	2,426	(0)	(0)																											
854	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,634)	0	0																											
855	5,920	-	-	-	-	-	-	-	-	-	-	-	-	5,922	(0)	(0)																											
856	2,362	-	-	-	-	-	-	-	-	-	-	-	-	4,154	(0)	(0)																											
857	1,793	-	-	-	-	-	-	-	-	-	-	-	-	295	0	0																											
859	295	-	-	-	-	-	-	-	-	-	-	-	-	662	0	0																											
861	662	-	-	-	-	-	-	-	-	-	-	-	-	3,177	(0)	(0)																											
863	3,177	-	-	-	-	-	-	-	-	-	-	-	-	5,317	0	0																											
864	5,317	-	-	-	-	-	-	-	-	-	-	-	-	30	(0)	(0)																											
865	30	-	-	-	-	-	-	-	-	-	-	-	-	10,054	(2)	(2)																											
870	9,854	-	-	-	-	-	-	-	-	-	-	-	-	18,133	0	0																											
874	18,133	-	-	-	-	-	-	-	-	-	-	-	-	16,74	(0)	(0)																											
875	1,674	-	-	-	-	-	-	-	-	-	-	-	-	6,155	(0)	(0)																											
878	6,154	-	-	-	-	-	-	-	-	-	-	-	-	26,971	(0)	(0)																											
879	26,971	-	-	-	-	-	-	-	-	-	-	-	-	25,151	0	0																											
880	16,724	-	-	-	-	-	-	-	-	-	-	-	-	2,544	(0)	(0)																											
885	2,544	-	-	-	-	-	-	-	-	-	-	-	-	7,543	0	0																											
887	7,543	-	-	-	-	-	-	-	-	-	-	-	-	1,130	(0)	(0)																											
889	1,130	-	-	-	-	-	-	-	-	-	-	-	-	4,182	0	0																											
892	4,182	-	-	-	-	-	-	-	-	-	-	-	-	2,410	0	0																											
893	2,410	-	-	-	-	-	-	-	-	-	-	-	-	469	0	0																											
894	469	-	-	-	-	-	-	-	-	-	-	-	-	3,705	(0)	(0)																											
901	3,705	-	-	-	-	-	-	-	-	-	-	-	-	10,322	0	0																											
902	10,322	-	-	-	-	-	-	-	-	-	-	-	-	30,516	2	2																											
903	24,694	-	-	-	-	-	-	-	-	-	-	-	-	29,839	0	0																											
904	904	-	-	-	-	-	-	-	-	-	-	-	-	53	0	0																											
905	53	-	-	-	-	-	-	-	-	-	-	-	-	70	(0)	(0)																											
907	70	-	-	-	-	-	-	-	-	-	-	-	-	42,726	(0)	(0)																											
908	25,298	-	-	-	-	-	-	-	-	-	-	-	-	17,427	0	0																											

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Historic 2010 Adjusted O&M Expense
 By MPSC Account and Witness

Schedule C5

Exhibit: A-3 (DSA-13)
 Schedule C5
 Date: September 2011
 Page 3 of 3

MPSC P-522 Account	SBBeachum Gas Division	SBBeachum Company Use	SBBeachum I & D	SBBeachum LIEEF	HBKops Benefits	DLHarry Corporate	DLHarry Uncoll Exp	DLHarry MGP Direct	DLHarry AR Sale Cost	LERoth BTS	MKTrumble Smart Grid	Other	Gas Total	MPSC P-521 Pg 320-323	Variance
909	248	-	-	-	-	260	-	-	-	-	-	-	508	508	(0)
912	71	-	-	-	-	0	-	-	-	-	-	-	71	71	0
920	2,158	-	-	-	-	13,956	-	-	-	5,187	-	-	21,301	21,302	0
921	3,223	-	-	-	-	1,677	-	-	-	4,391	-	-	9,291	9,291	(0)
922	-	-	-	-	-	(6,177)	-	-	-	-	-	-	(6,177)	(6,177)	-
923	86	-	-	-	-	6,716	-	-	-	-	-	-	6,802	6,802	0
924	-	-	-	-	-	805	-	-	-	-	-	-	805	805	(0)
925	320	-	2,453	-	-	8,588	-	643	-	-	-	-	12,004	12,004	0
926	-	-	-	-	-	(746)	-	-	-	-	-	-	76,765	76,765	0
928	-	-	-	-	-	306	-	-	-	-	-	-	306	306	(0)
930.1	-	-	-	-	-	1,665	-	-	-	-	-	-	1,665	1,665	0
930.2	548	-	-	-	-	4,606	-	-	926	-	-	45	6,125	6,125	(0)
931	124	-	-	-	-	(36)	-	-	-	-	-	-	88	88	0
935	3,149	-	-	-	-	(65)	-	-	-	-	46	-	3,151	3,151	0
Total	\$ 210,476	\$ 5,482	\$ 2,453	\$ 17,427	\$ 77,511	\$ 32,934	\$ 28,935	\$ 643	\$ 926	\$ 23,077	\$ 143	\$ 105	\$ 400,113	\$ 400,113	\$ (0)
Expenses reclassified or shown separately:															
Company Use		(5,482)													
Storage Loss Amortization	(2,090)														
MGP Amortization						(3,366)									
Disallowances/Exclusions/Normalizations:															
EICP (991)															
Restricted Stock						(1,370)				(226)			(2,587)	Exhibit: A-3 (DSA-20)	
SERP					(1,121)	(2,572)							(2,572)	Exhibit: A-3 (DSA-20)	
DSSP					(17)								(17)	Exhibit: A-3 (DSA-20)	
EISP					(11)								(11)	Exhibit: A-3 (DSA-20)	
Exec LTD & Annual Physicals					(33)								(33)	Exhibit: A-3 (DSA-20)	
Dues/Donations/Lobbying													(214)	Exhibit: A-3 (DSA-21)	
Advertising													(2)	Exhibit: A-3 (DSA-22)	
Corporate Giving/Comm													(266)	Exhibit: A-3 (DSA-23)	
Corporate Normalizations													(2,790)	Exhibit: A-3 (DSA-24)	
Int Income on Cash Equivalents												(112)	(112)	Exhibit: A-3 (DSA-29)	
Jobwork												2,674	2,674	Exhibit: A-3 (DSA-31)	
Energy Optimization Surcharge (24,408)													(24,408)	Exhibit: A-3 (DSA-27)	
PEM/OEM Equalization					(3,236)								(3,236)	Exhibit: A-3 (DSA-26)	
Total	\$ 182,987	\$ -	\$ 2,453	\$ 17,427	\$ 73,093	\$ 22,363	\$ 28,935	\$ 643	\$ 926	\$ 22,851	\$ 143	\$ 2,667	\$ 354,479	\$ 354,479	\$ (0)

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C6**

Case No: U-16855

Witness: DSAIfred

Exhibit: A-3 (DSA-14)

Schedule C6

Date: September 2011

Page 1 of 1

Consumers Energy Company
Depreciation and Amortization Expense
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u>	<u>Amount</u> ¹	<u>Source</u>
	(a)	(b)	(c)
1	Underground Storage Expense	\$ 7,911	MPSC Report P-522, p.336, line 5
2	Transmission Expense	11,397	MPSC Report P-522, p.336, line 8
3	Distribution Expense	76,236	MPSC Report P-522, p.336, line 9
4	General Plant	4,341	MPSC Report P-522, p.336, line 10
5	Allocated Portion of Common Plant	21,017	MPSC Report P-522, p.336, line 13 (g)
6	Amortization of Underground Storage Land & Land Rights	107	MPSC Report P-522, p.336, line 5(d)
7	Amortization of Limited Term Plant	19	MPSC Report P-522, p.336, line 1(e)
8	Amortization of Other Gas Plant	442	MPSC Report P-522, p.336, line 1(f)
9	Allocated Portion of Common limited Term Plant	74	MPSC Report P-522, p.336, line 14(e)
10	Amortization of Utility Plant Acquisition Adjustment	6	MPSC Report P-521, p.115, line 9(g)
11	Regulatory Debits	0	MPSC Report P-521, p.115, line 12(g)
12	Amortization of MGP	<u>3,366</u>	Exhibit A-40 (DLH-3)
13	Total Depreciation & Amortization Expense	<u>\$ 124,918</u>	

Footnotes¹ WP-DSA-82 to WP-DSA-83

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C7

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-15)
Schedule C7
Date: September 2011
Page 1 of 1

Consumers Energy Company
General Taxes
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> ¹ (b)	<u>Source</u> (c)
1	Real & Personal Property Tax	\$ 45,655	MPSC Report MPSC P-521, p. 262.1, line 20(j)
2	Payroll Taxes	11,224	MPSC Report P-521, Page 262.1, lines 3, 4, 11(i)
3	Other General Taxes	<u>848</u>	MPSC Report P-521, Page 262.1, lines 12, 13, 15
4	Total General Taxes	<u>\$ 57,726</u>	MPSC Report P-521, Page 115

Footnotes

¹ WP-DSA-84 to WP-DSA-85

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C8

Case No: U-16855
Witness: DSAIfred
Exhibit: A-3 (DSA-16)
Schedule C8
Date: September 2011
Page 1 of 1

Consumers Energy Company

Federal Income Taxes

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> ¹ (b)	<u>Source</u> (c)
1	Income Taxes-Federal	\$ 3,691	MPSC Report P-521, p. 115, Line 15(g)
2	Provision for Deferred Income Taxes	578,069	MPSC Report P-521, p. 115, Line 17(g)
2	Less: Provision for Deferred Income Taxes - Credit	(521,990)	MPSC Report P-521, p. 115, Line 18(g)
3	Investment Tax Credit Adjustment - Net	<u>(599)</u>	MPSC Report P-521, p. 115, Line 19(g)
4	Total Federal Income Taxes	<u>\$ 59,171</u>	

Footnotes

¹ WP-DSA-63 to WP-DSA-64

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C9

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-17)

Schedule C9

Date: September 2011

Page 1 of 1

Consumers Energy Company

State Income Taxes

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> ¹ (b)	<u>Source</u> (c)
1	State Income Taxes	\$ 8,001	MPSC Report P-521, p. 262.1, line 10(j)

Footnotes

¹ WP-DSA-85

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C10

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-18)
Schedule C10
Date: September 2011
Page 1 of 1

Consumers Energy Company
City Income Taxes
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u>	<u>Amount</u> ¹	<u>Source</u>
	(a)	(b)	(c)
1	City Income Taxes	\$ (37)	MPSC Report P-521, p. 262.1, line 21(j)

Footnotes

¹ WP-DSA-85

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C11

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-19)
Schedule C11
Date: September 2011
Page 1 of 1

Consumers Energy Company
Allowance For Funds Used During Construction
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Allowance For Funds Used During Construction	\$ 5,065	WP-DSA-86

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C12

Case No: U-16855
 Witness: DSAIfred
 Exhibit: A-3 (DSA-20)
 Schedule C12
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Compensation Disallowances
 For the Year Ended December 31, 2010
 (000)

Line	Description (a)	2009 Amount (b)	Source
1	SERP	\$ 1,121	WP-DSA-87
2	EISP	11	WP-DSA-87
3	DSSP	17	WP-DSA-89
4	Executive Long Term Disability & Annual Physicals	33	WP-DSA-91
5	EICP	2,587	WP-DSA-92
6	Restricted Stock	<u>2,572</u>	WP-DSA-93
7	Total Compensation Disallowances	6,341	
8	MBT @ 4.95%	<u>314</u>	
9	Sub-Total	6,027	
10	FIT @ 35%	<u>2,110</u>	
11	Impact on Net Operating Income	<u><u>\$ 3,918</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C13**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-21)

Schedule C13

Date: September 2011

Page 1 of 1

Consumers Energy Company

Dues and Donations Disallowances

Included in Operating Income

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u> (a)	<u>Gross Amount</u> (b)	<u>Net Amount</u> (c)	<u>Source</u> (d)
	Charitable, Civic Dues and Donations:			
1	Chamber of Commerce Expense	\$ 100	\$ 61	WP-DSA-96
2	Economic Development Expense	35	21	WP-DSA-96
3	Civic Dues / Other Expense	32	20	WP-DSA-96
4	Additional Corporate Dues & Lobbying	<u>46</u>	<u>28</u>	WP-DSA-96
5	Total Charitable, Civic, Dues & Donations Expense	<u>\$ 214</u>	<u>\$ 131</u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C14**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-22)

Schedule C14

Date: September 2011

Page 1 of 1

Consumers Energy Company

Advertising Classification and Disallowance

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u>	<u>Gross Amount ¹</u>	<u>Net of Tax Amount</u>	<u>Source</u>
	(a)	(b)	(c)	(d)
1	Customer Information	\$ 179	\$ 110	WP-DSA-105
2	Related to Employment Opportunities	15	9	WP-DSA-105
3	Required by Law	<u>20</u>	<u>12</u>	WP-DSA-105
4	Above the Line Advertising Expenses	\$ 214	\$ 131	
5	Other Advertising Programs - Disallowance	<u>2</u>	<u>1</u>	WP-DSA-105
6	Total	<u>\$ 217</u>	<u>\$ 133</u>	

Footnotes

Allowable categories of Advertising expense are defined in Case No. U-6490 and U-8455, dated 29-Apr-1986.

¹ WP-DSA-105 to WP-DSA-126

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C15**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-23)

Schedule C15

Date: September 2011

Page 1 of 1

Consumers Energy Company

Corporate Giving & Communications - Staff Salaries

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Corporate Giving - Staff Salaries	\$ 219	WP-DSA-127
2	Corporate Communications - 10% of Staff Salaries	<u>47</u>	WP-DSA-127
3	Total Disallowances	266	
4	MBT @4.95%	<u>13</u>	
5	Subtotal	253	
6	FIT @ 35%	<u>89</u>	
7	Impact on Net Operating Income	<u>\$ 165</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C16

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-24)
Schedule C16
Date: September 2011
Page 1 of 1

Consumers Energy Company
Corporate Services Normalizations
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)
1	Corporate Services Normalizations	\$ 2,790	WP-DLH-1
2	Total Normalizations	<u>2,790</u>	
3	MBT @4.95%	<u>138</u>	
4	Subtotal	2,652	
5	FIT @ 35%	<u>928</u>	
6	Impact on Net Operating Income	<u>\$ 1,724</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Weather Normalization
 Impact on Net Operating Income
 For the Year Ended December 31, 2010
 (000)

Schedule C17

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-3 (DSA-25)
 Schedule C17
 Date: September 2011
 Page 1 of 1

Line	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	Total Change In Revenue	(\$345,136)	(\$465,250)	\$7,580,962	\$4,983,304	\$2,341,893	\$0	\$0	\$0	\$0	\$2,868,100	\$886,579	(\$6,474,868)	\$11,375,583
2	Impact on Pre-Tax NOI	(\$345,136)	(\$465,250)	\$7,580,962	\$4,983,304	\$2,341,893	\$0	\$0	\$0	\$0	\$2,868,100	\$886,579	(\$6,474,868)	\$11,375,583
3	MBT @ 5.75%	(19,845)	(26,752)	435,905	286,540	134,659	0	0	0	0	164,916	50,978	(372,305)	654,096
4	Sub-Total	(325,291)	(438,498)	7,145,056	4,696,764	2,207,234	0	0	0	0	2,703,184	835,601	(6,102,563)	10,721,487
5	FIT @ 35%	(113,852)	(153,474)	2,500,770	1,643,867	772,532	0	0	0	0	946,114	292,460	(2,135,897)	3,752,520
6	Impact on Net Operating Income	(\$211,439)	(\$285,024)	\$4,644,287	\$3,052,896	\$1,434,702	\$0	\$0	\$0	\$0	\$1,757,070	\$543,141	(\$3,966,666)	\$6,968,967

Source: WP-HWM-52

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C18

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-26)
Schedule C18
Date: September 2011
Page 1 of 1

Consumers Energy Company
PEM/OEM Revenue & Expense
Impact on Net Operating Income
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	PEM/OEM Revenue	\$ 3,230	WP-DSA-131
2	PEM/OEM Expense	3,236	WP-DSA-131
3	Total Adjustment	<u>(6)</u>	
4	MBT @4.95%	<u>(0)</u>	
5	Subtotal	(6)	
6	FIT @ 35%	<u>(2)</u>	
7	Impact on Net Operating Income	<u>\$ (4)</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C19

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-27)
Schedule C19
Date: September 2011
Page 1 of 1

Consumers Energy Company
EO Surcharge & Expenses
Impact on Net Operating Income
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	EO Surcharge Revenue	\$ 24,408	WP-DSA-131
2	EO Expense	<u>24,408</u>	WP-DSA-131
3	Net EO Amount	-	
4	MBT @4.95%	<u>-</u>	
5	Subtotal	-	
6	FIT @ 35%	<u>-</u>	
7	Impact on Net Operating Income	<u><u>\$ -</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C20**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-28)

Schedule C20

Date: September 2011

Page 1 of 1

Consumers Energy Company
Sales & Use Tax Normalization
Impact on Net Operating Income
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Sales & Use Tax Normalization	\$ 3,406	WP-DSA-178
2	Total	<u>3,406</u>	
3	MBT @4.95%	<u>169</u>	
4	Subtotal	3,238	
5	FIT @ 35%	<u>1,133</u>	
6	Impact on Net Operating Income	<u>\$ (2,104)</u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C21**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-29)

Schedule C21

Date: September 2011

Page 1 of 1

Consumers Energy Company
Interest Income on Cash Equivalents
Impact on Net Operating Income
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Interest Income on Cash Equivalents	\$ (112)	WP-DSA-94
2	Total	<u>(112)</u>	
3	MBT @4.95%	<u>(6)</u>	
4	Subtotal	(106)	
5	FIT @ 35%	<u>(37)</u>	
6	Impact on Net Operating Income	<u>\$ 69</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C22

Case No: U-16855
Witness: DSAlfred
Exhibit: A-3 (DSA-30)
Schedule C22
Date: September 2011
Page 1 of 1

Consumers Energy Company
Jobwork Revenues
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Jobwork Revenues	\$ 2,990	WP-DSA-129
2	Net Jobwork	2,990	
3	MBT @4.95%	<u>148</u>	
4	Subtotal	2,842	
5	FIT @ 35%	<u>995</u>	
6	Impact on Net Operating Income	<u>\$ 1,847</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C23

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-31)

Schedule C23

Date: September 2011

Page 1 of 1

Consumers Energy Company

Jobwork Expenses

For the Year Ended December 31, 2010

(000)

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
(a)		(b)	(c)
1	Jobwork Expense	<u>2,674</u>	WP-DSA-130
2	Net Jobwork	2,674	
3	MBT @4.95%	<u>132</u>	
4	Subtotal	2,542	
5	FIT @ 35%	<u>890</u>	
6	Impact on Net Operating Income	<u><u>\$ 1,652</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C24**

Case No: U-16855
 Witness: DSAIlfred
 Exhibit: A-3 (DSA-32)
 Schedule C24
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Adjusted Net Operating Income
 Income Tax Savings
 For the Year Ended December 31, 2010
 (000)

Line	Description (a)	Amount (b)	Source (c)
1	Rate Base	\$ 2,943,754	Exhibit: A-2 (DSA-3)
2	Weighted Cost of Debt	<u>2.38%</u> ¹	Exhibit: A-4 (DSA-34)
3	Allowable Interest Expense	\$ 69,918	L2 x L1
4	Less: Actual Interest Expense	<u>75,313</u>	Exhibit: A-1 (DSA-2)
5	Change in Interest Expense	\$ (5,395)	L3 - L4
6	Federal Income Tax (FIT) Rate	<u>35.00%</u>	
7	Change in Federal Income Taxes	<u>\$ 1,888</u>	L5 x L6
 <u>MBT Effect of Pro-Forma Interest</u>			
8	Change in Interest Expense	\$ (5,395)	Line 5
9	JDITC Interest	<u>422</u>	Exhibit: A-3 (DSA-33)
10	Total Change In Interest Expense	(4,973)	L8 + L9
11	MBT Rate	<u>4.95%</u>	
12	Change In MBT	246	L10 x L11
13	Surcharge Factor	<u>121.99%</u>	Company's Part III Filing Requirement, 7a
14	Total Change in MBT	300	L12 x L13
15	Credit Limitaion Percentage	<u>52.0%</u>	Company's Part III Filing Requirement, 7a
16	Credit Limitation Amount	<u>128</u>	L12 x L15
17	Impact on Taxable Income	(172)	(L14 - L16)*-1
18	FIT Rate	<u>35.00%</u>	
19	Change in FIT	<u>(60)</u>	L17 x L18
20	Impact on Net Operating Income	<u>(112)</u>	L17 - L19
21	Total Impact on Net Operating Income	<u>\$ (2,000)</u>	L20 + L7

Footnotes

¹ Excludes the JDITC portion.

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C25**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-3 (DSA-33)

Schedule C25

Date: September 2011

Page 1 of 1

Consumers Energy Company
Tax Effect of Interest
Synchronization Adjustment
For the Year Ended December 31, 2010
(000)

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)
1	Rate Base	\$ 2,943,754	Exhibit: A-2 (DSA-3)
2	Debt Related JDITC Portion of the Capital Structure ¹	<u>0.25%</u>	Exhibit: A-4 (DSA-34)
3	Portion of Rate Base Funded by JDITC	\$ 7,409	L1 x L2
4	Cost of JDITC - Debt Portion	<u>5.69%</u>	Exhibit: A-4 (DSA-34)
5	Interest Expense	\$ 422	L3 x L4
6	Federal Income Tax Rate (FIT)	<u>35.00%</u>	
7	Change in Federal Income Taxes	<u>\$ (148)</u>	L5 x L6

Footnotes¹ Job Development Investment Tax Credit

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule D1

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-4 (DSA-34)
 Schedule D1
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Overall Rate of Return Summary

For the Year Ended December 31, 2010

Line	Description (a)	Source (b)	13-Month Average (000) (c)	% of Permanent Capital (d)	% of Total Capital (e)	Cost Rate ² (f)	Permanent Capital (g)	Weighted Total Capital (h)	of Debt (i)	Pretax Basis (j)
1	Long Term Debt	WP-DSA-152	\$4,084,598	50.06%	41.23%	5.69%	2.85%	2.35%	2.35%	2.36%
2	Preferred Stock	WP-DSA-153	44,038	0.54%	0.44%	4.46%	0.02%	0.02%	0.02%	0.03%
3	Common Equity	WP-DSA-153	4,030,120	49.40%	40.68%	10.55%	5.21%	4.29%		7.00%
4	Sub-total		\$8,158,756	100.00%			8.08%			
5	Short Term Debt	WP-DSA-152	63,075		0.64%	0.61%		0.00%	0.00%	0.00%
6	Customer Deposits		32,317		0.33%	7.00%		0.02%	0.02%	0.02%
7	Other Interest-BDS/ing Accounts		20,664		0.21%	3.25%		0.01%	0.01%	0.01%
8	Deferred FIT	WP-DSA-157	1,583,208		15.98%	0.00%		0.00%		0.00%
9	Deferred ITC		-		0.00%	0.00%		0.00%		0.00%
	Deferred JDITC									
10	Long-term Debt Related		24,935 ¹		0.25%	5.69%		0.01%	0.01%	0.01%
11	Preferred Related		269 ¹		0.00%	4.46%		0.00%		0.00%
12	Common Equity Related		24,603 ¹		0.25%	10.55%		0.03%		0.04%
13	Total Capitalization		\$9,907,827		100.00%		8.08%	6.73%	2.39%	9.49%

Footnotes

¹ Total JDITC balance of \$49,807,000, WP-DSA-134, is allocated on the basis of % of permanent capital in column (d).

² Cost Rates, Ex. A-4, (DSA-35 to DSA-38)

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Cost of Long Term Debt
for the Year Ended December 31, 2010
(Excluding Securitization)
(000)

Schedule D2

Case No: U-16855
Witness: DSAlfred
Exhibit: A-4 (DSA-35)
Schedule D2
Date: September 2011
Page 1 of 1

Line	Description	(a)	Maturity Date	(b)	Date Sold	(c)	Amount of Offering	(d)	Price to Public	(e)	Under-Writer Comp.	(f)	Finance Expenses	(g)	Proceeds Received by Comp.	(h)	Based on Net Proceeds	(i)	Amount Outstanding	(j)	Annual Cost	(k)
1	5.000%		15-Feb-12		17-Aug-04		\$ 300,000		99.895%		0.625%		0.027%		99.243%		5.123%		\$ 300,000		\$ 15,368	
2	5.375%		15-Apr-13		23-Apr-03		\$ 375,000		99.523%		0.650%		0.096%		98.775%		5.536%		\$ 375,000		\$ 20,761	
3	6.000%		15-Feb-14		26-Aug-03		\$ 200,000		99.841%		0.650%		0.118%		99.073%		6.121%		\$ 200,000		\$ 12,242	
4	5.000%		15-Mar-15		8-Dec-04		\$ 225,000		99.833%		0.650%		0.045%		99.138%		5.111%		\$ 225,000		\$ 11,500	
5	2.600%		15-Oct-15		15-Oct-10		\$ 50,000		100.000%		0.500%		0.036%		99.464%		2.715%		\$ 50,000		\$ 1,358	
6	5.500%		15-Aug-16		17-Aug-04		\$ 350,000		99.523%		0.675%		0.027%		98.821%		5.637%		\$ 350,000		\$ 19,728	
7	5.150%		15-Feb-17		20-Jan-05		\$ 250,000		99.560%		0.675%		0.037%		98.848%		5.306%		\$ 250,000		\$ 13,265	
8	3.210%		15-Oct-17		15-Oct-10		\$ 100,000		100.000%		0.500%		0.031%		99.469%		3.295%		\$ 100,000		\$ 3,295	
9	5.650%		15-Sep-18		14-Mar-08		\$ 250,000		99.617%		0.650%		0.095%		98.868%		5.795%		\$ 250,000		\$ 14,489	
10	6.125%		15-Mar-19		8-Sep-08		\$ 350,000		99.930%		0.650%		0.086%		99.194%		6.208%		\$ 350,000		\$ 21,729	
11	6.700%		15-Sep-19		2-Mar-09		\$ 500,000		99.952%		0.650%		0.048%		99.254%		6.804%		\$ 500,000		\$ 34,020	
12	5.650%		15-Apr-20		21-Mar-05		\$ 300,000		99.604%		0.750%		0.148%		98.706%		5.780%		\$ 300,000		\$ 17,341	
13	3.770%		15-Oct-20		15-Oct-10		\$ 100,000		100.000%		0.500%		0.031%		99.469%		3.834%		\$ 100,000		\$ 3,834	
14	5.300%		1-Sep-22		1-Sep-10		\$ 250,000		100.000%		0.381%		0.005%		99.614%		5.344%		\$ 250,000		\$ 13,360	
15	5.800%		1-Sep-35		8-Sep-05		\$ 175,000		99.807%		0.875%		0.171%		98.761%		5.926%		\$ 175,000		\$ 10,370	
16	6.170%		1-Sep-40		1-Sep-10		\$ 50,000		100.000%		0.953%		0.017%		99.030%		6.242%		\$ 50,000		\$ 3,121	
17	4.970%		15-Oct-40		15-Oct-10		\$ 50,000		100.000%		0.500%		0.036%		99.464%		5.005%		\$ 50,000		\$ 2,502	
18	Total First Mortgage Bonds						<u>\$ 3,875,000</u>												<u>\$ 3,875,000</u>		<u>\$ 216,283</u>	
19	Other LTD																					
20	MSF PCRB - 05				14-Apr-05		35,000		100.00%		0.90%		3.38%		95.72%		0.47%		35,000		165	
20	REFIN. PCRB - 88				26-Apr-88		67,700		100.00%		0.00%		0.65%		99.35%		0.30%		67,700		201	
21	Other																					
22	Department of Energy (DOE) Liability				1-Mar-98		225,000		98.53%		0.88%		0.09%		97.56%		7.10%		163,019		-	
23	Total Other Long Term Debt						<u>\$ 327,700</u>												<u>\$ 445,719</u>		<u>\$ 13,154</u>	
24	Amortization of Call Premium																				\$ 9,633	
25	Revolver Fees																				1,134	
26	Revolver Upfront Fees Amortization (1)																				2,448	
27	PCRB Fees																				-	
28	Letter of Credit Fees																				1,173	
29	Total Long Term Debt																		<u>\$ 4,320,719</u>		<u>\$ 245,826</u>	
30	Unamortized Debt Discount, Premium and Expense																					
31	Total Long Term Debt Balance						<u>\$ 4,202,700</u>												<u>(23,262)</u>		<u>\$ 4,297,457</u>	

Footnotes

(1) The upfront issuance costs and ongoing activity fees of the Bank One Revolver are treated as interest expense instead of net proceeds. This is done in order to include the costs of financing as part of the cost of debt in months when the Company does not draw on the revolver.

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule D3

Case No: U-16855
Witness: DSAlfred
Exhibit: A-4 (DSA-36)
Schedule D3
Date: September 2011
Page 1 of 1

Consumers Energy Company
Weighted Cost of Short Term Debt
For the Year Ended December 31, 2010
(000)

	13-Month ¹ Average (000)	% of ² Total Capital	Cost ¹ Rate
Short Term Debt	63,075	0.64%	0.61%

Footnotes

¹ WP-DSA-132

² Ex. A-4 (DSA-34)

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule D-4

Case No: U-16855
 Witness: DSAIlfred
 Exhibit: A-4 (DSA-37)
 Schedule D-4
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Preferred Stock Cost

For the Year Ended December 31, 2010
 (000)

Line	Description (a)	Annual Dividend Required (b)	Par Value (c)	Discounts or (Premium) (d)	Finance Expenses (e)	Net Proceeds Received by Comp. (f)	Number of Shares Outstanding (g)	Total Value of Net Proceeds (h)	Cost Rate (i)	Annual Dollar Amount (j)
1	\$4.500	\$ 4.50	\$ 100.00	\$ -	\$ -	100.00%	373,148	\$ 37,315	4.50%	\$ 1,679
2	\$4.160	4.16	100.00	-	1.20	98.80%	68,451	6,723	4.21%	283
3	Total Preferred Stock							\$ 44,038	4.46%	\$ 1,962

Source: WP-DSA-133

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule D5

Case No: U-16855

Witness: DSAlfred

Exhibit: A-4 (DSA-38)

Schedule D5

Date: September 2011

Page 1 of 1

Consumers Energy Company

Cost of Common Equity

For the Year Ended December 31, 2010

The Cost of Common Equity utilized is 10.55%. This rate was authorized by the Michigan Public Service Commission in U-15986 issued on May 17, 2010

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule A1**

Case No: U-16855

Witness: DSAlfred

Exhibit: A-7 (DSA-39)

Schedule A1

Date: September 2011

Page 1 of 1

Consumers Energy Company
Computation of Gas Revenue Deficiency for
Test Year - December 2012
(000)

Test Year - December 2012

<u>Line</u>	<u>Description</u> (a)	<u>Total Gas Amount</u> (b)	<u>Source</u> (c)
1	Rate Base	\$ 3,070,731	Exhibit: A-8 (DSA-43)
2	Adjusted Net Operating Income	<u>181,863</u>	Exhibit: A-9 (DSA-48)
3	Overall Rate of Return	5.92%	L2 / L1
4	Required Rate of Return	<u>6.90%</u>	Ex. A-10 (DVR-1)
5	Income Required	<u>\$ 211,985</u>	L1 x L4
6	Income Deficiency (Sufficiency)	\$ 30,122	L5 - L2
7	Revenue Multiplier	<u>1.6367</u>	Exhibit: A-9 (DSA-49)
8	Revenue Deficiency (Sufficiency)	<u>\$ 49,300</u>	L6 x L7

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule A2

Case No: U-16855

Witness: DSAlfred

Consumers Energy Company
 Comparison of Gas Revenue Deficiency
 Between Historical Period and Test Period
 (000)

Test Year - December 2012

Exhibit: A-7 (DSA-40)

Schedule A2

Date: September 2011

Page 1 of 1

Line	Description (a)	Amount		
		Section A (b)	Changes (c)	Section B (d)
1	Net Utility Plant	\$ 1,709,481	\$ 239,264	\$ 1,948,745
2	Working Capital	1,212,487	(115,358)	1,097,129
3	Unamortized MGP Expense -Net	21,786	3,071	24,857
4	Rate Base	\$ 2,943,754	\$ 126,977	\$ 3,070,731
5	Rate of Return	6.73%	0.17%	6.90%
6	Income Requirement	\$ 198,138	\$ 13,847	\$ 211,985
7	Adjusted Net Operating Income	211,271	(29,408)	181,863
8	Income Deficiency	\$ (13,133)	\$ 43,255	\$ 30,122
9	Revenue Multiplier	1.6323	0.0043	1.6367
10	Revenue Deficiency	\$ (21,437)	\$ 70,737	\$ 49,300

Footnotes:

<u>Section A Results</u>	<u>Section B Results</u>
L1 Exhibit: A-2 (DSA-3)	L1 Exhibit: A-8 (DSA-43) , lines 7 & 8
L2 Exhibit: A-2 (DSA-3)	L2 Exhibit: A-8 (DSA-47) , line 9
L3 Exhibit: A-2 (DSA-3)	L4 L1 + L2 + L3
L4 L1 + L2 + L3	L5 A-10 (DVR-1)
L5 Exhibit: A-4 (DSA-34)	L6 L4 x L5
L6 L4 x L5	L7 Exhibit: A-9 (DSA-48)
L7 Exhibit: A-3 (DSA-9)	L8 L6 - L7
L8 L6 - L7	L9 Exhibit: A-9 (DSA-49)
L9 Exhibit: A-3 (DSA-10)	L10 L8 x L9
L10 L8 x L9	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule A3

Case No: U-16855
 Witness: DSAlfred
 Exhibit A-7 (DSA-41)
 Schedule A3
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Reconciliation of Gas Revenue Deficiency
 Historical Period Versus Test Year
 (000)

Test Year - December 2012

Line	Description (a)	Change in Return (b)	Effect on Revenue Requirement (d)	Source (e)
Rate of Return - Pre-tax Basis				
1	Change in Capital Structure	0.07%	\$ 2,105	WP-DSA-146
2	Change in Senior Debt Costs	0.09%	2,771	WP-DSA-146
3	Change in Cost of Preferred Stock	0.00%	-	WP-DSA-146
4	Change in Return On Equity	<u>0.10%</u>	<u>3,019</u>	WP-DSA-146
5	Total Change in Rate of Return	<u><u>0.27%</u></u>	<u><u>\$ 7,895</u></u>	
Rate Base				
6	Change in Net Utility Plant		\$ 23,354	WP-DSA-146
7	Change in Working Capital Requirements		(11,260)	WP-DSA-146
8	Change in MGP - Net		<u>300</u>	WP-DSA-146
9	Total Change in Rate Base		<u><u>\$ 12,394</u></u>	
Net Operating Income (NOI)				
10	Adjustments to NOI		<u>\$ 50,448</u>	WP-DSA-146
11	Grand Total of Changes in Revenue Requirements		<u><u>\$ 70,737</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule A3a

Case No: U-16855

Witness: DSAlfred

Exhibit: A-7 (DSA-42)

Schedule A3a

Date: September 2011

Page 1 of 3

Consumers Energy Company

Financial Metric - Ratemaking Basis

Gas Results Only

(000)

Line	Description (a)	Calendar Year	
		No Rate Relief December 2012 (b)	Full Rate Relief December 2012 (c)
1	Operating Revenues - Gas	\$ 2,165,879	\$ 2,215,179
2	Operating Expenses - Gas	<u>1,929,351</u>	<u>1,929,351</u>
3	Pre-Tax Operating Income	\$ 236,528	\$ 285,828
4	Income Taxes	<u>61,726</u>	<u>80,904</u>
5	Net Operating Income	\$ 174,802	\$ 204,924
6	Tax Impact of Pro-Forma Interest on NOI	Included in Line 4	Included in Line 4
7	Allowance for Funds Used During Construction (AFUDC)	7,061	7,061
8	Interest Charges	(73,749)	(73,749)
9	Preferred Dividends	<u>(554)</u>	<u>(554)</u>
10	Balance Available for Common and JDITC	\$ 107,560	\$ 137,683
11	Return Assignable to JDITC	<u>(1,167)</u>	<u>(1,167)</u>
12	Balance for Common	<u>\$ 106,393</u>	<u>\$ 136,516</u>
13	Average Common Equity	<u>\$ 1,275,847</u>	<u>\$ 1,275,847</u>
14	Earned Rate of Return on Common Equity - %	<u>8.34%</u>	<u>10.70%</u>
15	Authorized Return on Equity - % *	<u>10.70%</u>	<u>10.70%</u>

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule A3a

Case No: U-16855

Witness: DSAIfred

Exhibit: A-7 (DSA-42)

Schedule A3a

Date: September 2011

Page 2 of 3

Consumers Energy CompanyFinancial Metric - Ratemaking Basis

Gas Results Only

(000)

Line	Description (a)	Calendar Year	
		No Rate Relief December 2012 (b)	Full Rate Relief December 2012 (c)
<u>EBIT Interest Coverage:</u>			
16	Pre Tax Operating Income	\$ 236,528	\$ 285,828
17	Allowance for Funds Used During Construction (AFUDC)	7,061	7,061
18	Total EBIT	243,589	292,889
19	Interest Charges plus tax impact of pro-forma int. on NOI	73,749	73,749
20	EBIT Interest Coverage Ratio	3.30	3.97
<u>EBITDA Interest Coverage:</u>			
21	EBIT	243,589	292,889
22	Depreciation & Amortization	138,746	138,746
23	Total EBIDTA	382,335	431,635
24	Interest Charges plus tax impact of pro-forma int. on NOI	73,749	73,749
25	EBITDA Interest Coverage Ratio	5.18	5.85
<u>Funds Flow from Operations (FFO) Interest Coverage:</u>			
26	Net Operating Income	\$ 174,802	\$ 204,924
27	Depreciation & Amortization	138,746	138,746
28	Deferred Income Tax	33,606	33,606
29	AFUDC	7,061	7,061
30	Other Major Recurring Non-Cash Items	0	0
31	Interest Paid	0	0
32	Less:		
33	Operating Lease Adjustment to Depreciation	0	0
34	Sub-Total	354,215	384,337
35	Interest Charges plus tax impact of pro-forma int. on NOI	73,749	73,749
36	FFO Interest Coverage	4.80	5.21
<u>Overall Fixed Charge Coverage:</u>			
37	Net Income	\$ 106,393	\$ 136,516
38	Interest Charges	73,749	73,749
39	Sub-Total Numerator	180,142	210,264
40	Interest Charges	73,749	73,749
41	Preferred Stock Dividends	554	554
42	Sub-Total Denominator	74,302	74,302
43	Overall Fixed Charge Coverage	2.42	2.83

Consumers Energy Company

Witness: DSAlfred

Financial Metric - Ratemaking Basis

Exhibit: A-7 (DSA-42)

Gas Results Only

Schedule A3a

(000)

Date: September 2011

Page 3 of 3

Line	Description (a)	Calendar Year	
		No Rate Relief	Full Rate Relief
		December 2012 (b)	December 2012 (c)
<u>Cash Flow Coverage of Dividend:</u>			
44	Net Income	\$ 106,393	\$ 136,516
45	Depreciation & Amortization	138,746	138,746
46	Deferred Taxes	33,606	33,606
47	Deferred ITC (Included in Deferred Taxes Above)	<u>0</u>	<u>0</u>
48	Sub-Total	\$ 278,745	\$ 308,868
49	Common Dividends (1)	<u>85,115</u>	<u>109,213</u>
50	Cash Flow Coverage of Dividends	3.27	2.83
Note: (1) Consumers Energy dividends to the parent as a total company. These numbers represent the Company's 80% dividend policy applied to the Balance Available for Common above.			
<u>Common Dividend Payout Ratio:</u>			
51	Common Dividends (1)	85,115	109,213
52	Net Income	<u>\$ 106,393</u>	<u>\$ 136,516</u>
53	Common Dividend Payout Ratio	0.80	0.80
<u>Permanent Capitalization Ratemaking Basis:</u>			
54	Long Term Debt Excl Securitization	4,304,000	4,304,000
55	Preferred Stock	44,000	44,000
56	Common Equity	<u>4,518,000</u>	<u>4,518,000</u>
57	Total Permanent Capital	8,866,000	8,866,000
58	Long Term Debt	48.55%	48.55%
59	Preferred Stock	0.50%	0.50%
60	Common Equity	<u>50.96%</u>	<u>50.96%</u>
61	Total Permanent Capital	100.00%	100.00%

Source:

* Order in Case No. U-15645 on November 6, 2009 & Order in Case No. U-16191 on November 4, 2010.

* 10.70% ROE is the amount the Company is requesting to be authorized in this case.

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B1

Case No: U-16855
 Witness: DSAIfred
 Exhibit: A-8 (DSA-43)
 Schedule B1
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Development of Rate Base for
 Test Year - December 2012
 (000)

Test Year - December 2012

<u>Line</u>	<u>Description</u> (a)	<u>Total Gas Amount</u> (b)	<u>Source</u> (c)
1	Plant In Service	\$ 4,213,769	Exhibit: A-8 (DSA-45)
2	Plant Held For Future Use	405	Exhibit: A-8 (DSA-45)
3	Construction Work In Progress	<u>159,485</u>	Exhibit: A-8 (DSA-45)
4	Total Utility Plant	\$ 4,373,658	Sum of Lines 1-4
5	Less: Depreciation Reserve	<u>2,417,383</u>	Exhibit: A-8 (DSA-46)
6	Net Utility Plant	1,956,275	Line 5 + Line 6
7	MGP Plant -Net	24,857	Exhibit A-40 (DLH-3)
8	Retainers & Customer Advances	(7,530)	WP-DSA-1
9	Working Capital	<u>1,097,129</u>	Exhibit: A-8 (DSA-47)
10	Adjusted Rate Base	<u><u>\$ 3,070,731</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B1a

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-8 (DSA-44)
 Schedule B1a
 Date: September 2011
 Page 1 of 2

Consumers Energy Company
 Development of Rate Base for
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description (a)	Total Gas Amount (b)	Source (c)
1	Net Utility Plant	\$ 1,709,481	Exhibit: A-2 (DSA-5)
2	Working Capital	1,212,487	Exhibit: A-2 (DSA-6)
3	Net MGP	<u>21,786</u>	Exhibit: A-2 (DSA-3)
4	Rate Base - Historical Period	<u>\$ 2,943,754</u>	Sum of Lines 1 - 3
Adjustments To Rate Base			
5	Change In Net Utility Plant	239,264	Sch. B1a, page 2
6	Change in Working Capital from moving to June 2011 Base Working Capit:	10,353	Exhibit: A-8 (DSA-47)
7	Change in MGP	3,071	WP-DSA-146
8	Change in Working Capital Due to Change in A/R Financing	(28,845)	Sch. B1a, page 2
9	Change in Working Capital Due to Change In Pension	(24,382)	Sch. B1a, page 2
10	Change in Working Capital Due to Change In OPEB	(701)	Sch. B1a, page 2
11	Change in Working Capital Due to Change in Gas Stored Underground	<u>(71,783)</u>	Exhibit: A-8 (DSA-47)
12	Net Change In Rate Base	<u>126,977</u>	Sum of Lines 5-12
13	Adjusted Rate Base	<u>\$ 3,070,731</u>	Line 4 + Line 13

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B1a

Case No: U-16855
 Witness: DSAfred
 Exhibit: A-8 (DSA-44)
 Schedule B1a
 Date: June 2011
 Page 2 of 2

Consumers Energy Company
 Development of Rate Base for
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description (a)	Amount (b)	Source (c)
A. AVERAGE DECEMBER 2012 PLANT BALANCES			
1	Adjusted Gross Plant In Service	\$ 4,213,769	WP-DSA-158
2	Plant Held For Future Use	405	WP-DSA-158
3	Depreciation Reserve	(2,417,383)	WP-DSA-158
4	Construction Work in Progress	159,485	WP-DSA-158
5	Sub-total	\$ 1,956,275	
6	Less: Retained from Contractors	-	
7	Less: Customer Advances for Construction	7,530	WP-DSA-1
8	Net Utility Plant	\$ 1,948,745	
9	Average Net Utility Plant - 2010	1,709,481	Exhibit: A-2 (DSA-5)
10	Adjustment to Use Average December 2012 Plant & Construction Data	\$ 239,264	
B. Adjustments to 2010 Working Capital			
11	Total December 2012 A/R Financing	\$ 76,900	Ex A-10 (DVR-7)
12	Gas Allocation	36%	WP-DSA-1
13	Gas Portion of December 2012 A/R Financing	\$ 27,684	
14	2010 Sale of Receivables - Gas	149,239	Exhibit: A-8 (DSA-47)
15	2010 CE Receivable Funding - Gas	(260,135)	Exhibit: A-8 (DSA-47)
16	2010 Sale of Accrued Revenues - Gas	109,734	Exhibit: A-8 (DSA-47)
17	2010 A/R Financing	(1,161)	
18	CE Receivable Funding Gas Adjustment to Working Capital	\$ (28,845)	Line 15 - Line 19 * -1
Deferred Debits:			
19	Pension - Net Assets & Liabilities	\$ (24,382)	Exhibit: A-8 (DSA-47)
20	OPEB	(7,156)	Exhibit: A-8 (DSA-47)
21	Pension & OPEB Equalization Adjustments	-	
22	Net Deferrred Debit Change	\$ (31,538)	
Deferred Credits:			
23	OPEB	(6,454)	Exhibit: A-8 (DSA-47)
24	Net Liability Change	\$ (6,454)	
25	Change in Gas Stored Underground	\$ (71,783)	Exhibit: A-8 (DSA-47)
26	Net Change in Working Capital Requirements	\$ (125,711)	(L24+L26)*-1

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B2

Case No: U-16855
Witness: DSAIfred
Exhibit: A-8 (DSA-45)
Schedule B2
Date: September 2011
Page 1 of 1

Consumers Energy Company
Projected Utility Plant
Test Year - December 2012
(000)

Test Year - December 2012

<u>Line</u>	<u>Description</u> (a)	<u>Total Gas Amount</u> (b)	<u>Source</u> (c)
1	Plant In Service	\$ 4,213,769	WP-DSA-158
2	Plant Purchased or Sold	0	
3	Experimental Plant Unclassified	0	
4	Plant Leased To Others	0	
5	Completed Construction Not Classified	<u>0</u>	
6	Plant In Service	\$ 4,213,769	
7	Plant Held For Future Use	405	WP-DSA-158
8	Construction Work In Progress	<u>159,485</u>	WP-DSA-158
9	Total Projected Utility Plant	<u>\$ 4,373,658</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B3

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-8 (DSA-46)
 Schedule B3
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Projected Accumulated Provision for Depreciation
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description	December 2011	December 2012	Average Amount	Source
	(a)	(b)	(c)	(d)	(e)
1	AMI (Smartgrid program)	\$ -	\$ -	\$ -	WP-DSA-158
2	CEA Software (Business Technology Solutions)	16,157	21,195	18,676	WP-DSA-158
3	Common Plant-Gas Allocated	159,113	169,411	164,262	WP-DSA-158
4	Distribution	1,781,179	1,844,027	1,812,603	WP-DSA-158
5	Franchises	84	84	84	WP-DSA-158
6	General Plant	30,818	34,348	32,583	WP-DSA-158
7	Intangibles	19,233	19,617	19,425	WP-DSA-158
8	NGP Depletion	143	143	143	WP-DSA-158
9	NGP Depreciation	666	661	664	WP-DSA-158
10	NGP Unsuccessful	8,209	8,209	8,209	WP-DSA-158
11	Plant Held For Future Use	20	20	20	WP-DSA-158
12	Transmission	184,604	194,600	189,602	WP-DSA-158
13	Underground Storage Amortization	4,565	4,672	4,619	WP-DSA-158
14	Underground Storage Depreciation	137,921	144,309	141,115	WP-DSA-158
15	UOP Transmission Kalkaska	17,483	17,361	17,422	WP-DSA-158
	NGP Unsuccessful	5,162	5,132	5,147	WP-DSA-158
	UOP Transmission St Clair	2,824	2,796	2,810	WP-DSA-158
16	Total Projected Accumulated Provision for Depreciation			2,417,383	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule B4

Case No: U-16855

Consumers Energy Company
 Gas Balance Sheet Working Capital Summary
 Test Year - December 2012
 (000)

Test Year - December 2012

Witness: DSAlfred
 Exhibit: A-8 (DSA-47)
 Schedule B4
 Date: September 2011
 Page 1 of 2

Line	Description (a)	December 2010 (b)	Adjustments (c)	June 2011 (d)	Test Year Adjustments (e)	December 2012 (f)
Assets						
1	Cash	\$ 7,075	\$ 15,549	\$ 22,624	\$ -	\$ 22,624
2	Cash Equivalents	111,635	34,736	146,371	(43,090)	103,281
3	Notes Receivable	69,600	(14,714)	54,886	-	54,886
4	Accounts Receivable	174,558	5,288	179,846	-	179,846
5	Sale of Receivables	(143,361)	(5,878)	(149,239)	(28,845)	(178,084)
6	CE Receivable Funding	264,262	(4,128)	260,135	-	260,135
6	Materials & Supplies	18,831	(1,354)	17,477	-	17,477
7	Gas Stored Underground	910,229	(72,095)	838,134	(85,352)	752,782
8	Accrued Revenues	122,434	(10,598)	111,836	-	111,836
9	Sale of Accrued Revenues	(121,135)	11,401	(109,734)	-	(109,734)
10	Prepayments	6,646	(1,254)	5,392	-	5,392
11	Real & Personal Property Taxes	50,021	(66)	49,955	-	49,955
12	Other Current Assets	15,395	(299)	15,097	-	15,097
13	Total Current Assets	\$ 1,486,189	\$ (43,411)	\$ 1,442,778	\$ (157,287)	\$ 1,285,491
14	Deferred Debits	460,148	(16,548)	443,600	11,553	455,153
15	Total Assets	\$ 1,946,337	\$ (59,959)	\$ 1,886,378	\$ (145,735)	\$ 1,740,644
Liabilities						
16	Accounts Payable	\$ 162,798	\$ 390	\$ 163,188	\$ (13,569)	\$ 149,619
17	Dividends Payable	7,979	603	8,582	-	8,582
18	Accrued Interest	16,025	485	16,509	-	16,509
19	Accrued Taxes	82,842	(24,452)	58,390	-	58,390
20	Other Current Liabilities	6,561	(1,351)	5,210	-	5,210
21	Total Current Liabilities	\$ 276,205	\$ (24,325)	\$ 251,880	\$ (13,569)	\$ 238,311
22	Deferred Credits and Operating Reserves	457,645	(45,987)	411,659	(6,454)	405,204
23	Total Liabilities	\$ 733,850	\$ (70,312)	\$ 663,539	\$ (20,024)	\$ 643,515
24	Net Gas Working Capital Requirement	\$ 1,212,487	\$ 10,353	\$ 1,222,840	\$ (125,711)	\$ 1,097,129

Source:

Column (b): Exhibit: A-2 (DSA-6)
 Column (c): Col. (d) less Col. (b)
 Column (d): Exhibit: A-8 (DSA-47)Page 2 of 2
 Column (e): Exhibit: A-8 (DSA-47)Page 2 of 2

Consumers Energy Company

Gas Balance Sheet Working Capital Summary

Test Year - December 2012

Test Year - December 2012

Line	Description	13 Month Average 6/30/2011 ¹	Move A/R					Normalized Working Capital
			Pension Contribution Adj ²	Pension Adjustment ³	OPEB Adjustment ⁴	Financing to 12/31/12 Level ⁵	Other Adjustments ⁶	
	(a)	(b)	(c)	(c)	(d)	(e)	(f)	(g)
1	Cash	22,623,570	-	-	-	-	-	22,623,570
2	Cash Equivalents	146,371,130	(43,090,385)	-	-	-	-	103,280,745
3	Notes Receivable	54,885,738	-	-	-	-	-	54,885,738
4	Customer Accounts Receivable -Net	179,846,154	-	-	-	-	-	179,846,154
5	Sale of Receivables	(149,239,327)	-	-	-	(28,844,989)	-	(178,084,316)
6	CE Receivable Funding	260,134,683	-	-	-	-	-	260,134,683
7	Materials & Supplies	17,477,317	-	-	-	-	-	17,477,317
8	Gas Stored Underground	838,134,045	-	-	-	-	(85,352,045)	752,782,000
9	Accrued Revenues	111,835,807	-	-	-	-	-	111,835,807
10	Sale of Accrued Revenues	(109,734,368)	-	-	-	-	-	(109,734,368)
11	Prepayments	5,392,125	-	-	-	-	-	5,392,125
12	R&PP Taxes	49,954,928	-	-	-	-	-	49,954,928
13	Other (Assets)	15,096,575	-	-	-	-	-	15,096,575
14	Deferred Debits	443,599,929	43,090,385	(24,381,734)	(7,155,840)	-	-	455,152,740
15	TOTAL ASSETS	1,886,378,306	-	(24,381,734)	(7,155,840)	(28,844,989)	(85,352,045)	1,740,643,698
16	Total Accounts Payable	163,187,742	-	-	-	-	(13,569,110)	149,618,632
17	Dividends Declared	8,581,999	-	-	-	-	-	8,581,999
18	Accrued Interest	16,509,281	-	-	-	-	-	16,509,281
19	Accrued Taxes	58,390,491	-	-	-	-	-	58,390,491
20	Other Current Liabilities	5,210,203	-	-	-	-	-	5,210,203
21	Deferred Credits & Op. Reserves	411,658,927	-	-	(6,454,488)	-	-	405,204,439
22	TOTAL LIABILITIES	663,538,643	-	-	(6,454,488)	-	(13,569,110)	643,515,045
23	Total Working Capital	1,222,839,663	-	(24,381,734)	(701,352)	(28,844,989)	(71,782,935)	1,097,128,653

Footnotes:¹ WP-DSA-232² WP-DSA-233³ WP-DSA-233⁴ WP-DSA-234⁵ WP-DSA-235

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C1

Case No: U-16855

Witness: DSAlfred

Consumers Energy Company
 Projected Net Operating Income
 Test Year - December 2012
 (000)

Test Year - December 2012

Exhibit: A-9 (DSA-48)
 Schedule C1

Date: September 2011

Page 1 of 1

Line	Description (a)	Total Gas Amount (b)	Source (c)
<u>Operating Revenue:</u>			
1	Sales Revenue	\$ 2,033,966	Exhibit: A-9 (DSA-50)
2	Wholesale Revenues	45,528	Exhibit: A-9 (DSA-50)
3	Miscellaneous Revenue	<u>86,385</u>	Exhibit: A-9 (DSA-50)
4	Total Operating Revenue	\$ 2,165,879	
<u>Operating Expenses:</u>			
5	Cost of Gas Sold	1,307,431	Exhibit: A-9 (DSA-51)
	LAUF	26,462	Exhibit: A-9 (DSA-52)
	Company Use	4,134	Exhibit: A-9 (DSA-52)
6	Other O&M Expense	385,421	Exhibit: A-9 (DSA-52)
7	Depreciation & Amortization	138,746	Exhibit: A-9 (DSA-53)
8	R&PP Tax	52,000	Exhibit: A-9 (DSA-54)
9	Other General Taxes	15,157	Exhibit: A-9 (DSA-54)
10	Local Income Tax	74	Exhibit: A-9 (DSA-57)
11	Michigan Corporate Income Tax	13,207	Exhibit: A-9 (DSA-56)
12	Federal Income Tax ¹	<u>48,445</u>	Exhibit: A-9 (DSA-55)
13	Total Operating Expenses	<u>1,991,077</u>	
14	Net Operating Income	174,802	L4 - L13
<u>Operating Income Adjustments:</u>			
15	AFUDC	7,061	Exhibit: A-9 (DSA-58)
16	Income Tax Effect of Interest ¹	Included in Line 12	
17	Interest Synchronization Adjustment ¹	<u>Included in Line 12</u>	
18	Total Operating Income Adjustments	<u>7,061</u>	
19	Adjusted Net Operating Income	<u>\$ 181,863</u>	

Footnotes:

¹ Income Tax Effect of Interest and Interest Synchronization are included in the calculation of Federal Income Tax. The separate calculations can be seen on Exhibits A-9 (DSA-59) and A-9 (DSA-60).

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C2

Case No: U-16855

Consumers Energy Company
Computation of Revenue Multiplier
Test Year - December 2012

Test Year - December 2012

Witness: DSAlfred
Exhibit: A-9 (DSA-49)
Schedule C2
Date: September 2011
Page 1 of 1

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Base Prior to Income Tax	100.0000	
2	Michigan Corporate Income Tax	<u>6.0000</u>	
3	Federal Income Tax Base	94.0000	L1 - L2
4	Federal Income Tax	<u>32.9000</u>	L3 x 35% Fed Tax Rate
5	Income Base - after taxes	<u>61.1000</u>	L3 - L4
6	Revenue Multiplier	<u><u>1.6367</u></u>	L1 / L5

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C3

Case No: U-16855

Witness: DSAlfred

Consumers Energy Company

Test Year - December 2012

Exhibit: A-9 (DSA-50)

Projected Sales Revenue

Schedule C3

Test Year - December 2012

Date: September 2011

(000)

Page 1 of 1

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Source</u>
	(a)	(b)	(c)
1	Sales Revenue	\$ 2,033,966	HWM Workpapers
2	Transportation Revenues	<u>45,528</u>	HWM Workpapers
3	Sub-Total	2,079,494	
4	Miscellaneous Revenues	<u>86,385</u>	WP-DSA-67
5	Total Revenues	<u>\$ 2,165,879</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C4

Case No: U-16855

Witness: DSAlfred

Consumers Energy Company

Test Year - December 2012

Exhibit: A-9 (DSA-51)

Projected Cost of Gas Sold

Schedule C4

Test Year - December 2012

Date: September 2011

(000)

Page 1 of 1

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Projected Cost of Gas Sold	<u>\$ 1,307,431</u>	WP-HWM-88

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C5

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-9 (DSA-52)
 Schedule C5
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Projected Other O&M Expense
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description (a)	Amount (b)	Source (c)
1	Gas Division Expenses	\$ 200,863	Exhibit A-16 (SBB-1)
2	LIEEF	17,427	Exhibit A-16 (SBB-1)
3	LAUF	26,462	Exhibit A-16 (SBB-1)
4	Company Use	4,134	Exhibit A-16 (SBB-1)
5	Business Technology Solutions	25,823	Exhibit A-53 (LER-1)
6	Pension	26,758	Exhibit A-50 (HBK-1)
7	Defined Company Contribution Plan	1,978	Exhibit A-50 (HBK-1)
8	401 (K) Savings Plan	3,977	Exhibit A-50 (HBK-1)
9	Active Health Care/ Insurance/ LTD	19,223	Exhibit A-50 (HBK-1)
10	Retiree Health Care and Life Insurance	15,985	Exhibit A-50 (HBK-1)
11	Corporate	22,866	Exhibit A-38 (DLH-1)
12	Uncollectibles	43,756	Exhibit A-38 (DLH-1)
13	MGP - Direct Management Costs	840	Exhibit A-40 (DLH-3)
14	Injuries & Damages	2,550	Exhibit A-16 (SBB-1)
15	Accounts Receivable Sale Costs	763	Exhibit A-38 (DLH-1)
16	Jobwork Expense	2,674	WP-DSA-130
17	Interest Income on Cash Equivalents	<u>(62)</u>	WP-DSA-94
18	Projected Other O&M Expense	<u>\$ 416,017</u>	
	Less:		
19	LAUF	26,462	
20	Company Use	<u>4,134</u>	
21	Projected Other O&M Expense	<u>\$ 385,421</u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C6**

Case No: U-16855

Witness: DSAlfred

Consumers Energy Company

Test Year - December 2012

Exhibit: A-9 (DSA-53)

Projected Depreciation & Amortization Expense

Schedule C6

Test Year - December 2012

Date: September 2011

(000)

Page 1 of 1

Line	Description (a)	Amount (b)	Source (c)
<u>Projected Depreciation Expense</u>			
1	AMI (Smartgrid program)	\$ -	WP-DSA-158
2	CEA Software (Business Technology Solutions)	5,038	WP-DSA-158
3	Common Plant-Gas Allocated	16,319	WP-DSA-158
4	Distribution	82,257	WP-DSA-158
5	Franchises	0	WP-DSA-158
6	General Plant	5,958	WP-DSA-158
7	Intangibles	384	WP-DSA-158
8	NGP Depletion	0	WP-DSA-158
9	NGP Depreciation	0	WP-DSA-158
10	NGP Unsuccessful	0	WP-DSA-158
11	Plant Held For Future Use	0	WP-DSA-158
12	Transmission	14,247	WP-DSA-158
13	Underground Storage Amortization	107	WP-DSA-158
14	Underground Storage Depreciation	9,152	WP-DSA-158
15	UOP Transmission Kalkaska	0	WP-DSA-158
16	NGP Unsuccessful	0	WP-DSA-158
17	UOP Transmission St Clair	0	WP-DSA-158
18	MGP Amortization Expense	5,284	Exhibit A-40 (DLH-3)
19	Projected Depreciation & Amortization Expense	<u>\$ 138,746</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C7

Case No: U-16855

Witness: DSAlfred

Exhibit: A-9 (DSA-54)

Schedule C7

Date: September 2011

Page 1 of 1

Consumers Energy Company

Projected General Taxes

Test Year - December 2012

(000)

Test Year - December 2012

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Projected R&PP Tax	\$ 52,000	Ex: A-55 (TJV-1)
2	Projected Payroll Taxes	11,224	Ex: A-3 (DSA-15)
3	Projected Other General Taxes	<u>3,933</u>	WP-DSA-240
4	Projected General Taxes	<u>\$ 67,157</u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C8

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-9 (DSA-55)
 Schedule C8
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Projected Federal Income Taxes
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description (a)	Total Gas Amount (b)	Source (c)
1	Revenues	\$ 2,165,879	Exhibit: A-9 (DSA-48)
2	Cost of Goods Sold	(1,307,431)	Exhibit: A-9 (DSA-48)
3	LAUF and Company Use	(30,596)	
4	O&M	(385,421)	Exhibit: A-9 (DSA-48)
5	Depreciation/Amortization	(138,746)	Exhibit: A-9 (DSA-48)
6	General Taxes	(67,157)	Exhibit: A-9 (DSA-48)
7	Other Taxes Based on Income	<u>(13,281)</u>	Exhibit: A-9 (DSA-48)
8	Net Operating Income	223,246	Sum Line 1 to Line 6
9	Interest Expense	(73,749)	Ex: A-9 (DSA-59)
10	Interest Synchronization	<u>(412)</u>	Ex: A-9 (DSA-60)
11	Pre-Tax Income	<u>149,086</u>	
Permanent Differences			
12	Meals and Entertainment	121	WP-DSA-241
13	Preferred Stock Dividend	(194)	WP-DSA-241
14	AFUDC Equity	<u>(4,371)</u>	WP-DSA-241
15	Total Permanent Differences	<u>(4,444)</u>	Sum Lines 12 to 14
Temporary Differences			
16	Book Depreciation	133,461	WP-DSA-241
17	Tax Depreciation	(217,906)	WP-DSA-241
18	263A - Mixed Service Costs Deduction	(15,371)	WP-DSA-241
19	AFUDC - Debt	(2,690)	WP-DSA-241
20	Contributions In Aid of Construction	3,302	WP-DSA-241
21	Cost of Removal	(13,156)	WP-DSA-241
22	Gain/Loss on ACRS/MACRS Dispositions	(2,941)	WP-DSA-241
23	Tax Interest During Construction	4,320	WP-DSA-241
24	Gas Cost Recovery	11,364	WP-DSA-241
25	Gas Inventory Adjustment	29,050	WP-DSA-241
26	Manufactured Gas Plant Regulatory Liability	(11,430)	WP-DSA-241
27	OPEB - Book Expense	14,292	WP-DSA-241
28	OPEB - Payments	(11,732)	WP-DSA-241
29	Pensions/SERP - Book Expense	28,716	WP-DSA-241
30	Pensions - Payments	(36,810)	WP-DSA-241
31	Premium, Discount & Debt Expense Amortization	2,064	WP-DSA-241
32	Real and Personal Property Taxes	(4,221)	WP-DSA-241
33	Regulatory Liability - Revenue Reserves	(4,741)	WP-DSA-241
34	Taxes	<u>2,517</u>	WP-DSA-241
35	Total Temporary Differences	<u>(91,912)</u>	Sum Lines 16 to 34
36	Total Permanent & Temporary Differences	<u>(96,356)</u>	Line 15 + Line 35
37	Taxable Income	52,730	Line 11 + Line 36
38	Tax Rate	<u>35.00%</u>	
39	Current Federal Income Tax	18,456	Line 37 * Line 38
40	Adjustments to Current Federal Income Tax		
40	Research & Development Credit	<u>(1,100)</u>	WP-DSA-241
41	Total Current Federal Income Tax	<u>17,356</u>	Sum of Lines 39 to 40
42	Deferred Federal Income Tax	32,169	Line 35 * Line 38
43	Adjustments to Deferred Federal Income Tax		
43	FAS 109	(1,796)	WP-DSA-241
44	Investment Tax Credit Amortization	(625)	WP-DSA-241
45	Repealed Medicare Subsidy Benefit	<u>1,341</u>	WP-DSA-241
46	Total Deferred Federal Income Tax Expense	<u>31,089</u>	Sum of Lines 42 to 45
47	Projected Federal Income Tax Expense	<u>48,445</u>	Line 41 + Line 46

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C9

Case No: U-16855
 Witness: DSAIlfred
 Exhibit: A-9 (DSA-56)
 Schedule C9
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Projected State Income Taxes
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description (a)	Total Gas Amount (b)	Source (c)
1	Pre-Tax Income	\$ 149,086	Exhibit: A-9 (DSA-55)
2	Schedule M Permanent Differences	(4,444)	Exhibit: A-9 (DSA-55)
3	Schedule M Temporary Differences	<u>(91,912)</u>	Exhibit: A-9 (DSA-55)
4	Federal Taxable Income	52,730	Sum Lines 1 to 3
5	Depreciation Adjustment	114,681	WP-DSA-242
6	Taxes Based on Income	<u>10,764</u>	Exhibit A-9 (DSA-55) - Line 7 - Line 34
7	Michigan Taxable Income	178,176	Sum Lines 4 to 6
8	Tax Rate	<u>6.00%</u>	
9	Current Michigan Corporate Income Tax Expense	<u>10,691</u>	Line 7 * Line 8
10	Deferred Michigan Corporate Income Tax Expense	(1,215)	(Line 3 - Exhibit A-9 (DSA-55) Line 34 + Line 5) x -6.00%
11	Deferred - Amort of Reg. Asset per U-15645	1,191	WP-DSA-242
12	Deferred - Amort of MCIT Transition Asset	<u>2,541</u>	WP-DSA-242
13	Total Deferred Michigan Corporate Income Tax Expense	<u>2,517</u>	Sum Lines 10 to 12
14	Projected Michigan Corporate Income Tax Expense	<u>13,207</u>	Line 9 + Line 13

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C10

Case No: U-16855

Witness: DSAlfred

Exhibit: A-9 (DSA-57)

Schedule C10

Date: September 2011

Page 1 of 1

Consumers Energy Company

Projected Other (or Local) Taxes

Test Year - December 2012

(000)

Test Year - December 2012

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Projected Other Taxes	<u>74</u>	WP-DSA-243
2	Projected Other (or Local) Taxes	<u><u>74</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C11

Case No: U-16855

Consumers Energy Company

Test Year - December 2012

Witness: DSAlfred

Projected AFUDC

Exhibit: A-9 (DSA-58)

Test Year - December 2012

Schedule C11

Date: September 2011

Page 1 of 1

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Projected AFUDC	<u>\$ 7,061</u>	WP-DSA-239
2	Projected AFUDC	<u><u>\$ 7,061</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION**Schedule C12**

Case No: U-16855

Witness: DSAIfred

Exhibit: A-9 (DSA-59)

Schedule C12

Date: September 2011

Page 1 of 1

Consumers Energy Company
Adjusted Net Operating Income
Pro Forma Interest Adjustment for
Test Year - December 2012
(000)

Test Year - December 2012

Line	Description (a)	Amount (b)	Source (c)
1	Rate Base	\$ 3,070,731	Exhibit: A-8 (DSA-43)
2	Cost of Debt	<u>2.40%</u>	Ex. A-10 (DVR-1)
3	Allowable Interest Expense	\$ 73,749	L3 x L4
4	Less: Section A Pro Forma Interest Expense	<u>69,918</u>	Exhibit: A-3 (DSA-32)
5	Difference	\$ 3,830	L4 - L3
6	Change in MCIT	<u>(230)</u>	Line 12
7	Total difference	3,600	L5 + L6
8	Federal Income Tax Rate	<u>35.00%</u>	
9	Total change in Federal Income Taxes	<u>\$ (1,260)</u>	L7 x L8
<u>MCIT Effect of Test Year Interest</u>			
10	Difference	\$ 3,830	Line 5
11	MCIT Rate	<u>6.00%</u>	
12	Change In Michigan Corporate Income Tax	<u>\$ (230)</u>	L10 x L11

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C13

Case No: U-16855
 Witness: DSAlfred
 Exhibit: A-9 (DSA-60)
 Schedule C13
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Tax Effect of Interest
 Synchronization Adjustment for
 Test Year - December 2012
 (000)

Test Year - December 2012

Line	Description (a)	Amount (b)	Source (c)
1	Rate Base	\$ 3,070,731	Exhibit: A-8 (DSA-43)
2	Debt Related JDITC ¹ Portion of the Capital Structure	<u>0.23%</u>	Ex. A-10 (DVR-1)
3	Portion of Rate Base Funded by JDITC	\$ 7,060	L1 x L2
4	Cost of JDITC - Debt	<u>5.83%</u>	Ex. A-10 (DVR-1)
5	Interest Expense	\$ 412	L3 x L4
6	Section A JDITC - Interest Expense	<u>422</u>	Exhibit: A-3 (DSA-33)
7	Change in JDITC - Interest Expense	\$ (10)	L5 - L6
8	Change in MCIT	<u>1</u>	Line 14
9	Total difference	(9)	L7 - L8
10	Federal Income Tax Rate	<u>35.00%</u>	
11	Change in Federal Income Taxes	<u>\$ 3</u>	L9 x L10
 <u>MCIT Effect of Test YDSA JDITC Interest</u>			
12	Total Change In Interest Expense	(10)	Line 7
13	MCIT Rate	<u>6.00%</u>	
14	Change In Michigan Corporate Income Tax	<u>\$ 1</u>	L12 x L13

Footnote

¹ Job Development Investment Tax Credit

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule C14
Test Year - December 2012

Case No: U-16855
Witness: DSAlfred
Exhibit: A-9 (DSA-61)
Schedule C14
Date: September 2011
Page 1 of 1

Consumers Energy Company
Development of Net Operating Income for
Test Year - December 2012
(000)

Line	Description	Revenues				Expenses										AFUDC	Adjusted NOI	
		Sales (b)	Wholesale (c)	Misc. (d)	Total (e)	Cost of Gas Sold (f)	LAUF	Company Use	O&M (g)	Depr. (h)	Property Tax (i)	Other Taxes (j)	City Income Tax (k)	MBT/MCIT (l)	FIT (m)			NOI (n)
1	Historical Year Net																	
	Operating Income	\$ 2,209,291	\$ 57,480	\$ 93,638	\$ 2,360,409	\$ 1,494,798	\$ 24,180	\$ 5,482	\$ 389,175	\$ 124,918	\$ 45,655	\$ 12,071	\$ (37)	\$ 8,001	\$ 59,171	\$ 196,994	\$ 5,065	\$ 202,059
2	Normalizing Adjustments																	
3	Compensation Disallowances																	
4	Due and Donations Disallowances																	
5	Advertising Disallowances																	
6	Corporate Giving & Communications - Staff Salaries																	
7	Corporate Normalizations																	
8	Weather Normalization																	
9	PEM/OEM Revenue & Expense (3,230)																	
10	EO Surcharge & Expenses (24,408)																	
11	Sales & Use Tax Normalization																	
12	Interest Income on Cash Equivalents																	
13	Jobwork Revenues																	
14	Jobwork Expenses																	
15	Tax Benefit of Proforma Interest																	
16	Interest Synchronization																	
17	Sub-total Normalizing Adjustments																	
		\$ (16,262)			\$ (13,273)	\$ 1,494,798	\$ 24,180	\$ 5,482	\$ 354,479	\$ 124,918	\$ 45,655	\$ 15,478	\$ (37)	\$ 8,985	\$ 66,981	\$ 206,205	\$ 5,065	\$ 211,271
18	Test Year Adjustments																	
19	Sales Revenue																	
20	Transportation Revenues																	
21	Miscellaneous Revenues																	
22	Cost of Gas Sold																	
23	LAUF																	
24	Company Use																	
25	Other Operation & Maintenance																	
26	Depreciation (Book)																	
27	Real and Personal Property Tax (R&PP)																	
28	Other General Taxes																	
29	City Income Tax																	
30	Michigan Corporate Income Tax Adjustments																	
31	AFUDC																	
32	Federal Income Tax Adjustments																	
	Sub-total Test Year Adjustments																	
		\$ (159,063)	\$ (11,952)	\$ (10,242)	\$ (181,257)	\$ (187,367)	\$ 2,282	\$ (1,348)	\$ 30,942	\$ 13,828	\$ 6,345	\$ (321)	\$ 111	\$ 4,222	\$ (18,536)	\$ (31,415)	\$ 1,996	\$ (29,419)
33	Net Operating Income - Test Year	\$ 2,033,966	\$ 45,528	\$ 86,385	\$ 2,165,879	\$ 1,307,431	\$ 26,462	\$ 4,134	\$ 385,421	\$ 138,746	\$ 52,000	\$ 15,157	\$ 74	\$ 13,207	\$ 48,445	\$ 174,802	\$ 7,061	\$ 181,863

Sources:
Lines 1-17: Ex. A-3 (DSA-9) to DSA-33
Lines 18-32: Ex. A-9 (DSA-48) to DSA-60

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

STEVEN B. BEACHUM

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: SBBeachum
 Exhibit: A-16 (SBB-1)
 Date: September 2011
 Page: 1 of 1

Consumers Energy Company
 Summary of Projected Gas Operations O&M Expenses
 for the Year 2012
 (\$000)

Line No.	Description (a)	2010 Actual (b)	2012 Total (c)	Source (d)
1	Gas Division Expenses	\$ 174,774	\$ 183,077	Exhibit A-17 (SBB-2), line 6
2	Pipeline Integrity	7,541	15,444	Exhibit A-18 (SBB-3), line 1
3	Storage Well Integrity	672	1,963	Exhibit A-18 (SBB-3), line 2
4	Control Room Management Compliance	0	379	Exhibit A-18 (SBB-3), line 3
5	Lost and Unaccounted for Gas (LAUF)	24,180	26,462	Exhibit A-19 (SBB-4), line 1
6	Company Use Gas	5,482	4,134	Exhibit A-19 (SBB-4), line 2
7	Injuries and Damages	2,453	2,550	Exhibit A-22 (SBB-7), line 4
8	LIEEF	17,427	17,427	Cases U-15506, U-15986,
9	Total Expense	\$ 232,529	\$ 251,436	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: SBBeachum
 Exhibit: A-17 (SBB-2)
 Date: September 2011
 Page: 1 of 1

Consumers Energy Company
 Summary of Projected Gas Division O&M Expenses
 for the Years 2011 and 2012
 (000)

Line No.	Description (a)	2010 Actual (b)	2011 Total (c)	2012 Total (d)	Source (e)
1	Gas Energy Operations	\$ 118,662	\$ 122,222	\$ 124,300	WP SBB -1 line 7
2	Gas Energy Delivery	10,334	10,644	10,825	WP SBB -1 line 12
3	Gas Customer Operations	31,031	31,962	32,505	WP SBB -1 line 18
4	Gas Management Services	3,745	3,857	3,923	WP SBB -1 line 21
5	Gas Business Services	11,002	11,332	11,525	WP SBB -1 line 27
6	Total Gas Division O&M Expenses	\$ 174,774	\$ 180,017	\$ 183,077	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
Witness: SBBeachum
Exhibit: A-18 (SBB-3)
Date: September 2011
Page: 1 of 1

Consumers Energy Company

Summary of Projected Gas Operations O&M Expense Adjustments
for the Years 2011 and 2012
(\$000)

Gas Operations

Line No.	Description (a)	2010 Actual (b)	2011 Amount (c)	2012 Amount (d)	Source (e)
1	Pipeline Integrity	\$ 7,541	\$ 10,859	\$ 15,444	WP SBB -2
2	Storage Well Integrity	\$ 672	1,200	1,963	WP-SBB-1, line 4
3	Control Room Management Compliance	\$ -	225	379	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: SBBeachum
 Exhibit: A-19 (SBB-4)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Summary of Projected Gas O&M Expenses for Lost and
 Unaccounted for Gas & Company Use Gas
 for the Year 2012
(\$000)

GAS OPERATIONS

Line No.	Description (a)	2010 Actual (b)	2012 Total (c)	Difference Total (d)	Source (e)
1	Lost & Unaccounted for Gas Costs (LAUF)	\$ 24,180	\$ 26,462	\$ 2,282	WP-DSA-70 and Exhibit: A-21 (SBB-6) line 14, column f
2	Company Use Gas	5,482	4,134	(1,348)	WP-SBB-1 (Line 10), WP-SBB-3 and Exhibit: A-21 (SBB-6) line 21, column f
3	Total Expense	\$ 29,662	\$ 30,596	\$ 934	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: SBBeachum
 Exhibit: A-20 (SBB-5)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Calculation of Gas Line Loss Percentage
 2005 through 2010

GAS OPERATIONS

Line No.	Sendout Period (a)	Sendout ¹ MMcf (b)	Billed Sales ² MMcf (c)	Line Loss (Gain) Before Inventory		Inventory Adjustment MMcf (e)	Total Line Loss (Gain) MMcf (f)	Line Loss ³ Percentage (g)
				Adjustment MMcf (d)	Adjustment MMcf (d)			
1	August 2006 - July 2007	236,189	234,031	2,158	2,158		2,158	0.9137%
2	August 2007 - July 2008	236,545	232,089	4,456	4,456	420	4,876	2.0613% ⁴
3	August 2008 - July 2009	240,836	236,557	4,279	4,279		4,279	1.7766%
4	August 2009 - July 2010	210,376	208,729	1,647	1,647		1,647	0.7829%
5	August 2010 - July 2011 ⁶	232,251	228,305	3,946	3,946	1,032	4,978	2.1432% ⁵
6	Total - August 2004 - July 2009	1,156,197	1,139,712	16,486	16,486	1,452	17,938	1.5514%

¹ Sendout for column (b) obtained from Gas Control Operations Summary report.

² Billed Sales for column (c) obtained from the Accounting Department

³ g1=f1/b1

⁴ Includes an inventory adjustment for Ray and Northville of 420 MMcf as approved in Case No. U-15986.

⁵ Includes an inventory adjustment for Lenox, Ray, Four Corners and Swan Creek of 1,032 MMcf

⁶ Forecasted with 10 months of actual data

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: SBBeachum
 Exhibit: A-21 (SBB-6)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Calculation of Allowance for Gas Use and Losses
 Test Year 2012

GAS OPERATIONS

Line No.	Line Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Calculation of Allowance for Use & Losses							
2	Total Sendout/Throughput				278,843,000			Exhibit A-11 (HWM-6), page 1 of 3, line 13, column K
3	Five-Year Average LAUF Percentage				1.5514%			Exhibit A-20 (SBB-5)
4	Lost and Unaccounted for Gas Volume				4,326,033			Line 2 x Line 3
5	Lost and Unaccounted for Gas Volume				4,326,033			From line 4
6	Fuel Gas Volume				2,399,000			WP-DSP-2, line 25
7	Total LAUF & Fuel Gas Volume				6,725,033			Line 5 + Line 6
8								
9	Total Sendout/Throughput				278,843,000			Line 2
10								
11	Allowance for Use and Losses %				2.412%			Line 7 divided by Line 9
12								
13	Calculation of Consumers Energy LAUF & Co. Use							
14	Lost and Unaccounted for Gas Volume				4,326,033	\$ 6.117	\$ 26,462,342	WP-DSP-4, line 35 for Column (e) gas rate
15	Company Use Gas Volume			2,399,000				WP-DSP-2, line 25
16								
17	Transportation Volume		61,530,000					Exhibit A-11 (HWM-6), page 3 of 3, line 13, columns (h), (i), and (j).
18	Allowance for Use and Losses Percentage		2.412%					From Line 11
19	Transportation Gas-in-Kind Volume		1,483,958	(1,483,958)				Line 17 x Line 18
20	Other Gas-in-Kind Volume			(215,000)				WP-DSP-5
21	Net Company Use Gas Volume		700,042	700,042	700,042	\$ 5.905	\$ 4,133,749	WP-DSP-4, line 26 for Column (e) gas rate
22								
23	Total LAUF and Company Use Gas Adj				5,026,075		\$ 30,596,091	Line 14 + Line 21

* 12 month Average of Cost of Gas Sold

** Weighted Purchased and Produced gas cost

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: SBBeachum
 Exhibit: A-22 (SBB-7)
 Date: September 2011
 Page: 1 of 1

Consumers Energy Company

Summary of Projected Gas O&M Expense for Injuries and Damages
 for the Years 2011 and 2012

(\$000)

Injuries & Damages

Line No.	Description (a)	2010 Actual (b)	2011 Total (c)	2012 Total (d)	Source (f)
1	Gas Property Damages and Liability	\$ 1,197	\$ 1,056	\$ 1,056	WP-SBB-5
2	Internal Legal Costs	262	294	294	WP-SBB-5
3	Workers' Compensation	994	1,200	1,200	WP-SBB-5
4	Total	\$ 2,453	\$ 2,550	\$ 2,550	

¹ Represents five year average for 2006-2010,

MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-16855
 Witness: SBBeachum
 Exhibit: A-23 (SBB-8)
 Date: September 2011
 Page 1 of 1

**Consumers Energy Company
 Summary of Projected Gas Capital Expenditures
 2011 and 2012
 (\$000)**

GAS OPERATIONS

Line No.	Description	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	New Business	\$ 18,361	\$ 29,110	Exhibit A-24 (SBB - 9)
2	Asset Relocation	26,491	27,610	Exhibit A-25 (SBB - 10)
3	Regulatory Compliance	49,899	34,486	Exhibit A-26 (SBB - 11)
4	Material Condition	27,781	94,797	Exhibit A-27 (SBB - 12)
5	Capacity/Deliverability	89,109	62,246	Exhibit A-28 (SBB - 13)
6	Gas Operations Other	2,378	2,351	Exhibit A-29 (SBB - 14)
7	Gas Business Services	14,597	10,940	Exhibit A-30 (SBB - 15)
8	Total Capital	\$ 228,616	\$ 261,540	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-16855
 Witness: SBBeachum
 Exhibit: A-24 (SBB-9)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Summary of Projected Capital Expenditures for the New Business Program
 2011 and 2012
 (000)

GAS OPERATIONS
New Business Program

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Mains Services & Meter Stands	\$ 14,901	\$ 14,638	WP - SBB-6
2	New Business Meters	1,460	2,173	WP - SBB-6
3	Large New Business Projects	2,000	12,300	WP - SBB-6
4	Total	\$ 18,361	\$ 29,110	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-16855
 Witness: SBBeachum
 Exhibit: A-25 (SBB-10)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Summary of Projected Capital Expenditures for the Asset Relocation Program
 2011 and 2012
 (000)

GAS OPERATIONS
Asset Relocation Program

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Decision Analysis Mains & Services	\$ 23,845	\$ 25,765	WP - SBB-6
2	Asset Relocation - Non Modeled	1,113	1,845	WP - SBB-6
3	Asset Relocation - T&S	1,533		WP - SBB-6
4	Total	\$ 26,491	\$ 27,610	

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Summary of Projected Capital Expenditures for the Regulatory Compliance Program
 2011 and 2012
 (000)

Case No. U-16855
 Witness: SBBeauchum
 Exhibit: A-26 (SBB-11)
 Date: September 2011
 Page 1 of 1

GAS OPERATIONS
Regulatory Compliance Program

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Meter In / Out Program	\$ 13,736	\$ -	WP - SBB-6
2	Meters - Replacements	11,964	12,314	WP - SBB-6
3	Pipeline Integrity - (T&S)	17,552	16,669	WP - SBB-6
4	PI Remediation (Distribution)	573	473	WP - SBB-6
5	Cathodic (Rectifiers, Mains, Services)	1,206	722	WP - SBB-6
6	Cathodic (T&S)	614	654	WP - SBB-6
7	Regulatory Base (T&S)	3,105	2,014	WP - SBB-6
8	Regulatory Base (Distribution)	1,150	1,641	WP - SBB-6
9	Total	\$ 49,899	\$ 34,486	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-16855
 Witness: SBBeauchum
 Exhibit: A-27 (SBB-12)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Summary of Projected Capital Expenditures for the Material Condition Program
 2011 and 2012
 (000)

GAS OPERATIONS
Material Condition Program

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Model Mains, Services, Risers	\$ 8,554	\$ 73,000	WP - SBB-6
2	Material Condition Non Modeled	13,933	12,915	WP - SBB-6
3	Material Condition T&S	4,993	8,262	WP - SBB-6
4	Field Measurement Upgrades	301	620	WP - SBB-6
5	Total	\$ 27,781	\$ 94,797	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-16855
 Witness: SBBeachum
 Exhibit: A-28 (SBB-13)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Summary of Projected Capital Expenditures for the Capacity/Deliverability Program
 2011 and 2012
 (000)

GAS OPERATIONS
Capacity/Deliverability Program

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Augment - Base	\$ 1,852	\$ 4,960	WP - SBB-6
2	New Pipelines	498		WP - SBB-6
3	New Wells	790	4,472	WP - SBB-6
4	T&S City Gates	2,056	79	WP - SBB-6
5	Regulator Stations - Distribution	3,247	3,427	WP - SBB-6
6	Deliverability Base Maintenance	11,546	15,047	WP - SBB-6
7	White Pigeon	113		WP - SBB-6
8	Ray Station Plant 3	66,064	27,594	WP - SBB-6
9	Ray Station Upgrade - AFUDC	2,943	6,667	WP - SBB-6
10	Total	\$ 89,109	\$ 62,246	

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Summary of Projected Capital Expenditures for the Gas Operations Other Programs
 2011 and 2012
 (000)

Case No. U-16855
 Witness: SBBeauchum
 Exhibit: A-29 (SBB-14)
 Date: September 2011
 Page 1 of 1

GAS OPERATIONS

Gas Operations Other - Programs

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Routine Computer & Equipment	\$ 147	\$ 150	WP - SBB-6
2	Training Services	379	387	WP - SBB-6
3	Land and ROW	275	-	WP - SBB-6
4	Security	255	496	WP - SBB-6
5	Tools	888	904	WP - SBB-6
6	EMS SCADA Equipment Upgrades	34	14	WP - SBB-6
7	Gas RTU Communication Project	400	400	WP - SBB-6
8	Total	\$ 2,378	\$ 2,351	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-16855
 Witness: SBBeauchum
 Exhibit: A-30 (SBB-15)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company
 Summary of Projected Capital Expenditures for the Gas Business Services Programs
 2011 and 2012
 (000)

GAS OPERATIONS
Gas Business Services

Line No.	Activity	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)
1	Land & Right of Way	\$ 45	\$ 45	WP - SBB-6
2	Real Estate Technology Project	-	33	WP - SBB-6
3	Computer Equipment	96	81	WP - SBB-6
4	Transportation Equip	8,369	4,186	WP - SBB-6
5	Mechanical Equipment	437	144	WP - SBB-6
6	Asset Preservation & Security - Gas	417	417	WP - SBB-6
7	Asset Preservation & Security - Common	5,188	5,991	WP - SBB-6
8	Duplicating Equipment	44	44	WP - SBB-6
9	Total	\$ 14,597	\$ 10,940	

Case No: U-16855
Witness: SBBeachum
Exhibit A-31 (SBB-16)
Date: September 2011
Page 1 of 28

LAUF PROGRAM ASSESSMENT

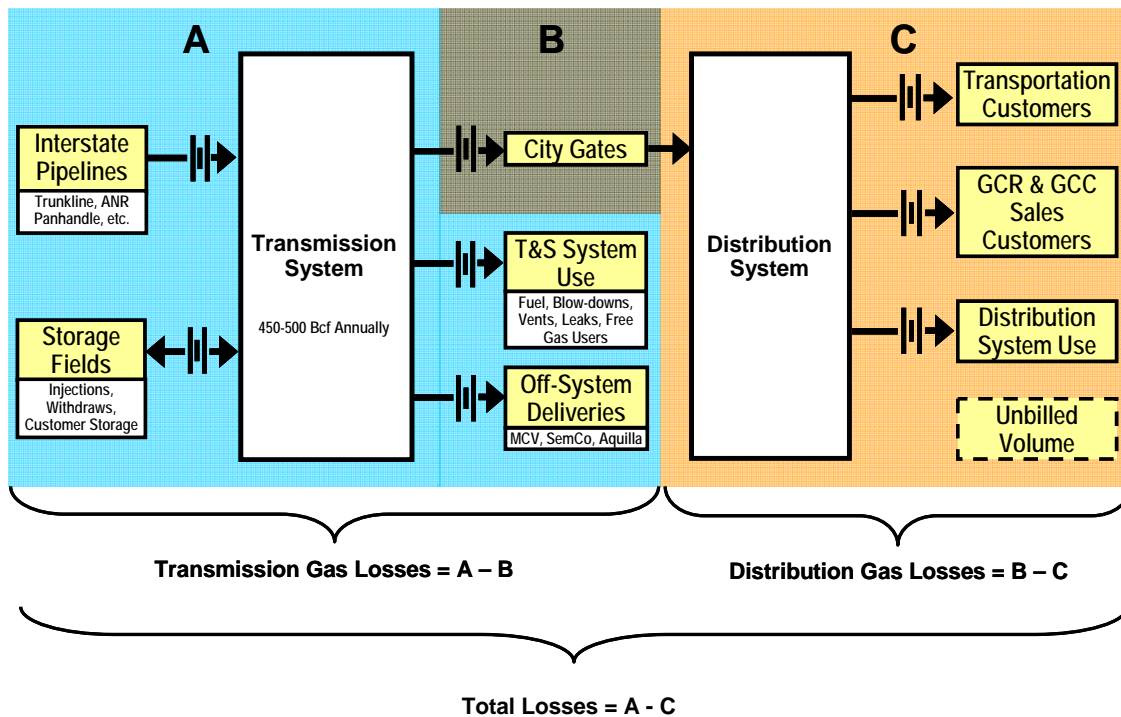
Prepared by: JFBearman/RPSeman Project Controls/Gas Measurement Date: 08-23-2011
JFBearman/RPSeman

Approved by: MEKolka Operations Support Date: 08-23-2011
MEKolka

Introduction

This report describes Consumers Energy's current program and future expectations for addressing lost and unaccounted for gas volumes (LAUF) and related issues. LAUF occurs when measured receipts of gas into a system exceed the measured deliveries off of a system through interconnects to other parties, system fuel uses, storage fields, and ultimate end use retail customers. For Consumers Energy, the ability to identify and address LAUF related issues is significantly impacted by the fact that the Company's delivery system encompasses over 29,000 miles of transmission, storage, and distribution pipelines, 7 compressor stations, and 15 storage fields that handle both delivered volumes injected into the field as well as withdrawals from the storage fields. Approximately 1,000 facility and observation wells are associated with the operation of those 15 storage fields. Annual volumes handled by the Company's transmission and storage system approximate 400-500 Billion Cubic Feet (BCF), which is a reflection of injection and withdrawal of natural gas from the company's 15 storage fields. Annual deliveries to its 1.7 million end use customers occurs through the Company's 116 city gate stations and typically ranges from 250 BCF – 300 BCF. In 2006, the Company initiated a third party study on LAUF issues. In October 2006 the Company hired Rick Feldmann and Associates (Feldmann), an outside consultant specializing in LAUF and gas operations issues, to evaluate the Company's gas operations and recommend actions for improvement. Following its review, Feldmann issued a final report on December 14, 2006, making several recommendations. In late 2006 and continuing into 2007, many of the Feldmann recommendations were implemented forming the basis for the Company's current LAUF program.

LAUF Process Controls – Total System



Current LAUF Program

Based on historical knowledge of measurement issues and implementation of the Feldmann recommendations, the current LAUF program is comprised of the following elements:

1. A gas measurement team (GM) which primarily focuses on assuring (i) measurement accuracy and (ii) that industry practices are maintained, relative to LAUF related issues.
2. Training for all GM and field personnel has been completed in a number of areas addressing measurement equipment and standards, gas quality, and calibration/inspection processes and procedures. In addition, training continues as necessary for any new personnel joining this initiative or as advanced training modules become available for the current LAUF team members. Lastly, Company personnel actively participate on the

American Gas Association's (AGA) Transmission and Distribution Measurement Committees, discussing various measurement issues.

3. GM personnel audit and witness other Company and 3rd party personnel, performing the regularly scheduled calibration/inspection of metering and gas quality equipment around the state. This helps ensure valid measurements and relevant procedures are followed and also allows for identification and subsequent correction of any equipment/calibrations/inspection related issues.
4. GM and other Company personnel continue to identify and where appropriate replace retail customer meters to maximize billing accuracy.
5. A gas measurement system called Flow Cal was purchased, installed and is monitored by GM and field personnel to validate actual measured flows captured by the Company's current measurement and data acquisition system - known as Supervisory Control and Data Acquisition (SCADA).
6. GM and field personnel maintain replacement orifice plates for all of the Company's city gate orifice meter stations to address changing flow conditions. Where noted through Flow Cal or SCADA data, field personnel are notified to change plates as warranted to reduce the risk of measurement uncertainty during certain load conditions.
7. The Company continually monitors and analyzes data from installed and upgraded ultrasonic and large customer meters to address measurement related issues.
8. Commercial & Industrial (C&I) Customer procedures include obtaining large customers data input directly into Flow Cal. Also, many C&I customer meters were inspected and reviewed for appropriate sizing to enhance measurement accuracy.

9. A Center of Excellence (COE) team was established with regularly scheduled monthly meetings to address and resolve LAUF issues within each organization.

In conjunction with the COE activities, the Company employs an independent 3rd party vendor and additional investigators to identify potential theft of natural gas by our customers and potential non-registering customer meters. This investigation has resulted in billings of 300,000 – 400,000 thousand cubic feet (MCF) annually since 2008.

10. GM personnel are reviewing the Company's compressor stations and high flow city gates for fugitive leaks through the use of infrared cameras and high flow analyzers. Identified leaks will be prioritized and repaired, reducing LAUF at those sites. The Company's system from the storage wells to the compressor stations will be analyzed in the fall of 2012.

1 Gas Measurement (GM) Group

The Gas Measurement Department (GM) was created in early 2007 and is fully staffed. The group was originally comprised of a team lead, six measurement specialists, and four measurement analysts. The GM specialists are familiar and experienced in working with the equipment involved and the various procedures and tools necessary for proper calibration/inspection, and operation of this equipment. The GM specialists attend all regularly scheduled calibrations/inspections for the Company and 3rd party metering and gas quality equipment and are often called upon to correct malfunctioning Company equipment, including gas chromatographs and other sampling equipment. The GM team is charged with developing expertise on all measurement activities, with both existing equipment and the design of new equipment. This includes routine review of diagnostics data downloaded from the meters to ensure operating quality. In addition the team is specifically tasked with reviewing and analyzing the hourly meter data, generated through the Flow Cal gas measurement software which was purchased in 2008 by the Company and installed on selected GM computers. The major focus of this group is to analyze, monitor, and validate that proper measurement practices and procedures are followed within the Company and resolve any LAUF related issues.

Specifically, Flow Cal mimics and monitors hourly flow information from actual transmission, storage, distribution, and large retail customer meters so that any measurement related issue with those meters can be identified and addressed. In 2008 and 2009 GM analysts were trained on Flow Cal and began analyzing hourly exceptions by meter for possible measurement inaccuracies. Typical measurement issues addressed have included frozen meter data, differential pressure concerns at orifice meter stations, battery failure/malfunctions, incorrect reporting of orifice plate changes, and gas quality issues. When these exceptions are found, GM personnel analyze the data, report their findings, and work with appropriate personnel to resolve the issue, which may include an adjustment, upward or downward, to reported flow information. In addition, other GM personnel review and analyze ultrasonic meter and chromatograph diagnostic data by location on a more frequent basis to address/correct any potential measurement issues at the Company's pipeline and third party inter-connects, storage field locations, and other meter locations.

2 Training

In order to facilitate continuing education and development of appropriate measurement skilling, training programs were created to ensure necessary employee skills are developed and maintained. The training program includes the following topics and employee groups:

<u>Year</u>	<u>Topic</u>	<u>Employees Groups Attending</u>
2007-2008, 2010	Run and Vane Inspection	All GM/Gas Instrument Mechanics
2008-2010	Transducer Calibration	Gas Instrument Mechanics, Field Techs, GM Specialists
2009	Ultrasonic Meters	GM/Field Techs
2010	Regulators	Gas Instrument Mechanics
2007-2009	Fundamentals of Gas Measurement	GM Analysts & Specialists
2008-2010	Flow Cal	GM Analysts/General Office & Field Personnel
2008-2010	Gas Quality(GC's,Sampling)	GM Specialists/Field Techs

Working with the Company's training department, these training programs address run and vane inspection procedures and the use of appropriate tools to maintain debris free orifice meter runs. In addition, appropriate procedures for transducer calibration and proper usage of test equipment are presented to the attending employees. Ultrasonic meter training addresses the operation of meter and associated meter diagnostics to address meter functionality. Fundamentals of Gas Measurement training conducted in Houston by the Institute of Gas Technology for all new GM personnel, is a two week class addressing all aspects of proper measurement and gas quality. Extensive Flow Cal training occurred through a number of sessions with the GM analysts and field personnel as delivered by Flow Cal and GM personnel to assist compliance with the modified procedures and new software. Lastly, Gas Quality Training, from both a chromatograph and sampling system perspective was, and is, offered to the relevant GM specialists and field personnel.

In addition to the training discussed above, additional enhanced measurement tools were purchased in 2009 for Company field personnel to replace equipment historically utilized by the Company's field technicians and gas instrument mechanics. Below is a summary of the major tools purchased.

<u>Item</u>	<u># Purchased</u>	<u>For Whom</u>
Ralston Nitro-Pak (Pressure Calibration)	29	Gas Instrument Mechanics (IM's)/ Training
Oakton Temperature Gauges	28	IM's/Field Techs
Heise Calibration Gauges (Pressure Calibration)	12	IM's/ Training
Flukes Instrument Packages (Multiple Functions Instrument)	17	Field Techs/Training
Deadweight Testers	18	Training/IM's (as needed)
Run and Vane Test Equipment	4	GM Specialists/Training
Orifice Plate Inspection Tools	178	IM's/Training/GM Specialists

Initial results from the training and tool purchase programs indicate success as problems found at witnesses have declined as indicated in Table 1 (following in Section 3).

Finally, to stay abreast of, and to potentially shape changes to industry standards for measurement, appropriate Company personnel remain active on AGA Transmission and Distribution Measurement Committees (TMC & DMC), which meet two to three times per year addressing measurement related issues.

3 Inspection and Calibration Witness

GM specialists attend, witness, and validate approximately 300 regularly scheduled calibrations around the Lower Peninsula, associated with meters and chromatographs/gas sampling equipment. Each year they witness other Company and 3rd party personnel to assure

calibrations/inspections are being done in accordance with appropriate procedures, using appropriate equipment, and that necessary repairs and records are identified. As discussed above in Item 2, this effort also identified any training and/or tool needs for our personnel and continues to identify any other measurement issues at that site. In order to improve this process, in September 2007, the following procedures were revised, issued, and reviewed with appropriate GM and field personnel.

<u>Procedure</u>	<u>Topic</u>
MR-6	Ultrasonic Meter
MR-7	On-Site Computer Verification
MR-10(a)	Orifice Plate Inspection, Run and Vane Inspection
MR-10(c)	Orifice Plate Operations
MR-13	Gas Sampling
MR-23	Chromatographs
MR-24	Turbine Meter Maintenance

The GM team remains responsible for the annual review and modification of any of the existing measurement procedures as well as the creation of any new measurement procedures.

In addition, beginning in 2008, a monthly witnessing calendar was created and validated with field personnel and 3rd parties to ensure representation by GM specialists to the largest extent possible. Below is a table (Table 1) depicting the number of witnesses on an annual basis, number of problems found, and the number of problems noted per witness that require follow-up and resolution.

Table 1

	# of Witnesses	# of Problems Found	Problems Noted Per Witness
2008	289	194	0.7
2009	300	212	0.7
2010	349	166	0.5
YTD 2011	180	45	0.3

The on-going witness activities by the GM group continue today with the goal of attending 100% of all applicable witnesses in 2011. Close coordination with field and 3rd parties continues so that the monthly witnessing calendar remains current as changes occur.

4 Incorrectly Sized/Malfunctioning Customer Meters

Inaccurate/incorrect measurement of customer flows affects LAUF in a manner similar to physical leaks. Economic conditions in our service area have changed since many of our customer's meters have been installed. As a result the Company embarked on, and continues to identify situations where the customer's gas usage patterns, particularly commercial and industrial customers, have changed dramatically. For example, a significant reduction in usage can result in metering inaccuracy. Consequently, that specific meter may no longer be appropriate to measure accurately the current hourly gas flows for that customer. Where appropriate, a different meter is installed to more accurately capture the changed/changing load profile of that customer. This work is coordinated between gas operations and the Metering Technology Center.

5 Flow Cal Monitoring

The Company purchased and implemented a gas measurement software system named Flow Cal in 2008. This system provides hourly data for all transmission and storage meter stations, major interconnect points, and certain large customer meters and Flow Cal review identifies exceptions and possible issues with the hourly flow data and indicates a potential issue at a given meter. These exceptions are reviewed by GM and field personnel for measurement issues and flow data is adjusted as warranted. In addition, this data is frequently summarized and compared to actual flow data received through SCADA to highlight any potential discrepancies at particular meter stations. The data also contains pressure, temperature, and gas quality detail which, when incorrect, affects measurement accuracy as well. Table 2 below summarizes volume adjustments attributable to review of the Flow Cal data by GM personnel.

Table 2

Flow Cal Volume Adjustments (MCF)					
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	TOTAL
2008	1,155,400	11,631	267,873	307,484	1,742,388
2009	232,562	9,360	1,446	1,565	244,933
2010	33,870	24,652	17,398	45,159	121,079
2011	22,061	51,245	45,000		118,306

As a result of this Flow Cal data review and associated adjustments, the level of LAUF was impacted by the above adjustments.

6 New Orifice Plates

As was noted in the company's investigation there were insufficient orifice plates and seal rings for varying flow conditions on the system. As load changes occur, orifice plate sizes must be adjusted to ensure accuracy. An inventory of all orifice plate sizes was taken at each orifice meter location. A total of 881 plates and seal rings were purchased in 2009 so that each location

had the correct range of plates for their anticipated load conditions. The new plates and seal rings were then distributed to the respective orifice meter locations on the Company's system. It is extremely important that appropriately sized orifice plates are installed in each respective meter run. As load varies, an incorrect plate size for that load will produce measurement uncertainty. High or low differential pressures (DP's) caused by incorrectly sized orifice plates can affect measurement uncertainty and the resultant DP's may not comply with the range of DP's considered acceptable by industry measurement standards for orifice plate meter stations. Nicked or dirty orifice plates can also have an effect on measurement. Consequently the Company purchased and distributed the almost 900 orifice plates and seal rings mentioned above.

7 MCV/Summerton Road Meter Station

The Midland Cogeneration Venture (MCV) facility located in Midland is by far the Company's largest end-use customer. Recent annual deliveries to that facility have ranged from approximately 26,000,000 MCF to 35,000,000 MCF. In late 2007, the Company built the Summerton Road meter station to validate billing volumes delivered to MCV by the Company. According to the current contract between the parties, MCV provides the Company its billing volumes by subtracting Great Lakes deliveries from MCV's Progress Place recorded volumes to determine the volumes delivered by Consumers Energy. Summerton Road is equipped with a "state of the art" measurement system, & serves as a check meter to validate the MCV provided billing information. In 2009, to ensure Summerton Road measurement accuracy, the Company hired an independent auditor, Southwest Research Institute (SWRI) to perform a measurement audit of the Summerton Road facility. SWRI's findings validated that Summerton Road met all industry standards for use as a "custody-transfer" or billing measurement site and that the MCV – Progress Place Station did not meet Industry Standards as a "custody-transfer" or billing site. As a result of discussions with MCV, the Summerton Road station will become the billing meter effective October 1, 2011.

8 Ultrasonic Meters

In 2001, the Company began a program to install ultrasonic meters (USM) at certain storage and transmission locations, predominately replacing orifice metering equipment. This effort was ultimately completed in 2009 and over 70 USM's were installed. USM's are now recognized by the industry as the preferred measurement method over orifice plate installations. Table 3 below illustrates the improved accuracy rate for USM's relative to orifice meters.

Table 3

Meter Type	Accuracy
Orifice	0.5% – 2%
Ultrasonic	0.25% – 0.5%

Other benefits provided by USM's over orifice meters are as follows:

- USM's have multiple "chords" allowing for multiple individual chord failures before measurement accuracy is negatively affected (3 of 4 sets must fail before accuracy decreases)
- USM's have no moving parts
- Elimination of orifice plate change call outs and over (or under) DP situations, reducing costs and improving measurement accuracy
- Ability for real-time diagnostics and analysis by GM personnel and field technicians to ensure acceptable measurement performance by each USM installed

9 Enhanced Metering for Large C&I Customers

In conjunction with the COE in 2008 and 2009, enhanced metering was installed on the Company's largest 203 commercial and industrial customer locations. In 2011, 25 additional meters will be installed for C&I customers who have grown significantly in size. The new meters and communication equipment were installed for two reasons. First, the new meters provide a greater range and more versatility in measuring varying load flows for these large customers. The enhanced metering also provides a better means to accurately measure and bill that customer's usage, as compared to the older mechanical meter originally in place. Secondly, as previously discussed, hourly data for these customers is now downloaded into Flow Cal and is reviewed regularly by GM personnel so that any exceptions are then noted, reviewed, and corrected in a timely fashion. In addition, in 2008 and 2009, 49 Commercial and Industrial customers were identified by Gas Distribution as having over-sized meters for that customer's current load profile. They were replaced by a meter which would more accurately measure their reduced gas loads. To date, this has resulted in corrected billings of 13,000 MCF and a corresponding reduction in LAUF.

10 LAUF Center of Excellence (COE)

In 2008, GM led the formation of the COE group with representatives from many departments within the Company. Representatives, in addition to those from GM, include Field Operations, Distribution Engineering, Statewide Planning, Damage Prevention, Rates Department, Business Support, Project Controls, Operations Support, Accounting, Customer Billing, Credit & Collection, Metering Technology Center and Gas Management Services. Initially, this group met more often to discuss potential causes of LAUF and develop action plans and activities. It quickly became apparent that each of the respective areas was contributing to LAUF through their actions or inactions. Items such as physical leaks, theft, billing issues, failure to report venting, station by-passes and incorrect reporting of orifice plate sizes after plate changes all had an impact on LAUF levels. Regular meetings were held and continue to be held so that efforts to address LAUF issues do not cease. In addition, a vendor and additional investigators were hired to identify potential customer theft of gas and other peculiarities with customer sites that should, based on their characteristics, have greater gas usage. This led to the finding of a number of non-registering and incorrectly recording customer meters. Table 4 below is a summary of some COE results since the group was formed.

Table 4

COE Results (All Volumes in MCF)				
	2008	2009	2010	YTD July 2011
Theft Dept. Activities	308,021	497,018	397,211	229,794
Right Size Meters	–	–	2,200	–
3 rd Party Damage	–	–	34,000	10,200
Accelerate Repair – Leaks	7,118	12,734	13,642	4,000
Flow Cal Adjustments	1,557,108	141,399	119,279	118,306
Meter Inspections	21,000	10,000	15,000	–

Had these quantities not been addressed and accounted for through this effort, the Company LAUF totals would have increased by these amounts.

In addition, a number of operating benchmarks were established and tracked to assist in LAUF management. They included the following:

Table 5

	<u>Goal</u> <u>2008</u>	<u>Actual</u> <u>2008</u>	<u>Goal</u> <u>2009</u>	<u>Actual</u> <u>2009</u>	<u>Goal</u> <u>2010</u>	<u>Actual</u> <u>2010</u>
Timely Orifice plate changes	100%	100%	95%	99%	N/A	N/A
Number of inactive services retired	No Goal	1000	Note*	2458	2000	3107
Customer Meter Inspections	350	373	1000	1000	1200	1214

*Note - Goal was to restore all remaining inactive services less than 24 months old

Monthly COE meetings are scheduled for the remainder of 2011 and 2012. Listed below are the current activities of the COE as well as results year to date through July 2011.

2011 LAUF ACTION PLAN			7/24/2011
Description	Responsible Department	2011 Plan(s)	Results YTD
Theft Investigation	Theft & Damage Claims	> Detectant (contractor) - uses proprietary analysis to monitor commercial/industrial and residential usage patterns and data for comparison to 'like' businesses/residences > Theft Department uses BI reports on inactive accounts along with tips from neighbors & meter readers	> 229,794 Mcf YTD (~95% billed & 5% unbilled)
Auditing/Witnessing	Gas Measurement & Operations	> Correct 100% of items identified/tracked/assigned by their due date > Witnessing activities identify skilling (training, etc.), equipment (calibration, etc.) and process (procedures, etc.) issues. Action items developed through mutual agreement of Measurement Team and M&R Operations Leadership.	> 24 Action Items on the Current List > 60% are complete > 0 are overdue
Capture & Report Losses and Adjustments			
3rd Party Damages	Damage Prevention	> Capture the 3rd Party Damage gas losses for proper accounting/charging > (Number of damages from Damage Reporting process) X (historical averages of mains vs. services ... typically 85% svcs. & 15% mains) X (avg. gas losses for service or main damage) = calculated estimate of Mcf lost > Larger damages - work with local engineer & Damage Claims to determine calculated losses > Estimate of 40,000 to 50,000 Mcf/year	> 10,200 Mcf YTD
System Use by CE	Gas Supply	> Gas Supply captures use at various CE locations: - Reported operational losses/misc. venting - Distribution City Gate Heaters - Storage Field Use	> 236,628 Mcf YTD June
Compressor Fuel & Auxiliary Gas	Gas Measurement & Gas Supply	> All Fuel & Aux Use gas is now being entered and calculated within FlowCal for accuracy and consistency of data.	> 1,002,288 Mcf YTD June
Flow Cal Adjustments	Gas Measurement	> Track FlowCal data on a daily basis and adjust actuals as needed - from system observations and adjustments due to measurement errors.	> 118,306 Mcf
Distribution Line Leaks - Evaluate by cost/benefit as well as safety	Distribution Engineering	> As higher volume Distribution Leaks are identified, they are given a 'standard' repair date and a 'LAUF' repair date (which is typically sooner - depending on the size of the leak). The field attempts to repair by the LAUF date. > ~20% of all Leaks are classified LAUF Leaks > 2011 goal is > 92% repaired by LAUF due date	> YTD % repaired by LAUF date - unknown per (DTJ) > Resulted in est. savings of 4,000 Mcf YTD over standard repair date (15% of total YTD est. losses)
Retire Inactive Services	Statewide Planning & Performance	> Plan is to retire 2500 services > Avoids future leak/line loss/theft possibilities	> 1383 YTD
"Right Size" C&I Meters	Metering Technology Center	> Install smaller meters at oversized commercial/industrial customers. > Consider continuation of pgm in 2011 if labor and funding and appropriate CAM support available. Met with MTC & CAM early in 2011. No clear cut choices or alignment at this time on another site.	> In working with MTC and CAM, have not identified another project.
Quantify Fugitive Leaks at Compressor Stations, City Gates & Storage Sites	Gas Measurement	> Obtain 2nd Hi Flow Sampler > Processes defined > 2011 - evaluate 20 city gate stations & 7 compressor stations by direct assessment, and 1000 storage sites by indirect assessment/factored estimates	> Activities well underway > Plans/activities & procedures submitted to Environmental for inclusion in CE GHG 2011 Plan.

11 Infrared Cameras/Hi Flow Analyzers

In late 2010 and early 2011, the GM group purchased two Forward Looking Infrared (FLIR) cameras and two hi-flow analyzers to identify and measure leaks at the Company's compressor stations, city gates, and storage fields. Using this equipment, GM personnel have established a program to identify and estimate the magnitude of any leaking valves, compressor engines, etc. This work has gained increased importance due to the recent Clean Air mandates from the EPA and their effect on the Company's gas business. Attached as Table 6, is the schedule for site visits. Upon completion and evaluation of each site visit, repairs will be prioritized and completed based on the magnitude of the leakage.

Table 6

Compressor Stations				
Location	Area	Est. Inspection Date	Status	Annual Leak Estimate (MCF)
Ray	Eastern	July 25-29	Complete	22,500
Muskegon River	Northern	Aug 8-12	Complete	7,600
Overisel	Western	Aug 15-19	Complete	12,180
Freedom	Western	Aug 29 – Sept 2		
White Pigeon	Western	Sept 12-16		
Northville	Eastern	Sept 26-30		
St. Clair	Eastern	Oct 4 - 7		

Hi-Flow City Gate Stations				
Location	Area	Est. Inspection Date	Status	Annual Leak Estimate (MCF)
Saginaw	Northern	5/31/2011	Complete	343
Midland	Northern	5/31/2011	Complete	192
Thetford	Northern	6/13/2001	Complete	311
Birch Run	Northern	6/13/2011	Complete	8
Zilwaukee	Northern	7/6/2011	Complete	270
Coolidge	Eastern	7/19/2011	Complete	649
Goodison	Eastern	8/5/2011	Complete	294
Red Run	Eastern	October 2011		
Kalamazoo	Western	October 2011		
Pontiac	Eastern	October 2011		
Orion	Eastern	October 2011		
Mt Clemens	Eastern	October 2011		
Plymouth	Eastern	October 2011		
Woodbury	Western	October 2011		
Pontiac	Eastern	October 2011		
Dixie	Eastern	October 2011		
DeWitt	Western	October 2011		
Climax	Western	October 2011		
Hanover-Horton	Western	October 2011		
Lansing	Western	October 2011		

Storage Fields/Wells		
Location	Area	Est. Inspection Date
Ira	Eastern	September 2012
Swan Creek	Eastern	September 2012
Four Corners	Eastern	September 2012
Puttygut	Eastern	September 2012
Hessen	Eastern	September 2012
St Clair	Eastern	September 2012
Ray	Eastern	October 2012
Northville Reef	Eastern	October 2012
Overisel	Western	October 2012
Salem	Western	October 2012
Cranberry Lake	Northern	October 2012
Riverside	Northern	October 2012
Winterfield	Northern	October 2012
Lyon 29	Eastern	October 2012
Lyon 34	Eastern	October 2012

Conclusions - Current LAUF Program

Based on LAUF initiatives to-date by Consumers Energy, the primary contributing factors of LAUF are believed to be as follows:

- Measurement Uncertainty
- Potential Theft Investigations
- Leaks
- Fugitive Emissions

Other Findings:

1. LAUF is a fluid, dynamic problem which requires constant monitoring from all areas of the Company for both existing and new issues as they arise.

2. Measurement accuracy at all meter locations plays a significant role in levels of LAUF which can be exacerbated if appropriate operating practices are not followed. Table 7 illustrates the daily financial impact for varying percentage/volume measurement errors, assuming a commodity cost of \$7.00/MCF. (Source: Daniels Measurement and Control, Meter Tube Inspection and Recertification Brochure, DAN-DMS 1983).

Table 7

Cost of Measurement Inaccuracy						
MCF/Day	Potential Daily Financial Loss (@ 7.00 per MCF)					
720	\$5.04	\$15.12	\$25.20	\$50.40	\$100.80	\$151.20
12,000	\$84.00	\$252.00	\$420.00	\$840.00	\$1,680.00	\$2,520.00
24,000	\$168.00	\$504.00	\$840.00	\$1,680.00	\$3,360.00	\$5,040.00
60,000	\$420.00	\$1,260.00	\$2,100.00	\$4,200.00	\$8,400.00	\$12,600.00
120,000	\$840.00	\$2,520.00	\$4,200.00	\$8,400.00	\$16,800.00	\$25,200.00
	0.1%	0.3%	0.5%	1%	2%	3%

3. Potential theft of gas and malfunctioning customer meters is a significant issue and it will require continued vigilance on the Company's part. Since 2008, the Company has billed almost 1,500,000 MCF due to activities in this area.
4. The COE process needs to continue within the Company to maintain a Company-wide emphasis on controlling and eliminating LAUF issues.
5. The use of Flow Cal software and on-going review of the hourly data by GM personnel must continue to ensure measurement accuracy and to locate operational issues impacting accuracy.
6. Witnessing at the regularly scheduled calibrations/inspections should continue to identify any additional training and equipment issues, as well as to ensure accurate measurement.
7. The recently initiated site audits with the FLIR cameras must be completed from both an LAUF perspective, as well as in response to the EPA Greenhouse Gas standards recently enacted. All documented leaks should be prioritized and repaired in a timely manner. Large leaks should be repaired immediately.
8. Current benchmarking data on how the Company's LAUF compares to other utilities does not exist. Attached is Table 8 which indicates how we compared to other LDC's based on 2007 and 2008 AGA data. Table 9 depicts the Company's last ten years of LAUF as presented in the current and past gas rate cases. Increased accuracy of measurement across Consumer's facilities may increase or decrease LAUF volumes over time – depending on the location and circumstance.

Table 8

Benchmarking					
	CE/LAUF/ CG Del.	5/07 AGA SOS^k	9/08 AGA FOIS^{L,P}		
		5/07 AGA SOS	9/08 AGA FOIS Nat. Avg.	9/08 AGA FOIS 'Midwest'	
2003	0.70%		1.54%	1.75%	2003
2004	0.63%	1.14%	1.51%	1.81%	2004
2005	0.56%	1.33%	1.15%	1.87%	2005
2006	1.32%	1.21%	1.23%	1.61%	2006
2007	0.91%				2007
2008	2.06%				2008
2009	1.78%				2009
2010	0.78%				2010

K – AGA SOS 5/1/07, 20 companies
 L – AGA Financial & Operational Info Series – 9/08, 156 companies
 P – East North Central States – "Midwest" – WI, IL, MI, IN, and OH

Table 9

Consumers Energy – Regulatory LAUF				
Send-out Period	Send-out (MMCF)	Billed Sales (MMCF)	Line Loss (Gain) (MMCF)	Line Loss Percentage
8/01 – 7/02	230,615	230,644	(29)	-0.0126%
8/02 – 7/03	270,721	268,818	1,903	0.7029%
8/03 – 7/04	247,099	245,540	1,559 ⁽¹⁾	0.6309%
8/04 – 7/05	248,042	246,655	1,387	0.5592%
8/05 – 7/06	225,401	222,437	2,964	1.3150%
8/06 – 7/07	236,189	234,031	2,158	0.9137%
8/07 – 7/08	236,545	232,089	4,876 ⁽¹⁾	2.0613%
8/08 – 7/09	240,836	236,557	4,279	1.7766%
8/09 – 7/10	210,376	208,729	1,647	0.7829%

⁽¹⁾ Includes a Storage Inventory Adjustment

It should be noted the above results shown in Table 8 are not necessarily comparable between utilities. For instance, an LDC without significant storage and transmission capability is likely not comparable to an LDC like Consumers Energy and MichCon - both of whom have significant storage and transmission systems. As a result, utilities with significant storage and transmission systems have an additional challenge because of the "double handling" of gas in controlling LAUF.

Assessment – Current LAUF Activities

Based on the achievements to date in addressing LAUF issues as previously identified, it is recommended all current LAUF initiatives remain in effect. Employees involved in these LAUF activities must remain vigilant in their work efforts to control and reduce current LAUF, as well as addressing new LAUF related events as they surface. Specifically, the following should continue to occur with likely LAUF benefits and little, if any, additional costs incurred.

1. GM group should continue in place with current staffing levels and perform the following tasks:
 - Lead the COE process and related activities each month
 - Continue to review hourly data in Flow Cal for exceptions on meter and gas quality issues and calculate adjustments, as warranted
 - Continued witnessing by GM personnel at all regularly scheduled calibrations and inspections. Any repairs/other issues must be resolved in a timely manner, and any training needs identified and corrected
 - Lead USM inspections at storage field sites and pertinent interconnects on a monthly basis
 - Review diagnostic data on USM's on a weekly basis and correct any issues in a timely manner
 - Review all chromatograph inspection reports within three business days of inspection and correct any issues in a timely manner

- Align with all appropriate field organizations to assure compliance with all Company procedures and operation practices, relative to all LAUF issues
- 2. The GM group must also work with appropriate field personnel to complete all site audits with the FLIR infrared equipment at the company's compressor stations, major city gates, and storage fields consistent with the schedule previously identified earlier in this study. Initial results indicate a strong potential to eliminate LAUF through repair of fugitive emissions/leaks. Repair costs and LAUF savings will be identified shortly after the site audits and assessments are completed.
- 3. The 3rd party vendor under contract and additional investigators to pursue theft related and potential meter issues should be retained as long as projected savings are greater than the vendor expense.
- 4. Continue Run and Vane inspections for 2011 and 2012 to ensure orifice meters are free of debris and optional measurement performance is obtained.
- 5. Continue monitoring of the MCV (MCV Progress Place vs. Summerton Rd.) billing values on a monthly basis to address discrepancies between the two sites.
- 6. Spring and fall pressure surveys and all associated analysis at each of the Company's storage fields needs to continue to ensure field integrity. An enhanced USM performance review, as discussed above, should assist in reducing measurement uncertainty while injecting and withdrawing approximately 230 BCF into and out of storage. It is important to note the Company handles 430-480 BCF of gas on its system each year but only delivers 250-300 BCF through its city gates each year. The difference is due to the significant volumes moved and retained in the Company's storage fields, MCV deliveries, and transactions with other parties, such as LDC's.

7. Continue to work with AGA and any other regulatory agency to establish LAUF benchmarking data in a more timely and comparable basis.

Assessment – Planned/Future LAUF Activities

In addition to the routine LAUF related monitoring activities described earlier in this assessment, the following actions are being pursued as part of the strategic planning process.

1. **Comprehensive Main Replacement**

A comprehensive main replacement program, recently approved by senior management, entails an annual spend amount of approximately \$70 million. This program represents a significant increase over historical expenditures on these activities. Increased replacement of cast iron mains currently in-service as well as replacement of other high consequence pipelines will provide numerous benefits. One of these benefits will be reduced LAUF. According to industry data, a mile segment of older cast iron main leaks 400 MCF annually. Based on the planned replacement schedule, LAUF, at a minimum, will be reduced by 210,000 MCF per year when the replacement program is completed.

2. **Interconnects – Check Meters and Chromatographs**

At certain major interconnects, the Company does not have installed metering and/or chromatographs to validate billed volumes from that 3rd parties that passes through that station. The Company, while working closely with that 3rd party and attending/witnessing the regularly scheduled calibrations and inspections, is still reliant on the billed volumes and gas quality data provided by that 3rd party. A program to install the necessary check metering and gas chromatographs is being reviewed and could commence in the 2012-2013 timeframe. Once installed, the Company can monitor and compare flow and billing data from the 3rd party and respond quickly to any discrepancies. Below is a list of these major

interconnect sites, type of equipment to be installed, and the 2010 yearly flow through that interconnect. No LAUF reduction can be estimated here but as shown earlier on Table 7, a significant LAUF impact can result from a small percentage discrepancy. Currently, the Company has little ability to dispute billing volumes at those sites where it does not have the measurement equipment to validate the party's meter data.

Table 10

Interconnect	Needs Metering	Needs GC	2010 Annual Flow(BCF)
Trunkline – White Pigeon	X	X	187
Panhandle-Freedom	X	X	42
Great Lakes Chippewa	X	X	17
ANR Stag Lake	X	X	12
Vector Ray	X	X	11
Bluewater Ray	X	X	7

3. **City Gate Chromatographs**

There are no chromatographs installed at any of the Company's city gas stations. For measurement purposes, assumed values for components of gas composition (specific gravity, nitrogen, and carbon dioxide) are utilized. Recent analysis at certain city gate sites indicates the assumed values are higher than spot samples taken for these component items during the analysis. As a result, city gate deliveries may be overstated. It is recommended that 19 chromatographs be installed at major (high flow) city gates beginning in the 2012 – 2013 time frame to record actual gas composition for use in volume and BTU calculations. If this process validates the initial analysis, LAUF should be reduced. Below is a list of

high flow city gate sites selected for chromatograph installation. Each installation is expected to cost approximately \$ 100,000 for a total estimated project total cost of \$ 1.9 million.

Table 11

Station Name	Location	Avg Flow/Yr (MCF)
Dutton Road	Eastern	33,000,000
Red Run	Eastern	19,000,000
Clawson	Eastern	13,000,000
Kalamazoo M Ave	Western	12,000,000
Zilwaukee	Northern	11,000,000
Saginaw – Dutch Road	Northern	10,000,000
Orion CG	Eastern	10,000,000
DeWitt	Southern	8,000,000
Pontiac Adams Rd	Eastern	8,000,000
Flint – Branch Road	Eastern	7,000,000
Flint – Bristol Road	Eastern	7,000,000
Lansing Airport Road	Southern	7,000,000
Akron	Northern	6,000,000
Flint – Torrey Road	Eastern	5,000,000
Howell	Eastern	5,000,000
Plainwell	Western	5,000,000
Woodbury	Southern	5,000,000
Williamston	Southern	4,000,000
Holly	Eastern	4,000,000
TOTAL – 19 Sites		179,000,000

4. **Ray and St Clair Sampling Systems Upgrade**

Based on concerns raised by GM specialists and field personnel, it is recommended an upgrade of the sampling systems at its Ray and St Clair complexes should occur beginning in 2012. It is desired to have sample probes collecting gas quality data as close to the gas chromatograph (GC) units and H2O monitors as reasonably possible. The existing set-up at these complexes does not meet those standards. The sample probes are currently located

from 250 to 800 feet from the GC creating a delay in sample time and affecting the accuracy of the sample. This most certainly affects measurement at both locations, since the gas quality data, recorded by the GC, is suspect. The cost to modify the current sampling system is approximately \$571,000 for Ray and \$300,000 for St. Clair, and would reduce measurement uncertainty at these sites.

5. **Chromatograph Replacement at Northville, Overisel, and St Clair**

Beginning in 2012 – 2013, a project to replace the current GC's at Overisel, Northville, and St Clair Compressor Stations should commence. These units are over 20 years old and have exhibited numerous failures and reliability issues. Accurate real-time gas quality data is crucial to accurate flow measurement and these units have proven they are no longer reliable in providing this data. Furthermore, on-going and frequent site visits for maintenance on these units would be significantly reduced, while providing accurate gas quality data. The expected cost for these three units is \$ 350,000. Correcting this issue would reduce measurement uncertainty and operating costs.

6. **Bear Lake, Merritt, Forward, and Excelsior City Gate Meters**

Prior to year-end 2012, it is recommended that appropriate metering and communication equipment should be installed at the above four locations. These city gates currently do not have sufficient metering and the volumes delivered to the Company's distribution system are not currently recorded in the Company's records. Although the effect on LAUF is expected to be minimal because of the lesser amounts of deliveries through these city gates, measurement uncertainty will be reduced.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

PHILIP E. CLIFFORD

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

SCHEDULE F-2

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Summary of Present and Proposed Revenue by Rate Schedule
 Total Revenue

Case No.: U-16855
 Exhibit: A-12 (PEC-1)
 Schedule F-2
 Witness: PEC Clifford
 Page: 1 of 2
 Date: September 2011

Line No.	Description	(a)	(b)	(c)	(d)	(e)		(f)
		Monthly Cust. Count	Annual Consumption MMcf	Present Revenues \$000	Proposed Revenues \$000	Difference Revenues \$000		Percent %
Gas Sales ⁽¹⁾								
Residential Service								
1	Single Family Dwelling A	1,567,490	145,618	\$ 1,453,156	\$ 1,484,937	\$ 31,781		2.2
2	Multifamily Dwelling A-1	<u>9,940</u>	<u>7,324</u>	<u>64,524</u>	<u>65,426</u>	<u>902</u>		<u>1.4</u>
3	Total Residential Service	1,577,430	152,942	1,517,680	1,550,362	32,682		2.2
General Service								
4	Small Service GS-1	93,639	15,205	138,542	142,369	3,827		2.8
5	Medium Service GS-2	31,563	37,258	295,494	302,120	6,626		2.2
6	Large Service GS-3	1,043	11,906	82,238	83,769	1,531		1.9
7	Outdoor Lighting GL	<u>8</u>	<u>2</u>	<u>12</u>	<u>11</u>	<u>(1)</u>		<u>(10.8)</u>
8	Total General Service	126,253	64,371	516,286	528,270	11,983		2.3
9	Total Gas Sales	1,703,683	217,313	2,033,966	2,078,632	44,666		2.2
Transportation								
10	Small Transport ST	923	16,364	17,698	18,769	1,071		6.1
11	Large Transport LT	333	21,785	15,960	17,514	1,554		9.7
12	Extra-large Transport XLT	<u>193</u>	<u>23,381</u>	<u>11,871</u>	<u>13,676</u>	<u>1,805</u>		<u>15.2</u>
13	Total Transportation	1,449	61,530	45,528	49,959	4,430		9.7
14	Total Service (Delivery & Fuel)	<u>1,705,132</u>	<u>278,843</u>	<u>\$ 2,079,495</u>	<u>\$ 2,128,591</u>	<u>\$ 49,096</u>		<u>2.4</u>
15	Additional Late Payment Charge Revenues					211		
16	Revenue increase/(decrease) due to rounding					(8)		
17	Total Revenue (Sufficiency)/Deficiency					<u>\$ 49,299</u>		

Note

(1) Includes aggregate billed transportation accounts.

SCHEDULE F-2

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Summary of Present and Proposed Revenue by Rate Schedule
 Delivery Revenue

Case No.: U-16855
 Exhibit: A-12 (PEC-1)
 Schedule F-2
 Witness: PEC Clifford
 Page: 2 of 2
 Date: September 2011

Line No.	Description	(a)	(b)	(c)	(d)	(e)		(f)
		Monthly Cust. Count	Annual Consumption MMcf	Present Revenues \$000	Proposed Revenues \$000	Difference Revenues \$000		Percent %
Gas Sales ⁽¹⁾								
Residential Service								
1	Single Family Dwelling A	1,567,490	145,618	\$ 562,411	\$ 594,191	\$ 31,781		5.7
2	Multifamily Dwelling A-1	<u>9,940</u>	<u>7,324</u>	<u>20,977</u>	<u>21,879</u>	<u>902</u>		<u>4.3</u>
3	Total Residential Service	1,577,430	152,942	583,388	616,070	32,682		5.6
General Service								
4	Small Service GS-1	93,639	15,205	45,690	49,517	3,827		8.4
5	Medium Service GS-2	31,563	37,258	79,160	85,787	6,626		8.4
6	Large Service GS-3	1,043	11,906	18,285	19,816	1,531		8.4
7	Outdoor Lighting GL	<u>8</u>	<u>2</u>	<u>12</u>	<u>11</u>	<u>(1)</u>		<u>(10.8)</u>
8	Total General Service	126,253	64,371	143,148	155,131	11,983		8.4
9	Total Gas Sales	1,703,683	217,313	726,535	771,201	44,666		6.1
Transportation								
10	Small Transport ST	923	16,364	17,698	18,769	1,071		6.1
11	Large Transport LT	333	21,785	15,960	17,514	1,554		9.7
12	Extra-large Transport XLT	<u>193</u>	<u>23,381</u>	<u>11,871</u>	<u>13,676</u>	<u>1,805</u>		<u>15.2</u>
13	Total Transportation	1,449	61,530	45,528	49,959	4,430		9.7
14	Total Delivery	<u>1,705,132</u>	<u>278,843</u>	<u>\$ 772,064</u>	<u>\$ 821,160</u>	<u>\$ 49,096</u>		<u>6.4</u>
15	Additional Late Payment Charge Revenues					211		
16	Revenue increase/(decrease) due to rounding					(8)		
17	Total Revenue (Sufficiency)/Deficiency					<u>\$ 49,299</u>		

Note

(1) Includes aggregate billed transportation accounts.

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Calculation of Rate Design Targets
 (\$000)

SCHEDULE F-2.2

Case No.: U-16855
 Exhibit: A-12 (PEC-3)
 Schedule F-2.2
 Witness: PEC/Clifford
 Page: 1 of 1
 Date: September 2011

Line No.	Description	(a) Total	(b) Residential	(c) GS-1 ⁽¹⁾			(d) General Service			(e) GS-3			(f) ST			(g) Transportation			(h) XLT
				GS-1 ⁽¹⁾	GS-2	GS-3	GS-2	GS-3	GS-3	GS-3	ST	LT	ST	LT	ST	LT	ST	LT	
1	Cost-of-Service Study	\$ 821,363	\$ 616,218	\$ 56,002	\$ 80,642	\$ 18,543	\$ 80,642	\$ 15,337	\$ 17,952	\$ 17,952	\$ 16,669								
2	Adjustment - Present Revenue	\$ 0	\$ -	\$ (6,456)	\$ 5,176	\$ 1,280	\$ 5,176	\$ 3,432	\$ (439)	\$ (439)	\$ (2,993)								
3	Adjusted Cost-of-Service Study	\$ 821,363	\$ 616,218	\$ 49,546	\$ 85,818	\$ 19,823	\$ 85,818	\$ 18,769	\$ 17,513	\$ 17,513	\$ 13,676								
4	Test-Year Present Revenues	772,064	583,388	45,702	79,160	18,285	79,160	17,698	15,960	15,960	11,871								
5	(Sufficiency)/Deficiency	49,299	32,831	3,844	6,658	1,538	6,658	1,072	1,553	1,553	1,805								
6	Less: Incremental Late Payments ⁽²⁾	211	154	18	31	7	31	7	-	-	-								
7	Adjusted (Suff./)Def.	49,088	32,676	3,826	6,626	1,531	6,626	1,072	1,553	1,553	1,805								
8	Rate Design Targets	\$ 821,152	\$ 616,064	\$ 49,528	\$ 85,787	\$ 19,816	\$ 85,787	\$ 18,769	\$ 17,513	\$ 17,513	\$ 13,676								

(1) Includes Outdoor Lighting GL

(2) WP-PEC-6

Cost-of-Service Study Allocation based on Present Revenue

	General Service			Transportation				
	Residential	GS-1 ⁽¹⁾	GS-2	GS-3	ST	XLT		
9	Test-Year Present Revenues	\$ na	\$ 45,702	\$ 79,160	\$ 18,285	\$ 17,698	\$ 15,960	\$ 11,871
10	Total Present Revenues by Class		\$	\$	\$ 143,148	\$	\$	\$ 45,528
11	Test-Year Present Revenue % of Total		31.93%	55.30%	12.77%	38.87%	35.06%	26.07%
12	Cost-of-Service Study Total by Class		\$	\$	\$ 155,187	\$	\$	\$ 49,958
13	COSS Allocated based on Present Revenue		\$ 49,546	\$ 85,818	\$ 19,823	\$ 19,419	\$ 17,513	\$ 13,026
14	Transportation Allocation Adjustment - ST/XLT					\$ (650)		\$ 650
15	Adjusted Cost-of-Service		\$ 49,546	\$ 85,818	\$ 19,823	\$ 18,769	\$ 17,513	\$ 13,676
16	% Increase to Test-Year Present Revenue		8.4%	8.4%	8.4%	6.1%	9.7%	15.2%
17	Adjustment to Cost-of-Service Study		\$ (6,456)	\$ 5,176	\$ 1,280	\$ 3,432	\$ (439)	\$ (2,993)

18	Cost-of-Service Study	\$ 56,002	\$ 80,642	\$ 18,543	\$ 15,337	\$ 17,952	\$ 16,669
19	Cost-of-Service Study % Increase	22.5%	1.9%	1.4%	-13.3%	12.5%	40.4%

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 Residential Single Family Dwelling A

SCHEDULE F-3

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC Clifford
 Page: 1 of 10
 Date: September 2011

Line No.	Description	(a) Billing Determinants		(b) Units		(c) Present		(d) Revenues		(e) Proposed		(f) Revenues		(g) Revenues		(h) Difference	
		Quantity	Units	Rates	\$/unit	Rates	\$/unit	\$000	\$000	Rates	\$/unit	\$000	\$000	\$000	\$000	Pct.	%
Delivery																	
1	Customer	(1)	1,567,490	Mthly	10.50	\$	197,504	\$	216,314	\$	18,810						9.5
2	Distribution Mcf/mth	(2)	145,618	MMcf	2.6301		382,990		397,683		14,693						3.8
3	Provisions																
4	Income Assistance	(3)	143,514	Mthly	(10.50)		(18,083)		(19,805)		(1,722)						(9.5)
5	Total Delivery						562,411		594,191		31,781						5.7
Fuel																	
6	GCR Sales		145,618	MMcf	6.1170		890,745		890,745		-						-
7	Alternative Fuel Sales		-	MMcf	-		-		-		-						NA
8	Total Fuel		145,618				890,745		890,745		-						-
9	Total Service (Delivery & Fuel)						\$ 1,453,156		\$ 1,484,937		\$ 31,781						2.2

(1) Exhibit: A-11 (HWM-10), pg. 2, column (b), line 14
 (2) Exhibit: A-11 (HWM-6), pg. 1, column (b), line 13
 (3) Exhibit: A-11 (HWM-11), column (d), line 14

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC Clifford
 Page: 2 of 10
 Date: September 2011

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 Residential Multifamily Dwelling A-1

Line No.	Description	(a) (b)		(c)		(d)		(e)		(f)		(g)		(h)	
		Quantity	Units	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Difference	Pct.
				\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000		%
Delivery															
1	Customer (1)	9,940	Mthly	10.50	\$ 1,252	11.50	\$ 1,372	11.50	\$ 1,372	11.50	\$ 1,372	11.50	\$ 1,372	119	9.5
2	Excess Peak Mcf/mth (2)	8,547	MMcf	0.0540	462	0.0591	505	0.0591	505	0.0591	505	0.0591	505	44	9.4
3	Distribution Mcf/mth (3)	7,324	MMcf	2.6301	19,263	2.7310	20,002	2.7310	20,002	2.7310	20,002	2.7310	20,002	739	3.8
4	Total Delivery				20,977		21,879		21,879		21,879		21,879	902	4.3
Fuel															
5	GCR Sales (4)	7,119	MMcf	6.1170	43,547	6.1170	43,547	6.1170	43,547	6.1170	43,547	6.1170	43,547	-	-
6	Alternative Fuel Sales (5)	205	MMcf	-	-	-	-	-	-	-	-	-	-	-	NA
7	Total Fuel				43,547		43,547		43,547		43,547		43,547	-	-
8	Total Service (Delivery & Fuel)				\$ 64,524		\$ 65,426		\$ 65,426		\$ 65,426		\$ 902	1.4	

(1) Exhibit: A-11 (HWM-10),pg. 2, column (c), line 14
 (2) Exhibit: A-11 (HWM-12), line 7
 (3) Exhibit: A-11 (HWM-6),pg. 1, column (c), line 13
 (4) Exhibit: A-11 (HWM-6),pg. 2, column (c), line 13
 (5) Exhibit: A-11 (HWM-6),pg. 3, column (c), line 13

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 General Small Service GS-1

Line No.	Description	(a) Billing Determinants		(b) Units		(c) Present		(d) Revenues		(e) Proposed Rates		(f) Revenues		(g) Revenues		(h) Difference		
		Quantity	Units	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Pct.
				\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$000	%	
Delivery																		
1	Customer (1)	93,621	Mthly	11.65	\$ 13,088	11.65	\$ 13,088	11.65	\$ 13,088	-	-	-	-	-	-	-	-	-
2	Contiguous Account (2)	18	Mthly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA
3	Distribution Mcf/mth (3)	15,205	MMcf	2.1441	32,602	2.1441	32,602	2.3958	36,429	2.3958	36,429	2.3958	36,429	2.3958	3,827	11.7	11.7	
4	Total Delivery				45,690		45,690		49,517		49,517		3,827		3,827		8.4	
Fuel																		
5	GCR Sales (4)	15,179	MMcf	6.1170	92,852	6.1170	92,852	6.1170	92,852	6.1170	92,852	6.1170	92,852	6.1170	-	-	-	-
6	Alternative Fuel Sales (5)	26	MMcf	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA
7	Total Fuel				92,852		92,852		92,852		92,852		92,852		-	-	-	-
8	Total Service (Delivery & Fuel)				\$ 138,542		\$ 138,542		\$ 142,369		\$ 142,369		\$ 3,827		\$ 3,827		2.8	

(1) Exhibit: A-11 (HWM-10),pg. 2, column (d), line 14
 (2) Exhibit: A-11 (HWM-10),pg. 3, column (d), line 14
 (3) Exhibit: A-11 (HWM-6),pg. 1, column (d), line 13
 (4) Exhibit: A-11 (HWM-6),pg. 2, column (d), line 13
 (5) Exhibit: A-11 (HWM-6),pg. 3, column (d), line 13

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 General Medium Service GS-2

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEClifford
 Page: 4 of 10
 Date: September 2011

Line No.	Description	(a) Billing Determinants		(b) Units		(c) Present		(d) Revenues		(e) Proposed		(f) Revenues		(g) Revenues		(h) Difference		
		Quantity	Units	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Pct.
				\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$000	%	
	Delivery																	
1	Customer (1)	31,535	Mthly	18.20	\$ 6,887	21.70	\$ 8,212											19.2
2	Contiguous Account (2)	28	Mthly	-	-	-	-											NA
3	Distribution Mcf/mth (3)	37,258	MMcf	1.9398	72,273	2.0821	77,575											7.3
4	Total Delivery				79,160													8.4
	Fuel																	
5	GCR Sales (4)	35,366	MMcf	6.1170	216,334	6.1170	216,334											-
6	Alternative Fuel Sales (5)	1,892	MMcf	-	-	-	-											NA
7	Total Fuel	37,258			216,334													-
8	Total Service (Delivery & Fuel)				\$ 295,494		\$ 302,120		\$ 6,626		\$ 6,626		\$ 6,626		\$ 6,626			2.2

(1) Exhibit: A-11 (HWM-10),pg. 2, column (e), line 14
 (2) Exhibit: A-11 (HWM-10),pg. 3, column (e), line 14
 (3) Exhibit: A-11 (HWM-6),pg. 1, column (e), line 13
 (4) Exhibit: A-11 (HWM-6),pg. 2, column (e), line 13
 (5) Exhibit: A-11 (HWM-6),pg. 3, column (e), line 13

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 General Large Service GS-3

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC Clifford
 Page: 5 of 10
 Date: September 2011

Line No.	Description	(a) (b)		(c)		(d)		(e)		(f)		(g)		(h)	
		Quantity	Units	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Difference	Pct.
				\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$000	\$000	%	
Delivery															
1	Customer	(1) 976	Mthly	540.80	\$ 6,334	565.60	\$ 6,624	-	-	290	4.6				
2	Contiguous Account	(2) 67	Mthly	-	-	-	-	-	-	-	NA				
3	Distribution Mcf/mth	(3) 11,906	MMcf	1.0038	11,951	1.1080	13,192	-	-	1,241	10.4				
4	Total Delivery				18,285		19,816			1,531	8.4				
Fuel															
5	GCR Sales	(4) 10,455	MMcf	6.1170	63,953	6.1170	63,953	-	-	-	-				
6	Alternative Fuel Sales	(5) 1,451	MMcf	-	-	-	-	-	-	-	NA				
7	Total Fuel				63,953		63,953			-	-				
8	Total Service (Delivery & Fuel)				\$ 82,238		\$ 83,769		\$ 1,531		1.9				

(1) Exhibit: A-11 (HWM-10),pg. 2, column (f), line 14
 (2) Exhibit: A-11 (HWM-10),pg. 3, column (f), line 14
 (3) Exhibit: A-11 (HWM-6),pg. 1, column (f), line 13
 (4) Exhibit: A-11 (HWM-6),pg. 2, column (f), line 13
 (5) Exhibit: A-11 (HWM-6),pg. 3, column (f), line 13

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 General Outdoor Lighting Service GL

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC/Clifford
 Page: 6 of 10
 Date: September 2011

Line No.	Description	(a) Billing Determinants		(c) Present		(e) Proposed		(g) Difference		(h) Pct. %
		Quantity	(b) Units	Rates \$/unit	Revenues \$000	Rates \$/unit	Revenues \$000	Revenues \$000	Revenues \$000	
	Delivery & Fuel									
1	Single Mantle	564	Lum.	14.00	\$ 8	12.00	\$ 7	\$ (1)	(14.3)	
2	Multiple Mantle	204	Lum.	22.00	4	21.00	4	(0)	(4.5)	
3	Total Service (Delivery & Fuel)				<u>12</u>		<u>11</u>	<u>\$ (1)</u>	<u>(10.8)</u>	

Note

	Monthly		Annual
	Single Mantle	Multiple Mantle	
4	47	564	
5	17	204	
	64	768	
6	730	730	
7	2.5	4.5	
8	1,825	3,285	
9	1,825	3,285	
10	\$ 6.1170	\$ 6.1170	Rate Case
11	\$ 11.16	\$ 20.09	

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 Small Transport ST

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC Clifford
 Page: 7 of 10
 Date: September 2011

Line No.	Description	(a) (b) Billing Determinants		(c) Present		(d) Revenues		(e) Proposed Rates		(f) Revenues		(g) Revenues		(h) Difference	
		Quantity	Units	Rates	\$/unit	\$000	\$/unit	\$000	\$/unit	\$000	\$000	\$000	\$000	Pct.	%
1	Delivery														
2	Customer (1)	486	Mthly	575.00	\$	3,353	\$	610.90	\$	3,563	\$	209		6.2	
3	Contiguous Account (2)	437	Mthly	-		-		-		-		-		NA	
4	Distribution Mcf/mth (3)	16,364	MMcf	0.8813		14,422		0.9332		15,271		849		5.9	
5	Authorized Tolerance Level (4)														
6	6.5% ATL	1,711	MMcf	(0.0532)		(91)		(0.0444)		(76)		15		16.5	
7	7.5% ATL	563	MMcf	(0.0266)		(15)		(0.0222)		(12)		2		16.5	
8	8.5% ATL	13,554	MMcf	-		-		-		-		-		NA	
9	9.5% ATL	-	MMcf	0.0266		-		0.0222		-		-		NA	
10	10.5% ATL	536	MMcf	0.0532		29		0.0444		24		(5)		(16.5)	
11	Total Delivery					\$ 17,698				\$ 18,769		\$ 1,071		6.1	

- (1) Exhibit: A-11 (HWM-10),pg. 2, column (h), line 14
- (2) Exhibit: A-11 (HWM-10),pg. 3, column (h), line 14
- (3) Exhibit: A-11 (HWM-6),pg. 1, column (h), line 13
- (4) Exhibit: A-11 (HWM-7), column (m)

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC Clifford
 Page: 8 of 10
 Date: September 2011

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 Large Transport LT

Line No.	Description	(a) (b)		(c) Present		(d) Revenues		(e) Proposed Rates		(f) Revenues		(g) Revenues		(h) Difference	
		Quantity	Units	Rates	Revenues	\$/unit	\$000	\$/unit	\$000	\$000	\$000	\$000	%		
1	Delivery														
2	Customer (1)	94	Mthly	3,132.50	\$ 3,533	2,921.30	\$ 3,295								(6.7)
3	Contiguous Account (2)	239	Mthly	-	-	-	-								NA
4	Distribution Mcf/mth (3)	21,785	MMcf	0.5744	12,513	0.6560	14,291								14.2
5	Authorized Tolerance Level (4)														
6	6.5% ATL	2,350	MMcf	(0.0532)	(125)	(0.0444)	(104)								16.5
7	7.5% ATL	211	MMcf	(0.0266)	(6)	(0.0222)	(5)								16.5
8	8.5% ATL	18,399	MMcf	-	-	-	-								NA
9	9.5% ATL	-	MMcf	0.0266	-	0.0222	-								NA
10	10.5% ATL	825	MMcf	0.0532	44	0.0444	37								(16.5)
11	Total Delivery				\$ 15,960		\$ 17,514						\$ 1,554		9.7

(1) Exhibit: A-11 (HWM-10),pg. 2, column (i), line 14
 (2) Exhibit: A-11 (HWM-10),pg. 3, column (i), line 14
 (3) Exhibit: A-11 (HWM-6),pg. 1, column (i), line 13
 (4) Exhibit: A-11 (HWM-7), column (m)

SCHEDULE F-3

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-12 (PEC-4)
 Schedule F-3
 Witness: PEC Clifford
 Page: 9 of 10
 Date: September 2011

Consumers Energy Company
 Test-Year Present and Proposed Revenue Detail
 Extra-large Transport XLT

Line No.	Description	(a) (b) Billing Determinants		(c) Present		(d) Revenues		(e) Proposed		(f) Revenues		(g) Revenues		(h) Difference		
		Quantity	Units	Rates	\$/unit	\$	\$000	Rates	\$/unit	\$	\$000	\$	\$000	Revenues	\$000	Pct.
1	Delivery															
2	Customer (1)	17	Mthly	8,045.90	\$	1,641	\$	8,197.20	\$	1,672	\$	31	\$	31	1.9	
3	Contiguous Account (2)	176	Mthly	-		-		-		-		-		-	NA	
4	Remote Meters (3)	20	Mthly	70.00		17		70.00		17		-		-	-	
5	Distribution Mcf/mth (4)	23,381	MMcf	0.4548		10,634		0.5277		12,338		1,704		1,704	16.0	
6	Authorized Tolerance Level (5)															
7	6.5% ATL	7,302	MMcf	(0.0532)		(388)		(0.0444)		(324)		64		64	16.5	
8	7.5% ATL	1,221	MMcf	(0.0266)		(32)		(0.0222)		(27)		5		5	16.5	
9	8.5% ATL	14,858	MMcf	-		-		-		-		-		-	NA	
10	9.5% ATL	-	MMcf	0.0266		-		0.0222		-		-		-	NA	
11	10.5% ATL	-	MMcf	0.0532		-		0.0444		-		-		-	NA	
12	Total Delivery					\$ 11,871				\$ 13,676		\$ 1,805		\$ 1,805	15.2	

(1) Exhibit: A-11 (HWM-10),pg. 2, column (j), line 14
 (2) Exhibit: A-11 (HWM-10),pg. 3, column (j), line 14
 (3) Direct Testimony: HWM Miller, pg. 22, line 8
 (4) Exhibit: A-11 (HWM-6),pg. 1, column (j), line 13
 (5) Exhibit: A-11 (HWM-7), column (m)

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
Alternative Residential Rates

SCHEDULE F-3

Case No.: U-16855
Exhibit: A-12 (PEC-4)
Schedule F-3
Witness: PEClifford
Page: 10 of 10
Date: September 2011

Line No.	Description	Billing Determinants		Present		(e)		(f)		(g)		(h)		Difference Revenues \$000
		Quantity	Units	Rates	Revenues \$000	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	
RESIDENTIAL - RATE SCHEDULE A														
1	Delivery													
2	Customer	1,423,976	Mthly	10.50	\$ 179,421	11.50	\$ 216,314	11.50	\$ 196,509	11.50	\$ 196,509	11.50	\$ 196,509	\$ (19,805)
3	Distribution Mcf/mth	132,286	MMcf	2.6301	347,925	2.7310	397,683	2.7310	361,266	2.7310	361,266	2.7310	361,266	\$ (36,416)
4	Provisions													
5	Income Assistance (3)					(11.50)	(19,805)							\$ 19,805
6	Total Delivery				\$ 527,346		\$ 594,191		\$ 594,191		\$ 557,775		\$ 557,775	\$ (36,416)
RESIDENTIAL - RATE SCHEDULE A-1														
7	Delivery													
8	Customer	9,940	Mthly	10.50	\$ 1,252	11.50	\$ 1,372	11.50	\$ 1,372	11.50	\$ 1,372	11.50	\$ 1,372	\$ -
9	Excess Peak Mcf/mth	8,547	MMcf	0.0540	462	0.0591	505	0.0591	505	0.0591	505	0.0591	505	\$ -
10	Distribution Mcf/mth	7,324	MMcf	2.6301	19,263	2.7310	20,002	2.7310	20,002	2.7310	20,001	2.7310	20,001	\$ -
11	Total Delivery				\$ 20,977		\$ 21,879		\$ 21,879		\$ 21,878		\$ 21,878	\$ -
RESIDENTIAL INCOME ASSISTANCE (ALTERNATIVE)														
12	Delivery													
13	Customer	143,514	Mthly	0.0000	\$ -	-	\$ -	-	\$ -	0.0000	\$ -	-	\$ -	\$ -
14	Distribution Mcf/mth	13,332	MMcf	2.6301	35,064	-	-	-	-	1.5254	20,337	-	20,337	20,337
15	Total Delivery				\$ 35,064		\$ -		\$ -		\$ 20,337		\$ 20,337	\$ 20,337
16	Total Residential				\$ 583,388		\$ 616,070		\$ 616,070		\$ 599,991		\$ 599,991	\$ (16,079)
17	Revenue increase/(decrease) due to rounding													\$ 2
18	Total Revenue (Sufficiency)/Deficiency													\$ 599,992

Revenue Requirement \$ 616,064
LIEEF \$ (16,072)
Revenue Requirement w/out LIEEF \$ 599,992

SCHEDULE F-4

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-12 (PEC-5)
 Schedule F-4
 Witness: PEC Clifford
 Page: 1 of 5
 Date: September 2011

Consumers Energy Company
 Comparison of Present and Proposed Monthly Bills
 Residential Single Family Dwelling A
 (excluding income assistance)

Line No.	Consumption Mcf	Present Net		Proposed Net		Difference		Proposed Unit Cost \$/Mcf
		Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Amount \$	Percent %	
1	5	\$ 54.24	\$ 55.74	\$	\$ 1.50	2.8	\$ 11.15	
2	10	97.97	99.98		2.01	2.1	10.00	
3	15	141.71	144.22		2.51	1.8	9.61	
4	20	185.44	188.46		3.02	1.6	9.42	
5	25	229.18	232.70		3.52	1.5	9.31	
6	30	272.91	276.94		4.03	1.5	9.23	
7	40	360.38	365.42		5.04	1.4	9.14	

	Present	Proposed
Customer Charge (\$/Mth)	10.50	11.50
Distribution Charge (\$/Mcf)	2.6301	2.7310
GCR Factor (\$/Mcf)	6.1170	6.1170

SCHEDULE F-4

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-12 (PEC-5)
 Schedule F-4
 Witness: PEC Clifford
 Page: 2 of 5
 Date: September 2011

Consumers Energy Company
 Comparison of Present and Proposed Monthly Bills
 Residential Single Family Dwelling A
 (including income assistance)

Line No.	Consumption Mcf	Present Net		Proposed Net		Difference		Proposed Unit Cost \$/Mcf
		Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Amount \$	Percent %	
1	5	\$ 43.74	\$ 44.24	\$ 44.24	\$ 0.50	1.2	1.2	\$ 8.85
2	10	87.47	88.48	88.48	1.01	1.2	1.2	8.85
3	15	131.21	132.72	132.72	1.51	1.2	1.2	8.85
4	20	174.94	176.96	176.96	2.02	1.2	1.2	8.85
5	25	218.68	221.20	221.20	2.52	1.2	1.2	8.85
6	30	262.41	265.44	265.44	3.03	1.2	1.2	8.85
7	40	349.88	353.92	353.92	4.04	1.2	1.2	8.85

	Present	Proposed
Customer Charge (\$/Mth)	10.50	11.50
Income Assistance (\$/Mth)	(10.50)	(11.50)
Distribution Charge (\$/Mcf)	2.6301	2.7310
GCR Factor (\$/Mcf)	6.1170	6.1170

SCHEDULE F-4

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Comparison of Present and Proposed Monthly Bills
 General Small Service GS-1

Case No.: U-16855
 Exhibit: A-12 (PEC-5)
 Schedule F-4
 Witness: PEC/Clifford
 Page: 3 of 5
 Date: September 2011

Line No.	Consumption Mcf	Present Net		Proposed Net		Difference		Proposed Unit Cost \$/Mcf
		Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Amount \$	Percent %	
1	2	28.17	28.17	28.68	28.68	0.50	1.8	14.34
2	10	94.26	94.26	96.78	96.78	2.52	2.7	9.68
3	15	135.57	135.57	139.34	139.34	3.78	2.8	9.29
4	25	218.18	218.18	224.47	224.47	6.29	2.9	8.98
5	40	342.09	342.09	352.16	352.16	10.07	2.9	8.80
6	50	424.71	424.71	437.29	437.29	12.59	3.0	8.75
7	80	672.54	672.54	692.67	692.67	20.14	3.0	8.66

	Present	Proposed
Customer Charge (\$/Mth)	11.65	11.65
Distribution Charge (\$/Mcf)	2.1441	2.3958
GCR Factor (\$/Mcf)	6.1170	6.1170

SCHEDULE F-4

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-12 (PEC-5)
 Schedule F-4
 Witness: PEC Clifford
 Page: 4 of 5
 Date: September 2011

Consumers Energy Company
 Comparison of Present and Proposed Monthly Bills
 General Medium Service GS-2

Line No.	Consumption Mcf	Present Net		Proposed Net		Difference		Proposed Unit Cost \$/Mcf
		Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Amount \$	Percent %	
1	100	\$ 823.88	\$ 841.61	\$	17.73	2.2	\$ 8.42	
2	200	1,629.56	1,661.52		31.96	2.0	8.31	
3	500	4,046.60	4,121.25		74.65	1.8	8.24	
4	600	4,852.28	4,941.16		88.88	1.8	8.24	
5	700	5,657.96	5,761.07		103.11	1.8	8.23	
6	800	6,463.64	6,580.98		117.34	1.8	8.23	
7	1,000	8,075.00	8,220.80		145.80	1.8	8.22	

	Present	Proposed
Customer Charge (\$/Mth)	18.20	21.70
Distribution Charge (\$/Mcf)	1.9398	2.0821
GCR Factor (\$/Mcf)	6.1170	6.1170

SCHEDULE F-4

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Comparison of Present and Proposed Monthly Bills
 General Large Service GS-3

Case No.: U-16855
 Exhibit: A-12 (PEC-5)
 Schedule F-4
 Witness: PEC/Clifford
 Page: 5 of 5
 Date: September 2011

Line No.	Consumption Mcf	Present Net		Proposed Net		Difference		Proposed Unit Cost \$/Mcf
		Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Monthly Bill \$	Amount \$	Percent %	
1	100	\$ 1,252.88	\$ 1,288.10	\$ 1,288.10	\$ 35.22	2.8	\$ 12.88	
2	200	1,964.96	2,010.60	2,010.60	45.64	2.3	10.05	
3	500	4,101.20	4,178.10	4,178.10	76.90	1.9	8.36	
4	600	4,813.28	4,900.60	4,900.60	87.32	1.8	8.17	
5	700	5,525.36	5,623.10	5,623.10	97.74	1.8	8.03	
6	800	6,237.44	6,345.60	6,345.60	108.16	1.7	7.93	
7	1,000	7,661.60	7,790.60	7,790.60	129.00	1.7	7.79	

	Present	Proposed
Customer Charge (\$/Mth)	540.80	565.60
Distribution Charge (\$/Mcf)	1.0038	1.1080
GCR Factor (\$/Mcf)	6.1170	6.1170

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Illustrative Calculation of 2012 Test-year Self Implemented Interim Adjustment

Case No.: U-16855
 Exhibit: A-32 (PEC-6)
 Witness: PEC/Clifford
 Page: 1 of 1
 Date: September 2011

Line No.	Description	(a) Annual Consumption MMcf	(b) Present Revenues \$000	(c) Interim Allocation %	(d) Interim Increase \$000	(e) Delivery Increase %	(f) Fuel Revenue \$000	(g) Total Bill Increase %	(h) Interim Adjustment \$/Mcf
Gas Sales									
Residential Service									
1	Single Family Dwelling A	145,618	\$ 562,411	72.85	\$ 35,913	6.39	\$ 890,745	2.47	0.2466
2	Multifamily Dwelling A-1	7,324	20,977	2.72	1,339	6.39	43,547	2.08	0.1829
3	Total Residential Service	152,942	583,388	75.56	37,252	6.39	934,292	2.45	
General Service									
4	Small Service GS-1	15,205	45,690	5.92	2,918	6.39	92,852	2.11	0.1919
5	Medium Service GS-2	37,258	79,160	10.25	5,055	6.39	216,334	1.71	0.1357
6	Large Service GS-3	11,906	18,285	2.37	1,168	6.39	63,953	1.42	0.0981
7	Outdoor Lighting GL	2	12	-	-	-	-	-	-
8	Total General Service	64,371	143,148	18.54	9,140	6.38	373,139	1.77	
9	Total Gas Sales	217,313	726,535	94.10	46,392	6.39	1,307,431	2.28	
Transportation⁽²⁾									
10	Small Transport ST	16,364	17,698	2.29	1,130	6.39	98,184	0.98	0.0691
11	Large Transport LT	21,785	15,960	2.07	1,019	6.39	130,710	0.69	0.0468
12	Extra-large Transport XLT	23,381	11,871	1.54	758	6.39	140,286	0.50	0.0324
13	Total Transportation	61,530	45,528	5.90	2,907	6.39	369,180	0.70	
14	Total Service	278,843	\$ 772,064	100.00	\$ 49,299	6.39	\$ 1,676,611	2.01	

Notes

- (1) Assumes fuel of \$6.1170 per Mcf for the Sales Classes
- (2) Assumed fuel of \$6.00 per Mcf for Transportation Class

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Illustrative Calculation of Proposed Revenue Decoupling Method

Case No.: U-16855
 Exhibit: A-33 (PEC-7)
 Witness: PEC Clifford
 Page: 1 of 1
 Date: September 2011

Line No.	Description	(a) Authorized Delivery Revenues \$000	(b) Actual Delivery Revenues \$000	(c) Revenue Deviation \$000	(d) Deviation Allocation %	(e) Allocated Deviation \$000	(f) Projected Consumption MMcf	(g) Decoupling Adjustment \$/Mcf
Gas Sales								
1	Residential Service	\$ 616,070	\$ 609,909	\$ (6,161)	75.03	\$ (3,458)	145,000	(0.0239)
2	General Service	155,120	156,671	1,551	18.89	(871)	65,000	(0.0134)
3	Total Gas Sales	771,190	766,580	(4,610)	93.92	(4,329)	210,000	
4	Transportation	49,959	49,959	-	6.08	(280)	50,000	(0.0056)
5	Total Service	\$ 821,149	\$ 816,539	\$ (4,610)	100.00	\$ (4,610)	260,000	

Note

(1) Delivery Revenues = Total Revenue - Fuel - Interim Adjustment - Surcharges

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Calculation of 2012 Test-Year Discount and Carrying Cost Rates
 for the Customer Attachment Program

Case No.: U-16855
 Exhibit: A-34 (PEC-8)
 Witness: PECIfford
 Page: 1 of 1
 Date: September 2011

Line No.	Description	(a) Capital Structure			(c) Cost Rate %	(d) After-tax WCPC %	(e) Pre-tax Multiplier decimal	(f) Pre-tax WCPC %
		Amount Outstanding \$millions	(b) Permanent Capital % of	%				
1	Long-term Debt	\$ 4,304	48.55	5.83	2.83	1.0000	2.83	
2	Preferred Stock	44	0.50	4.46	0.02	1.6367	0.04	
3	Common Equity	4,518	50.96	10.70	5.45	1.6367	8.92	
4	Total Permanent Capital	\$ 8,866	100.00					
5	Discount Rate (%) ⁽¹⁾				8.30			
6	Carrying Cost Rate (%) ⁽²⁾						11.79	

Notes

WCPC - Weighted Cost of Permanent Capital

(1) Weighted rate of debt, preferred stock, and common equity.

(2) Weighted rate of debt, preferred stock, common equity, and associated taxes

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
Development of Rates for Transportation ATL Services

Case No.: U-16855
Exhibit: A-35 (PEC-9)
Witness: PEC Clifford
Page: 1 of 1
Date: September 2011

Line	Transportation Revenues Requirement (\$000) ⁽¹⁾	Storage Revenues Requirement (\$000) ^(b)	Transportation Throughput (MMcf) ⁽²⁾	Storage Cost per Mcf of Throughput (b / c) ^(d)	Annual Contract Quantity (MMcf) ⁽³⁾
	(a)	(b)	(c)	(d)	(e)
1	Transmission Related Cost	\$17,901,852			
2	Storage Related Cost	\$8,148,358		\$0.1324	
3	Distribution Related Cost	\$23,907,742			
4	Total	\$49,957,953	61,530,000	\$0.1324	87,472,279

Consumers' transportation rates include storage services equal to 8.5% of the customer's ACQ. The cost of this storage is \$0.1324 per Mcf of throughput, or \$0.0156 per Mcf for each 1.0% of ACQ.

\$0.0156 x 87,472.279 / 61,530,000 = \$0.0222 per Mcf of throughput for each 1.0% change in a transportation customer's ATL.

	ATL as a Percent of ACQ	Present U-16418 Rates	Proposed Per Mcf of Throughput Adjustment
	(f)		(g)
5	6.50%	-\$0.0532	-\$0.0444
6	7.50%	-\$0.0266	-\$0.0222
7	8.50%	\$0.0000	\$0.0000
8	9.50%	\$0.0266	\$0.0222
9	10.50%	\$0.0532	\$0.0444

Footnotes

- (1) Exhibit A-12 (TAY-2), column h + i + j lines 23 - 26
- (2) Exhibit A-12 (PEC-1), column b, line 13.
- (3) WP-PEC-9, pg. 3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Illustrative Calculation of Proposed Uncollectible Expense Tracker Mechanism

Case No.: U-16855
 Exhibit: A-36 (PEC-10)
 Witness: PEC Clifford
 Page: 1 of 1
 Date: September 2011

(a) (b) (c) (d) (e) (f) (g)

Line No.	Description	Baseline Uncollectible (000s)	Actual Uncollectible (000s)	Variance (000s)	Deadband (+ / - 5%) (000s)	Under (Over) Collection (000s)	Projected Sales MMcf	Surcharge Refund (000s)
Gas Sales								
Residential Service								
1	Single Family Dwelling A	\$ 12,000	\$ 14,000	\$ 2,000	\$ 600	\$ 1,400	145,000	0.0097
2	Multifamily Dwelling A-1	1,000	1,500	500	50	450	7,300	0.0616
3	Total Residential Service	13,000	15,500	2,500	650	1,850	152,300	
General Service								
4	Small Service GS-1	5,000	5,000	-	250	-	15,000	-
5	Medium Service GS-2	4,000	3,000	(1,000)	200	(1,200)	35,000	(0.0343)
6	Large Service GS-3	3,000	4,000	1,000	150	850	12,000	0.0708
7	Outdoor Lighting GL	-	-	-	-	-	-	-
8	Total General Service	12,000	12,000	-	600	(350)	62,000	
9	Total Gas Sales	25,000	27,500	2,500	1,250	1,500	214,300	
Transportation								
10	Small Transport ST	500	500	-	25	-	15,000	-
11	Large Transport LT	500	500	-	25	-	22,000	-
12	Extra-large Transport XLT	500	500	-	25	-	23,000	-
13	Total Transportation	1,500	1,500	-	75	-	60,000	
14	Total Service (Delivery & Fuel)	\$ 26,500	\$ 29,000	\$ 2,500	\$ 1,325	\$ 1,500	274,300	

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Summary of Tariff Changes

Case No. U-16855
Witness: PEClifford
Exhibit: A-37 (PEC-11)
Date: September, 2011
Page: 1 of 1

1. Tariff Sheet No. A-22.00 – **Technical Terms and Abbreviations (For All Customers)** – Added definition reference for “Multifamily Dwelling”, and modified title of Section C, Part I.
2. Tariff Sheet Nos. C-32.00 and C-33.00 – **Gas Cost Recovery Clause and Standard Refund Procedures** – Revised references from checks to payments.
3. Tariff Sheet No. C-37.00 – Rule C8. I. (1) and (6) – **Customer Attachment Program** – Revised the carrying cost and discount rate.
4. Tariff Sheet No. D-1.20 – **Interim Rate Increase, Subject to Refund** – Added Interim Rate Increase to be effective with Service Rendered On and After March 1, 2012.
5. Tariff Sheet Nos. D-8.00, D-9.00, D-11.00, D-12.00, E-11.00, and E-13.00 – **Rate Schedules**– Revised prices.
6. Tariff Sheet No. E-4.00 – **Service Requirements**– Revised the percent of gas retained for the Allowance for Use and Loss.

Case No.: U-16855

Witness: P E Clifford

Exhibit: A-12 (PEC-12)

Date: September, 2011

Page: 1 of 13

Schedule F-5

PROPOSED TARIFF SHEETS

M.P.S.C. No. 2 – GAS

(REDLINED)

TECHNICAL TERMS AND ABBREVIATIONS (FOR ALL CUSTOMERS)

I. The definitions of the following technical terms and abbreviations are applicable to the Company's Gas Rate Book and are not contained in the other Sections thereof.

A. For All Utilities

- (1) "Commission" means the Michigan public service commission.
- (2) "Effective Date" means the date when the tariff sheet must be followed.
- (3) "Issue Date" means the date the Company files a tariff sheet with the Commission.
- (4) "Rate Book" means the complete set of Company filings submitted in accordance with the "Filing Procedures for Electric, Wastewater, Steam and Gas Utilities".
- (5) "Rate Schedule" or "Rider" means the rate or charge for a particular classification of service, including all special terms and conditions under which that service is furnished at the prescribed rate or charge.
- (6) "Rate Sheet" or "Tariff Sheet" means any of the documents filed in accordance with the "Filing Procedures for Electric, Wastewater, Steam and Gas Utilities".
- (7) "Rules and Regulations" means the rules, regulations, practices, classifications, exceptions, and conditions that the Company must observe when providing service.
- (8) "Standard Customer Forms Index" means a listing showing the number, title, and revision date for all standard forms, in any format (preprinted or electronically preformatted) that the Company uses to document contracts or other agreements that create or alter a customer's rights or responsibilities in dealings with the Company. Standard customer forms require a customer signature or are specifically referenced within the Rate Book for execution between the Company and customers.

B. Company

- (1) Ccf - 100 cubic feet
- (2) Company - Consumers Energy Company
- (3) Dekatherm - 10 therms or 1,000,000 British thermal units
- (4) Mcf - 1,000 cubic feet

II. Definitions of additional technical terms and abbreviations are contained in the following sections:

A. Section C - Part II - ~~General~~ Company Rules and Regulations (For All Customers)

- (1) Rule C3.1 Curtailment of Gas Service - Definitions

(a) Blanket Certificate Customer	(h) Force Majeure
(b) Capacity Deficiency	(i) Industrial Gas Requirements
(c) Capacity Restriction	(j) Requirements for Plant Protection
(d) Commercial Gas Requirements	(k) Requirements for Services Essential for Public Health and Safety
(e) Customers	(l) Residential Gas Requirements
(f) Deliveries	(m) System Supply Customer
(g) End Use Customer	
- (2) Rule C4.3 Application of Residential Usage and Non-Residential Usage

(a) Household	(d) Principal Residence Customer
(b) <u>Multifamily Dwelling</u>	(e) Residential Usage
(c) Non-Residential Usage	
- (3) Rule C4.5 Mobile Home Park - Individually Served
 - (a) Mobile Home Park
- (4) Rule C4.6 Centrally Metered Installation - A. Definition of a Centrally Metered Installation
 - (a) Centrally Metered Installation
- (5) Rule C5.2 Bills and Payments - J. Energy Theft, Stolen Meter and Switched Meter

(a) Stolen Meter	(b) Switched Meter
------------------	--------------------

(Continued on Sheet No. A-23.00)

(Continued From Sheet No. C-31.00)

C7. GAS COST RECOVERY CLAUSE AND STANDARD REFUND PROCEDURES (Contd)**C7.2 Standard Refund Procedures for Gas Cost Recovery and Other Supplier Refunds (Contd)**

C. Refund Pass-Through (Contd)

(2) To Non-GCR Customers [Traditional Methodology]

All Non-GCR customer refund liabilities shall be credited to a refund liability account to accrue interest until such time as these monies are authorized to be refunded. The interest rate for pipeline refunds, and unrefunded balances shall be the Company's authorized rate of return on common equity.

Application for distribution of Non-GCR customer refund liabilities shall be included in the Company's annual GCR reconciliation filing.

(3) Distribution of Non-GCR Customer Refunds in General

(a) Data Retention

The Company shall maintain individual customer consumption data for a minimum period of four years. In addition, the last known address of each customer who has left the Company's system shall be maintained for the same time period.

(b) Refund Distribution Period

The refund distribution period shall correspond to the period used to allocate the refund liability except when the allocation period exceeds the 48-month retention period for individual customer consumption data.

In the event that the refund allocation period covers time periods beyond the 48-month data retention period, a more current period for which data is available may be used as the refund distribution period.

When multiple refunds are being considered in the same refund proceeding, refund liability amounts allocated to each respective rate class may be aggregated and the sum distributed using the most logical refund distribution period.

(c) Current Customers

Refunds shall be made to current customers based upon their consumption at any location in the Company's service territory during the refund distribution period. Bill credits shall appear as a separate line item on the bill and be identified as a refund. Rights to any portion of a refund shall not vest until a refund amount has been credited to a customer's bill or a refund ~~check-payment~~ to a past customer is negotiated, or an electronic payment of the refund has been successfully processed.

(Continued on Sheet No. C-33.00)

(Continued From Sheet No. C-32.00)

C7. GAS COST RECOVERY CLAUSE AND STANDARD REFUND PROCEDURES (Contd)

C7.2 Standard Refund Procedures for Gas Cost Recovery and Other Supplier Refunds (Contd)

C. Refund Pass-Through (Contd)

(3) Distribution of Non-GCR Customer Refunds in General (Contd)

(d) Past Customers

All past customers who had consumption during the refund distribution period shall be issued a refund check or issued an electronic payment of the refund, to their last known address, except that the Company is not required to issue refund ~~s checks~~ to past customers who would receive \$10.00 or less, those in arrears with the Company, or to customers whose ~~checks-payments~~ were returned as undeliverable from previous refunds. Rights to any portion of a refund shall not vest until a refund amount has been credited to a customer's bill or a refund check to a past customer is negotiated or an electronic payment of the refund has been successfully processed. After 180 days, amounts that have not been successfully refunded, including any returned or uncashed check, shall be transferred to the refund liability account to be refunded with interest in the next refund.

(e) Customers in Arrears

Refunds made pursuant to these procedures will be applied against any past due amounts owing to the Company. The amount, if any, in excess of the amount owed will be refunded in accordance with these procedures.

(f) Refund Completion Reports

Six months after the completion of a refund distribution, the Company shall submit a completion report to the Commission Staff showing the amount actually refunded as compared to the authorized refund amount and the date the refund was completed.

(g) Unrefunded Balances

Any undistributed amounts remaining shall be rolled back into the refund liability account to accrue interest at the Company's authorized rate of return on common equity until refunded to customers in the next refund distribution.

(Continued on Sheet No. C-34.00)

(Continued From Sheet No. C-36.00)

C8. CUSTOMER ATTACHMENT PROGRAM (Contd)**I. Model Assumptions****Incremental Revenues:**

The incremental revenues will be calculated based on current rates and a forecast of the timing and number of customer attachments as well as the customers annual consumption levels.

Incremental Costs:**(1) Carrying Cost Rate**

The carrying cost rate will be based on the weighted rate of debt, preferred stock, equity and associated taxes. The cost will be equal to and weighted in proportion to those authorized in the Company's most recent rate order. The carrying cost rate is equal to 11.79 ~~11.36~~%.

(2) Plant in Service

Plant in Service shall reflect the Company's estimated cost to construct distribution mains, customer service lines, meters and pressure regulators or regulating facilities for the Project. The timing of the facility investment, primarily service lines, will correspond with the projected timing of the customer attachments.

(3) Carrying Costs

The Carrying Costs will be the product of the average of beginning and end-of-year net plant, Plant in Service minus accumulated depreciation minus deferred taxes, multiplied by the Carrying Cost Rate, noted in paragraph 1 above.

(4) Depreciation

Depreciation expense will be the product of Plant in Service multiplied by the appropriate prescribed depreciation rates approved for the Company.

(5) Property Taxes and Other Operating Expenses

Property taxes will be the product of Plant in Service multiplied by the Company's average property tax rate. All other incremental operating expenses will be included as identified. Incremental O&M will at a minimum include a proportional cost for monthly meter reading, billing and mailing.

(6) Discount Rate

The discount rate will be a weighted rate of long-term debt, preferred stock and common equity. The cost will be equal to and weighted in proportion to those authorized in the Company's most recent rate order. Based on the Company's rate order in Case No. U-16855 ~~U-16418~~ dated XXXXXXXXXX ~~May 26, 2011~~, the Discount Rate is equal to 8.30 ~~8.06~~%.

J. Customer Attachment Project Areas

All gas sold in any area specifically listed below is subject to the following Customer Attachment Project (CAP) charges. CAP areas and charges shall be added to or removed from the list from time to time by the Company.

(Continued on Sheet No. C-38.00)

See Clifford Exhibit A-34 (PEC-8) and Exhibit A-37 (PEC-11), Item No. 3

INTERIM RATE INCREASE, SUBJECT TO REFUND

<u>Rate Schedule</u>	<u>Interim Rate Increase, Subject to Refund (Case No. U-16855) Effective for Service Rendered on and after March 1, 2012</u>
Rate A	\$0.XXXX/Mcf
Rate A-1	0.XXXX/Mcf
Rate GS-1	0.XXXX/Mcf
Rate GS-2	0.XXXX/Mcf
Rate GS-3	0.XXXX/Mcf
Rate GL	NA
Rate ST	0.XXXX/Mcf
Rate LT	0.XXXX/Mcf
Rate XLT	0.XXXX/Mcf
Rate CC	As shown on customer's applicable sales Rate Schedule

~~This sheet has been cancelled and is reserved for future use.~~

RESIDENTIAL SERVICE RATE A**Availability**

Subject to any restrictions, this rate is available to any customer desiring gas service for any usual residential use in private family dwellings; tourist homes, rooming houses, dormitories, nursing homes and other similarly occupied buildings containing sleeping accommodations for up to six persons; or multifamily dwellings containing two households served through a single meter.

This rate is not available for resale service, multifamily dwellings containing more than two living units served through a single meter or for tourist homes, rooming houses, dormitories, nursing homes and similarly occupied buildings containing sleeping accommodations for more than six persons or for any other Non-Residential usage.

Residences in conjunction with commercial or industrial enterprises and mobile home parks may take service on this rate only under the Rules and Regulations contained in the Company's Gas Rate Book.

Monthly Rate**Customer Charge**

~~\$10.50~~ 11.50 per customer per month, plus

Income Assistance Service Provision:

When service is supplied to a Principal Residence Customer, where the total household income does not exceed 150% of the Federal Poverty level, verified by confirmation of an authorized State or Federal agency, a credit shall be applied during all billing months.

The monthly credit for the residential Income Assistance Service Provision shall be applied as follows:

Income Assistance Credit: ~~\$(10.50)~~ 11.50 per customer per month

Distribution Charge

~~\$2.6304~~ 2.7310 per Mcf for all Mcf purchased.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-2.00.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00, surcharges shown on Sheet No. D-1.10, and any applicable charges shown on Sheet No. D-1.20.

Minimum Charge

The minimum charge shall be the customer charge included in the rate.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of transmittal. A late payment charge of 2%, not compounded, of the portion of the bill, net of taxes, shall be assessed to any bill that is delinquent. A customer who participates in the Winter Protection Plan or who is 65 years of age or older and who has notified the Company the customer is 65 years of age or older, shall be exempt from a late payment charge as described in Rule B2, Consumer Standards and Billing Practices for Electric and Gas Residential Service, R 460.122, Allowable Charges.

Term and Form of Contract

Service under this rate shall not require a written contract.

MULTIFAMILY DWELLING SERVICE RATE A-1**Availability**

Subject to any restrictions this rate is available to any multifamily dwelling installation containing more than two households served through a single meter and where, in the Company's opinion, it is impractical to provide gas service to each household through an individual meter. This rate is not available for multifamily dwellings containing two households served through a single meter.

Monthly Rate**Customer Charge**

The charge per customer per month shall be the sum of the following charges:

~~\$10.50~~ 11.50 per month, plus

~~\$0.0540~~ 0.0591 per Mcf of excess peak demand, plus

Distribution Charge

~~\$2.6301~~ 2.7310 per Mcf for all Mcf purchased.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-2.00.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00, surcharges shown on Sheet No. D-1.10, and any applicable charges shown on Sheet No. D-1.20.

Minimum Charge

The minimum charge shall be the customer charge included in the rate.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

(Continued on Sheet No. D-10.00)

GENERAL SERVICE RATE (Rates GS-1, GS-2 and GS-3)

Availability

Subject to any restrictions, this rate is available to any customer desiring gas service for any Non-Residential usage which includes tourist homes, rooming houses, dormitories, nursing homes and similarly occupied buildings containing sleeping accommodations for more than six persons. Gas shall not be purchased under any other rate for any equipment or process which uses gas under this rate.

This rate is not available for residential usage or for resale purposes.

Rates and Charges

<u>Service Category</u>	<u>Customer Charge per Month</u>	<u>Distribution Charge</u>
GS-1	\$11.65 per meter	\$2.1441 <u>2.3958</u> per Mcf
GS-2	\$18.20 <u>21.70</u> per meter	\$1.9398 <u>2.0821</u> per Mcf
GS-3	\$540.80 <u>565.60</u> per meter	\$1.0038 <u>1.1080</u> per Mcf

Customers may choose the Service Category under which they take service, consistent with the provisions of Rules C4.1, Classes of Service, and C4.2, Choice of Rates. When the Customer is selecting its initial Service Category, the Company must advise them that the economic break even point between GS-1 and GS-2 is approximately ~~385~~ 384 Mcf per year and the economic break even point between GS-2 and GS-3 is approximately 6,700 Mcf per year. After the initial selection is made, then it is the customer's responsibility to determine when it is appropriate to switch Service Categories, as permitted by Rule C4.2, Choice of Rates.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-2.00.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00, surcharges shown on Sheet No. D-1.10, and any applicable charges shown on Sheet No. D-1.20.

Minimum Charge

The minimum charge shall be the customer charge included in the rate.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Term and Form of Contract

Service under this rate shall not require a written contract.

GENERAL SERVICE OUTDOOR LIGHTING RATE GL**This Rate Is Not Open to New Business****Availability**

Subject to any restrictions, this rate is available to any commercial or industrial customer for streetlighting or outdoor area lighting service for any system consisting of two or more gas luminaires where the Company has an existing gas distribution system.

Nature of Service

The customer shall furnish the necessary posts, luminaires and fixtures. The Company shall install this equipment and make all connections to its gas distribution system. The Company shall supply the gas, renew the mantles, clean the luminaires and paint all metal parts as needed; all other renewals and maintenance shall be paid for by the customer.

Monthly Rate

~~\$14.00~~ 12.00 per luminaire having a rated consumption of 2.5 cubic feet or less per hour.

~~\$22.00~~ 21.00 per luminaire having a rated consumption of more than 2.5 cubic feet but not more than 4.5 cubic feet per hour.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00, surcharges shown on Sheet No. D-1.10, and any applicable charges shown on Sheet No. D-1.20

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Term and Form of Contract

Minimum term of three years on written contract and year to year thereafter until terminated by mutual consent or upon three months' written notice given by either party.

Special Terms and Conditions

The Company reserves the right to make special contractual arrangements as to term or duration of contract, termination charges, contributions in aid of construction, monthly charges or other special consideration when the customer requests service, equipment or facilities not normally provided under this rate.

(Continued From Sheet No. E-3.00)

E3. GAS QUALITY (Contd)**E3.2 Heating Value.**

The gas transported shall have a total heating value per cubic foot of not less than 965 Btu nor more than 1,110 Btu. Unless otherwise agreed, differences in the thermal value of the gas transported shall be determined by the Company based on the assumption that the gas delivered to the customer has a Btu content per Mcf that is the same as the Company's then-current system average Btu content per Mcf which shall be redetermined monthly.

E4. SERVICE REQUIREMENTS**E4.1 Quantities.**

- A. The customer may deliver, or cause to be delivered, and the Company shall, subject to other provisions in the Company's Gas Rate Book, accept quantities of gas up to the MDQ specified in the transportation contract. If deliveries to the Company exceed the agreed upon quantities, the Company may terminate the contract upon 30 days' written notice to the customer.
- B. Deliveries to the Company may be made by or on behalf of the customer at existing interconnections between the gas transmission facilities of the Company and other pipeline systems. These points of receipt shall be those that are agreed to from time to time by the customer and the Company.
- C. The Company shall endeavor to deliver gas to the customer, and the customer shall endeavor to take a quantity of gas that is thermally equivalent to the gas that it delivers or causes to be delivered. Such delivery on the part of the Company and take on the part of the customer is to be made at the outlet of the Company gas meter(s) identified in the transportation contract.
- D. The Company shall retain ~~2.41~~ ~~1.83~~ percent of all gas received from customers being billed for distribution service on the Transportation Service Rate at the points of receipt to compensate it for the Company's use and lost and unaccounted for gas on the Company's system ("Allowance for Use and Loss"). Gas received from customers being billed for distribution services on the General Service Rate shall not be subject to this provision. This volume shall not be included in the quantity available for delivery to the customer.
- E. If, in any month, the quantity of gas received by the Company at the points of receipt, less the Allowance for Use and Loss, is more than the quantity of gas taken by the customer at the points of delivery, then the difference shall be retained by the Company and delivered to the customer in those succeeding months when the quantity of gas received by the Company is less than the customer's requirements. Such subsequent deliveries to the customer shall be subject to the withdrawal limitations identified on the Transportation Service Rate Schedule. Should the aggregate quantity of gas, less the Allowance for Use and Loss, retained by the Company at any month-end exceed the authorized tolerance level, then the Company shall have the right: (1) to refuse to receive any additional quantity of gas for that customer until the Company has satisfied itself that the quantity of gas retained for the customer is less than the authorized tolerance level and (2) to assess the customer a Load Balancing Charge for any month-end balance that exceeds the authorized tolerance level. The customer shall withdraw or transfer any gas retained by the Company within 60 days of the termination of the contract. If the customer has not withdrawn or transferred gas retained by the Company within the 60 days, the Company, at its sole discretion, may (i) assess a holdover fee of \$0.25 per MMBtu per month for any gas volumes remaining in storage or (ii) cash out the remaining gas at the then current cost of gas billed to sales customers pursuant to the Company's Rule C7.
- F. Nothing herein shall prevent the Company and the customer from entering into a separate storage agreement.

(Continued on Sheet No. E-5.00)

See Beachum Exhibit A-21 (SBB-6), Line No. 11 and Clifford Exhibit A-37 (PEC-11), Item No. 6.

TRANSPORTATION SERVICE RATE
(Rates ST, LT and XLT)**Availability**

Subject to any restrictions, service under this Rate Schedule is available to any customer that could otherwise purchase gas under another Company Rate Schedule. A customer selecting transportation service, is not eligible to receive gas under any of the Company's firm gas sales rates for a minimum period of one year from the date the customer commenced taking Transportation Service.

Under this rate schedule, the Company shall transport gas for the customer to the interconnections between the Company's facilities and those of the customer (points of delivery) from the interconnections between the Company's facilities and those of a third party that delivers gas to the Company for redelivery to the customer (points of receipt).

A producer or a broker may contract for service on this Rate Schedule for the transportation of gas from a wellhead through the Company's system to another pipeline, for the transportation of gas from one pipeline to another pipeline or for the transportation of gas from a specified interconnection between the Company's facilities and those of a third party for delivery to a specific customer within the Company's integrated distribution system, provided that all gas transported for a producer or broker pursuant to this Rate Schedule is consumed in and never leaves the State of Michigan after entering the Company's system.

All customers requesting transportation service under this Rate Schedule shall make written application for such service on a form provided by the Company.

Rates and Charges

	Service Category		
	ST	LT	XLT
Monthly Charges			
Customer Charge	\$575.00 <u>610.90</u> Per Meter	\$3,132.50 <u>2,921.30</u> Per Meter	\$8,045.90 <u>8,197.20</u> Per Meter
Remote Meter Charge	NA	NA	\$70.00 Per Meter
Transportation Rates			
Cost Based Rate	\$0.8813 <u>0.9332</u> Per Mcf	\$0.5744 <u>0.6560</u> Per Mcf	\$0.4548 <u>0.5277</u> Per Mcf
Optional Rates:			
Maximum Rate	\$1. 5326 <u>1,3998</u> Per Mcf	\$0. 9188 <u>0,9840</u> Per Mcf	\$0. 7596 <u>0,7916</u> Per Mcf
Minimum Rate	\$0. 2300 <u>0,4666</u> Per Mcf	\$0. 2300 <u>0,3280</u> Per Mcf	\$0. 1500 <u>0,2639</u> Per Mcf

Selection of Service Category and Rates

A customer may choose the Service Category under which they take service, consistent with the provisions of Rules C4.1, Classes of Service, and C4.2, Choice of Rates. When the customer is selecting its initial Service Category, the Company must advise them that the economic break even point between ST and LT is 100,000 Mcf per year and the economic break even point between LT and XLT is ~~500,007~~ 500,000 Mcf per year. After the initial selection is made, then it is the customer's responsibility to determine when it is appropriate to switch Service Categories, as permitted by Rule C4.2, Choice of Rates.

(Continued on Sheet No. E-12.00)

See Clifford Testimony, Page 13, Line 18, Exhibit A-12 (PEC-2) and Exhibit A-37 (PEC-11), Item No. 5
--

TRANSPORTATION SERVICE RATE
(Rates ST, LT and XLT)
(Continued From Sheet No. E-12.00)

Rates and Charges (Contd)**Load Balancing Charge (Contd)**

A customer's ATL shall be 8.5% of the Customer's ACQ unless the customer contracts for a different percent in accordance with the following table. The Transportation Charge shall be adjusted as follows:

Authorized As a % of ACQ <u>Tolerance Level</u>	<u>Transportation Charge Adjustment</u>
6.5%	\$(0.0532 <u>0.0444</u>) Per Mcf
7.5%	\$(0.0266 <u>0.0222</u>) Per Mcf
8.5%	No Change
9.5%	\$ 0.0266 <u>0.0222</u> Per Mcf
10.5%	\$ 0.0532 <u>0.0444</u> Per Mcf

The monthly injection of gas into the customer's ATL and additional CSQ, if any, shall be at the customer's discretion except in September and October when any monthly injections in excess of the customer's CSQ plus 1.43% of the customer's ACQ, will be charged the Load Balancing Charge.

Excess Pipeline Costs Surcharge

This surcharge shall be assessed to the customer.

Due Date and Late Payment Charge

The due date of the customer's bill shall be 21 days from the date of mailing. A late payment charge of 2% of the unpaid balance outstanding, net of taxes, shall be assessed to any bill which is not paid in full on or before the due date shown thereon.

Metering Requirements

All eligible XLT customers shall be required to provide, at no expense to the Company, a dedicated telecommunication line(s) as required for metering purposes, to a location specified by the Company. The communication link must be installed and operating prior to a transportation customer receiving service under Service Category XLT. The customer shall be responsible for (i) ensuring that the communication links allow access to the meter data by the Company and are compatible with the Company's metering and billing systems, and (ii) all associated costs relating to the communication links including other accompanying equipment and monthly fees. The Company shall own and maintain the actual metering equipment and modem.

(Continued on Sheet No. E-14.00)

See Clifford Testimony, Page 16, Line 17, Exhibit A-12 (PEC-2) and Exhibit A-37 (PEC-11), Item No. 5
--

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

DANIEL L. HARRY

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Summary of Gas O&M Expense
 for the Years 2010-2012
 (\$000)

Case No: U-16855
 Witness: DLHarry
 Exhibit: A-38 (DLH-1)
 Date: Sept., 2011
 Page 1 of 1

PART B

Corporate

Line No.	Program Description (a)	Year End 2010 Actual (b)	Year End 2011 (c)	Year End 2012 (d)	Source (e)
	ONGOING O&M:				
1	Summary of Corporate Services O&M	\$22,353	\$23,279	\$22,866	WP DLH-1
2	Gas Uncollectible Expense	28,935	33,502	43,756	Exhibit A-39 (DLH-2)
3	Manufactured Gas Plant - Direct Project Management Costs	643	810	840	Exhibit A-40 (DLH-3)
4	Accounts Receivable Sale Costs	926	641	763	DV RAO Testimony
5	Total	\$ 52,857	\$ 58,232	\$ 68,225	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No: U-16855
 Witness: DLHarry
 Exhibit: A-39 (DLH-2)
 Date: September, 2011
 Page 1 of 3

Consumers Energy Company
 Gas Uncollectible Accounts Expense
 for the Years 2010-2012
 (\$000)

Line No.	Description (a)	Year End 2010 Actual (b)	Year End 2011 (c)	Year End 2012 (d)
1	Uncollectible Accounts Expense	\$ 28,935 ¹	\$ 28,700	\$ 24,547 ¹
2	LIHEAP Adjustment		4,802 ³	19,209 ²
3	Total Uncollectible Accounts Expense		\$ 33,502	\$ 43,756

¹ Please refer to Exhibit A-39(DLH-2) Page 2

² Please refer to Exhibit A-39 (DLH-2) Page 3

³ Represents a 3 month period Oct.-Dec. 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-39 (DLH-2)
 Date: September, 2011
 Page: 2 of 3

(000)

2012 Test Year Uncollectible Accounts Expense

	(a)	(b)	(c)	(d)	(e)	(f)
		MPSC P-522 Pg. 324 UA Exp.	Less Non-Energy Write-Offs	Net Uncollectible Expense	MPSC P-522 Pg. 300 Tot. Gas Svc Rev.	BDLR (Col. (d)/Col. (e))
1	2008	\$ 26,682	\$ 543	\$ 26,139	\$ 2,673,855	0.978%
2	2009	32,746	1,213	31,533	2,444,897	1.290%
3	2010	29,839	904	28,935	2,218,232	1.304%
4	3-Year Average			\$ 28,869	\$ 2,445,661	1.180%

2012 Test-Year Total Sales & Transport Revenue
 Exhibit A-9 (DSA-50) Schedule C-3, Page 1 of 1
 3-Year Avg. BDLR
 2012 Test Year Total Uncollectible Expense

\$	2,079,494
	1.180%
	<u>24,547</u>

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

(\$000)

Case No: U-16855
 Witness: DLHarry
 Exhibit: A-39 (DLH-2)
 Date: September, 2011
 Page 3 of 3

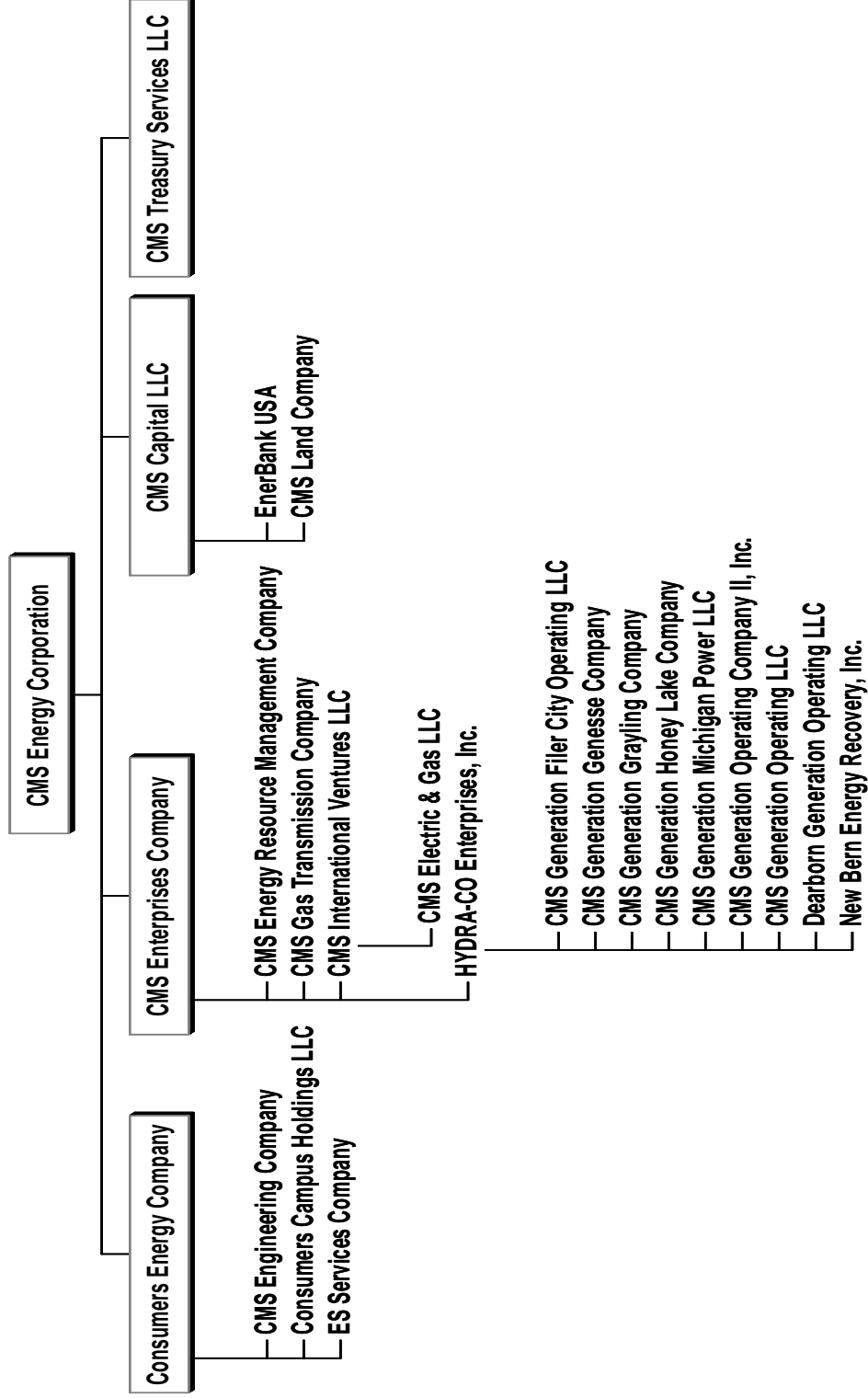
LIHEAP Assistance Received by Customers
 for the Years 2008-2010 and 2012 Projected Reduction

Line No.	Description (a)	Year End 2008 Actual (b)	Year End 2009 Actual (c)	Year End 2010 Actual (d)	Three Year Average 2008-2010 (e)
1	State Emergency Relief	\$ 26,465	\$ 42,834	\$ 59,796	\$ 43,032
2	Home Heating Credits	14,155	26,791	22,046	20,997
3	Subtotal	<u>40,620</u>	<u>69,625</u>	<u>81,841</u>	<u>64,029</u>
4	Estimated Reduction (50%)	<u>20,310</u>	<u>34,813</u>	<u>40,921</u>	<u>32,014</u>
5	Gas Portion				<u>60%</u>
6	2012 LIHEAP Funding Reduction Adjustment				<u>\$ 19,209</u>

Consumers Energy Company
 MGP Unamortized Balance
 (000)

Lines:	(a)	(b) (Col. (c)+Col. (d))/2 Average Balance 2012	(c) 2011 year end	(d) 2012 Year end.	(e) original cost
1	Assets:				
2	182.373 MGP Deferred Exp-2001	-	-	-	7,447
3	182.374 MGP Deferred Exp-2002	322	644	-	6,442
4	182.376 MGP Deferred Exp-2003	1,056	1,408	704	7,040
5	182.380 MGP Deferred Exp-2004	1,520	1,824	1,216	6,081
6	182.400 MGP Deferred Exp-2005	3,139	3,587	2,690	8,968
7	182.405 MGP Deferred Exp-2006	2,082	2,314	1,851	4,627
8	182.424 MGP Deferred Exp-2007	2,938	3,205	2,671	5,341
9	182.428 MGP Deferred Exp-2008	1,998	2,152	1,844	3,074
10	182.000 MGP Deferred Exp-2009	2,183	2,328	2,037	2,910
11	182.000 MGP Deferred Exp-2010	3,183	3,371	2,996	3,745
12	182.000 MGP Deferred Exp-2011	8,075	8,500	7,650	8,500
	Total Assets:	\$ 26,496			
13	Liabilities:				
14	253 MGP Deferred Liabilities 2002	(2)	(3)	-	(31)
15	253 MGP Deferred Liabilities 2003	(37)	(49)	(25)	(245)
16	253 MGP Deferred Liabilities 2004	(11)	(13)	(8)	(42)
17	253 MGP Deferred Liabilities 2005	(21)	(24)	(18)	(61)
18	253 MGP Deferred Liabilities 2006	(1,560)	(1,734)	(1,387)	(3,467)
19	253 MGP Deferred Liabilities 2007	-	-	-	-
20	253 MGP Deferred Liabilities 2008	(4)	(4)	(4)	(6)
21	253 MGP Deferred Liabilities 2009	(4)	(4)	(4)	(5)
22	253 MGP Deferred Liabilities 2010	(1)	(1)	(1)	(1)
23	253 MGP Deferred Liabilities 2011	-	-	-	-
	Total Liabilities:	\$ (1,639)			
24	Unamortized Balance to be included in rate base: (000)	\$ 24,857			

Consumers Energy Company
Organization Chart
Affiliate Group of Companies Doing Business
With Consumers Energy Company- 2010



MICHIGAN PUBLIC SERVICE COMMISSION

Schedule E-1

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-41 (DLH-4)
 Date: September, 2011
 Page: 2 of 3

Consumers Energy Company
 Purpose of Business
 Affiliate Group of Companies Doing Business
 With Consumers Energy Company - 2010

Line No.	(a) Company Name	(b) Affiliation, Percentage Ownership	(c) Purpose of Business
1	CMS Capital LLC	CMS Energy Sub, 100%	Formed to assist in securing financing for CMS Energy Corporation and its subsidiaries and affiliates
2	CMS Electric & Gas LLC	CMS Enterprises Sub, 100%	Formed to hold a portion of CMS Energy's international interests in projects located in South America
3	CMS Energy Corporation	Parent Company	Formed for the purpose of a Holding Company for both regulated and non-regulated businesses
4	CMS Energy Resource Management Co	CMS Enterprises Sub, 100%	Involved in providing gas, electric, oil and coal marketing, risk management and energy management services
5	CMS Engineering Company	Consumers Sub, 100%	Engaged in offering design, engineering project management and related construction services to natural gas utilities, natural gas exploration and production companies, and other energy businesses
6	CMS Enterprises Company	CMS Energy Sub, 100%	Owns subsidiaries engaged in the development, acquisition and management of energy-related businesses and projects worldwide
7	CMS Gas Transmission Company	CMS Enterprises Sub, 100%	Organized to engage in the transmission and processing of natural gas
8	CMS Generation Filer City Operating LLC	CMS Enterprises Sub, 100%	Formed to operate a coal and wood waste-fueled power plant
9	CMS Generation Michigan Power LLC	CMS Enterprises Sub, 100%	Owns generating units which are to be sited in Michigan for the purpose of generating power during peak demand periods
10	CMS Generation Operating Company II, Inc.	CMS Enterprises Sub, 100%	Involved in the operation of various power plants throughout the United States
11	CMS Generation Operating LLC	CMS Enterprises Sub, 100%	Involved in the operation of various power plants including Grayling and Genesee
12	CMS International Ventures LLC	CMS Enterprises Sub, 98.5%	Formed to own, manage and sell certain of CMS Energy's international investments
13	CMS Land Company	CMS Capital Sub, 100%	Formed to act as a repository for any unused real property formerly owned by Consumers Power and hold the same for possible non-utility development
14	CMS Treasury Services LLC	CMS Energy Sub, 100%	Formed to handle cash management functions/intercompany banking operations for CMS and certain of its subsidiaries and affiliates.
15	Consumers Campus Holdings LLC	Consumers Sub, 100%	The lessee in the synthetic lease financing of the new Consumers Energy Company office building

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule E-1

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-41 (DLH-4)
 Date: September, 2011
 Page: 3 of 3

Consumers Energy Company
 Purpose of Business
 Affiliate Group of Companies Doing Business
 With Consumers Energy Company - 2010

Line No.	(a) Company Name	(b) Affiliation, Percentage Ownership	(c) Purpose of Business
16	Dearborn Generation Operating LLC	CMS Enterprises Sub, 100%	Operates the Ford/Rouge project (both the base units and the peaking unit)
17	EnerBank USA	CMS Capital Sub, 100%	Engaged in the business of an "industrial loan corporation" to issue thrift certificates of deposit and thrift savings accounts for the payment of money, to issue capital notes or debentures to receive payments with or without
18	ES Services Company	Consumers Sub, 100%	For the purpose of offering design, engineering project management and related services primarily to electric utilities and generation facilities
19	Genesee Power Station LP	CMS Enterprises, 50%	Formed to develop, construct and operate a waste wood cogeneration facility
20	Grayling Generating Station LP	CMS Enterprises, 50%	Owns a waste-wood fueled power plant
21	HYDRA-CO Enterprises, Inc.	CMS Enterprises Sub, 100%	Engaged in the ownership and/or operation, by itself or with others, of one or more cogeneration, small hydro or alternate energy production facilities thru partnership interests and ownership of domestic corporations
22	New Bern Energy Recovery, Inc.	CMS Enterprises, 100%	Formed to participate as a general partner in the Craven County Wood Energy limited partnership formed to construct, operate and own a wood-fired electric generating facility
23	T.E.S. Filer City Station LP	CMS Enterprises, 50%	Owns a wood chip and coal cogeneration plant

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule E-2

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-42 (DLH-5)
 Date: September, 2011
 Page: 1 of 2

Consumers Energy Company

Summary of Costs Billed to
 Affiliated Companies for the
 Year Ended December 31, 2010

Line No.	Company Name (a)	Affiliation (b)	Description: Nature of Goods & Services (c)	Classified to Operating Income (1) (d)	Classified to Other Operating Income (2) (e)	Classified to Balance Sheet (3) (f)	Total (g)	Account Number See Footnotes (1), (2), (3) (h)	Billing Method (i)
1	CMS Capital LLC	CMS Energy Sub	Professional Svcs	\$ -	\$ -	\$ 12,929	\$ 12,929		Full Cost
2	CMS Electric & Gas LLC	CMS Enterprises Sub	Professional Svcs, Emp Benefits	1,582	6	1,841	3,429		Full Cost
3	CMS Energy Corporation	Parent Company	Professional Svcs, Emp Benefits	727,648	4,233	5,416,674	6,148,555		Full Cost
4	CMS Energy Resource Management Co.	CMS Enterprises Sub	Professional Svcs, Emp Benefits	197,289	1,026	449,725	648,040		Full Cost
5	CMS Engineering Company	Consumers Sub	Professional Svcs	8,692	38	11,757	20,487		Full Cost
6	CMS Enterprises Company	CMS Energy Sub	Professional Svcs, Emp Benefits	1,039,384	7,092	5,083,611	6,130,087		Full Cost
7	CMS Gas Transmission Company	CMS Enterprises Sub	Professional Svcs, Emp Benefits	34,669	224	318,044	352,937		Full Cost
8	CMS Generation Filer City Operating LLC	CMS Enterprises Sub	Professional Svcs, Emp Benefits	17,606	782	400,519	418,907		Full Cost
9	CMS Generation Michigan Power LLC	CMS Enterprises Sub	Operation & Maintenance Svcs	-	-	28,276	28,276		Full Cost
10	CMS Generation Operating Company II, Inc.	CMS Enterprises Sub	Professional Svcs, Emp Benefits	16,091	597	303,078	319,766		Full Cost
11	CMS Generation Operating LLC	CMS Enterprises Sub	Professional Svcs, Emp Benefits	72,787	2,467	1,246,544	1,321,798		Full Cost
12	CMS International Ventures LLC	CMS Enterprises Sub	Professional Svcs, Emp Benefits	23,840	131	194,271	218,242		Full Cost
13	CMS Land Company	CMS Capital Sub	Professional Svcs, Emp Benefits	464,598	1,959	586,704	1,053,261		Full Cost
14	Dearborn Generation Operating LLC	CMS Enterprises Sub	Professional Svcs, Emp Benefits	41,180	1,169	584,184	626,533		Full Cost
15	Dearborn Industrial Generation LLC	CMS Enterprises Sub	Professional Svcs	-	-	25,807	25,807		Full Cost
16	EnerBank USA	CMS Capital Sub	Professional Svcs, Emp Benefits	27,885	-	714,894	742,779		Full Cost
17	ES Services Company	Consumers Sub	Professional Svcs	58,621	249	74,494	133,364		Full Cost
18	Genesee Power Station LP	CMS Enterprises	Operation & Maintenance Svcs	-	-	11,883	11,883		Full Cost
19	Graying Generating Station LP	CMS Enterprises	Operation & Maintenance Svcs	-	-	15,492	15,492		Full Cost
20	HYDRA-CO Enterprises, Inc.	CMS Enterprises Sub	Professional Svcs, Emp Benefits	151,551	649	195,267	347,467		Full Cost
21	New Bern Energy Recovery, Inc.	CMS Enterprises Sub	Professional Svcs, Emp Benefits	2,710	10	2,526	5,246		Full Cost
22	T.E.S. Filer City Station LP	CMS Enterprises	Operation & Maintenance Svcs	-	-	24,884	24,884		Full Cost
23	Total			\$ 2,886,133	\$ 20,632	\$ 15,703,404	\$ 18,610,169		

Notes:

- (1) Operating Income- Accounts 920, 921, 923-926, 930, 931, 935, 408, 456, 495
- (2) Other Operating Income- Account 419
- (3) Balance Sheet- Account 146

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Summary of Payments Made
to Affiliated Companies
for the Year Ended December 31, 2010

Schedule E - 2

Case No.: U-16855
Witness: DLHarry
Exhibit: A-42 (DLH-5)
Date: September, 2011
Page: 2 of 2

Line No.	Company Name (a)	Affiliation (b)	Description: Nature of Goods & Services (c)	Classified to Operating Income (d)	Classified to Other Operating Income (e)	Classified to Balance Sheet (f)	Total (g)	Account Number (h)	Billing Method (i)
1	CMS Energy Corporation	Parent Company	Corporate Costs, Restricted Stock	\$ 9,320,343	\$ -	\$ 3,614	\$ 9,323,957	930,923,228,426	Full Cost
2	CMS Energy Resource Management	CMS Enterprises	Corporate Risk Services	10,735	-	-	10,735	920	Full Cost
3	CMS Enterprises Company	CMS Energy Sub	Administrative Services, Legal Services	484	-	1,303	1,787	920,228	Full Cost
4	ES Services Company	Consumers Sub	Engineering Services	-	15,028	-	15,028	416	Full Cost
5	Genesee Power Station LP	CMS Enterprises	Energy Purchases	16,666,980	-	-	16,666,980	555	Full Cost
6	Grayling Generating Station LP	CMS Enterprises	Energy Purchases	19,751,560	-	-	19,751,560	555	Full Cost
7	T.E.S. Filer City Station LP	CMS Enterprises	Energy Purchases	44,436,739	-	-	44,436,739	555	Full Cost
8	Total			<u>\$ 90,186,841</u>	<u>\$ 15,028</u>	<u>\$ 4,917</u>	<u>\$ 90,206,786</u>		

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-43 (DLH-6)
 Date: September, 2011
 Page: 1 of 1

Consumers Energy Company
 Impact on Gas Operations for
 Costs Billed to Affiliated Companies
 for the Year Ended December 31, 2010

Line No.	Expense Description (a)	Total Billed (b)	Gas Operations (c)	Account (d)
1	Administrative & General Salaries	\$258,233	\$ 95,546	920
2	Office Supplies and Expenses	115,445	42,715	921
3	Outside Services	118,483	43,839	923
4	Property Insurance	3,038	1,124	924
5	Injuries and Damages	24,304	8,992	925
6	Pension and Benefits	1,479,523	503,038	926
7	Miscellaneous General Expenses	18,228	6,744	930
8	GO Rents	6,076	2,248	931
9	Maintenance of General Plant	39,494	14,613	935
10	Payroll Taxes	252,157	85,733	408
11	Property Taxes	60,761	16,405	408
12	Depreciation	379,754	159,498	495
13	Return on Investment on Utility Assets	<u>130,635</u>	<u>54,867</u>	495
14	Total	<u><u>\$ 2,886,131</u></u>	<u><u>\$ 1,035,362</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-44 (DLH-7)
 Date: September, 2011
 Page: 1 of 1

Consumers Energy Company

Impact on Gas Operations for Payments Made to
 Affiliated Companies for the Year Ended December 31, 2010

Line No.	Company (a)	Transaction (b)	Gas Operations (c)	Account (d)
1	CMS Energy Corporation	EDGARization Services	\$ 762	930
2		Legal/Consulting Services	3,960	923
3		Oracle Depreciation	60,611	923
4		Restricted Stock	3,289,990	426.5
5		Subtotal	<u>3,355,323</u>	
6	CMS Energy Resource Management	Corporate Risk Services	<u>10,735</u>	920
		Subtotal	<u>10,735</u>	
6	CMS Enterprises Company	Administrative Services	<u>174</u>	920
8		Subtotal	<u>174</u>	
9		Total	<u><u>\$ 3,366,232</u></u>	

MICHIGAN PUBLIC SERVICE COMMISSION

Schedule E-3

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-45 (DLH-8)
 Date: September, 2011
 Page: 1 of 1

Consumers Energy Company
 Affiliated Companies - Rate of Return
 on Common Equity for the Year
 Ended December 31, 2010

<u>Line No.</u>	<u>Company Name</u>	<u>Net Income</u>	<u>Average Common Equity</u>	<u>Return On Common Equity</u>
1	CMS Energy Corporation Consolidated	\$ 324,232,330	\$ 2,697,430,151	12.02%
2	CMS Enterprises Company Consolidated	34,392,445	605,147,398	5.68%
3	CMS Capital LLC Consolidated	(18,855,150)	129,097,331	-14.61%
4	CMS Energy Resource Management Co Consolidated	(4,774,291)	131,904,583	-3.62%
5	CMS Gas Transmission Company Consolidated	14,481,500	82,028,955	17.65%
6	CMS International Ventures LLC Consolidated	38,944,868	10,507,079	370.65%
7	CMS Treasury Services	(122,035)	32,671,286	-0.37%
8	Dearborn Industrial Generation LLC	17,709,134	40,590,026	43.63%
9	HYDRA-CO Enterprises, Inc. Consolidated	11,636,491	85,139,986	13.67%
10	CMS Engineering Company	854	86,861	0.98%
11	Consumers Campus Holdings LLC	-	105,194	0.00%
12	ES Services Company	11,623	345,949	3.36%

2010 Gas Utilities
Ranked by A and G per Customer (less Pension and Benefits)
(Companies over 500K Customers)

Consumers Energy Company

Case No.: U-16855
 Witness: DLHarry
 Exhibit: A-46 (DLH-9)
 Date: September, 2011
 Page: 1 of 1

Company Name	Parent Company	RANK	A&G per Customer (less Pension & Benefits)	A&G (\$000)	Pensions & Benefits (\$000)	Customers
Atmos Energy Corp		1	0.0228	161,615	89,813	3,155,537
Consumers Energy Company	CMS Energy Corp	2	0.0325	132,128	76,765	1,701,399
Kansas Gas Service Co	ONEOK, Inc	3	0.0364	45,237	22,400	626,894
Public Service Electric and Gas Co	Public Service Enterprise Inc	4	0.0386	133,803	67,629	1,714,717
Wisconsin Gas LLC	Wisconsin Energy Corp	5	0.0389	29,358	6,141	596,330
Texas Gas Service Co	ONEOK, Inc	6	0.0392	32,726	9,222	599,552
Puget Sound Energy, Inc.	Puget Holdings LLC	7	0.0425	43,945	12,024	750,659
Northern Illinois Gas Co	Nicor Inc.	8	0.0439	119,927	35,908	1,914,346
Philadelphia Gas Works Co		9	0.0469	120,323	96,475	508,393
Northwest Natural Gas Co		10	0.0494	62,845	29,736	670,722
Southern California Gas Co	Sempra Energy	11	0.0499	425,895	149,635	5,535,007
Ameren Illinois Co	Ameren Corp	12	0.0516	59,919	17,978	812,485
Questar Gas Co	Questar Corp	13	0.0534	49,928	1,684	903,724
Laclede Gas Co	Laclede Group, Inc (The)	14	0.0594	65,184	27,905	627,256
Missouri Gas Energy	Southern Union Co	15	0.0653	53,022	19,869	507,534
Michigan Consolidated Gas Co	DTE Energy Co	16	0.0730	123,463	49,267	1,016,251
National Fuel Gas Distribution Corp	National Fuel Gas Co	17	0.0742	84,280	38,314	619,210
Indiana Gas Company, Inc	Vectren Corp	18	0.0788	44,923	81	569,325
Northern Indiana Public Service Co	NiSource Inc	19	0.0815	73,080	22,531	619,935
Consolidated Edison Co of NY, Inc	Consolidated Edison, Inc	20	0.0828	142,664	54,700	1,062,139
Boston Gas Co	National Grid plc	21	0.0863	72,170	16,529	644,957
Pacific Gas and Electric Co	PG&E Corp	22	0.0979	514,648	102,108	4,212,267
Columbia Gas of Ohio, Inc	NiSource Inc.	23	0.0989	93,085	10,371	836,534
Washington Gas Light Co	WGL Holdings, Inc	24	0.1105	144,537	42,821	920,875
Peoples Gas Light and Coke Co	Integrays Energy Group, Inc	25	0.1169	135,091	46,098	761,130
Brooklyn Union Gas Co	National Grid plc	26	0.1433	166,664	23,192	1,001,430

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

HERBERT B. KOPS

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Case No: U-16855
 Witness: HBKops
 Exhibit: A-50 (HBK-1)
 Date: September 2011
 Page 1 of 1

Consumers Energy Company

Summary of Benefits O&M Expense
 for the Years 2010 - 2012
 Gas Portion (\$000)

PART B

Corporate

Line No.	Program Description	Year End	Year End	Year End	Source
		2010 Actual	2011 Fcst	2012 Plan	(e)
		(b)	(c)	(d)	
1	Pension Plan	24,885	24,512	26,758	WP-HBK- 1, 2, 11, 14
2	Defined Company Contribution Plan	1,146	1,521	1,978	WP-HBK- 3, 4, 11
3	401 (k) Savings Plan	3,645	3,842	3,977	WP-HBK- 5 6, 11
4	Active Health Care/Life Insurance/LTD	17,097	17,850	19,223	WP-HBK- 7, 8, 12
5	Retiree Health Care and Life Insurance	26,320	22,870	15,985	WP-HBK- 9, 10, 13, 15
6	Total	\$ 73,093	\$ 70,595	\$ 67,921	

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

HUBERT W. MILLER, III

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

SCHEDULE E-1

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Summary of 2010 Historic Year Revenues
 (\$000)

Case No.: U-16855
 Exhibit: A-5 (HWM-1)
 Schedule E-1
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Line No.	Description	Operating Revenues
	Gas Sales	
	Residential Service	
1	Single Family Dwelling A	\$ 1,604,955
2	Multifamily Dwelling A-1	<u>68,769</u>
3	Total Residential Service	1,673,724
	General Service	
4	Small Service GS-1	150,118
5	Medium Service GS-2	313,237
6	Large Service GS-3	84,116
7	Outdoor Lighting GL	<u>13</u>
8	Total General Service	547,484
9	Total Gas Sales	2,221,208
	Transportation	
10	Small Transport ST	18,794
11	Large Transport LT	15,040
12	Extra-large Transport XLT	<u>11,728</u>
13	Total Transportation	45,562
14	Total Tariff Revenues	\$ 2,266,770
15	Miscellaneous Revenues	93,638
16	Total Revenues	<u><u>\$ 2,360,408</u></u>

SCHEDULE E-2

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855

Consumers Energy Company
 2010 Historic Year Consumption and Customer Counts
 (Consumption in MMcf)

Exhibit: A-5 (HWM-2)
 Schedule E-2
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Line No.	Description	(a) (b) Customer Count (1)		(c) Consumption
		12-month Average	Year End	
Gas Sales				
Residential Service				
1	Single Family Dwelling A	1,404,802	1,400,639	129,881
2	Multifamily Dwelling A-1	7,501	7,117	4,745
3	Total Residential Service	1,412,303	1,407,756	134,626
General Service				
4	Small Service GS-1	77,270	75,877	11,279
5	Medium Service GS-2	21,481	19,806	20,890
6	Large Service GS-3	533	457	5,566
7	Outdoor Lighting GL	8	8	2
8	Total General Service	99,292	96,148	37,737
9	Total Gas Sales	1,511,595	1,503,904	172,363
Customer Choice				
Residential Service				
10	Single Family Dwelling A	161,865	172,076	15,085
11	Multifamily Dwelling A-1	2,353	2,602	2,266
12	Total Residential Service	164,218	174,678	17,351
General Service				
13	Small Service GS-1	15,862	18,234	3,008
14	Medium Service GS-2	9,348	10,590	12,083
15	Large Service GS-3	376	437	3,948
16	Total General Service	25,586	29,261	19,039
17	Total Customer Choice	189,804	203,939	36,390
Transportation				
18	Small Transport ST	1,038	1,100	16,504
19	Large Transport LT	373	385	21,347
20	Extra-large Transport XLT	220	218	22,859
21	Total Transportation	1,631	1,703	60,710
Aggregation				
Residential Service				
22	Single Family Dwelling A	8	8	2
23	Multifamily Dwelling A-1	85	85	156
24	Total Residential Service	93	93	158
General Service				
25	Small Service GS-1	200	226	31
26	Medium Service GS-2	869	889	1,953
27	Large Service GS-3	163	149	1,506
28	Total General Service	1,232	1,264	3,490
29	Total Aggregation	1,325	1,357	3,648
30	Total Customers & Deliveries	1,704,355	1,710,903	273,111
31	XLT Remote Meter Accounts (2)	20	20	

Notes

- (1) Includes contiguous accounts
- (2) Remote meters excluded from customer count.

SCHEDULE E-3

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 2010 Historic Year Operating Revenues
 (\$000)

Case No.: U-16855
 Exhibit: A-5 (HWM-3)
 Schedule E-3
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Line No.	Description	(a) Tariff	(b) Fuel	(c) Energy Optimization	(d) Interim	(e) PEM/OEM	(f) Decoupling	(g) Operating Revenues
Gas Sales								
Residential Service								
1	Single Fmaily Dwelling A	\$ 446,175	\$ 920,053	\$ 19,808	\$ 32,059	\$ 1,661	\$ 2,619	\$ 1,422,375
2	Multifamily Dwelling A-1	11,776	33,849	719	799	57	70	47,270
3	Total Residential Service	457,951	953,902	20,527	32,858	1,718	2,689	1,469,645
General Service								
4	Small Service GS-1	33,344	80,344	205	2,228	163	2,057	118,341
5	Medium Service GS-2	42,312	148,672	272	2,792	300	2,838	197,186
6	Large Service GS-3	8,246	39,158	79	508	69	609	48,669
7	Outdoor Lighting GL	13	-	-	-	-	-	13
8	Total General Service	83,915	268,174	556	5,528	532	5,504	364,209
9	Total Gas Sales	541,866	1,222,076	21,083	38,386	2,250	8,193	1,833,854
Customer Choice								
Residential Service								
10	Single Fmaily Dwelling A	51,536	124,671	2,300	3,584	183	301	182,575
11	Multifamily Dwelling A-1	5,541	14,809	345	350	24	32	21,101
12	Total Residential Service	57,077	139,480	2,645	3,934	207	333	203,676
General Service								
13	Small Service GS-1	8,223	22,332	54	516	36	517	31,678
14	Medium Service GS-2	24,008	84,562	219	1,411	134	1,535	111,869
15	Large Service GS-3	6,098	25,808	71	315	38	407	32,737
16	Total General Service	38,329	132,702	344	2,242	208	2,459	176,284
17	Total Customer Choice	95,406	272,182	2,989	6,176	415	2,792	379,960
Transportation								
18	Small Transport ST	17,860	-	37	652	171	74	18,794
19	Large Transport LT	14,241	-	191	401	145	62	15,040
20	Extra-large Transport XLT	10,928	-	158	395	199	48	11,728
21	Total Transportation	43,029	-	386	1,448	515	184	45,562
Aggregation								
Residential Service								
22	Single Fmaily Dwelling A	4	-	-	-	-	-	4
23	Multifamily Dwelling A-1	369	-	1	22	2	5	399
24	Total Residential Service	373	-	1	22	2	5	403
General Service								
25	Small Service GS-1	89	-	-	5	-	5	99
26	Medium Service GS-2	3,705	-	11	242	26	200	4,184
27	Large Service GS-3	2,411	-	9	136	22	130	2,708
28	Total General Service	6,205	-	20	383	48	335	6,991
29	Total Aggregation	6,578	-	21	405	50	340	7,394
30	Total Delivery	\$ 686,879	\$ 1,494,258	\$ 24,479	\$ 46,415	\$ 3,230	\$ 11,509	\$ 2,266,770
Less: Fuel Adjustments								
31	CGS & GCC Over/(Under) Recovery		-					
32	Unbilled GCR Revenues		252,405					
33	GCR Over/(Under) Recovery		2,307					
34	Total Fuel Adjustments		254,712					
35	Cycle Billed GCR Revenues		\$ 1,239,546					

SCHEDULE E-4

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Market Outlook: 5-Year Annual Calendar Gas Forecast by Class
 (Consumption in MMcf)

Case No.: U-16855
 Exhibit: A-11 (HWM-4)
 Schedule E-4
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Line No.	Year	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(i)
								Residential	Commercial	
1	2012 Fcst	154,324	69,614	54,317	588	278,843	4,326	1.6	283,169	
2	2013 Fcst	149,633	67,540	57,969	583	275,725	4,000	1.5	279,725	
3	2014 Fcst	146,794	66,279	59,442	583	273,098	4,000	1.5	277,098	
4	2015 Fcst	144,984	65,467	58,862	583	269,896	4,000	1.5	273,896	
5	2016 Fcst	145,070	65,425	59,461	587	270,543	4,000	1.5	274,543	
6	CAGR	-1.5%	-1.5%	2.3%	0.0%	-0.8%	-1.9%		-0.8%	

Notes

(1) CAGR – Compounded Annual Growth Rates

SCHEDULE E-5

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855

Consumers Energy Company
 2012 Test-Year Calendar Gas Deliveries Forecast by Class
 15-Year (1996 - 2010) Weather Normal
 (Consumption in MMcf)

Exhibit: A-11 (HWM-5)

Schedule E-5

Witness: HWMiller III

Page: 1 of 2

Date: September 2011

Line No.	(a) Service	(b) Month	(c) Residential	(d) Commercial	(e) Industrial	(f) Inter- departmental	(g) Total
1	Deliveries	January	28,643	12,549	6,830	37	48,059
2	Deliveries	February	24,669	10,981	7,039	61	42,750
3	Deliveries	March	20,072	9,139	5,617	37	34,865
4	Deliveries	April	10,869	5,376	4,360	53	20,658
5	Deliveries	May	6,131	3,087	3,197	33	12,448
6	Deliveries	June	3,579	1,832	2,710	55	8,176
7	Deliveries	July	2,855	1,731	2,846	37	7,469
8	Deliveries	August	3,037	1,783	2,786	71	7,677
9	Deliveries	September	3,329	1,874	3,255	46	8,504
10	Deliveries	October	9,490	3,939	4,180	73	17,682
11	Deliveries	November	16,467	6,679	5,149	28	28,323
12	Deliveries	December	25,183	10,644	6,348	57	42,232
13	Deliveries	Annual	154,324	69,614	54,317	588	278,843
14	Sales	January	28,388	9,728	1,497	26	39,639
15	Sales	February	24,417	8,321	1,753	47	34,538
16	Sales	March	19,852	6,677	994	26	27,549
17	Sales	April	10,724	3,603	906	42	15,275
18	Sales	May	6,050	1,879	392	22	8,343
19	Sales	June	3,530	1,040	259	44	4,873
20	Sales	July	2,810	1,026	393	26	4,255
21	Sales	August	2,996	1,031	379	60	4,466
22	Sales	September	3,288	1,113	458	35	4,894
23	Sales	October	9,404	2,770	581	62	12,817
24	Sales	November	16,321	4,938	1,007	17	22,283
25	Sales	December	24,957	8,164	1,640	46	34,807
26	Sales	Annual	152,737	50,290	10,259	453	213,739
27	Transport	January	255	2,821	5,333	11	8,420
28	Transport	February	252	2,660	5,286	14	8,212
29	Transport	March	220	2,462	4,623	11	7,316
30	Transport	April	145	1,773	3,454	11	5,383
31	Transport	May	81	1,208	2,805	11	4,105
32	Transport	June	49	792	2,451	11	3,303
33	Transport	July	45	705	2,453	11	3,214
34	Transport	August	41	752	2,407	11	3,211
35	Transport	September	41	761	2,797	11	3,610
36	Transport	October	86	1,169	3,599	11	4,865
37	Transport	November	146	1,741	4,142	11	6,040
38	Transport	December	226	2,480	4,708	11	7,425
39	Transport	Annual	1,587	19,324	44,058	135	65,104

SCHEDULE E-5

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855

Consumers Energy Company
 2012 Test-Year Calendar Gas Deliveries Forecast by Class
 30-Year (1981 - 2010) Weather Normal
 (Consumption in MMcf)

Exhibit: A-11 (HWM-5)
 Schedule E-5
 Witness: HWMiller III
 Page: 2 of 2
 Date: September 2011

Line No.	(a) Service	(b) Month	(c) Residential	(d) Commercial	(e) Industrial	(f) Inter- departmental	(g) Total
1	Deliveries	January	28,638	12,547	6,830	37	48,052
2	Deliveries	February	24,664	10,980	7,039	61	42,744
3	Deliveries	March	20,068	9,138	5,617	37	34,860
4	Deliveries	April	10,867	5,376	4,360	53	20,656
5	Deliveries	May	6,129	3,086	3,196	33	12,444
6	Deliveries	June	3,578	1,832	2,710	55	8,175
7	Deliveries	July	2,854	1,731	2,846	37	7,468
8	Deliveries	August	3,037	1,783	2,786	71	7,677
9	Deliveries	September	3,328	1,874	3,255	46	8,503
10	Deliveries	October	9,488	3,939	4,180	73	17,680
11	Deliveries	November	16,463	6,677	5,148	28	28,316
12	Deliveries	December	25,178	10,643	6,348	57	42,226
13	Deliveries	Annual	154,292	69,606	54,315	588	278,801
14	Sales	January	28,383	9,726	1,497	26	39,632
15	Sales	February	24,412	8,320	1,753	47	34,532
16	Sales	March	19,848	6,676	994	26	27,544
17	Sales	April	10,722	3,603	906	42	15,273
18	Sales	May	6,048	1,879	392	22	8,341
19	Sales	June	3,529	1,040	259	44	4,872
20	Sales	July	2,809	1,026	393	26	4,254
21	Sales	August	2,996	1,031	379	60	4,466
22	Sales	September	3,287	1,113	458	35	4,893
23	Sales	October	9,402	2,770	581	62	12,815
24	Sales	November	16,318	4,937	1,007	17	22,279
25	Sales	December	24,952	8,163	1,640	46	34,801
26	Sales	Annual	152,706	50,284	10,259	453	213,702
27	Transport	January	255	2,821	5,333	11	8,420
28	Transport	February	252	2,660	5,286	14	8,212
29	Transport	March	220	2,462	4,623	11	7,316
30	Transport	April	145	1,773	3,454	11	5,383
31	Transport	May	81	1,207	2,804	11	4,103
32	Transport	June	49	792	2,451	11	3,303
33	Transport	July	45	705	2,453	11	3,214
34	Transport	August	41	752	2,407	11	3,211
35	Transport	September	41	761	2,797	11	3,610
36	Transport	October	86	1,169	3,599	11	4,865
37	Transport	November	145	1,740	4,141	11	6,037
38	Transport	December	226	2,480	4,708	11	7,425
39	Transport	Annual	1,586	19,322	44,056	135	65,099

SCHEDULE E-6

Case No.: U-16855
 Exhibit: A-11 (HWM-6)
 Schedule E-6
 Witness: HWM/ Miller III
 Page: 1 of 3
 Date: September 2011

MICHIGAN PUBLIC SERVICE COMMISSION
 Consumers Energy Company
 2012 Test-Year Calendar Gas Deliveries by Rate Schedule
 15-Year (1996 - 2010) Weather Normal
 (Consumption in MMcf)

Line No.	Month	(b) Residential			(f) General Service			(i) Transportation			(j) XLT	(k) Total
		A	(c) A-1	(d) GS-1	(e) GS-2	(f) GS-3	(g) GL	(h) ST	(i) LT			
1	January	27,262	1,161	3,276	6,962	1,716	0	2,209	2,693	2,780	48,059	
2	February	23,370	1,084	2,695	6,283	1,798	0	2,098	2,557	2,865	42,750	
3	March	18,867	1,007	1,870	4,714	1,660	0	1,838	2,544	2,365	34,865	
4	April	10,065	684	842	3,020	1,074	0	1,184	1,729	2,060	20,658	
5	May	5,661	404	380	1,512	616	0	1,061	1,499	1,315	12,448	
6	June	3,292	246	242	799	361	0	833	1,282	1,121	8,176	
7	July	2,617	198	257	809	412	0	700	1,279	1,197	7,469	
8	August	2,799	201	249	748	512	0	756	1,057	1,355	7,677	
9	September	3,097	196	299	883	455	0	902	1,302	1,370	8,504	
10	October	8,917	494	700	2,085	706	0	1,151	1,668	1,961	17,682	
11	November	15,645	689	1,506	3,649	1,012	0	1,657	1,999	2,166	28,323	
12	December	24,026	960	2,891	5,794	1,584	0	1,975	2,176	2,826	42,232	
13	Annual	145,618	7,324	15,205	37,258	11,906	2	16,364	21,785	23,381	278,843	

SCHEDULE E-6

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 2012 Test-Year Calendar Gas Transportation by Rate Schedule
 15-Year (1996 - 2010) Weather Normal
 (Consumption in MMcf)

Case No.: U-16855
 Exhibit: A-11 (HWM-6)
 Schedule E-6
 Witness: HWM/ Miller III
 Page: 3 of 3
 Date: September 2011

Line No.	(a) Month	(b) Residential		(c) Residential			(d) Residential			(e) General Service			(f) General Service			(g) General Service			(h) Transportation			(i) LT	(j) XLT	(k) Total
		A		A-1		GS-1	GS-2	GS-3	GS-1	GS-2	GS-3	GS-1	GS-2	GS-3	GL	ST	LT	ST	LT	ST				
1	January	-		35		5	371		327		-		2,209		2,693		2,780		2,780		2,780		8,420	
2	February	-		37		5	355		295		-		2,098		2,557		2,865		2,865		2,865		8,212	
3	March	-		22		4	313		230		-		1,838		2,544		2,365		2,365		2,365		7,316	
4	April	-		25		3	229		153		-		1,184		1,729		2,060		2,060		2,060		5,383	
5	May	-		15		1	127		87		-		1,061		1,499		1,315		1,315		1,315		4,105	
6	June	-		8		-	30		29		-		833		1,282		1,121		1,121		1,121		3,303	
7	July	-		5		-	15		18		-		700		1,279		1,197		1,197		1,197		3,214	
8	August	-		4		-	14		25		-		756		1,057		1,355		1,355		1,355		3,211	
9	September	-		5		-	21		10		-		902		1,302		1,370		1,370		1,370		3,610	
10	October	-		7		1	29		48		-		1,151		1,668		1,961		1,961		1,961		4,865	
11	November	-		13		3	121		81		-		1,657		1,999		2,166		2,166		2,166		6,040	
12	December	-		29		4	267		148		-		1,975		2,176		2,826		2,826		2,826		7,425	
13	Annual	-		205		26	1,892		1,451		-		16,364		21,785		23,381		23,381		23,381		65,104	

SCHEDULE E-7

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-11 (HWM-7)
 Schedule E-7
 Witness: HWM/III
 Page: 1 of 1
 Date: September 2011

Consumers Energy Company
 2012 Test-year Authorized Tolerance Levels by Rate Schedule
 (Consumption in MMcf)

Line No.	Description	(a) January	(b) February	(c) March	(d) April	(e) May	(f) June	(g) July	(h) August	(i) September	(j) October	(k) November	(l) December	(m) Annual
Small Transport ST														
1	6.5% ATL	211	213	194	107	87	91	88	106	125	129	174	186	1,711
2	7.5% ATL	74	74	75	67	44	29	25	21	22	37	42	53	563
3	8.5% ATL	1,848	1,733	1,491	936	879	685	570	615	739	962	1,407	1,689	13,554
4	9.5% ATL	-	-	-	-	-	-	-	-	-	-	-	-	-
5	10.5% ATL	76	78	78	74	51	28	17	14	16	23	34	47	536
6	Total ATL	2,209	2,098	1,838	1,184	1,061	833	700	756	902	1,151	1,657	1,975	16,364
Large Transport LT														
7	6.5% ATL	243	239	250	181	198	180	193	96	181	186	194	209	2,350
8	7.5% ATL	27	24	25	22	17	10	12	12	11	17	16	18	211
9	8.5% ATL	2,310	2,168	2,139	1,407	1,217	1,058	1,047	927	1,086	1,430	1,737	1,873	18,399
10	9.5% ATL	-	-	-	-	-	-	-	-	-	-	-	-	-
11	10.5% ATL	113	126	130	119	67	34	27	22	24	35	52	76	825
12	Total ATL	2,693	2,557	2,544	1,729	1,499	1,282	1,279	1,057	1,302	1,668	1,999	2,176	21,785
Extra-large Transport XLT														
13	6.5% ATL	910	830	748	720	384	316	423	332	411	607	635	986	7,302
14	7.5% ATL	124	109	112	131	110	83	88	71	91	107	94	101	1,221
15	8.5% ATL	1,746	1,926	1,505	1,209	822	721	687	952	868	1,246	1,437	1,739	14,858
16	9.5% ATL	-	-	-	-	-	-	-	-	-	-	-	-	-
17	10.5% ATL	-	-	-	-	(1)	1	(1)	-	-	1	-	-	-
18	Total ATL	2,780	2,865	2,365	2,060	1,315	1,121	1,197	1,355	1,370	1,961	2,166	2,826	23,381

SCHEDULE E-8

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Market Outlook: 5-Year Average Customer Forecast by Class
 (Monthly Customer Counts)

Case No.: U-16855
 Exhibit: A-11 (HWM-8)
 Schedule E-8
 Witness: HWM/III
 Page: 1 of 1
 Date: September 2011

Line No.	Year	(a)	(b)	(c)	(d)	(e)	(f)
		Residential	Commercial	Industrial	Inter-	departmental	Total
1	2012 Fcst	1,577,480	120,417	7,155	79	1,705,131	
2	2013 Fcst	1,579,005	118,421	6,595	78	1,704,099	
3	2014 Fcst	1,581,078	118,429	6,498	78	1,706,083	
4	2015 Fcst	1,583,287	118,436	6,401	78	1,708,202	
5	2016 Fcst	<u>1,585,742</u>	<u>118,443</u>	<u>6,304</u>	<u>78</u>	<u>1,710,567</u>	
6	CAGR	0.13%	-0.4%	-3.1%	-0.3%	0.1%	

Notes

(1) CAGR - Compounded Annual Growth Rates

SCHEDULE E-9

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855

Consumers Energy Company
 2012 Test-Year Customer Count Forecast by Class
 Billed & Contiguous Customers
 (Monthly Customer Counts)

Exhibit: A-11 (HWM-9)
 Schedule E-9
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Line No.	Service	Month	(a) Residential	(b) Commercial	(c) Industrial	(d) Inter- departmental	(e) Total
1	Deliveries	January	1,582,999	121,343	7,251	79	1,711,672
2	Deliveries	February	1,583,873	121,388	7,248	79	1,712,588
3	Deliveries	March	1,584,751	121,212	7,232	79	1,713,274
4	Deliveries	April	1,579,067	121,063	7,206	79	1,707,415
5	Deliveries	May	1,578,487	120,725	7,186	79	1,706,477
6	Deliveries	June	1,575,290	120,221	7,157	79	1,702,747
7	Deliveries	July	1,572,553	119,502	7,089	79	1,699,223
8	Deliveries	August	1,569,829	119,211	7,085	79	1,696,204
9	Deliveries	September	1,569,362	119,151	7,093	78	1,695,684
10	Deliveries	October	1,572,910	119,410	7,081	79	1,699,480
11	Deliveries	November	1,577,933	120,443	7,107	79	1,705,562
12	Deliveries	December	1,582,700	121,338	7,123	79	1,711,240
13	Deliveries	Annual	<u>18,929,754</u>	<u>1,445,007</u>	<u>85,858</u>	<u>947</u>	<u>20,461,566</u>
14	Sales	January	1,582,866	119,352	6,779	78	1,709,075
15	Sales	February	1,583,737	119,396	6,776	78	1,709,987
16	Sales	March	1,584,615	119,208	6,764	78	1,710,665
17	Sales	April	1,578,928	119,062	6,739	78	1,704,807
18	Sales	May	1,578,348	118,720	6,720	78	1,703,866
19	Sales	June	1,575,153	118,225	6,694	78	1,700,150
20	Sales	July	1,572,411	117,497	6,632	78	1,696,618
21	Sales	August	1,569,687	117,195	6,628	78	1,693,588
22	Sales	September	1,569,220	117,134	6,636	77	1,693,067
23	Sales	October	1,572,774	117,422	6,623	78	1,696,897
24	Sales	November	1,577,797	118,446	6,648	78	1,702,969
25	Sales	December	1,582,558	119,313	6,665	78	1,708,614
26	Sales	Annual	<u>18,928,094</u>	<u>1,420,970</u>	<u>80,304</u>	<u>935</u>	<u>20,430,303</u>
27	Transport	January	133	1,991	472	1	2,597
28	Transport	February	136	1,992	472	1	2,601
29	Transport	March	136	2,004	468	1	2,609
30	Transport	April	139	2,001	467	1	2,608
31	Transport	May	139	2,005	466	1	2,611
32	Transport	June	137	1,996	463	1	2,597
33	Transport	July	142	2,005	457	1	2,605
34	Transport	August	142	2,016	457	1	2,616
35	Transport	September	142	2,017	457	1	2,617
36	Transport	October	136	1,988	458	1	2,583
37	Transport	November	136	1,997	459	1	2,593
38	Transport	December	142	2,025	458	1	2,626
39	Transport	Annual	<u>1,660</u>	<u>24,037</u>	<u>5,554</u>	<u>12</u>	<u>31,263</u>

SCHEDULE E-10

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 2012 Test-Year Total Customer Count by Rate Schedule
 (Monthly Customer Counts)

Case No.: U-16855
 Exhibit: A-11 (HWM-10)
 Schedule E-10
 Witness: HWMiller III
 Page: 1 of 3
 Date: September 2011

Line No.	Month	Residential			General Service			Transportation			Total	
		(a) A	(b)	(c) A-1	(d) GS-1	(e) GS-2	(f) GS-3	(g) GL	(h) ST	(i) LT		(j) XLT
1	January	1,572,981		9,972	94,390	31,823	1,050	8	922	333	193	1,711,672
2	February	1,573,848		9,979	94,423	31,831	1,050	8	923	333	193	1,712,588
3	March	1,574,718		9,984	94,275	31,786	1,050	8	925	334	194	1,713,274
4	April	1,569,067		9,951	94,154	31,737	1,048	8	924	333	193	1,707,415
5	May	1,568,491		9,947	93,884	31,649	1,045	8	926	333	194	1,706,477
6	June	1,565,314		9,926	93,494	31,518	1,041	8	921	332	193	1,702,747
7	July	1,562,589		9,912	92,913	31,320	1,035	8	922	331	193	1,699,223
8	August	1,559,883		9,895	92,680	31,253	1,034	8	925	332	194	1,696,204
9	September	1,559,419		9,892	92,636	31,244	1,034	8	925	332	194	1,695,684
10	October	1,562,951		9,910	92,850	31,291	1,033	8	915	330	192	1,699,480
11	November	1,567,941		9,942	93,647	31,541	1,041	8	918	331	193	1,705,562
12	December	1,572,675		9,975	94,321	31,758	1,047	8	928	333	195	1,711,240
13	Annual	18,809,877		119,285	1,123,667	378,751	12,508	96	11,074	3,987	2,321	20,461,566
14	Average	1,567,490		9,940	93,639	31,563	1,043	8	923	333	193	1,705,132

SCHEDULE E-10

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 2012 Test-Year Billed Customers by Rate Schedule
 (Monthly Customer Counts)

Case No.: U-16855
 Exhibit: A-11 (HWM-10)
 Schedule E-10
 Witness: HWMiller III
 Page: 2 of 3
 Date: September 2011

Line No.	Month	Residential			General Service			Transportation			Total	
		(a) A	(b)	(c) A-1	(d) GS-1	(e) GS-2	(f) GS-3	(g) GL	(h) ST	(i) LT		(j) XLT
1	January	1,572,981		9,972	94,372	31,795	983	8	486	95	17	1,710,709
2	February	1,573,848		9,979	94,405	31,803	983	8	487	95	17	1,711,625
3	March	1,574,718		9,984	94,257	31,758	983	8	487	95	17	1,712,307
4	April	1,569,067		9,951	94,136	31,709	981	8	487	94	17	1,706,450
5	May	1,568,491		9,947	93,866	31,621	978	8	488	94	17	1,705,510
6	June	1,565,314		9,926	93,476	31,490	974	8	485	94	17	1,701,784
7	July	1,562,589		9,912	92,895	31,292	969	8	485	93	17	1,698,260
8	August	1,559,883		9,895	92,662	31,225	968	8	486	93	17	1,695,237
9	September	1,559,419		9,892	92,618	31,216	968	8	486	93	17	1,694,717
10	October	1,562,951		9,910	92,832	31,263	967	8	481	93	17	1,698,522
11	November	1,567,941		9,942	93,629	31,513	974	8	483	93	17	1,704,600
12	December	1,572,675		9,975	94,303	31,730	980	8	488	93	17	1,710,269
13	Annual	18,809,877		119,285	1,123,451	378,415	11,708	96	5,829	1,125	204	20,449,990
14	Average	1,567,490		9,940	93,621	31,535	976	8	486	94	17	1,704,167

SCHEDULE E-10

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 2012 Test-Year Contiguous Customers by Rate Schedule
 (Monthly Customer Counts)

Case No.: U-16855
 Exhibit: A-11 (HWM-10)
 Schedule E-10
 Witness: HWMiller III
 Page: 3 of 3
 Date: September 2011

Line No.	Month	(b) Residential			(e) General Service			(i) Transportation			(j) XLT	(k) Total
		A	(c) A-1	(d) GS-1	(e) GS-2	(f) GS-3	(g) GL	(h) ST	(i) LT			
1	January	-	-	18	28	67	-	436	238	176	963	
2	February	-	-	18	28	67	-	436	238	176	963	
3	March	-	-	18	28	67	-	438	239	177	967	
4	April	-	-	18	28	67	-	437	239	176	965	
5	May	-	-	18	28	67	-	438	239	177	967	
6	June	-	-	18	28	67	-	436	238	176	963	
7	July	-	-	18	28	66	-	437	238	176	963	
8	August	-	-	18	28	66	-	439	239	177	967	
9	September	-	-	18	28	66	-	439	239	177	967	
10	October	-	-	18	28	66	-	434	237	175	958	
11	November	-	-	18	28	67	-	435	238	176	962	
12	December	-	-	18	28	67	-	440	240	178	971	
13	Annual	-	-	216	336	800	-	5,245	2,862	2,117	11,576	
14	Average	-	-	18	28	67	-	437	239	176	965	

SCHEDULE E-11

MICHIGAN PUBLIC SERVICE COMMISSION

Case No.: U-16855
 Exhibit: A-11 (HWM-11)
 Schedule E-11
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Consumers Energy Company
 Calculation of Test-Year Projected Income Assistance Enrollments
 (Consumption in MMcf)

Line No.	Month	Single Family Dwelling Rate Schedule A						Total
		Standard		Income Assistance		Consumers	Consumption	
		Customers	Consumption	Customers	Consumption			
(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1	January	1,428,964	24,766	144,017	2,496	1,572,981	27,262	
2	February	1,429,752	21,230	144,096	2,140	1,573,848	23,370	
3	March	1,430,542	17,140	144,176	1,727	1,574,718	18,867	
4	April	1,425,409	9,143	143,658	922	1,569,067	10,065	
5	May	1,424,885	5,143	143,606	518	1,568,491	5,661	
6	June	1,421,999	2,991	143,315	301	1,565,314	3,292	
7	July	1,419,524	2,377	143,065	240	1,562,589	2,617	
8	August	1,417,065	2,543	142,818	256	1,559,883	2,799	
9	September	1,416,644	2,813	142,775	284	1,559,419	3,097	
10	October	1,419,853	8,101	143,098	816	1,562,951	8,917	
11	November	1,424,386	14,213	143,555	1,432	1,567,941	15,645	
12	December	1,428,686	21,826	143,989	2,200	1,572,675	24,026	
13	Annual	<u>17,087,709</u>	<u>132,286</u>	<u>1,722,168</u>	<u>13,332</u>	<u>18,809,877</u>	<u>145,618</u>	
14	Average	<u>1,423,976</u>		<u>143,514</u>		<u>1,567,490</u>		

SCHEDULE E-12

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
 Calculation of 2012 Test-Year Excess Peak Consumption
 (Consumption in MMcf)

Case No.: U-16855
 Exhibit: A-11 (HWM-12)
 Schedule E-12
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Line No.	Description	Calculation	Source
1	Peak month consumption	1,161	Ex. A-11 (HWM-6), page 1, line 1, column c
2	Peak month customer count	9,972	Ex. A-11 (HWM-10), page 1, line 1, column c
3	Base level consumption per customer	<u>45</u>	Tariff Sheet D-10.00
4	Base level consumption	449	(line 2 x line 3) / 1000
5	Excess peak consumption per month	712	line 1 - line 4
6	Number of months	<u>12</u>	Tariff Sheet D-10.00
7	Annual excess peak consumption	<u>8,547</u>	line 5 x line 7

MICHIGAN PUBLIC SERVICE COMMISSION

SCHEDULE E-13

Case No.: U-16855
 Exhibit: A-11 (HWM-13)
 Schedule E-13
 Witness: HWMiller III
 Page: 1 of 1
 Date: September 2011

Consumers Energy Company
 Transition from 2010 Historic Actuals to 2012 Test-Year Revenues, Deliveries, and Customers

Line No.	Description	(a) 2010 Actuals	(b) Misc. Revenues	(c) U-15986 Interim	(d) Energy Optimization	(e) PEM/OEM	(f) Fuel O/U Recovery	(g) Decoupling Reserve	(h) Weather Normalization	(i) U-15986 Final Rates Annualized	(j) Change in GCR	(k) Change in Determinants	(l) 2012 Test-Year
	Revenues (\$000)												
	Gas Sales (1)												
1	Delivery	\$ 696,715	\$ -	\$ (52,866)	\$ -	\$ -	\$ -	\$ 11,068	\$ 66,763	\$ -	\$ -	\$ 4,855	\$ 726,535
2	Fuel	1,490,696	-	-	-	-	-	40,082	-	(219,501)	-	(3,846)	1,307,431
3	Surcharges	37,876	-	-	(35,161)	(2,715)	-	-	-	-	-	-	-
4	Total Gas Sales Transportation	2,225,287	-	(52,866)	(35,161)	(2,715)	-	51,150	66,763	(219,501)	-	1,009	2,033,966
5	Delivery	45,517	-	(2,488)	-	-	-	307	2,798	-	-	(606)	45,528
6	Surcharges	4,908	-	-	(4,393)	(515)	-	-	-	-	-	-	-
7	Total Transportation	50,425	-	(2,488)	(4,393)	(515)	-	307	2,798	-	-	(606)	45,528
8	Provisions for Refund	(8,941)	-	8,941	15,073	-	(3,563)	-	-	-	-	-	-
9	Miscellaneous Revenue	93,638	(93,638)	-	-	-	-	-	-	-	-	-	-
10	Total Revenue (\$000)	\$ 2,360,409	\$ (93,638)	\$ (46,413)	\$ (24,481)	\$ (3,230)	\$ (3,563)	\$ 51,457	\$ 69,561	\$ (219,501)	\$ -	\$ 403	\$ 2,079,494
	Deliveries (MMcf)												
11	Gas Sales (1)	212,401	-	-	-	-	-	5,824	-	-	-	(912)	217,313
12	Transportation	60,710	-	-	-	-	-	514	-	-	-	306	61,530
13	Total Deliveries (MMcf)	273,111	-	-	-	-	-	6,338	-	-	-	(606)	278,843
	Customer Count (000)												
	Gas Sales (1)												
14	Billed Count	1,702,611	-	-	-	-	-	-	-	-	-	959	1,703,570
15	Contiguous Count	113	-	-	-	-	-	-	-	-	-	-	113
	Transportation												
16	Billed Count	656	-	-	-	-	-	-	-	-	-	(59)	597
17	Contiguous Count	974	-	-	-	-	-	-	-	-	-	(122)	852
18	Total Customer Count (000)	1,704,354	-	-	-	-	-	-	-	-	-	778	1,705,132

Note

(1) Includes aggregate billed transportation accounts.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

DEBORAH S. PELMEAR

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

STORAGE FIELDS
 MONTH END SUMMARY
 VOLUMES @ 14.65 PSIA DRY

Line No.	MONTH	GCR			GCC			COMBINED			
		VOL - MMCF	\$000	\$/MCF	VOL - MMCF	\$000	\$/MCF	VOL - MMCF	\$000	\$/MCF	
1	Dec-09	Booked	130,036	951,459	7.317	10,951	86,597	7.908	140,987	1,038,056	7.363
2	Jan-10	Booked	105,351	770,845	7.317	7,449	58,902	7.908	112,799	829,746	7.356
3	Feb-10	Booked	86,963	636,311	7.317	4,466	35,320	7.908	91,430	671,631	7.346
4	Mar-10	Booked	79,178	580,337	7.330	2,833	22,400	7.908	82,011	602,737	7.349
5	Apr-10	Booked	89,032	642,436	7.216	411	3,044	7.412	89,442	645,480	7.217
6	May-10	Booked	100,800	715,936	7.103	2,029	14,769	7.278	102,829	730,704	7.106
7	Jun-10	Booked	115,231	806,273	6.997	4,430	31,940	7.211	119,661	838,213	7.005
8	Jul-10	Booked	130,458	902,835	6.921	7,322	52,829	7.215	137,780	955,664	6.936
9	Aug-10	Booked	145,347	997,362	6.862	10,303	75,521	7.330	155,651	1,072,883	6.893
10	Sep-10	Booked	157,168	1,072,209	6.822	13,063	94,896	7.265	170,230	1,167,105	6.856
11	Oct-10	Booked	161,224	1,100,029	6.823	15,278	110,328	7.221	176,502	1,210,357	6.857
12	Nov-10	Booked	148,640	1,014,381	6.824	15,916	114,669	7.205	164,556	1,129,050	6.861
13	Dec-10	Booked	123,763	844,629	6.825	13,424	96,717	7.205	137,187	941,345	6.862
14											
15	13 Month Avg		121,015	848,849	7.014	8,298	61,379	7.397	129,313	910,229	7.039
16											
17	Dec-10	Booked	123,763	844,629	6.825	13,424	96,717	7.205	137,187	941,345	6.862
18	Jan-11	Booked	98,153	669,856	6.825	8,849	63,753	7.205	107,002	733,609	6.856
19	Feb-11	Booked	79,933	545,523	6.825	4,286	30,880	7.205	84,219	576,403	6.844
20	Mar-11	Booked	67,026	457,217	6.822	1,448	10,430	7.205	68,473	467,647	6.830
21	Apr-11	Booked	74,421	496,699	6.674	-1,423	-10,255	7.205	72,997	486,445	6.664
22	May-11	Booked	92,652	600,661	6.483	-499	-3,815	7.646	92,153	596,847	6.477
23	Jun-11	Booked	111,206	707,980	6.366	2,020	12,195	6.037	113,226	720,175	6.361
24	Jul-11	F'cast	128,924	810,994	6.290	5,396	33,675	6.241	134,320	844,669	6.288
25	Aug-11	F'cast	142,501	893,251	6.268	8,852	55,663	6.288	151,352	948,914	6.270
26	Sep-11	F'cast	155,845	972,335	6.239	12,160	76,713	6.309	168,005	1,049,048	6.244
27	Oct-11	F'cast	160,047	998,475	6.239	15,064	95,189	6.319	175,111	1,093,664	6.246
28	Nov-11	F'cast	146,821	915,964	6.239	15,912	100,586	6.321	162,733	1,016,550	6.247
29	Dec-11	F'cast	125,791	784,764	6.239	13,967	88,287	6.321	139,757	873,051	6.247
30											
31	13 Month Avg		115,929	746,027	6.435	7,650	50,001	6.536	123,580	796,028	6.441
32											
33	Dec-11	F'cast	125,791	784,764	6.239	13,967	88,287	6.321	139,757	873,051	6.247
34	Jan-12	F'cast	104,140	649,694	6.239	9,367	59,212	6.321	113,507	708,905	6.245
35	Feb-12	F'cast	85,325	532,310	6.239	4,445	28,097	6.321	89,770	560,407	6.243
36	Mar-12	F'cast	72,187	450,346	6.239	792	5,005	6.321	72,978	455,351	6.240
37	Apr-12	F'cast	79,637	491,257	6.169	-954	-6,073	6.363	78,683	485,184	6.166
38	May-12	F'cast	92,202	560,284	6.077	816	5,194	6.363	93,018	565,478	6.079
39	Jun-12	F'cast	106,452	638,817	6.001	3,837	24,416	6.363	110,289	663,233	6.014
40	Jul-12	F'cast	121,359	721,116	5.942	7,607	48,400	6.363	128,966	769,516	5.967
41	Aug-12	F'cast	135,967	801,922	5.898	11,525	73,337	6.363	147,492	875,259	5.934
42	Sep-12	F'cast	149,599	877,461	5.865	15,278	97,211	6.363	164,876	974,672	5.912
43	Oct-12	F'cast	156,359	914,980	5.852	18,702	119,000	6.363	175,061	1,033,981	5.906
44	Nov-12	F'cast	145,202	849,694	5.852	19,887	126,543	6.363	165,090	976,238	5.913
45	Dec-12	F'cast	124,805	730,333	5.852	18,004	114,561	6.363	142,809	844,894	5.916
46											
47	13 Month Avg		115,310	692,537	6.006	9,482	60,245	6.353	124,792	752,782	6.032

**CONSUMERS ENERGY
2012 PEAK DAY REQUIREMENTS**

80 Degree Days

<u>Load Requirements</u>	<u>MMCF</u>
Sales & GCC	2,727
Transport - End Users	426
Electric Peakers Sales	100
MCV	210
<u>Fuel, Use & Loss</u>	<u>25</u>
	3,488

Miscellaneous Revenue

Estimated 2012 Buy / Sell Revenue and Volumes

<u>Year</u>	<u>Revenue</u>	<u>Volume</u> (MMBtu)	<u>Average</u> \$/MMBtu
Est 2012	\$3,000,000	9,000,000	\$0.3333
<u>3 Year Average</u>			
2009	\$10,504,954		
2010	\$12,873,940		
2011	\$5,386,571		
Average	<u>\$9,588,488</u>		

Estimated 2012 AMA Revenue and Volumes

<u>Year</u>	<u>Revenue</u>	<u>Volume</u> (MMBtu)	<u>Average</u> \$/MMBtu
Est 2012	\$2,500,000	105,700,000	\$0.0233
<u>3 Year Average</u>			
2009	\$3,877,085		
2010	\$2,868,774		
2011	\$2,500,000		
Average	<u>\$3,081,953</u>		

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

DHENUVAKONDA V. RAO

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Rate of Return Summary
Projected 12 Month Period Ending December 31, 2012

Schedule D1

Case No: U-16855
 Witness: DVRao
 Exhibit No: A-10 (DVR-1)
 Schedule D1
 Date: September 2011
 Page: 1 of 1

Recommended Capital Structure & Cost Rates

Line	Description (a)	Capital Structure		Weighted Cost					
		Amount Outstanding (000,000) (b)	% of Permanent Capital (1) (c)	Total Capital (d)	Cost Rate (e)	Permanent Capital (1) (f)	Total Cost % (g)	Conversion Factor (h)	Pre-Tax Wghtd Cost (i)
1	Long Term Debt	\$ 4,304	48.55%	39.58%	5.83% ¹	2.83%	2.31%	1.0000	2.31%
2	Preferred Stock	44	0.50%	0.41%	4.46% ²	0.02%	0.02%	1.6367	0.03%
3	Common Equity	4,518	50.96%	41.55%	10.70% ³	5.45%	4.45%	1.6367	7.28%
4	Total Permanent Capital	\$ 8,865	100.00%						
5	Customer Deposits	32		0.30%	7.00%		0.02%	1.0000	0.02%
6	Short Term Debt	187		1.72%	3.91% ⁴		0.07%	1.0000	0.07%
7	Other Interest Bearing Accounts	21		0.19%	3.25%		0.01%	1.0000	0.01%
8	Deferred Income Taxes	1,718		15.80%	0.00%		0.00%	1.0000	0.00%
9	Job Develop. Investment Tax Credit	25		0.23%	5.83%		0.01%	1.0000	0.01%
10	Preferred Stock	0		0.00%	4.46%		0.00%	1.6367	0.00%
11	Common Equity	25		0.23%	10.70%		0.02%	1.6367	0.04%
12	Total Capitalization	\$ 10,872		100.00%			6.90%		9.76%

Sources and Support, by Column:

- (1) Excludes Short-term Debt, Deferred Job Development Investment Tax Credit, Deferred Investment Tax Credit, Customer Deposits, and Other Interest Bearing Accounts, and Deferred Income Taxes to calculate the rate of return for Job Development Investment Tax Credit purposes in accordance with Internal Revenue Service Income Tax Regulation Section 1.46-6
- (b) Exhibit A-10 (DVR-2), Schedule D1a, Page 1
- (c) Exhibit A-10 (DVR-2), Schedule D1a, Page 1
- (d) Exhibit A-10 (DVR-2), Schedule D1a, Page 1
- (e) ¹Exhibit A-10 (DVR-4), Schedule D-2
²Exhibit A-10 (DVR-6), Schedule D-4
³Exhibit A-10 (DVR-8), Schedule D-5
⁴Exhibit A-10 (DVR-5), Schedule D-3, Page 1
- (f) Column (c) x column (e)
- (g) Column (d) x column (e)
- (h) Conversion factors of 1.0000 for debt items in lines 1, 5, 6, 7, 8, and 9 and 1.6367 for equity items lines 2, 3, 10 and 11
- (i) Column (g) x Column (h)

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
 Capital Structure Development

Schedule D1a

Case No: U-16855
 Witness: DVRao
 Exhibit No: A-10 (DVR-2)
 Schedule D1a
 Date: September 2011
 Page: 1 of 3

Line	Description (a)	Historical Capital Structure 13 Month Avg. For Yr. Ended Dec 31, 2010			Recommended Capital Structure				
		Amount Outstanding (000,000) (b)	% of Permanent Capital (c)	% of Total Capital (d)	Balances as of Dec 31, 2010 (000,000) (e-1)	Test Year Adjustments (000,000) (e-2)	Amount Outstanding (000,000) (f)	% of Permanent Capital (g)	% of Total Capital (h)
1	Long Term Debt	\$ 4,085	50.06%	41.31%	\$ 4,297	\$ 6	\$ 4,304	48.55%	39.58%
2	Preferred Stock	44	0.54%	0.45%	44	-	44	0.50%	0.41%
3	Common Equity	<u>4,030</u>	<u>49.40%</u>	<u>40.76%</u>	<u>4,136</u>	<u>382</u>	<u>4,518</u>	<u>50.96%</u>	<u>41.55%</u>
4	Total Permanent Capital	\$ 8,159	<u>100.00%</u>		\$ 8,477	\$ 388	8,865	<u>100.00%</u>	
5	Customer Deposits	32		0.33%	32	-	32		0.30%
6	Short Term Debt	63		0.64%	63	124	187		1.72%
7	Other Interest Bearing Accounts	21		0.21%	21	-	21		0.19%
8	Deferred Income Taxes	1,563		15.80%	1,563	155	1,718		15.80%
9	JDITC								
10	Long Term Debt	25		0.25%	25		25		0.23%
11	Preferred Stock	0		0.00%	0		0		0.00%
	Common Equity	<u>25</u>		<u>0.25%</u>	<u>25</u>		<u>25</u>		<u>0.23%</u>
12	Total JDITC	<u>50</u>		<u>0.50%</u>	<u>50</u>		<u>50</u>		
13	Total Capitalization	\$ <u>9,887</u>		<u>100.00%</u>	\$ <u>10,206</u>		\$ <u>10,872</u>		<u>100.00%</u>

Sources and Support by Column:

- (c) Each line 1, 2, and 3 in column (b) is divided by line 4, column (b)
- (d) Each line 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11 in column (b) is divided by line 13, column (b)
- (e-1) Consumers Energy General Ledger; Lines 1-4 are balances as of Dec 31, 2010; lines 5 - 12 are 13-mo average as of Dec 31, 2010;
- (e-2) Line (1) Known debt maturities and projected debt issues, Line (3) Adjustment for retained earnings and projected equity contribution, Line (6) Short-term debt borrowing adjustments, Line (8) Adjustment to project proportional Deferred Income Taxes balance
- (f) Col (e-1) + Col (e-2). Represents 13 month averages.
- (g) Each line 1, 2, and 3 in column (f) is divided by line 4, column (f)
- (h) Each line 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11 in column (f) is divided by line 13, column (f)

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Capital Structure Development - Projected Equity Balance
 Projected 12 Month Period Ending December 31, 2012
 (in millions)

Case No: U-16855
 Witness: DVRao
 Exhibit No: A-10 (DVR-2)
 Schedule D1a
 Date: September 2011
 Page: 2 of 3

	Equity - Adjusted For		Equity Infusion		Equity - Adjusted for				
	Retained Earnings	Cumulative Balance	2011	2012	Retained Earnings	and Equity Infusion			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Dec		4,136	4,222		-	125		4,136	4,347
Jan		4,143	4,230		125	125		4,268	4,355
Feb		4,150	4,237		125	275		4,275	4,512
Mar		4,158	4,244		125	275		4,283	4,519
Apr		4,165	4,251		125	275		4,290	4,526
May		4,172	4,258		125	275		4,297	4,533
Jun		4,179	4,266		125	275		4,304	4,541
Jul		4,186	4,273		125	275		4,311	4,548
Aug		4,194	4,280		125	275		4,319	4,555
Sep		4,201	4,287		125	275		4,326	4,562
Oct		4,208	4,294		125	275		4,333	4,569
Nov		4,215	4,302		125	275		4,340	4,577
Dec	4,136	4,222	4,309	-	125	275	4,136	4,347	4,584
13 Month Average			<u>4,266</u>			<u>252</u>			<u>4,518</u>

**MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company**

Capital Structure Development - Projected Debt Balance
Projected 12 Month Period Ending December 31, 2012
(in millions)

Case No: U-16855
Witness: DVRao
Exhibit No: A-10 (DVR-2)
Schedule D1a
Date: September 2011
Page: 3 of 3

**Projected Ending Debt
Balances**

	(a) 2010	(b) 2011	(c) 2012
Dec		4,297	4,134
Jan		4,297	4,134
Feb		4,297	4,334
Mar		4,297	4,334
Apr		4,297	4,334
May		4,297	4,334
Jun		4,297	4,334
Jul		4,134	4,334
Aug		4,134	4,334
Sep		4,134	4,334
Oct		4,134	4,334
Nov		4,134	4,334
Dec		4,297	4,334

Removal of
\$163 Million
DOE Liability

\$500 New Debt Issued
and \$300 Scheduled
Debt Retirement

13 Month Average
4,304
13 month avg ties to Exhibit DVR-4, Schedule D2

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Comparison of Development of Capital Structure
on a Financial Versus MPSC Ratemaking Basis

Case No: U-16855
Witness: DVRao
Exhibit No: A-10 (DVR-3)
Schedule D1c
Date: September 2011
Page: 1 of 1

Schedule D1c

<u>Line</u>	<u>Description</u> (a)	<u>Financial Basis</u> (b)	<u>MPSC Ratemaking Basis</u> (c)
I.	LONG TERM DEBT:		
a.	First Mortgage Bonds	Include	Include
b.	Trust Preferred Securities	Include	Include
c.	Other Subordinated LTD	Include	Include
d.	Unamortized Debt Premium	Include	Include
e.	Unamortized Debt Discount	Include	Include
f.	Unamortized Debt Expense	Exclude	Include
g.	Current Maturities	Include	Exclude
h.	Capitalized Leases	Include	Exclude
II.	SHORT TERM DEBT	Include	Include
III.	PREFERRED STOCK EXPENSE		
a.	Preferred Stock	Include	Include
b.	Trust Preferred Securities	Exclude	Exclude
c.	Preferred Stock Expense	Include	Include
IV.	COMMON EQUITY		
a.	Common Stock Issued	Include	Include
b.	Premium on Common Stock	Include	Include
c.	Donations Received From Stockholders	Include	Include
d.	Common Stock Expense	Include	Include
e.	Gain on Recquired Stock	Include	Include
f.	Miscellaneous Paid In Capital	Include	Include
g.	Mark-to-Market Accounting	Include	Exclude
h.	Appropriated Retained Earnings	Include	Include
I.	Unappropriated Retained Earnings	Include	Include
j.	FAS 90 (Abandoned Plant)	Include	Include
V.	DEFERRED ITC	Exclude	Include
VI.	DEFERRED TAXES	Exclude	Include
VII.	DEFERRED JDITC	Exclude	Include

Schedule D2

Line	Description (a)	Original Issue Date (b)	Stated Maturity Date (c)	Interest Rate (d)	Interest Rate Per Year (d1)	Amount of Offering (\$000) (e)	Price To Public (f)	Under-Writers Comps (\$000) (g)	Under-Writers Comps (\$000) (g1)	Finance Expense (\$000) (g2)	Finance Expense (\$000) (g3)	(Premium) Discount (\$000) (g4)	Net Proceeds Received By Company (h)	Cost Based On Net Proceeds (i)	Average Amount Outstanding (\$000) (j)	Annual Cost (\$000) (k)
MORTGAGE BONDS:																
1	5.375%	30-Apr-03	15-Apr-13	5.375%	2	375,000	99.52%	0.65%	2,437.50	0.10%	366.35	1,788.75	98,775%	5.5363%	375,000	20,761.0
2	6.000%	26-Aug-03	15-Feb-14	6.000%	2	200,000	99.84%	0.65%	1,300.00	0.12%	236.90	318.00	99,073%	6.1209%	200,000	12,241.9
3	5.000%	17-Aug-04	15-Feb-12	5.000%	2	300,000	99.90%	0.63%	1,875.00	0.03%	79.83	315.00	99,243%	5.1228%	46,154	2,364.4
4	5.000%	17-Aug-04	15-Aug-16	5.000%	2	350,000	99.52%	0.68%	2,362.50	0.03%	95.51	1,669.50	98,821%	5.6366%	350,000	19,727.9
5	5.000%	13-Dec-04	15-Mar-15	5.000%	2	225,000	99.83%	0.65%	1,462.50	0.05%	101.79	375.75	99,138%	5.1081%	225,000	11,493.2
6	5.150%	20-Jan-05	15-Feb-17	5.150%	2	250,000	99.56%	0.68%	1,687.50	0.04%	91.67	1,100.00	98,848%	5.2798%	250,000	13,199.4
7	5.650%	24-Mar-05	15-Apr-20	5.650%	2	300,000	99.60%	0.75%	2,250.00	0.15%	444.93	1,188.00	98,706%	5.7794%	300,000	17,338.3
8	5.800%	11-Aug-05	15-Sep-35	5.800%	2	175,000	99.81%	0.88%	1,531.25	0.17%	299.97	337.75	98,761%	5.8879%	175,000	10,303.9
9	5.650%	14-Mar-08	15-Sep-18	5.650%	2	250,000	99.62%	0.65%	1,625.00	0.10%	248.60	957.50	98,868%	5.7954%	250,000	14,488.6
10	6.125%	15-Sep-08	15-Mar-19	6.125%	2	350,000	99.93%	0.65%	2,284.06	0.08%	281.34	245.00	99,197%	6.2303%	350,000	21,806.2
11	6.700%	06-Mar-09	15-Sep-19	6.700%	2	500,000	99.95%	0.65%	3,250.00	0.06%	296.41	240.00	99,243%	6.8016%	500,000	34,007.8
12	5.300%	01-Sep-10	01-Sep-22	5.300%	2	250,000	100.00%	0.36%	906.09	0.03%	70.79	0.00	99,609%	5.3445%	250,000	13,361.3
13	6.170%	01-Sep-10	01-Sep-40	6.170%	2	50,000	100.00%	0.91%	453.04	0.08%	38.99	0.00	99,016%	6.2430%	50,000	3,121.5
14	2.600%	15-Oct-10	15-Oct-17	2.600%	2	50,000	100.00%	0.50%	250.00	0.04%	19.01	0.00	99,462%	2.7158%	50,000	1,357.9
15	3.210%	15-Oct-10	15-Oct-17	3.210%	2	100,000	100.00%	0.50%	500.00	0.03%	32.86	0.00	99,467%	3.2959%	100,000	3,295.9
16	3.770%	15-Oct-10	15-Oct-20	3.770%	2	100,000	100.00%	0.50%	500.00	0.03%	32.86	0.00	99,467%	3.8347%	100,000	3,834.7
17	4.970%	15-Oct-10	15-Oct-40	4.970%	2	50,000	100.00%	0.50%	250.00	0.04%	19.01	0.00	99,462%	5.0048%	50,000	2,502.4
18	New Debt Issue	01-Feb-12	01-Feb-22	6.000%	2	500,000	100.00%	0.65%	3,250.00	0.10%	500.00	0.00	99,250%	6.1013%	423,077	25,813.2
19	Subtotal														4,044,231	231,019.3
PCRB'S:																
20	NEW PCRB - 88	26-Apr-88	26-Apr-18	0.567%	12	67,700	100.00%	0.00%	0.00	0.11%	74.81	0.00	99,889%	0.5710%	67,700	386.6
21	MSF LORB - 05	26-Apr-05	01-Apr-35	0.567%	12	35,000	100.00%	0.00%	0.00	0.13%	45.75	0.00	99,869%	0.5717%	35,000	200.1
	Subtotal														102,700	586.7
SENIOR NOTE:																
22	6.875%	06-Mar-98	01-Mar-18	6.875%	2	225,000	98.53%	0.88%	1,968.75	0.09%	203.42	3,307.50	97,565%	7.1049%	180,000	12,788.8
23	Subtotal														4,326,931	244,395
24	Amortization of Losses on Reacquired Debt with Refunding (including Call Premium)															7,580
25	PCRB Fees															123
26	Total LTD before Unamortized Exp															252,098
27	Unamortized Debt Discount, Expense and Premium															(23,263)
28	Total Long Term Debt Balance															4,303,668
29	Annual Cost															Ties to 13 month avg debt in Exhibit DVR-2, Page 3

Calculations:
 Col. (i) = Yield formula based on inputs from Col. (b), Col. (c), Col. (d), and Col. (h) calculated on an annualized basis
 Col. (j) = represents the average amount of debt outstanding for the test year.
 Col. (k) = Col. (i) times Col. (j)
 Lines 3 and 18 - As these are partial year debt retirements / issuances, pro-rata balance and pro-rata interest expense are used which would result in the same cost rate as an annual analysis, but provides a more accurate average debt balance for the Test Year. This would make the Total Debt balance Line 28 tie to the debt balance shown on Exhibit A-10 (DVR-2), Schedule D1a, page 3.
 Lines 20 and 21 PCRB Coupon Rate = 70% of Projected LIBOR Rate of 0.81% (Average of Projected Global Insight and Blue Chip LIBOR Rates)
 Line 24 - Amortization of losses on reacquired debt with refundings projected for the test year ending December 31, 2012.

Projected LIBOR Rate	2012	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Global Insight (July 2011)	0.50%				
Blue Chip (July 2011)	1.13%				
Avg of Global Insight & Blue Chip	0.81%	0.60%	0.90%	1.30%	1.70%

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
 Cost of Short Term Debt
 Projected 12 Month Period Ending December 31, 2012
 (\$000,000)

Case No: U-16855
 Witness: DVRao
 Exhibit No: A-10 (DVR-5)
 Schedule D3
 Date: September 2011
 Page: 1 of 2

Schedule D3

<u>Line</u>	<u>Description</u>	<u>Average Borrowings</u> (a)	<u>Cost of Borrowings</u> (b)	<u>Cost Rate</u> (c)
1	Short Term Debt - Revolver	\$ 34.6	\$ 4.2	
2	Short Term Debt - Renewables Liability	<u>152.2</u>	<u>3.1</u>	<u> </u>
3	Total Short Term Debt	<u>\$ 186.8</u>	<u>\$ 7.3</u>	<u>3.91%</u>

Sources:

- Column (a): Average borrowings per Exhibit A-10 (DVR-7), Schedule D1b.
- Column (b): Short Term Debt - Revolver cost per Exhibit A-10 (DVR-5), Schedule D3, page 2.
 Short Term Debt - Renewables Liability cost equal to the average borrowings (col. (a)) times the projected interest on borrowings rate of 2.06%, per Exhibit A-10 (DVR-5), Schedule D3, page 2.
- Column (c): Equals column (b) divided by column (a).

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Cost of Short Term Debt - Revolver

Projected 12 Month Period Ending December 31, 2012

(\$000,000)

Case No: U-16855

Witness: DVRao

Exhibit No: A-10 (DVR-5)

Schedule D3

Date: September 2011

Page: 2 of 2

Summary

Facility	Agreement Date	Expiration	Facility Amount	Test Year Assumption			
				Less: Avg. Borrowings (A)	Less: Letters of Credit (B)	Amount Unused (C)	Upfront Fee Amort (D)
1 JPMorgan Revolver	Mar. 2011	Mar. 2016	\$ 500.0	\$ 34.6	\$ 26.0	\$ 439.4	\$ 0.6
2 Union Bank Revolver	Aug. 2010	Aug. 2013	\$ 150.0	\$ -	\$ -	\$ 150.0	\$ 0.2
3 U.S. Bank Letter of Credit Facility	Sep. 2010	Sep. 2011	\$ 30.0	\$ -	\$ 30.0	\$ -	\$ 0.1
4 Nova Scotia Letter of Credit Facility	May 2011	May 2013	\$ 104.0	\$ -	\$ 104.0	\$ -	\$ -

Cost of Short Term Debt - Revolver

(A) **Interest on Borrowings** - Calculated on the projected drawn balance at LIBOR plus the spread on borrowings as dictated by the facility agreement.

Facility	LIBOR ^{a)}	Plus: Spread	Projected Rate	Avg. Borrowings	Cost
1 JPMorgan Revolver	0.81%	1.25%	2.06%	\$ 34.6	\$ 0.7
2 Union Bank Revolver	0.81%	1.75%	2.56%	-	-
3 U.S. Bank Letter of Credit Facility	N/A - Letter of Credit Facility			-	-
4 Nova Scotia Letter of Credit Facility	N/A - Letter of Credit Facility			-	-
				\$	0.7

(B) **Letter of Credit Fees** - Calculated on the projected letters of credit outstanding at a rate equal to the spread as dictated by the facility agreement.

Facility	Letter of Credit Type	Projected Rate	Letters of Credit	Cost
1 JPMorgan Revolver	Regular Operating	1.25%	\$ 26.0	\$ 0.3
2 Union Bank Revolver	N/A	N/A	-	-
3 U.S. Bank Letter of Credit Facility	Palisades PPA	1.25%	30.0	0.4
4 Nova Scotia Letter of Credit Facility	Tax Exempt Bonds	0.93%	104.0	1.0
				\$ 1.7

(C) **Unused (Commitment) Fees** - Calculated on the unused portion of the revolver at a rate stated in the facility agreement.

Facility	Projected Rate	Amount Unused	Cost
1 JPMorgan Revolver	0.15%	\$ 439.4	\$ 0.7
2 Union Bank Revolver	0.20%	150.0	0.3
3 U.S. Bank Letter of Credit Facility	N/A	-	-
4 Nova Scotia Letter of Credit Facility	N/A	-	-
			\$ 1.0

(D) **Amortization of Upfront Revolver Fees** - Fees paid upfront at the inception or amendment to the facility, amortized over the life of the facility.

Facility	Monthly Amortization	Cost (12 months)
1 JPMorgan Revolver	\$ 0.05	\$ 0.6
2 Union Bank Revolver	0.01	0.2
3 U.S. Bank Letter of Credit Facility	0.01	0.1
4 Nova Scotia Letter of Credit Facility	-	-
		\$ 0.8

Total Cost of Short Term Debt - Revolver

\$ 4.2

^{a)} Projected LIBOR rate per Exhibit A-10 (DVR-4), Schedule D2.

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company

Cost of Preferred Stock

Projected 12 Month Period Ending December 31, 2012

Case No: U-16855

Witness: DVRao

Exhibit No: A-10 (DVR-6)

Schedule D4

Date: September 2011

Page: 1 of 1

Schedule D4

Line	Description (a)	Annual Dividend (b)	Par Value (c)	Finance Expense (d)	(Premium) Discount (e)	Net Proceeds Received By Company (f)	Number Of Shares Outstanding (g)	Total Value Of Net Proceeds (000) (h)	Cost Rates (i)	Annual Cost (000) (j)	
	PREFERRED STOCK:										
1	\$4.500 Series	\$4.500	\$100.00	\$0.00	\$0.00	\$100.00	373,148	\$37,315	4.50%	\$1,679	
2	\$4.160 Series	\$4.160	\$100.00	\$1.20	\$0.00	\$98.80	68,451	\$6,723	4.21%	\$283	
3	Total Preferred Stock							<u>\$44,038</u>	4.46%	<u>\$1,962</u>	

Calculations:

Col. (i) = (Col. (h)*Col. (b))/Col. (f)/Col. (h)

Col. (j) = Col. (h)*Col. (i)

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company

Accounts Receivable (A/R) Financing Program and Short-term Debt Utilization
Projected Utilization and Borrowing

Schedule D1b

Case No: U-16855
 Witness: DVRao
 Exhibit No: A-10 (DVR-7)
 Schedule D1b
 Date: September 2011
 Page: 1 of 1

(A/R) Financing Program Amount utilized (millions)	2011 ^{a)}		2012 ^{a)}	
	Projected	(b)	Projected	(c)
Dec (prior year)	\$	-	\$	250
Jan	-	-	-	-
Feb	-	-	-	-
Mar	-	-	-	-
Apr	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
Aug	-	-	-	-
Sept	-	-	-	-
Oct	250	250	250	250
Nov	250	250	250	250
Dec	250	250	250	250
13 mth average	\$	57.7	\$	76.9
Maximum capacity at year End	\$	250	\$	250

Short-term Debt - Revolver Amount Borrowed (millions)	2011 ^{a)}		2012 ^{a)}	
	Projected	(e)	Projected	(f)
Dec (prior year)	\$	-	\$	-
Jan	-	-	-	-
Feb	-	-	-	-
Mar	-	-	-	-
Apr	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
Aug	-	-	-	-
Sept	-	-	-	-
Oct	125	125	175	175
Nov	175	175	150	150
Dec	150	150	150	150
13 mth average	\$	34.6	\$	34.6
Maximum Revolver Capacity at Year End	\$	650	\$	650

Short-term Debt - Renewables Liability Amount (millions)	2011 ^{b)}		2012 ^{b)}	
	Projected	(g)	Projected	(h)
Dec (prior year)	\$	100	\$	149
Jan	104	104	150	150
Feb	108	108	151	151
Mar	112	112	151	151
Apr	116	116	152	152
May	121	121	152	152
June	125	125	153	153
July	129	129	153	153
Aug	133	133	154	154
Sept	137	137	154	154
Oct	141	141	155	155
Nov	145	145	155	155
Dec	149	149	155	155
13 mth average	\$	124.6	\$	152.2

a) 2011&2012 projections based on the projected short term financing requirement, after considering the total monthly cash needs and planned long term debt and equity issuance

b) Renewable Liability projections are consistent with Consumers Energy's renewable plan in Case No. U-16543.

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity
Projected 12 Month Period Ending December 31, 2012

Schedule D5

Case No: U-16855
 Exhibit: A-10 (DVR-8)
 Schedule D5
 Witness: DVRao
 Date: September 2011
 Page 1 of 14

Proxy Companies

(a) Line	(b) Company	(c) Ticker	(d) Percent Reg Gas Revenue	(e) Net Plant (\$Millions)	(f) S&P Bond Rating	(g) Moody's Bond Rating	(h) Current Annual Dividend	(i) Value Line Safety	(j) Decoupling Mechanism
1	AGL Resources	AGL	66%	4,518	A-	A3	1.80	2	Yes
2	Atmos Energy Corp.	ATO	64%	4,915	BBB+	Baa2	1.36	2	Yes
3	Energen Corp.	EGN	38%	3,812	BBB	A1	0.54	2	Yes
4	EQT Corp.	EQT	73%	6,088	BBB	NR	0.88	3	No
5	Laclede Group	LG	55%	898	A	A2	1.62	2	No
6	National Fuel Gas	NFG	58%	3,734	BBB	Baa1	1.38	2	Yes
7	Nicor Inc	GAS	80%	3,031	AA	Aa3	1.86	3	No
8	Northwest National Gas	NWN	93%	1,860	A+	A1	1.74	1	Yes
9	Piedmont National Gas	PNY	100%	2,485	A	A3	1.16	2	Yes
10	Questar Corporation	STR	86%	2,898	A	A3	0.61	3	Yes
11	South Jersey Industries	SJI	49%	1,212	A	A2	1.46	2	Yes
12	Southwest Gas Corporation	SWX	81%	3,069	BBB	Baa2	1.06	3	Yes
13	WGL Holdings	WGL	47%	2,385	AA-	A2	1.55	1	Yes
14	Average								
15	Consumers Energy		68%	3,146	A-	A3	1.31	2.15	
			38%	9,995	BBB+	A3		3	

Sources:

Columns (d) through (h): AUS Utility Reports (July, 2011)
 % Reg Gas Rev: Percentage of regulated revenues attributable to gas operations relative to total Operating Revenue.
 Bond Ratings: Ratings for each company's most senior long-term debt security. For holding companies, ratings are based on an average of the bond ratings available for regulated subsidiaries.
 Column (i): The Value Line Investment Survey (June 10, 2011)
 Column (j): Value Line uses a scale of 1 (least risky) to 5 (most risky).
 Consumers Energy Data: Regulatory Focus by Regulatory Research Associates RRA Topical Special Report "Decoupling Mechanisms / Straight-Fixed-Variable Rate Design - A State-By-State Overview, April 5, 2011
 Columns (d) & (e): Consumers Energy 2010 Annual Report, pages 88 & 164.
 Column (j): Used Value Line Safety Rank for CMS Energy as a proxy The Value Line Investment Survey (June 24, 2011)

Proxy Group Selection Criteria:

Categorized as a gas company by Value Line
 % Regulated Gas Revenue: Greater than or equal to approximately 40%.
 Investment Grade: S&P Bond Rating of BBB- and Moody's Bond rating of Baa3 or better.
 Must be paying a dividend.

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity

Case No: U-16855
Exhibit: A-10 (DVR-8)
Schedule D5
Witness: DVRao
Date: September 2011
Page 2 of 14

CAPM - Risk Premium Analysis

Schedule D5

Period	Large Company Total Returns	Long Term Gov Bonds Income Returns	Difference	Period	Large Company Total Returns	Long Term Gov Bonds Income Returns	Difference
1926	11.62%	3.73%	7.89%	1966	-10.06%	4.49%	-14.55%
1927	37.49%	3.41%	34.08%	1967	23.98%	4.59%	19.39%
1928	43.61%	3.22%	40.39%	1968	11.06%	5.50%	5.56%
1929	-8.42%	3.47%	-11.89%	1969	-8.50%	5.95%	-14.45%
1930	-24.90%	3.32%	-28.22%	1970	3.86%	6.74%	-2.88%
1931	-43.34%	3.33%	-46.67%	1971	14.30%	6.32%	7.98%
1932	-8.19%	3.69%	-11.88%	1972	18.99%	5.87%	13.12%
1933	53.99%	3.12%	50.87%	1973	-14.69%	6.51%	-21.20%
1934	-1.44%	3.18%	-4.62%	1974	-26.47%	7.27%	-33.74%
1935	47.67%	2.81%	44.86%	1975	37.23%	7.99%	29.24%
1936	33.92%	2.77%	31.15%	1976	23.93%	7.89%	16.04%
1937	-35.03%	2.66%	-37.69%	1977	-7.16%	7.14%	-14.30%
1938	31.12%	2.64%	28.48%	1978	6.57%	7.90%	-1.33%
1939	-0.41%	2.40%	-2.81%	1979	18.61%	8.86%	9.75%
1940	-9.78%	2.23%	-12.01%	1980	32.50%	9.97%	22.53%
1941	-11.59%	1.94%	-13.53%	1981	-4.92%	11.55%	-16.47%
1942	20.34%	2.46%	17.88%	1982	21.55%	13.50%	8.05%
1943	25.90%	2.44%	23.46%	1983	22.56%	10.38%	12.18%
1944	19.75%	2.46%	17.29%	1984	6.27%	11.74%	-5.47%
1945	36.44%	2.34%	34.10%	1985	31.73%	11.25%	20.48%
1946	-8.07%	2.04%	-10.11%	1986	18.67%	8.98%	9.69%
1947	5.71%	2.13%	3.58%	1987	5.25%	7.92%	-2.67%
1948	5.50%	2.40%	3.10%	1988	16.61%	8.97%	7.64%
1949	18.79%	2.25%	16.54%	1989	31.69%	8.81%	22.88%
1950	31.71%	2.12%	29.59%	1990	-3.10%	8.19%	-11.29%
1951	24.02%	2.38%	21.64%	1991	30.47%	8.22%	22.25%
1952	18.37%	2.66%	15.71%	1992	7.62%	7.26%	0.36%
1953	-0.99%	2.84%	-3.83%	1993	10.08%	7.17%	2.91%
1954	52.62%	2.79%	49.83%	1994	1.32%	6.59%	-5.27%
1955	31.56%	2.75%	28.81%	1995	37.58%	7.60%	29.98%
1956	6.56%	2.99%	3.57%	1996	22.96%	6.18%	16.78%
1957	-10.78%	3.44%	-14.22%	1997	33.36%	6.64%	26.72%
1958	43.36%	3.27%	40.09%	1998	28.58%	5.83%	22.75%
1959	11.96%	4.01%	7.95%	1999	21.04%	5.57%	15.47%
1960	0.47%	4.26%	-3.79%	2000	-9.10%	6.50%	-15.60%
1961	26.89%	3.83%	23.06%	2001	-11.89%	5.53%	-17.42%
1962	-8.73%	4.00%	-12.73%	2002	-22.10%	5.59%	-27.69%
1963	22.80%	3.89%	18.91%	2003	28.68%	4.80%	23.88%
1964	16.48%	4.15%	12.33%	2004	10.88%	5.02%	5.86%
1965	12.45%	4.19%	8.26%	2005	4.91%	4.69%	0.22%
				2006	15.79%	4.68%	11.11%
				2007	5.49%	4.86%	0.63%
				2008	-37.00%	4.45%	-41.45%
				2009	26.46%	3.47%	22.99%
				2010	15.06%	4.25%	10.81%
	Average				11.88%	5.17%	6.72%
	Equity Risk Premium:						6.72%

Source: Ibbotson SBBi 2011 Classic Yearbook

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity

Case No: U-16855
 Exhibit: A-10 (DVR-8)
 Schedule D5
 Witness: DVRao
 Date: September 2011
 Page 3 of 14

Capital Asset Pricing Model Application
Schedule D5

Equation: $K_e = R_f + B(R_p)$
 Where:
 K_e = The annual required return on equity
 R_f = The risk free rate
 B = The beta, or covariance of the stock price to market
 R_p = The expected equity risk premium

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line	Company	Ticker	Current Beta (B)	Risk Premium (R_p)	2012 Risk-Free Rate (R_f)	2012 CAPM ROE Proxy Co
1	AGL Resources	AGL	0.75	6.72%	4.76%	9.80%
2	Atmos Energy Corp.	ATO	0.70	6.72%	4.76%	9.46%
3	Energen Corp.	EGN	1.10	6.72%	4.76%	12.15%
4	EQT Corp.	EQT	1.15	6.72%	4.76%	12.48%
5	Laclede Group	LG	0.60	6.72%	4.76%	8.79%
6	National Fuel Gas	NFG	0.95	6.72%	4.76%	11.14%
7	Nicor Inc	GAS	0.75	6.72%	4.76%	9.80%
8	Northwest National Gas	NWN	0.60	6.72%	4.76%	8.79%
9	Piedmont National Gas	PNY	0.65	6.72%	4.76%	9.13%
10	Questar Corporation	STR	NMF ¹	6.72%	4.76%	
11	South Jersey Industries	SJI	0.65	6.72%	4.76%	9.13%
12	Southwest Gas Corporation	SWX	0.75	6.72%	4.76%	9.80%
13	WGL Holdings	WGL	0.65	6.72%	4.76%	9.13%
14	Average		0.78			9.97%
15	Minimum		0.60			8.79%
16	Maximum		1.15			12.48%
17	CMS Energy	CMS	0.75	6.72%	4.76%	9.80%

Sources:

Column (d): The Value Line Investment Survey (June 10, 2011); For CMS Energy: The Value Line Investment Survey (June 24, 2011)

¹"NMF" = Not meaningful data

Column (e): Exhibit A-10 (DVR-8), Schedule D5, page 2.

Column (f): Average of Global Insight U.S. Economic Outlook (4.62%;Jul 2011); & Blue Chip (4.9%;Jul 2011).

Column (g) = Column (f) + Column (e) times Column (d).

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Cost of Common Shareholders' Equity

Gas Utility Stock Premiums

Case No: U-16855
Exhibit: A-10 (DVR-8)

Schedule D5

Witness: DVRao

Date: September 2011

Page 4 of 14

Schedule D5									
(a)	(b)	(c) Moody's Gas Utility Common Stocks			(d)	(e)	(f)	(g) Yields on "A" Rated Utility Bonds (Year End)	(h) Stock Spread Over "A" Rated Bond Yields
Year	Year End Avg Pr/Sh	Average Div/Share	% Gain	Dividend Yield	Total Return				
1952	20.57								
1953	21.23	1.09	3.21%	5.30%	8.51%	3.38%	5.13%		
1954	26.47	1.19	24.68%	5.61%	30.29%	3.11%	27.18%		
1955	28.10	1.32	6.16%	4.99%	11.14%	3.35%	7.79%		
1956	28.23	1.43	0.46%	5.09%	5.55%	3.91%	1.64%		
1957	25.78	1.49	-8.68%	5.28%	-3.40%	4.36%	-7.76%		
1958	38.71	1.53	50.16%	5.93%	56.09%	4.49%	51.60%		
1959	39.59	1.63	2.27%	4.21%	6.48%	4.96%	1.52%		
1960	48.21	1.79	21.77%	4.52%	26.29%	4.65%	21.64%		
1961	64.96	1.91	34.74%	3.96%	38.71%	4.65%	34.06%		
1962	59.73	2.01	-8.05%	3.09%	-4.96%	4.44%	-9.40%		
1963	64.62	2.13	8.19%	3.57%	11.75%	4.46%	7.29%		
1964	68.24	2.27	5.60%	3.51%	9.11%	4.54%	4.57%		
1965	64.31	2.40	-5.76%	3.52%	-2.24%	4.83%	-7.07%		
1966	53.50	2.75	-16.81%	4.28%	-12.53%	5.67%	-18.20%		
1967	50.49	2.67	-5.63%	4.99%	-0.64%	6.67%	-7.31%		
1968	53.80	2.79	6.56%	5.53%	12.08%	6.87%	5.21%		
1969	43.88	2.88	-18.44%	5.35%	-13.09%	8.59%	-21.68%		
1970	52.33	2.97	19.26%	6.77%	26.03%	8.48%	17.55%		
1971	47.86	3.06	-8.54%	5.85%	-2.69%	7.90%	-10.59%		
1972	53.54	3.10	11.87%	6.48%	18.35%	7.48%	10.87%		
1973	43.43	3.21	-18.88%	6.00%	-12.89%	8.24%	-21.13%		
1974	29.71	3.31	-31.59%	7.62%	-23.97%	10.27%	-34.24%		
1975	38.29	3.43	28.88%	11.54%	40.42%	10.11%	30.31%		
1976	51.80	3.65	35.28%	9.53%	44.82%	8.62%	36.20%		
1977	50.88	3.85	-1.78%	7.43%	5.66%	8.64%	-2.98%		
1978	45.97	4.07	-9.65%	8.00%	-1.65%	9.70%	-11.35%		
1979	53.50	4.33	16.38%	9.42%	25.80%	11.79%	14.01%		
1980	56.61	4.59	5.81%	8.58%	14.39%	14.63%	-0.24%		
1981	53.50	4.95	-5.49%	8.74%	3.25%	16.29%	-13.04%		
1982	50.62	5.28	-5.38%	9.87%	4.49%	14.43%	-9.94%		
1983	55.79	5.45	10.21%	10.77%	20.98%	13.52%	7.46%		
1984	69.70	5.71	24.93%	10.23%	35.17%	13.11%	22.06%		
1985	76.58	6.06	9.87%	8.69%	18.57%	10.97%	7.60%		
1986	90.89	5.68	18.69%	7.42%	26.10%	9.12%	16.98%		
1987	77.25	5.86	-15.01%	6.45%	-8.56%	10.98%	-19.54%		
1988	86.76	6.15	12.31%	7.96%	20.27%	10.06%	10.21%		
1989	117.05	6.45	34.91%	7.43%	42.35%	9.44%	32.91%		
1990	108.86	6.70	-7.00%	5.72%	-1.27%	9.73%	-11.00%		
1991	124.32	6.94	14.20%	6.38%	20.58%	8.88%	11.70%		
1992	138.79	7.08	11.64%	5.69%	17.33%	8.43%	8.90%		
1993	154.06	7.23	11.00%	5.21%	16.21%	7.34%	8.87%		
1994	126.96	7.36	-17.59%	4.78%	-12.81%	8.76%	-21.57%		
1995	155.94	7.48	22.83%	5.89%	28.72%	7.23%	21.49%		
1996	166.64	8.01	6.86%	5.14%	12.00%	7.59%	4.41%		
1997	191.04	7.99	14.64%	4.79%	19.44%	7.16%	12.28%		
1998	177.24	8.12	-7.22%	4.25%	-2.97%	6.91%	-9.88%		
1999	166.84	8.18	-5.87%	4.62%	-1.25%	8.14%	-9.39%		
2000	200.68	8.22	20.28%	4.93%	25.21%	7.84%	17.37%		
2001					-27.94%	7.83%	-35.77%		
2002					-26.19%	6.93%	-33.12%		
2003					27.02%	5.78%	21.24%		
2004					26.57%	5.46%	21.11%		
2005					20.72%	5.56%	15.16%		
2006					18.41%	5.83%	12.58%		
2007					19.49%	6.06%	13.43%		
2008					-27.90%	5.99%	-33.89%		
2009					11.60%	5.88%	5.72%		
2010					5.66%	5.64%	0.02%		
Average					11.11%	7.68%	3.43%		

Sources: Columns (b) & (c): Mergent Public Utility Manual. Per Moody's & Mergent, Moody's Gas Utility Index is no longer maintained.
 Column (d) = (current year column (b) - prior year column (b))/prior year column (b).
 Column (e) = current year column (c)/prior year column (b).
 Column (f) = column (d) + column (e) For 2001 - 2010, the total return is the average of the total returns from Bloomberg for the S&P 500 Utilities Index and the Dow Jones Utilities Average (See Exhibit A-10 (DVR-8), Schedule D5, page 5).
 Column (g) = 1952 - 2002 Mergent Public Utility Manual; 2003 - 2010 Bloomberg.
 Column (h) = column (f) - column (g).

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity

Case No: U-16855
 Exhibit: A-10 (DVR-8)
 Schedule D5
 Witness: DVRao
 Date: September 2011
 Page 5 of 14

Schedule D5

2001 - 2010 Utility Index Total Returns

(a) <u>Line</u>	(b) <u>Year</u>	(c) S&P 500 Utilities Index			(e) Total			(f) Dow Jones Utilities (DJU) Avg			(g) <u>Price</u>	(h) <u>Dividends</u>	(i) <u>Return</u>
		(d) <u>Price</u>	(d) <u>Dividends</u>	(d) <u>Return</u>	(e) <u>Price</u>	(e) <u>Dividends</u>	(e) <u>Return</u>	(f) <u>Price</u>	(f) <u>Dividends</u>	(f) <u>Return</u>			
		Dec 31			Dec 31			Dec 31					
		<u>Price</u>	<u>Dividends</u>	<u>Return</u>	<u>Price</u>	<u>Dividends</u>	<u>Return</u>	<u>Price</u>	<u>Dividends</u>	<u>Return</u>			
		216.03			412.16								
1	2001	145.88	5.266	-30.03%	293.94	11.698	-25.84%	293.94	11.698	-25.84%			
2	2002	97.76	5.036	-29.53%	215.18	11.628	-22.84%	215.18	11.628	-22.84%			
3	2003	118.39	4.305	25.51%	266.90	9.665	28.53%	266.90	9.665	28.53%			
4	2004	141.60	4.788	23.65%	334.95	10.653	29.49%	334.95	10.653	29.49%			
5	2005	159.66	5.512	16.65%	405.11	12.886	24.79%	405.11	12.886	24.79%			
6	2006	186.60	5.841	20.53%	456.77	14.331	16.29%	456.77	14.331	16.29%			
7	2007	216.11	6.167	19.12%	532.53	14.972	19.86%	532.53	14.972	19.86%			
8	2008	147.93	6.632	-28.48%	370.76	16.250	-27.33%	370.76	16.250	-27.33%			
9	2009	157.99	6.652	11.30%	398.01	16.883	11.90%	398.01	16.883	11.90%			
10	2010	159.34	6.845	5.19%	404.99	17.402	6.13%	404.99	17.402	6.13%			

Sources: Columns (c), (d), (f), (g): Bloomberg
 Column (e) = (column (c(t)) - column (c(t-1)) + column (d(t)))/column (c(t-1))
 Column (h) = (column (f(t)) - column (f(t-1)) + column (g(t)))/column (f(t-1))
 Column(i) = Average of Columns (e) & (h)

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity

Case No: U-16855
Exhibit: A-10 (DVR-8)
Schedule D5
Witness: DVRao
Date: September 2011
 Page 6 of 14

25/30-Year Corporate Spreads for Utilities

Schedule D5

(a)	(b)	(c)	(d)	(e)
<u>Line</u>	<u>Rating</u>	<u>7/15/2011</u>	<u>8/2/2011</u>	<u>Average</u>
1	A3/A-	135	138	137
2	Baa1/BBB+	165	168	167

	Proxy	Consumers Energy
A-	137	BBB+
A3	137	A3
Average	137	Difference
		15

	Proxy	Consumers Energy
A-/A3	137	BBB+/A3
		Difference
		15

Credit Ratings

Sources: Columns (c) - (d): Reuters Corporate Bond Spread Tables - Corporate Spreads for Utilities
 Column (e) = average of columns (c) - (d)

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Cost of Common Shareholders' Equity

Schedule D5

Risk Premium Analysis Over Utility Bonds

Case No: U-16855
Exhibit: A-10 (DVR-8)
Schedule D5
Witness: DVRao
Date: September 2011
Page 7 of 14

<u>(a)</u> <u>Line</u>	<u>(b)</u> <u>Description</u>	<u>(c)</u> <u>A-/A3</u>	<u>(d)</u> <u>BBB+/A3</u>
1	Historical Spread of Gas Utility Common Stock Over Utility Bonds	3.43%	3.43%
2	2012 Long-Term Treasury Bond Yield (Risk-Free Rate)	4.76%	4.76%
3	Corporate Spreads	<u>1.37%</u>	<u>1.52%</u>
4	Current Estimated Bond Yield (Lines 2 + 3)	6.13%	6.28%
5	Cost of Equity (Lines 1 + 4)	9.56%	9.71%

Sources:

- Line 1: Exhibit A-10 (DVR-8), Schedule D5, page 4
- Line 2: Exhibit A-10 (DVR-8), Schedule D5, page 3
- Line 3: Exhibit A-10 (DVR-8), Schedule D5, page 6

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity

Case No: U-16855
 Exhibit: A-10 (DVR-8)
 Schedule D5
 Witness: DVRao
 Date: September 2011
 Page 8 of 14

Schedule D5

Discounted Cash Flow Model Application

Equation: $K_e = D_1/P_0 + g$

Where:

K_e = Annual required rate of return on equity

D_1 = Expected annual dividend per share at the end of first year.

= Current dividend (D_0) times (1+g)

P_0 = Current price of stock

g = Growth rate

(a) Line	(b) Company	(c) Ticker	(d) Avg of 30 Day Closing \$	(e) Last Qtrly Dividend Payment	(f) Current Annual Div (D ₀)	(g) Current Dividend Yield	(h)		(i)		(j) Yahoo Earnings	(k) Average	(l) Expected Dividend Yield	(m) DCF ROE Proxy Companies
							Value Line Earnings	Zacks Earnings	Growth Rates (%)	Yahoo Earnings				
1	AGL Resources	AGL	39.57	0.4500	1.80	4.55%	5.00	4.00	4.00	6.00	5.00	4.78%	9.78%	
2	Atmos Energy Corp.	ATO	32.62	0.3400	1.36	4.17%	5.00	4.50	4.50	2.25	3.92	4.33%	8.25%	
3	Energex Corp.	EGN	53.40	0.1350	0.54	1.01%	4.50	10.00	7.20	7.20	7.23	1.08%	8.32%	
4	EQT Corp.	EQT	57.38	0.2200	0.88	1.53%	12.00	16.50	25.47	17.99	17.99	1.81%	19.80%	
5	Laclede Group	LG	36.95	0.4050	1.62	4.38%	2.50	3.00	3.50	3.00	3.00	4.52%	7.52%	
6	National Fuel Gas	NFG	64.57	0.3550	1.42	2.20%	6.50	4.20	3.00	3.00	4.57	2.30%	6.87%	
7	Nicor Inc	GAS	53.71	0.4650	1.86	3.46%	-0.50	3.50	-1.85	0.38	0.38			
8	Northwest National Gas	NWN	44.17	0.4350	1.74	3.94%	4.50	4.40	3.33	4.08	4.08	4.10%	8.18%	
9	Piedmont National Gas	PNY	29.14	0.2900	1.16	3.98%	3.00	4.80	4.75	4.18	4.18	4.15%	8.33%	
10	Questar Corporation	STR	18.15	0.1530	0.61	3.37%	NMF	7.00	5.50	6.25	6.25	3.58%	9.83%	
11	South Jersey Industries	SJI	49.70	0.3650	1.46	2.94%	9.00	6.00	7.50	7.50	7.50	3.16%	10.66%	
12	Southwest Gas Corporation	SWX	36.31	0.2650	1.06	2.92%	8.00	6.00	2.80	5.60	5.60	3.08%	8.68%	
13	WGL Holdings	WGL	38.60	0.3880	1.55	4.02%	1.50	5.30	4.03	3.61	3.61	4.17%	7.78%	
14	Average													9.50%
15	Minimum													6.87%
16	Maximum													19.80%
17	CMS Energy	CMS	19.03	0.2100	0.84	4.41%	7.00	5.50	6.03	6.18	6.18	4.69%	10.86%	

Sources:

- Column (d): Yahoo Finance 7/15/2011 - 8/25/2011
- Column (e): Yahoo.finance (August 26, 2011)
- Column (f) = 4 times column (e)
- Column (g) = Column (f)/Column (d)
- Column (h): The Value Line Investment Survey (June 10, 2011)
- Column (i): Zacks (August 26, 2011)
- Column (j): Yahoo.finance (August 26, 2011)
- Column (k) = Average of columns (h), (i)&(j)
- Column (l) = Column (g) times (1 + column (k))
- Column (m) = Column (k) + Column (l); Company must have dividends & growth greater than zero.

Schedule D5

Comparable Earnings Analysis

		Earnings Per Share						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Line</u>	<u>Company</u>	<u>Ticker</u>	2009	2010	2011	2012	2014-16	
1	AGL Resources	AGL	\$ 2.88	\$ 3.00	\$ 3.15	\$ 3.30	\$ 3.75	
2	Atmos Energy Corp.	EQT	1.97	2.16	2.30	2.40	2.70	
3	Energien Corp.	ATO	3.51	4.04	3.65	4.00	5.15	
4	EQT Corp.	EGN	1.19	1.57	2.00	2.30	3.10	
5	Laclede Group	LG	2.92	2.43	2.45	2.55	3.05	
6	National Fuel Gas	NFG	2.60	2.65	2.65	2.90	4.10	
7	Nicor Inc	GAS	2.97	3.03	2.50	2.75	2.80	
8	Northwest National Gas	NWN	2.83	2.73	2.35	2.80	3.40	
9	Piedmont National Gas	PNY	1.67	1.55	1.60	1.70	1.90	
10	Questar Corporation	STR	2.81	1.08	1.10	1.25	1.70	
11	South Jersey Industries	SJI	2.38	2.70	3.05	3.35	4.10	
12	Southwest Gas Corporation	SWX	1.94	2.27	2.35	2.50	3.00	
13	WGL Holdings	WGL	2.53	2.27	2.10	2.35	2.65	
Book Value Per Share								
			2009	2010	2011	2012	2014-16	
14	AGL Resources	AGL	\$ 22.95	\$ 23.24	\$ 24.95	\$ 26.50	\$ 31.60	
15	Atmos Energy Corp.	ATO	23.52	24.16	26.10	27.50	30.10	
16	Energien Corp.	EGN	27.71	30.02	34.75	37.40	45.00	
17	EQT Corp.	EQT	16.43	20.61	21.80	24.00	31.70	
18	Laclede Group	LG	23.32	24.02	26.00	26.60	31.15	
19	National Fuel Gas	NFG	19.74	21.24	22.75	24.25	29.40	
20	Nicor Inc	GAS	22.93	24.23	24.90	25.80	28.50	
21	Northwest National Gas	NWN	24.88	25.95	27.15	28.95	34.65	
22	Piedmont National Gas	PNY	12.67	13.35	13.65	14.05	15.05	
23	Questar Corporation	STR	20.06	5.87	6.45	6.95	9.20	
24	South Jersey Industries	SJI	18.24	19.08	20.95	21.90	26.45	
25	Southwest Gas Corporation	SWX	24.44	25.59	27.95	29.15	34.00	
26	WGL Holdings	WGL	21.89	22.82	23.50	24.20	27.15	
Return on Equity								
			2009	2010	2011	2012	2014-16	
27	AGL Resources	AGL	12.55%	12.91%	12.63%	12.45%	11.87%	
28	Atmos Energy Corp.	ATO	8.38%	8.94%	8.81%	8.73%	8.97%	
29	Energien Corp.	EGN	12.67%	13.46%	10.50%	10.70%	11.44%	
30	EQT Corp.	EQT	7.24%	7.62%	9.17%	9.58%	9.78%	
31	Laclede Group	LG	12.52%	10.12%	9.42%	9.59%	9.79%	
32	National Fuel Gas	NFG	13.17%	12.48%	11.65%	11.96%	13.95%	
33	Nicor Inc	GAS	12.95%	12.51%	10.04%	10.66%	9.82%	
34	Northwest National Gas	NWN	11.37%	10.52%	8.66%	9.67%	9.81%	
35	Piedmont National Gas	PNY	13.18%	11.61%	11.72%	12.10%	12.62%	
36	Questar Corporation	STR	14.01%	18.40%	17.05%	17.99%	18.48%	
37	South Jersey Industries	SJI	13.05%	14.15%	14.56%	15.30%	15.50%	
38	Southwest Gas Corporation	SWX	7.94%	8.87%	8.41%	8.58%	8.82%	
39	WGL Holdings	WGL	11.56%	9.95%	8.94%	9.71%	9.76%	
40	Average		11.58%	11.66%	10.89%	11.31%	11.59%	

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Cost of Common Shareholders' Equity

Case No: U-16855
 Exhibit: A-10 (DVR-8)
 Schedule D5
 Witness: DVRao
 Date: September 2011
 Page 10 of 14

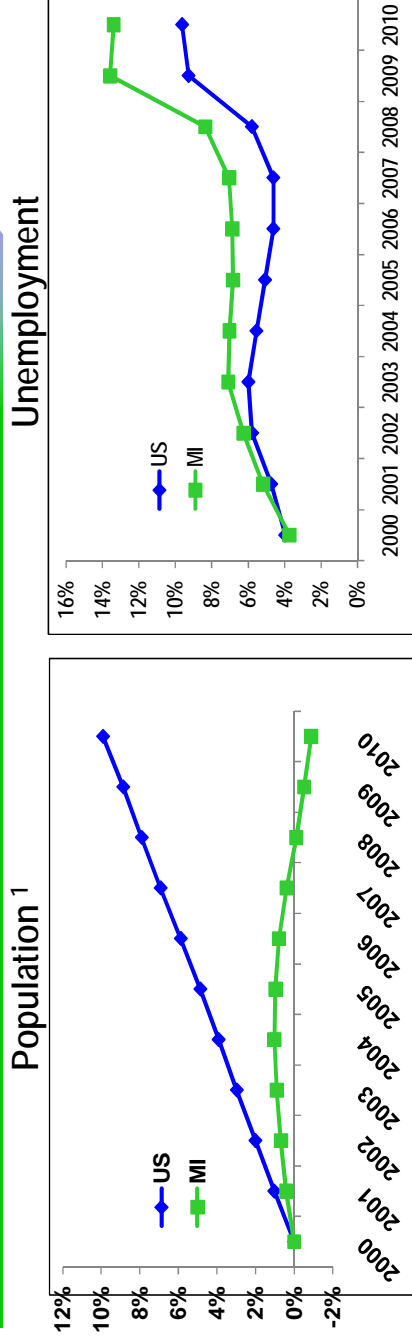
Schedule D5

Comparison to MichCon Authorized ROE

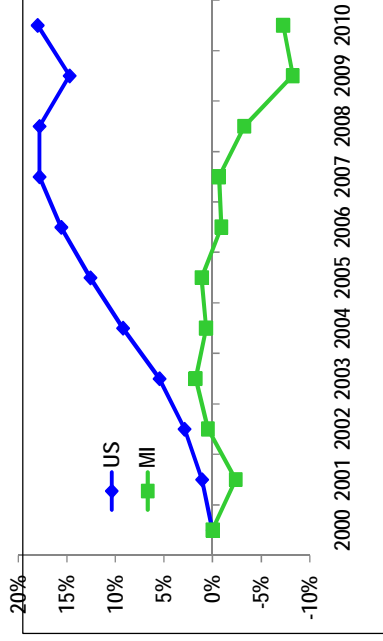
	S&P Bond Rating (a)	Moody's Bond Rating (b)	Authorized Gas ROE (c)	Average Bond Spread Difference (d)	Consumers ROE Based on Comparison to MichCon Authorized ROE (e)
1 MichCon	A	A2	11.00%	-	-
2 Consumers Energy	BBB+	A3	10.50%	-	11.28%
3 Credit Rating Difference	2	1	-	-	-
4 Corporate Bond Spread Between MichCon and Consumers Energy	0.43%	0.13%	-	0.28%	-
Rating	7/15/2011	8/2/2011	Average		
5 A/A2	122	125	124		
6 A3/A-	135	138	137		
7 BBB+	165	168	167		

Line 1(a), (b) - Senior secured debt credit ratings for MichCon per SNL Interactive: Briefing Book: Credit Ratings
 Line 1 (c) - MPSC Order in Case U-15985 authorized a 11.00% ROE for MichCon.
 Line 2 (a), (b) - Senior secured debt credit ratings for Consumers Energy per SNL Interactive: Briefing Book: Credit Ratings
 Line 2 (c) - U-16418
 Line 2 (e) - MichCon Authorized Rate (1(c)) + additional credit spread to account for Consumers lower credit ratings (4(d))
 Line 4 (a) - Difference between average spread for A rated bonds (Line 5) and BBB+ rated bonds (Line 7)
 Line 4 (b) - Difference between average spread for A2 rated bonds (Line 5) and A3 rated bonds (Line 6)
 Line 4 (d) - average of 4(a) and 4(b)
 Lines 5-7 - Reuters Corporate Bond Spread Tables - Corporate Spreads for Utilities

Comparative economic profile – U.S. vs. Michigan



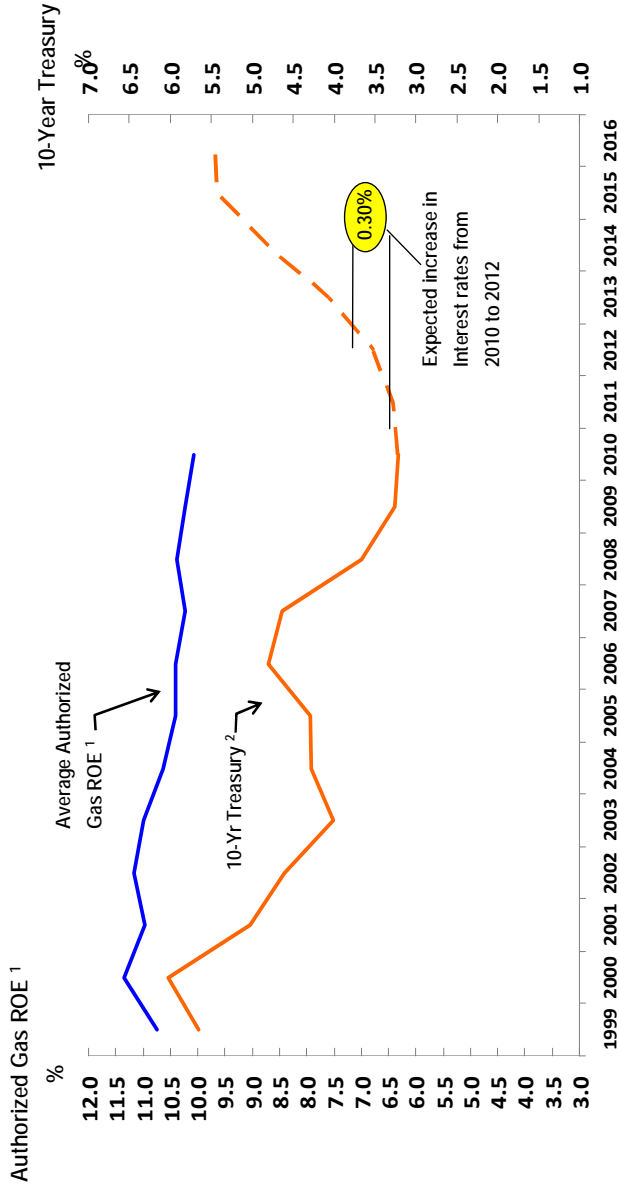
Real GDP 2



Source: Global Insight Feb 2011

Note 1 & 2: Cumulative percentage change in population and Real GDP since 2000

Authorized RoE vs. 10 year Treasury rate



¹ Average authorized return on equity for gas orders issued in various state jurisdictions during each year.

² Historical 10-year rates per US Dept. of Treasury website. Projected 10-year rates as per July 2011 Global Insight forecast

Source for Average Authorized ROE: RRA/SNL

Use of CAPM model to determine the equity risk differential between companies with different credit ratings

Formula:

$$\text{Beta Levered} = \text{Beta unlevered} (1 + (1-t)*D/E)$$

t = Tax Rate
D/E = Debt to Equity Ratio

<u>Line</u>	<u>Assumptions</u>	
1	Beta (Levered) for Proxy group	0.78
2	Market Risk premium	6.72%
3	Tax rate	35%
4	S&P Adjusted Leverage for A rated utilities	53.1%
5	Beta (unlevered) for A rated utilities	0.449
6	S&P Adjusted Leverage for BBB rated utilities	56.8%
7	Beta (levered) for BBB utilities	0.83
8	Differential in Beta (Levered)	0.05
9	Differential in cost of equity <i>(Market risk premium - Line 2 times the difference in Levered Betas - Line 8)</i>	0.36%
	Rounded to	30 bps

Sources:

Lines 1-2: Exhibit A-10 (DVR-8) Schedule D5, page 3.
 Line 3: Tax rate assumed.
 Lines 4 and 6: S&P report dated August 20, 2010.
 Lines 5, 7, and 9: Calculated using formula above.
 Line 8: Line 7 less Line 1.

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Cost of Common Shareholders' Equity

Projected 12 Month Period Ending December 31, 2012

Schedule D5

Case No: U-16855

Exhibit: A-10 (DVR-8)

Schedule D5

Witness: DVRao
Date: September 2011
Page 14 of 14

Summary of Return on Equity Results

Line

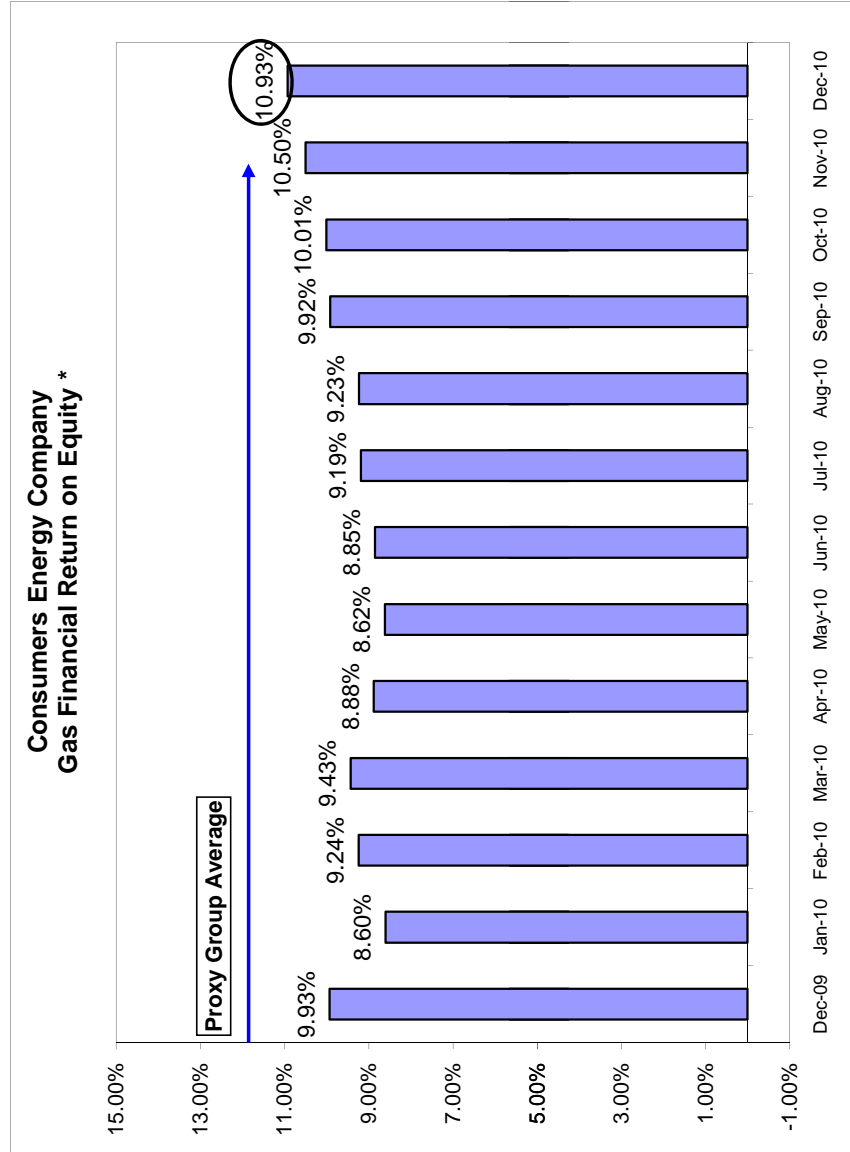
	<u>Average</u>	
1	9.97%	
2	9.56%	
3	9.50%	
4	11.31%	
5	11.00%	
6	0.30%	
7		
8	10.27%	} Note A
9	9.86%	
10	9.80%	} Note B
11	11.61%	
	11.28%	
12		10.70% - 11.00%
13		10.70%
14		10.50%

Sources:

- Line 1: Exhibit A-10 (DVR-8) page 3
- Line 2: Exhibit A-10 (DVR-8) page 7
- Line 3: Exhibit A-10 (DVR-8) page 8
- Line 4: Exhibit A-10 (DVR-8) page 9
- Line 5&11: Exhibit A-10 (DVR-8) page 10
- Line 6: Exhibit A-10 (DVR-8) page 13

Notes : A) During the period of risk aversion represented by low treasury rates, CAPM and Risk premium methods underestimate the cost of equity given their reliance on historical spreads between bonds and equities which do not hold true during the periods of risk aversion.

B) Less weight was given to DCF model given the difficulties/ inaccuracies in developing an appropriate long term growth rate



Line	Proxy Group	Return on Equity	
		2009 (a)	2010 (b)
1	AGL Resources	12.55%	12.91%
2	Atmos Energy Corp.	8.38%	8.94%
3	Energen Corp.	12.67%	13.46%
4	EQT Corp.	7.24%	7.62%
5	Laclede Group	12.52%	10.12%
6	National Fuel Gas	13.17%	12.48%
7	Nicor Inc	12.95%	12.51%
8	Northwest National Gas	11.37%	10.52%
9	Piedmont National Gas	13.18%	11.61%
10	Questar Corporation	14.01%	18.40%
11	South Jersey Industries	13.05%	14.15%
12	Southwest Gas Corporation	7.94%	8.87%
13	WGL Holdings	11.56%	9.95%
14	Average	11.58%	11.66%
15	* Consumers Energy - Gas	9.93%	10.93%

Source:
 (a), (b) Value Line Investment Survey - June 10, 2011
 * Internal corporate records

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Current and Historical Credit Ratings

Case No: U-16855
 Witness: DVRao
 Exhibit No: A-51 (DVR-10)
 Date: September 2011
 Page: 1 of 1

Credit Ratings

Line	Standard & Poors Ratings at Year End			
	2010	2009	2008	2007
2	Consumers Energy Company			
3	BBB+	BBB	BBB	BBB
4	BBB-	BBB-	BBB-	BBB-
5	N/A	N/A	N/A	N/A
6	Stable	Stable	Stable	Stable
7	Stable	Stable	Stable	Stable
8	Stable	Stable	Stable	Stable
9	Stable	Stable	Stable	Stable
10	CMS Energy Corporation			
11	N/A	N/A	N/A	N/A
12	BB+	BB+	BB+	BB+
13	BB	BB	BB	B
14	Stable	Stable	Stable	Stable
15	Stable	Stable	Stable	Stable
16	Stable	Stable	Stable	Stable
17	Stable	Stable	Stable	Stable
18	Stable	Stable	Stable	Stable
19	Stable	Stable	Stable	Stable
20	Consumers Energy Company			
21	A3	A3	Baa1	Baa2
22	Baa2	Baa2	Baa2	Ba1
23	N/A	N/A	N/A	N/A
24	Stable	Stable	Stable	Stable
25	Stable	Stable	Stable	Stable
26	Stable	Stable	Stable	Stable
27	Baa3	Baa3	Baa3	Ba2
28	Ba1	Ba1	Ba1	Ba3
29	Ba2	Ba2	Ba2	Ba3
30	Stable	Stable	Stable	Stable
31	Stable	Stable	Stable	Stable
32	Stable	Stable	Stable	Stable
33	Stable	Stable	Stable	Stable
34	Stable	Stable	Stable	Stable
35	Consumers Energy Company			
36	BBB+	BBB+	BBB+	BBB-
37	BBB	BBB	BBB	BB+
38	N/A	N/A	N/A	N/A
39	Stable	Stable	Stable	Stable
40	Stable	Stable	Stable	Stable
41	Stable	Stable	Stable	Stable
42	Stable	Stable	Stable	Stable
43	BBB-	BBB-	BBB-	BB+
44	BB+	BB+	BB+	BB-
45	BB-	BB	BB	B-
46	Stable	Stable	Stable	Stable

Moody's Ratings at Year End			
2010	2009	2008	2007
A3	A3	Baa1	Baa2
Baa2	Baa2	Baa2	Ba1
N/A	N/A	N/A	N/A
Stable	Stable	Stable	Stable

Fitch Ratings at Year End			
2010	2009	2008	2007
BBB+	BBB+	BBB+	BBB-
BBB	BBB	BBB	BB+
N/A	N/A	N/A	N/A
Stable	Stable	Stable	Stable

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Recent Utility Corporate Bond Issuances

Case No. U-16855
 Witness: DVRao
 Exhibit No: A-52 (DVR-11)
 Date: September 2011
 Page 1 of 3

Ticker	Issue Date	Issuer	Ratings		Amt (\$mm)	Coupon	Type	Issue Spread (bp)
			Moody's	S&P				
SCG	01/20/11	South Carolina Electric & Gas	A3	A-	250	5.450%	FMB	+90.0
ESKOM	01/19/11	Eskom Holdings	Baa2	BBB+	1,750	5.750%	Unsecured	+250.0
PGN	01/18/11	Progress Energy	Baa2	BBB	500	4.400%	Unsecured	+108.0
AEP	01/13/11	Public Service Co. of Oklahoma	Baa1	BBB	250	4.400%	Unsecured	+115.0
SO	01/13/11	Georgia Power	A3	A	300	3mL+27	Unsecured	-
WEC	01/12/11	Elm Road Generating	A2	A-	205	4.673%	Unsecured	+130.0
WEC	01/12/11	Elm Road Generating	A2	A-	215	5.848%	Unsecured	+130.0
EXC	01/10/11	Commonwealth Edison	Baa1	A-	600	1.625%	FMB	+70.0
CNP	01/04/11	CenterPoint Energy Resources	Baa3	BBB	250	4.500%	Unsecured	+120.0
CNP	01/04/11	CenterPoint Energy Resources	Baa3	BBB	300	5.850%	Unsecured	+145.0
CEG	12/09/10	Constellation Energy Group	Baa3	BBB-	550	5.150%	Unsecured	+195.0
NEE	12/06/10	Florida Power & Light	Aa3	A	400	5.250%	FMB	+98.0
PSD	12/01/10	Puget Energy Inc	Ba2	BB+	450	6.500%	Unsecured	+357.3
NI	12/01/10	Nisource Finance Corp	Baa3	BBB-	250	6.250%	Secured	+210.0
WGL	11/30/10	Washington Gas and Light	Baa2	NR	75	5.211%	Unsecured	+112.5
ETR	11/18/10	Entergy Louisiana (\$25 par)	A3	A-	150	5.875%	FMB	-
SRTCO	11/17/10	SteelRiver Transmission Co	Baa2	NR	562	4.710%	Secured	+325.0
SRE	11/15/10	Southern California Gas	Aa3	A+	300	5.125%	FMB	+87.5
PCG	11/15/10	Pacific Gas & Electric (Tap)	A3	BBB+	250	3.500%	Unsecured	+90.0
PCG	11/15/10	Pacific Gas & Electric (Tap)	A3	BBB+	250	5.400%	Unsecured	+118.0
TEG	11/09/10	Integrus Energy Group	Baa1	BBB	250	4.170%	Unsecured	+155.0
ETR	11/09/10	Entergy Arkansas	A3	A-	350	3.750%	FMB	+110.0
CNL	11/09/10	Cleco Power	Baa2	BBB	250	6.000%	Unsecured	+188.0
PPL	11/08/10	LG&E & KU Energy	Baa2	BBB	400	2.125%	Unsecured	+110.0
PPL	11/08/10	LG&E & KU Energy	Baa2	BBB	475	3.750%	Unsecured	+130.0
PPL	11/08/10	Louisville Gas & Electric	A2	A	250	1.625%	FMB	+58.0
PPL	11/08/10	Louisville Gas & Electric	A2	A	285	5.125%	FMB	+108.0
PPL	11/08/10	Kentucky Utilities	A2	A	250	1.625%	FMB	+58.0
PPL	11/08/10	Kentucky Utilities	A2	A	500	3.250%	FMB	+75.0
PPL	11/08/10	Kentucky Utilities	A2	A	750	5.125%	FMB	+108.0
XEL	11/08/10	Public Service of Colorado	A2	A	400	3.200%	FMB	+70.0
OGLETH	11/04/10	Oglethorpe Power	Baa1	A	450	5.375%	FMB	+135.0
NRUC	10/25/10	National Rural Utilities	A1	A+	300	1.125%	Secured	+60.0
NRUC	10/25/10	National Rural Utilities	A1	A+	350	1.900%	Secured	+75.0
GGRIVE	10/19/10	Great River Energy	A3	A-	400	4.478%	FMB	+200.0
ETR	10/08/10	Entergy Arkansas (\$25 par)	A3	A-	225	5.750%	FMB	-
PCG	10/06/10	Pacific Gas & Electric	A3	BBB+	250	3mL+58	Unsecured	3mL+58
TRISTA	10/05/10	Tri-State Gen&Tran (re-opening)	Baa1	A	100	6.000%	FMB	+176.0
TXU	10/05/10	Oncor Electric Delivery	Baa1	A-	324	5.000%	FMB	-
TXU	10/05/10	Oncor Electric Delivery	Baa1	A-	126	5.750%	FMB	-
UIL	10/04/10	UIL Holdings	Baa3	BBB-	450	4.625%	Unsecured	+225.0
KEP	09/27/10	Korea Electric Power	A1	A	700	3.000%	Unsecured	+180.0
POM	09/27/10	Peppo Holdings	Baa3	BBB	250	2.700%	Unsecured	+145.0
ETR	09/27/10	Entergy Gulf States LA	A3	BBB+	250	3.950%	FMB	+145.0
SO	09/27/10	Alabama Power	A2	A	250	3.375%	Unsecured	+87.5
EXC	09/27/10	Exelon Generation	A3	BBB	550	4.000%	Unsecured	+150.0
EXC	09/27/10	Exelon Generation	A3	BBB	350	5.750%	Unsecured	+208.0
ETR	09/21/10	Entergy Louisiana	A3	A-	250	4.440%	FMB	+185.0
SO	09/20/10	Georgia Power	A3	A	500	1.300%	Unsecured	+60.0
CMS	09/20/10	CMS Energy	Ba1	BB+	250	4.250%	Unsecured	+285.0
EIX	09/14/10	Edison International	Baa2	BBB-	400	3.750%	Unsecured	+170.0
SO	09/13/10	Southern Company	Baa1	A-	400	2.375%	Unsecured	+85.0
ETR	09/13/10	Entergy Corporation	Baa3	BBB-	550	3.625%	Unsecured	+212.5
ETR	09/13/10	Entergy Corporation	Baa3	BBB-	450	5.125%	Unsecured	+237.5
SO	09/09/10	Gulf Power	A3	A	125	5.100%	Unsecured	+130.0
NVE	09/09/10	Nevada Power Company	Baa3	BBB	250	5.375%	G&R	+160.0
DQE	09/08/10	Duquesne Light Holdings	Ba1	BBB-	450	6.400%	Unsecured	+384.0
TXU	09/08/10	Oncor Electric Delivery	Baa1	A-	475	5.250%	FMB	+158.0
PCG	09/08/10	Pacific Gas & Electric	A3	BBB+	550	3.500%	Unsecured	+90.0
D	08/30/10	Dominion Resources	Baa2	A-	250	2.250%	Unsecured	+90.0
SO	08/26/10	Georgia Power	A3	A	500	4.750%	Unsecured	+125.0
NEE	08/26/10	FPL Group Capital	Baa1	BBB+	400	2.600%	Unsecured	+125.0
D	08/25/10	Virginia Electric & Power	Baa1	A-	300	3.450%	Unsecured	+100.0
EIX	08/25/10	Southern California Edison	A1	A	500	4.500%	FMB	+100.0
IDA	08/25/10	Idaho Power	A2	A-	100	3.400%	FMB	+95.0
IDA	08/25/10	Idaho Power	A2	A-	100	4.850%	FMB	+130.0
LNT	08/23/10	Interstate Power & Light	A3	BBB+	200	3.650%	Unsecured	+105.0
SRE	08/23/10	San Diego Gas and Electric	Aa3	A+	500	4.500%	FMB	+88.0
EDE	08/18/10	Empire District Electric	A3	BBB+	50	5.200%	FMB	+150.0
DTE	08/12/10	Detroit Edison Company	A2	A-	300	3.450%	FMB	+80.0
GXP	08/10/10	Great Plains Energy	Baa3	BBB-	250	2.750%	Unsecured	+195.0
ED	08/09/10	Orange & Rockland	Baa1	A-	55	2.500%	Unsecured	+100.0
ED	08/09/10	Orange & Rockland	Baa1	A-	115	5.500%	Unsecured	+150.0
XEL	08/04/10	Northern States Power -MN	A1	A	250	1.950%	FMB	+38.0
XEL	08/04/10	Northern States Power -MN	A1	A	250	4.850%	FMB	+80.0
PEG	08/03/10	Public Service Elec & Gas	A2	A-	250	3.500%	FMB	+62.0
EXC	07/26/10	Commonwealth Edison	Baa1	A-	500	4.000%	FMB	+100.0
ALTAWH	07/14/10	Alta Wind Holdings	NR	BBB-	580	7.000%	Secured	-
BRK	07/13/10	Black Hills Corp	Baa3	BBB-	200	5.875%	Unsecured	+277.2
DUK	07/06/10	Duke Energy Indiana	A2	A	500	3.750%	FMB	+80.0
PSD	06/24/10	Puget Sound Energy	Baa1	A-	250	5.764%	Fall-Away	+167.5
LNT	06/10/10	Interstate Power & Light	A3	BBB+	150	3.300%	Unsecured	+130.0
LNT	06/10/10	Wisconsin Power & Light	A2	A-	150	4.600%	Unsecured	+135.0
TRISTA	06/03/10	Tri-State G&T	Baa1	A	400	6.000%	FMB	+187.0
OGE	06/03/10	Oklahoma Gas & Electric	A2	BBB+	250	5.850%	Unsecured	+162.5
ED	06/02/10	Consolidated Ed of NY	A3	A-	350	4.450%	Unsecured	+115.0

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Recent Utility Corporate Bond Issuances

Case No. U-16855
 Witness: DVRao
 Exhibit No: A-52 (DVR-11)
 Date: September 2011
 Page 2 of 3

Ticker	Issue Date	Issuer	Ratings		Amt (\$mm)	Coupon	Type	Issue Spread (bp)
			Moody's	S&P				
ED	06/02/10	Consolidated Ed of NY	A3	A-	350	5.700%	Unsecured	+150.0
DUK	06/02/10	Duke Energy Carolinas	A1	A	450	4.300%	FMB	+100.0
EDE	05/24/10	Empire District Electric	A3	BBB+	100	4.650%	FMB	+145.0
SO	05/24/10	Georgia Power	A2	A	600	5.400%	Unsecured	+135.0
AEP	05/19/10	Appalachian Power	Baa2	BBB	300	3.400%	Unsecured	+137.0
ETR	05/18/10	Entergy Texas	Baa2	BBB+	200	3.600%	FMB	+150.0
PEG	05/17/10	Public Service Elec & Gas	A2	A-	300	2.700%	FMB	+62.0
XEL	05/13/10	FPL Group Capital	Baa1	BBB+	250	2.550%	Unsecured	+115.0
XEL	05/10/10	Xcel Energy	Baa1	BBB	550	4.700%	Unsecured	+120.0
SRE	05/10/10	San Diego Gas and Electric	Aa3	A+	250	5.350%	FMB	+95.0
SO	04/06/10	Gulf Power	A2	A	175	4.750%	Unsecured	+80.0
PEG	03/29/10	PSEG Power	Baa1	BBB	300	2.500%	Unsecured	+90.0
PEG	03/29/10	PSEG Power	Baa1	BBB	250	5.125%	Unsecured	+130.0
PCG	03/26/10	PG&E (Reopening)	A3	BBB+	250	5.800%	Unsecured	+115.0
DUK	03/22/10	Duke Energy	Baa2	BBB+	450	3.350%	Unsecured	+95.0
PGN	03/22/10	Progress Energy Florida	A1	A-	250	4.550%	FMB	+90.0
PGN	03/22/10	Progress Energy Florida	A1	A-	350	5.650%	FMB	+110.0
NGGLN	03/17/10	Narragansett Electric	A3	A-	250	4.534%	Unsecured	+90.0
NGGLN	03/17/10	Narragansett Electric	A3	A-	300	5.638%	Unsecured	+108.0
AEP	03/11/10	Columbus Southern Power	A3	BBB	150	3mL + 40	Unsecured	3mL+40
NST	03/11/10	NStar Electric	A1	A+	300	5.500%	Unsecured	+90.0
TACN	03/10/10	TransAlta	Baa2	BBB	300	6.500%	Unsecured	+190.0
SO	03/09/10	Georgia Power	A2	A	350	3mL+32	Unsecured	3mL+32
EIX	03/08/10	Southern California Edison	A1	A	500	5.500%	FMB	+90.0
TE	03/04/10	Teco Finance	Baa3	BBB-	250	4.000%	Unsecured	+180.0
TE	03/04/10	Teco Finance	Baa3	BBB-	300	5.150%	Unsecured	+160.0
NU	03/03/10	Western Mass Electric	Baa2	BBB	95	5.100%	Unsecured	+150.0
AEP	03/03/10	SWEPSCO	Baa3	BBB	350	6.200%	Unsecured	+160.0
PSD	03/03/10	Puget Sound Energy	Baa1	A-	325	5.795%	Fall-Away	+120.0
PEG	03/02/10	PSE&G	A2	A-	300	5.500%	FMB	+95.0
WEC	02/03/10	Elm Road Generating	A1	A-	255	5.209%	Unsecured	+150.0
WEC	02/03/10	Elm Road Generating	A1	A-	275	6.090%	Unsecured	+145.0
FPL	02/03/10	Florida Power & Light	Aa2	A+	500	5.690%	FMB	+110.0
EDF	01/21/10	Electricite De France	Aa3	A+	1,400	4.600%	Unsecured	+105.0
EDF	01/21/10	Electricite De France	Aa3	A+	850	5.600%	Unsecured	+115.0
AYE	01/19/10	TrAILCo	Baa2	BBB-	450	4.000%	Unsecured	+162.5
ED	12/02/09	ConEdison Co of New York	A3	A-	600	5.500%	FMB	+128.0
SCG	12/02/09	South Carolina Electric & Gas	A3	A-	150	5.500%	Unsecured	+130.0
NI	12/01/09	NiSource Finance	Baa3	BBB-	500	6.125%	Unsecured	+290.0
PEG	11/18/09	Public Service Electric & Gas	A2	A-	250	5.375%	FMB	+112.0
IDA	11/17/09	Idaho Power Co	A3	A-	130	4.500%	FMB	+120.0
PGN	11/16/09	Progress Energy	Baa2	BBB	350	4.875%	Unsecured	+155.0
PGN	11/16/09	Progress Energy	Baa2	BBB	600	6.000%	Unsecured	+173.0
DUK	11/16/09	Duke Energy Carolinas	A1	A	750	5.300%	FMB	+105.0
AEE	11/12/09	Ameren Power Generating Co	Baa3	BBB-	250	6.300%	Unsecured	+285.0
NST	11/12/09	NSTAR	A2	A	350	4.500%	Unsecured	+112.5
PCG	11/10/09	Pacific Gas and Electric Company	A3	BBB+	550	5.400%	Unsecured	+110.0
ETR	11/10/09	Entergy Louisiana	A	A-	400	5.400%	FMB	+195.0
NGGLN	11/10/09	Mass Electric Co	As	A-	800	5.900%	Unsecured	+150.0
TA CN	11/09/09	Transalta Corp	Baa2	BBB	500	4.750%	Unsecured	+250
CNL	11/09/09	Cleco Power (tap)	Baa2	BBB	145	6.500%	Unsecured	+237.5
XEL	11/09/09	Northern States Pwr-Minn	A1	A	300	5.350%	FMB	+98
AEP	11/09/09	Public Service Oklahoma	Baa1	BBB	250	5.150%	Unsecured	+170
FPL	11/05/09	FPL Group Capital	A2	A-	200	3mL+40	Unsecured	3mL+40
OGLETH	10/26/09	Oglethorpe Power Corp	A3	A	400	5.950%	FMB	+160.0
BKH	10/22/09	Black Hills Power	A3	BBB	180	6.125%	FMB	+187.5
SO	10/19/09	Southern Company	A3	A-	300	3mL+40	Unsecured	3mL+40
SRE	10/05/09	Sempra Energy	Baa1	BBB+	750	6.000%	Unsecured	+205.0
LNT	09/30/09	Alliant Energy	Baa1	BBB	250	4.000%	Unsecured	+175.0
ENEL	09/30/09	Enel	A2	A-	1,250	3.875%	Unsecured	+162.5
ENEL	09/30/09	Enel	A2	A-	1,750	5.125%	Unsecured	+187.5
ENEL	09/30/09	Enel	A2	A-	1,500	6.039%	Unsecured	+200.0
ETR	09/29/09	Entergy Gulf States Louisiana	Baa1	BBB+	300	5.590%	FMB	+230.0
FE	09/28/09	Penn Electric	Baa2	BBB	250	5.200%	Unsecured	+195.0
FE	09/28/09	Penn Electric	Baa2	BBB	250	6.150%	Unsecured	+212.5
ELEPOR	09/22/09	EDP Finance	A3	A-	1,000	4.900%	Unsecured	+153.0
AYE	09/22/09	Allegheny Energy Supply	Baa3	BBB-	350	5.750%	Unsecured	+235.0
AYE	09/22/09	Allegheny Energy Supply	Baa3	BBB-	250	6.750%	Unsecured	+260.0
NGGLN	09/21/09	Niagara Mohawk	A3	A-	500	3.553%	Unsecured	+110.0
AEP	09/21/09	Ohio Power	Baa1	BBB+	500	5.375%	Unsecured	+195.0
EXC	09/16/09	Exelon Generation	A3	BBB	600	5.200%	Unsecured	+175.0
EXC	09/16/09	Exelon Generation	A3	BBB	900	6.250%	Unsecured	+200.0
AVA	09/15/09	Avista	Baa3	BBB-	250	3.875%	FMB	+170.0
PEG	09/14/09	PSEG Power	Baa1	BBB	303	5.320%	Unsecured	+225.0
TE	09/09/09	Natl Rural Utilities Coop	A1	A+	250	2.625%	FMB	+125.0
NRUC	09/09/09	Natl Rural Utilities Coop	A1	A+	250	3.875%	FMB	+158.0
IBESM	09/08/09	Iberdrola Finance Ireland	A3	A-	1,000	3.800%	Unsecured	+145.0
IBESM	09/08/09	Iberdrola Finance Ireland	A3	A-	1,000	5.000%	Unsecured	+160.0
PSD	09/08/09	Puget Sound Energy	Baa1	A-	350	5.757%	FMB	+150.0
DUK	08/25/09	Duke Energy	Baa2	BBB+	500	3.950%	Unsecured	+145.0
DUK	08/25/09	Duke Energy	Baa2	BBB+	500	5.050%	Unsecured	+160.0
NEV	08/18/09	Sierra Pacific Power (tap)	Baa3	BBB	150	6.000%	FMB	+180.0
FE	08/13/09	Cleveland Electric Illuminating	Baa1	BBB+	300	5.500%	FMB	+195.0
D	08/11/09	Dominion Resources	Baa2	A-	500	5.200%	Unsecured	+150.0
AGL	08/05/09	AGL Capital	Baa1	BBB+	300	5.250%	Unsecured	+162.5
FE	08/04/09	FirstEnergy Solutions	Baa2	BBB	400	4.800%	Unsecured	+212.5

MICHIGAN PUBLIC SERVICE COMMISSION
Consumers Energy Company
Recent Utility Corporate Bond Issuances

Case No. U-16855
 Witness: DVRao
 Exhibit No: A-52 (DVR-11)
 Date: September 2011
 Page 3 of 3

Ticker	Issue Date	Issuer	Ratings		Amt (\$mm)	Coupon	Type	Issue Spread (bp)
			Moody's	S&P				
FE	08/04/09	FirstEnergy Solutions	Baa2	BBB	600	6.050%	Unsecured	+237.5
FE	08/04/09	FirstEnergy Solutions	Baa2	BBB	500	6.800%	Unsecured	+237.5
NGGLN	08/03/09	Niagara Mohawk Power	A3	A-	750	4.881%	Unsecured	+125.0
KORELE	07/13/09	Korea Electric Power	A2	A	500	5.500%	Unsecured	+355.0
LNT	07/07/09	Wisconsin Power & Light	A2	A-	250	5.000%	Unsecured	+160.0
LNT	07/07/09	Interstate Power & Light	A3	BBB+	300	6.250%	Unsecured	+195.0
BRK	07/01/09	MidAmerican Energy Holdings	Baa1	BBB+	250	3.150%	Unsecured	+160.0
TE	07/01/09	Tampa Electric (tap)	Baa1	BBB	100	6.100%	Unsecured	+210.0
IBESM	06/24/09	Rochester Gas & Electric	Baa1	A-	150	5.900%	FMB	+225.0
D	06/23/09	Virginia Electric and Power	Baa1	A-	350	5.000%	Unsecured	+137.5
SO	06/22/09	Gulf Power	A2	A	140	3mL+10	Unsecured	3mL+10
KOHNPW	06/10/09	Korea Hydro & Nuclear Power	A2	A	1,000	6.250%	Unsecured	+362.5
ETR	06/09/09	Entergy Mississippi	Baa2	A-	150	6.640%	FMB	+280.0
PCG	06/08/09	Pacific Gas and Electric	A3	BBB+	500	3mL+95	Unsecured	3mL+95
WR	06/08/09	Kansas Gas & Electric	Baa2	BBB	300	6.700%	FMB	+287.5
XEL	05/28/09	Public Service Colorado	A3	A	400	5.125%	FMB	+150.0
PPL	05/19/09	PPL Electric Utilities	A3	A-	300	6.250%	FMB	+210.0
IBESM	05/18/09	Central Maine Power	A3	A	150	5.700%	FMB	+250.0
SRE	05/12/09	Sempra Energy	Baa1	BBB+	750	6.500%	Unsecured	+387.5
AEE	05/12/09	Ameren Corp	Baa3	BB+	425	8.875%	Unsecured	+698.2
SRE	05/11/09	San Diego Gas & Electric	A1	A+	300	6.000%	FMB	+185.0
SO	05/11/09	Southern Company	A3	A-	350	4.150%	Unsecured	+212.5
BKH	05/11/09	Black Hills Corp	Baa3	BBB-	250	9.000%	Unsecured	+697.9
DTE	05/06/09	DTE Energy	Baa2	BBB-	300	7.625%	Unsecured	+561.1
FE	04/21/09	Toledo Edison	Baa2	BBB	300	7.250%	FMB	+438
POR	04/13/09	Portland General Electric	Baa1	A	300	6.100%	FMB	+325
IDA	03/25/09	Idaho Power	A3	A-	100	6.150%	FMB	+340
ATO	03/23/09	Atmos Energy	Baa3	BBB+	450	8.500%	Unsecured	+587.5
ED	03/23/09	Consolidated Edison of NY	A1	A-	275	5.550%	Unsecured	+387.5
ED	03/23/09	Consolidated Edison of NY	A1	A-	475	6.550%	Unsecured	+400
EDE	03/20/09	Empire District Electric	Baa1	BBB+	75	7.000%	FMB	+438
NWE	03/20/09	Northwestern Energy	Baa1	A-	250	6.340%	FMB	+370
EXC	03/19/09	PECO Energy	A2	A-	250	5.000%	FMB	+340
GXP	03/19/09	Kansas City Power & Light	A3	BBB+	400	7.150%	FMB	+460
DUK	03/18/09	Duke Energy Ohio	A3	A	450	5.450%	FMB	+250
DUK	03/18/09	Duke Energy Indiana	A3	A	450	6.450%	FMB	+270
EIX	03/17/09	Southern California Edison	A2	A	500	6.050%	FMB	+235
EIX	03/17/09	Southern California Edison	A2	A	250	4.150%	FMB	+220
PNM	03/16/09	Texas-New Mexico Power	Baa2	BBB-	262	9.500%	FMB	+692
PGN	03/16/09	Progress Energy	Baa2	BBB	300	6.050%	Unsecured	+420
PGN	03/16/09	Progress Energy	Baa2	BBB	450	7.050%	Unsecured	+415
AEE	03/13/09	AmerenUE	Baa1	BBB	350	8.450%	FMB	+582.5
FPL	03/11/09	Florida Power & Light	Aa3	A	500	5.960%	FMB	+220
SCG	03/10/09	South Carolina E&G (tap)	A2	A-	175	6.050%	FMB	+240
PCG	03/09/09	PG&E Corp	Baa1	BBB	350	5.750%	Unsecured	+395
NI	03/04/09	NiSource Finance	Baa3	BBB-	600	10.750%	Unsecured	+833
AEP	03/04/09	Appalachian Power	Baa2	BBB	350	7.950%	Unsecured	+500
SO	03/03/09	Mississippi Power	A1	A	125	5.550%	Unsecured	+275
PCG	03/03/09	Pacific Gas & Electric	A3	BBB+	550	6.250%	Unsecured	+270
CMS	03/02/09	Consumers Energy	Baa1	BBB	500	6.700%	FMB	+380
FPL	03/02/09	FPL Group Capital	A2	A-	500	6.000%	Unsecured	+310
NVE	02/24/09	Nevada Power	Baa3	BBB	500	7.125%	FMB	+425
PNW	02/23/09	Arizona Public Service	Baa2	BBB-	500	8.750%	Unsecured	+595
NST	02/10/09	Nstar Electric (tap)	A1	A+	100	5.625%	Unsecured	+210
OGLETH	02/09/09	Oglethorpe Power	A3	A	350	6.100%	FMB	+325
NU	02/09/09	Connecticut Light and Power	A3	BBB+	250	5.500%	FMB	+250
SO	02/04/09	Georgia Power	A2	A	500	5.950%	Unsecured	+225
ETR	01/27/09	Entergy Texas	Baa3	BBB+	500	7.125%	FMB	+470
ISRELE	01/23/09	Israel Electric	Baa2	BBB+	500	9.375%	Unsecured	+684
FE	01/22/09	Jersey Central Power & Light	Baa2	BBB	300	7.350%	Unsecured	+475
EDF	01/21/09	Electricite de France ("EDF")	Aa3	A+	1,250	5.500%	Unsecured	+400
EDF	01/21/09	Electricite de France ("EDF")	Aa3	A+	2,000	6.500%	Unsecured	+400
EDF	01/21/09	Electricite de France ("EDF")	Aa3	A+	1,750	6.950%	Unsecured	+388
DUK	01/21/09	Duke Energy	Baa2	BBB+	750	6.300%	Unsecured	+475
FE	01/14/09	Metropolitan Edison	Baa2	BBB	300	7.700%	Unsecured	+536
AEP	01/12/09	Indiana Michigan Power	Baa2	BBB	475	7.000%	Unsecured	+475
PGN	01/08/09	Progress Energy Carolinas	A2	A-	600	5.300%	FMB	+285
NVE	01/07/09	Nevada Power	Baa3	BBB	125	7.375%	FMB	+572
CEG	01/06/09	Centerpoint Energy Houston	Baa2	BBB+	500	7.000%	FMB	+528.6
BFK	01/05/09	Pacificorp	A3	A-	650	6.000%	FMB	+310
BFK	01/05/09	Pacificorp	A3	A-	350	5.500%	FMB	+310

Legend:

FMB - Secured First Mortgage Bond
 Fall-Away - Secured by Fallaway Bond
 Unsecured - Unsecured Bond

Source: Barclays Bank

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

LESLIE E. ROTH

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Case No: U-16855

Witness: LERoth

Consumers Energy Company

Exhibit: A-53 (LER-1)

Summary of Projected Gas & Common O&M Expense

Date: September 2011

For the years 2010 - 2012

Page 1 of 1

(\$000)

Business Technology Solutions

Line No.	Expense Category (a)	2010 Total (b)	2011 Total (c)	2012 Total (d)	Source (e)
1	Solution Delivery & Maintenance	11,079	12,284	13,454	WP LER-1
2	Technology Infrastructure and Operations	11,494	9,605	10,498	WP LER-1
3	Energy Management Services	278	1,711	1,870	WP LER-1
4	TOTAL EXPENSE	22,851	23,600	25,823	

MICHIGAN PUBLIC SERVICE COMMISSION

Case No: U-16855
 Witness: LERoth
 Exhibit: A-54 (LER-2)
 Date: September 2011
 Page: 1 of 1

Consumers Energy Company

Summary of Projected Gas & Common Capital Expenditures
 For the years 2010 - 2012
 (\$000)

Business Technology Solutions

Line No.	Description	2010 Total	2011 Total	2012 Total	Source
	(a)	(b)	(c)	(d)	(e)
1	Software Applications	11,540	13,242	12,839	WP LER-2
2	Asset Management	9,670	6,261	9,144	WP LER-2
3	Major Computing Infrastructure: 800 MHz Asset Replacement	-	868	1,144	WP LER-2
4	Major Computing Infrastructure: New Technology Center	207	42	3,547	WP LER-2
5	TOTAL CAPITAL	21,417	20,413	26,674	

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS
OF
THEODORE J. VOGEL
ON BEHALF OF
CONSUMERS ENERGY COMPANY

September 2011

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company
Development of the Property Tax Rate for 2012

Case No.: U-16855
Witness: TJVogel
Exhibit A-55 (TJV-1)
Date: September 2011
Page: 1 of 4

Line No.	Description (a)	Amount (millions) (b)	Amount (millions) (c)	Amount (millions) (d)	Source (e)
1	Gas Property Taxes Paid - 2011 Estimate			\$ 51.0	WP-TJV-1, Line 4
2	Estimated Gas Property Taxes on 2011 Plant Investment			1.9	Ex. A-55 (TJV-1), p.2, L-9
3	Estimated Property Taxes on Real Property Taxable Value Increases - Inflation			<u>0.1</u>	Ex. A-55 (TJV-1), p.3, L-4
4	Estimated Gas Property Taxes to be Paid - 2012			\$ 53.0	
5	2011 Fiscal Year Property Taxes to 2012 (49.70%)			25.3	(Line 1 * 49.70%) ¹
6	2012 Property Taxes to 2013 (49.70%)			<u>(26.3)</u>	(Line 4 * 49.70%) ¹
7	Estimated Gas Property Tax Expense - 2012			<u>\$ 52.0</u>	
8	2011 Estimated Year End Plant-in-Service		\$ 4,101.2		Ex. A-55 (TJV-1), p.4, L-3
9	2011 Estimated Construction Work-in-Progress	\$ 139.8 ²			
10	@ 50%	<u>50.00%</u>			
11	2011 Estimated Construction Work-in-Progress		\$ 69.9		
12	Estimated Taxable Plant			<u>\$4,171.1</u>	
13	Property Tax Rate			<u>0.012466735</u>	(L-7/L-12)

Footnotes

¹ The 49.70% factor is from the CE Property Tax Fiscal Year Study

² Gas Rate Case - Annual Construction Report, 2011 Ending CWIP Balance

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Property Tax Rate - Development of the 2012 Estimated Property Taxes on 2011 Plant Investment

Case No.: U-16855
 Witness: TJVogel
 Exhibit A-55 (TJV-1)
 Date: September 2011
 Page: 2 of 4

Line No.	Description (a)	Amount (millions) (b)	Source (c)
1	Assessed Value of Personal Property (millions)		
2	Year-end 2011 Estimated Taxable Closings less Retirements	\$ 88.6 ¹	
3	First Year STC Multiplier	<u>94.0% ²</u>	
4	True Cash Value of Personal Property (millions)	\$ 83.3	
5	Statutory Factor for Assessed Value	<u>50% ³</u>	
6	New Plant - Assessed Value	\$ 41.6	
7	Estimated Property Tax (millions)		
8	Estimated Composite Millage Rate	<u>46.6744 ⁴</u>	
9	Estimated 2012 Property Taxes Paid	<u><u>\$ 1.9</u></u>	

Footnotes

¹ 2012 CE Property Tax Budget

² Michigan Dept of Treasury Form 3589 - 1st year multiplier for Gas Distribution and Transmission Equipment

³ Article IX, Section 3 of Constitution of Michigan of 1963

⁴ CE Composite Millage Rate.xls

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Property Tax Rate - Development of the 2012 Estimated Gas Portion of Real Property Taxable Value Increase

Case No.: U-16855
Witness: TJVogel
Exhibit A-55 (TJV-1)
Date: September 2011
Page: 3 of 4

Line No.	Description (a)	Amount (millions) (b)	Source (c)
1	2012 Estimated Gas Portion of Real Property Tax Increase (millions)		
2	2012 Real Property Taxable Value - Estimated Gas Portion	\$ 1.6 ¹	
3	2012 Estimated Composite Millage Rate	<u>46.6744</u> ²	
4	2012 Estimated Gas Portion of Real Property Taxable Value increase	<u>\$ 0.1</u>	

Footnotes

¹ 2012 CE Property Tax Budget

² CE Composite Millage Rate.xls

MICHIGAN PUBLIC SERVICE COMMISSION

Consumers Energy Company

Property Tax Rate - Development of the 2011 Estimated Year-end Gas Plant-in-Service

Case No.: U-16855

Witness: TJVogel

Exhibit A-55 (TJV-1)

Date: September 2011

Page: 4 of 4

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (millions) (b)	<u>Source</u> (c)
1	Total 2010 Year End Gas Plant-in-Service	\$ 3,941.5	WP-TJV-5, line 7
2	Total 2011 Estimated Net Additions per Property Model	<u>\$ 159.7</u> ¹	
3	Total 2011 Estimated Year End Gas Plant-in-Service	<u><u>\$ 4,101.2</u></u>	

Footnotes

¹ Gas Rate Case - Plant Report:

2011 Book Closings	\$ 181.7
2011 Book Retirements	<u>(\$ 22.0)</u>
2011 Net Additions	\$ 159.7

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for authority to increase its rates for the)
distribution of natural gas and for other relief)
_____)

Case No. U-16855

EXHIBITS

OF

THOMAS A. YEHL

ON BEHALF OF

CONSUMERS ENERGY COMPANY

September 2011

Consumers Energy Company
 2010 Historical Gas Cost-of-Service Study
 (thousands of dollars)

Schedule: F-1

Case No: U-16855
 Witness: TAYehI
 Exhibit: A-6 (TAY-1)
 Date: September 2011
 Page: 1 of 5

Line	Summary Description (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate SI (h)	Rate LI (i)	Rate XLI (j)
1	Service Revenue		\$ 2,266,771	\$ 1,673,724	\$ 150,131	\$ 313,237	\$ 84,116	\$ 18,794	\$ 15,040	\$ 11,728
2	Other Revenue		93,638	65,888	6,214	14,168	4,066	1,000	1,161	1,141
3	Total Revenue		\$ 2,360,409	\$ 1,739,612	\$ 156,346	\$ 327,405	\$ 88,183	\$ 19,794	\$ 16,201	\$ 12,869
4	Expenses:									
5	Cost of Gas Sold		\$ 1,494,259	\$ 1,093,383	\$ 102,676	\$ 233,233	\$ 64,967	\$ -	\$ -	\$ -
6	O & M Expense		400,113	319,375	24,367	31,284	6,943	6,391	6,450	5,302
7	Depreciation & Amortization Expense		121,551	87,799	7,908	13,914	3,288	3,052	3,095	2,497
8	Lost and Unaccounted for (LAUF) Gas		22,091	16,083	1,512	3,489	1,007	-	-	-
9	Taxes		124,861	91,438	8,160	15,747	4,046	1,983	1,918	1,570
10	Total Expenses		\$ 2,162,875	\$ 1,608,077	\$ 144,622	\$ 297,668	\$ 80,250	\$ 11,426	\$ 11,463	\$ 9,369
11	Net Operating Income		\$ 197,535	\$ 131,535	\$ 11,724	\$ 29,737	\$ 7,932	\$ 8,368	\$ 4,738	\$ 3,500
12	AFUDC	207	5,065	3,488	326	656	173	136	150	135
13	Adjusted Net Operating Income		\$ 202,600	\$ 135,023	\$ 12,051	\$ 30,394	\$ 8,105	\$ 8,504	\$ 4,888	\$ 3,635
14	Total Rate Base		\$ 3,135,808	\$ 2,188,895	\$ 203,746	\$ 414,060	\$ 110,662	\$ 71,959	\$ 77,679	\$ 68,807
15	Rate of Return on Rate Base		6.46%	6.17%	5.91%	7.34%	7.32%	11.82%	6.29%	5.28%
16	Index of Return		100	95	92	114	113	183	97	82
17	Mcf Thruput		273,109,820	152,134,641	14,318,993	34,926,143	11,019,963	16,504,132	21,346,658	22,859,290
18	Customer Count		1,704,353	1,576,614	93,340	31,698	1,072	1,037	373	219

Consumers Energy Company
 2010 Historical Gas Cost-of-Service Study
 (thousands of dollars)

Schedule: F-1

Case No: U-16855
 Witness: TAYehi
 Exhibit: A-6 (TAY-1)
 Date: September 2011
 Page: 2 of 5

Line	Allocation Factors (a)	Alloc (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LT (i)	Rate XLT (j)
1	Total Thruput (Mcf)	101	100.00%	55.70%	5.24%	12.79%	4.03%	6.04%	7.82%	8.37%
2	GCR Sales (Incl GL-1)	102	100.00%	72.80%	6.84%	15.80%	4.56%	0.00%	0.00%	0.00%
3	Transportation Gas	103	100.00%	0.00%	0.00%	0.00%	0.00%	27.19%	35.16%	37.65%
4	Average & Peak - Transmission	104	100.00%	59.16%	5.98%	14.19%	4.07%	4.78%	5.86%	5.95%
5	Average & Peak - High Pressure Distribution	105	100.00%	58.49%	5.94%	14.11%	4.08%	4.83%	6.12%	6.42%
6	Average & Peak - Non High Pressure Distribution	106	100.00%	66.40%	6.42%	15.09%	3.99%	4.16%	3.08%	0.86%
7	50% Storage Capacity / 50% Peak	107	100.00%	64.79%	6.41%	15.34%	4.53%	2.63%	3.16%	3.14%
8	Weighted Customer	108	100.00%	85.95%	6.89%	6.32%	0.49%	0.22%	0.09%	0.05%
9	Average Customers	109	100.00%	92.51%	5.48%	1.86%	0.06%	0.06%	0.02%	0.01%
10	Weighted Cust / Average Cust	110	100.00%	92.26%	5.46%	1.85%	0.06%	0.22%	0.09%	0.05%
11	Service Revenue Including COGS	111	100.00%	73.84%	6.62%	13.82%	3.71%	0.83%	0.66%	0.52%
12	Service Revenue Excluding COGS	112	100.00%	75.12%	6.14%	10.36%	2.48%	2.43%	1.95%	1.52%
13	Total Revenue	201	100.00%	73.70%	6.62%	13.87%	3.74%	0.84%	0.69%	0.55%
14	Production Plant	202	100.00%	72.80%	6.84%	15.80%	4.56%	0.00%	0.00%	0.00%
15	Total Transmission Plant	204	100.00%	61.94%	6.20%	14.76%	4.30%	3.72%	4.53%	4.56%
16	Total Distribution Plant	205	100.00%	74.81%	6.57%	10.45%	2.23%	2.29%	2.14%	1.50%
17	Total Plant In Service excl GC&I	206	100.00%	71.47%	6.48%	11.71%	2.83%	2.59%	2.68%	2.23%
18	Total CWIP	207	100.00%	68.87%	6.44%	12.95%	3.42%	2.69%	2.96%	2.67%
19	Total Rate Base	208	100.00%	69.80%	6.50%	13.20%	3.53%	2.29%	2.48%	2.19%
20	Total O&M excl Admin & General	209	100.00%	79.17%	6.11%	8.12%	1.83%	1.67%	1.69%	1.40%

Line	Rate Base (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LT (i)	Rate XLT (j)
1	Production Plant	102	\$ 8,933	\$ 6,503	\$ 611	\$ 1,411	\$ 407	\$ -	\$ -	\$ -
2	Storage Plant	107	\$ 310,496	\$ 201,172	\$ 19,911	\$ 47,615	\$ 14,078	\$ 8,160	\$ 9,813	\$ 9,747
3	Transmission To/From Storage	107	\$ 351,845	\$ 227,962	\$ 22,563	\$ 53,955	\$ 15,953	\$ 9,247	\$ 11,120	\$ 11,045
4	Other Transmission	104	\$ 361,220	\$ 213,691	\$ 21,617	\$ 51,260	\$ 14,719	\$ 17,254	\$ 21,175	\$ 21,504
5	Total Transmission Plant		\$ 713,065	\$ 441,653	\$ 44,179	\$ 105,216	\$ 30,672	\$ 26,501	\$ 32,294	\$ 32,550
6	Distribution Plant - Other	105	\$ 200,621	\$ 117,346	\$ 11,925	\$ 28,303	\$ 8,190	\$ 9,696	\$ 12,274	\$ 12,886
7	Mains - High Pressure Capable	105	\$ 303,255	\$ 177,379	\$ 18,025	\$ 42,783	\$ 12,380	\$ 14,657	\$ 18,553	\$ 19,478
8	Mains - Non-High Pressure Capable	106	\$ 804,514	\$ 534,215	\$ 51,655	\$ 121,392	\$ 32,078	\$ 33,469	\$ 24,765	\$ 6,940
9	Services & Meters	108	\$ 1,346,021	\$ 1,156,866	\$ 92,759	\$ 85,011	\$ 6,565	\$ 2,992	\$ 1,189	\$ 639
10	Total Distribution Plant		\$ 2,654,411	\$ 1,985,806	\$ 174,364	\$ 277,489	\$ 59,214	\$ 60,814	\$ 56,781	\$ 39,943
11	Total Plant In Service excl Gen, Com, & Int		\$ 3,686,905	\$ 2,635,134	\$ 239,066	\$ 431,731	\$ 104,371	\$ 95,475	\$ 98,888	\$ 82,240
12	Gen, Com, & Int Plant and PHFFU	206	\$ 376,663	\$ 269,212	\$ 24,424	\$ 44,107	\$ 10,663	\$ 9,754	\$ 10,103	\$ 8,402
13	Storage	107	\$ 32,041	\$ 20,759	\$ 2,055	\$ 4,913	\$ 1,453	\$ 842	\$ 1,013	\$ 1,006
14	Transmission	204	\$ 10,767	\$ 6,669	\$ 667	\$ 1,589	\$ 463	\$ 400	\$ 488	\$ 491
15	Distribution	205	\$ 7,034	\$ 5,262	\$ 462	\$ 735	\$ 157	\$ 161	\$ 150	\$ 106
16	General, Common & Intangible and PHFFU	206	\$ 62,769	\$ 44,863	\$ 4,070	\$ 7,350	\$ 1,777	\$ 1,625	\$ 1,684	\$ 1,400
17	Total CWIP		\$ 112,610	\$ 77,553	\$ 7,254	\$ 14,588	\$ 3,850	\$ 3,029	\$ 3,334	\$ 3,003
18	Production	202	\$ (9,023)	\$ (6,569)	\$ (618)	\$ (1,425)	\$ (411)	\$ -	\$ -	\$ -
19	Storage	107	\$ (136,490)	\$ (88,432)	\$ (8,753)	\$ (20,931)	\$ (6,189)	\$ (3,587)	\$ (4,314)	\$ (4,285)
20	Transmission	204	\$ (202,382)	\$ (125,350)	\$ (12,539)	\$ (29,862)	\$ (8,705)	\$ (7,521)	\$ (9,166)	\$ (9,238)
21	Distribution	205	\$ (1,720,589)	\$ (1,287,199)	\$ (113,023)	\$ (179,869)	\$ (38,382)	\$ (39,420)	\$ (36,805)	\$ (25,891)
22	General, Common & Intangible and PHFFU	206	\$ (205,778)	\$ (147,075)	\$ (13,343)	\$ (24,096)	\$ (5,825)	\$ (5,329)	\$ (5,519)	\$ (4,590)
23	Total Accumulated Depreciation		\$ (2,274,262)	\$ (1,654,626)	\$ (148,275)	\$ (256,183)	\$ (59,513)	\$ (55,857)	\$ (55,804)	\$ (44,004)
24	Cash & Cash Equivalents	209	\$ 118,710	\$ 93,986	\$ 7,256	\$ 9,639	\$ 2,173	\$ 1,980	\$ 2,011	\$ 1,665
25	Accounts Receivable	111	\$ 365,059	\$ 269,550	\$ 24,178	\$ 50,446	\$ 13,547	\$ 3,027	\$ 2,422	\$ 1,889
26	Materials and Supplies	209	\$ 18,831	\$ 14,909	\$ 1,151	\$ 1,529	\$ 345	\$ 314	\$ 319	\$ 264
27	Gas Stored Underground	107	\$ 947,980	\$ 614,200	\$ 60,791	\$ 145,373	\$ 42,982	\$ 24,914	\$ 29,960	\$ 29,760
28	End User Gas Storage Credit	103	\$ (37,751)	\$ -	\$ -	\$ -	\$ -	\$ (10,263)	\$ (13,274)	\$ (14,214)
29	Real & Personal Property Taxes	206	\$ 50,021	\$ 35,751	\$ 3,243	\$ 5,857	\$ 1,416	\$ 1,295	\$ 1,342	\$ 1,116
30	Other Assets	206	\$ 23,340	\$ 16,681	\$ 1,513	\$ 2,733	\$ 661	\$ 604	\$ 626	\$ 521
31	Deferred Debits	206	\$ 460,148	\$ 328,880	\$ 29,837	\$ 53,883	\$ 13,026	\$ 11,916	\$ 12,342	\$ 10,264
32	Total Assets		\$ 1,946,337	\$ 1,373,958	\$ 127,970	\$ 269,459	\$ 74,150	\$ 33,788	\$ 35,747	\$ 31,264
33	Accounts Payable	102	\$ 162,798	\$ 118,521	\$ 11,143	\$ 25,715	\$ 7,420	\$ -	\$ -	\$ -
34	Dividends Declared	206	\$ 7,979	\$ 5,703	\$ 517	\$ 934	\$ 226	\$ 207	\$ 214	\$ 178
35	Accrued Interest	206	\$ 16,025	\$ 11,454	\$ 1,039	\$ 1,877	\$ 454	\$ 415	\$ 430	\$ 357
36	Accrued Taxes - Federal	112	\$ 13,029	\$ 9,789	\$ 800	\$ 1,310	\$ 309	\$ 336	\$ 274	\$ 211
37	Accrued Taxes - State	112	\$ 13,053	\$ 9,807	\$ 801	\$ 1,313	\$ 310	\$ 336	\$ 274	\$ 211
38	Accrued Taxes - R&PP Tax & Other	206	\$ 56,760	\$ 40,568	\$ 3,680	\$ 6,647	\$ 1,607	\$ 1,470	\$ 1,522	\$ 1,266
39	Other Liabilities	206	\$ 6,561	\$ 4,689	\$ 425	\$ 768	\$ 186	\$ 170	\$ 176	\$ 146
40	Deferred Credits	206	\$ 457,645	\$ 327,092	\$ 29,675	\$ 53,590	\$ 12,955	\$ 11,851	\$ 12,275	\$ 10,208
41	Total Liabilities		\$ 733,850	\$ 527,622	\$ 48,080	\$ 92,152	\$ 23,466	\$ 14,785	\$ 15,165	\$ 12,578
42	Total Working Capital		\$ 1,212,487	\$ 846,336	\$ 79,890	\$ 177,307	\$ 50,683	\$ 19,003	\$ 20,582	\$ 18,685
43	Unamortized MGP Expense - Net	206	\$ 21,786	\$ 15,571	\$ 1,413	\$ 2,551	\$ 617	\$ 564	\$ 584	\$ 486
44	Customer Advances	205	\$ (380)	\$ (284)	\$ (25)	\$ (40)	\$ (8)	\$ (9)	\$ (8)	\$ (6)
45	Adjustments to Rate Base		\$ 21,406	\$ 15,286	\$ 1,388	\$ 2,511	\$ 608	\$ 555	\$ 576	\$ 480
46	Total Rate Base		\$ 3,135,808	\$ 2,188,895	\$ 203,746	\$ 414,060	\$ 110,662	\$ 71,959	\$ 77,679	\$ 68,807

Consumers Energy Company
 2010 Historical Gas Cost-of-Service Study
 (thousands of dollars)

Schedule: F-1

Case No: U-16855
 Witness: TAYehI
 Exhibit: A-6 (TAY-1)
 Date: September 2011
 Page: 4 of 5

Line	Expenses (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LT (i)	Rate XLT (j)
1	Production	0	0	0	0	0	0	0	0	0
2	Storage	20,071	13,004	1,287	3,078	910	527	634	0	630
3	Transmission	23,688	14,672	1,468	3,495	1,019	880	1,073	0	1,081
4	Distribution	106,415	79,611	6,990	11,125	2,374	2,438	2,276	0	1,601
5	Customer Accounting	44,598	41,147	2,436	827	28	99	39	0	21
6	Customer Service & Information	577	534	32	11	0	0	0	0	0
7	Customer Assistance	42,726	39,524	2,340	795	27	26	9	0	5
8	Total O&M Expense excl Admin & General	238,075	188,491	14,553	19,330	4,358	3,971	4,032	0	3,339
9	Administrative & General Expense	55,362	43,832	3,384	4,495	1,013	924	938	0	777
10	Uncollectible Expense	29,839	27,603	1,634	555	19	18	7	0	4
11	Sales Promotion Expense	71	59	4	5	1	1	1	0	1
12	Production	0	0	0	0	0	0	0	0	0
13	Storage	2,840	1,840	182	436	129	75	90	0	89
14	Transmission	6,221	3,853	385	918	268	231	282	0	284
15	Distribution	37,536	28,081	2,466	3,924	837	860	803	0	565
16	Customer Accounting (Billing)	12,724	11,739	695	236	8	28	11	0	6
17	Customer Service	481	445	26	9	0	0	0	0	0
18	Sales Promotion	23	19	1	2	0	0	0	0	0
19	Administrative & General	16,941	13,413	1,036	1,376	310	283	287	0	238
20	Total Pension & Benefits Expense	76,766	59,391	4,792	6,899	1,552	1,477	1,473	0	1,182
21	Production	0	0	0	0	0	0	0	0	0
22	Storage	415	269	27	64	19	11	13	0	13
23	Transmission	910	564	56	134	39	34	41	0	42
24	Distribution	5,488	4,106	360	574	122	126	117	0	83
25	Customer Accounting (Billing)	1,860	1,716	102	35	1	4	2	0	1
26	Customer Service	70	65	4	1	0	0	0	0	0
27	Sales Promotion	3	2	0	0	0	0	0	0	0
28	Administrative & General	2,477	1,961	151	201	45	41	42	0	35
29	Total Payroll Taxes	11,223	8,683	701	1,009	227	216	215	0	173
30	Production	0	0	0	0	0	0	0	0	0
31	Storage	8,018	5,195	514	1,230	364	211	253	0	252
32	Transmission	11,397	7,059	706	1,682	490	424	516	0	520
33	Distribution	76,236	57,033	5,008	7,970	1,701	1,747	1,631	0	1,147
34	Gen, Com, & Int	25,900	18,511	1,679	3,033	733	671	695	0	578
35	Total Depreciation & Amort Expense	121,551	87,799	7,908	13,914	3,288	3,052	3,095	0	2,497
36	Lost and Unaccounted for (LAUF) Gas	22,091	16,083	1,512	3,489	1,007	-	-	0	-
37	Property Taxes	45,655	32,631	2,960	5,346	1,292	1,182	1,225	0	1,018
38	FIT & City Income Tax	59,134	43,590	3,917	8,197	2,208	496	405	0	322
39	MBT	8,001	5,898	530	1,109	299	67	55	0	44
40	Miscellaneous Taxes	848	637	52	85	20	22	18	0	14
41	Total Other Taxes	113,638	82,755	7,459	14,738	3,819	1,767	1,702	0	1,397
42	Total Expenses Excluding Cost of Gas Sold	668,616	514,694	41,946	64,434	15,284	11,426	11,463	0	9,369
43	Cost of Gas Sold	1,494,259	1,093,383	102,676	233,233	64,967	-	-	0	-

Consumers Energy Company
 2010 Historical Gas Cost-of-Service Study
 (thousands of dollars)

Schedule: F-1

Case No: U-16855
 Witness: TAYehI
 Exhibit: A-6 (TAY-1)
 Date: September 2011
 Page: 5 of 5

Line	Revenues (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLI (j)
1	Service Revenue Including Cost of Gas Sold		\$ 2,266,771	\$ 1,673,724	\$ 150,131	\$ 313,237	\$ 84,116	\$ 18,794	\$ 15,040	\$ 11,728
<u>Other Revenues</u>										
2	Forfeited Discounts (Late Payment Charge)	111	\$ 11,134	\$ 8,221	\$ 737	\$ 1,539	\$ 413	\$ 92	\$ 74	\$ 58
3	Misc Service Rev (ASP)	102	45,982	33,476	3,147	7,263	2,096	-	-	-
4	Rev from Transmission of Gas of Others	204	11,680	7,234	724	1,723	502	434	529	533
5	Rent from Gas Property	204	1,004	622	62	148	43	37	45	46
6	Joint Commodities Mkt Agrmt Rev	102	2,869	2,089	196	453	131	-	-	-
7	GCR related charges to Transport Customers	102	1,319	960	90	208	60	-	-	-
8	Gas Merchant-Buy/sell Contracts	107	12,874	8,341	826	1,974	584	338	407	404
9	Rev from Storage Agrmts (GM, MCV & others)	107	2,656	1,721	170	407	120	70	84	83
10	Administrative Customer Acctg charges for GCC	110	986	910	54	18	1	2	1	0
11	Miscellaneous	111	3,134	2,314	208	433	116	26	21	16
12	Total Other Revenues		\$ 93,638	\$ 65,888	\$ 6,214	\$ 14,168	\$ 4,066	\$ 1,000	\$ 1,161	\$ 1,141
13	Total Revenues		\$ 2,360,409	\$ 1,739,612	\$ 156,346	\$ 327,405	\$ 88,183	\$ 19,794	\$ 16,201	\$ 12,869

Line	Summary Description (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLT (j)
1	Service Revenue		\$ 2,079,495	\$ 1,517,680	\$ 138,554	\$ 295,494	\$ 82,238	\$ 17,698	\$ 15,960	\$ 11,871
2	Other Revenue		86,385	59,662	5,950	13,489	3,898	985	1,190	1,211
3	Total Revenue		\$ 2,165,880	\$ 1,577,342	\$ 144,504	\$ 308,983	\$ 86,136	\$ 18,683	\$ 17,150	\$ 13,082
4	Expenses:									
5	Cost of Gas Sold		\$ 1,307,431	\$ 934,292	\$ 92,852	\$ 216,334	\$ 63,953	\$ -	\$ -	\$ -
6	O & M Expense		385,421	307,971	23,966	29,151	6,111	6,209	6,482	5,530
7	Depreciation & Amortization Expense		138,746	98,899	9,386	16,246	3,733	3,567	3,753	3,161
8	Lost and Unaccounted for (LAUF) Gas		26,462	18,910	1,879	4,378	1,294	-	-	-
9	Taxes		128,883	93,296	8,578	16,294	4,160	2,279	2,332	1,944
10	Company Use		4,134	2,954	294	684	202	-	-	-
11	Total Expenses		\$ 1,991,077	\$ 1,456,322	\$ 136,955	\$ 283,088	\$ 79,454	\$ 12,055	\$ 12,567	\$ 10,635
12	Net Operating Income		\$ 174,803	\$ 121,020	\$ 7,549	\$ 25,894	\$ 6,682	\$ 6,628	\$ 4,583	\$ 2,447
13	Test Year AFUDC	207	7,061	4,788	475	918	232	202	230	216
14	Adjusted Net Operating Income		\$ 181,864	\$ 125,808	\$ 8,024	\$ 26,812	\$ 6,914	\$ 6,830	\$ 4,813	\$ 2,663
15	Total Rate Base		\$ 3,070,731	\$ 2,112,971	\$ 207,396	\$ 401,503	\$ 102,431	\$ 78,043	\$ 87,343	\$ 81,043
16	Return on Rate Base @ 6.90%		211,985	145,867	14,317	27,717	7,071	5,388	6,030	5,595
17	Income Deficiency/(Sufficiency)		30,121	20,059	6,293	905	158	(1,443)	1,217	2,932
18	Revenue Deficiency/(Sufficiency)		49,299	32,830	10,300	1,482	258	(2,361)	1,992	4,798
19	Rev Requirement/Total Cost of Service		\$ 2,215,179	\$ 1,610,173	\$ 154,803	\$ 310,465	\$ 86,394	\$ 16,322	\$ 19,142	\$ 17,881
20	Less: Cost of Gas Sold (Test Yr)		1,307,431	934,292	92,852	216,334	63,953	-	-	-
21	Less: Miscellaneous Revenue (TY)		86,385	59,662	5,950	13,489	3,898	985	1,190	1,211
22	Proposed Rate Design Revenue		\$ 821,363	\$ 616,218	\$ 56,002	\$ 80,642	\$ 18,543	\$ 15,337	\$ 17,952	\$ 16,669
23	Transmission Related Cost		\$ 136,308	\$ 81,895	\$ 9,365	\$ 21,094	\$ 6,052	\$ 4,791	\$ 6,138	\$ 6,973
24	Storage Related Cost		71,617	41,781	6,142	11,815	3,731	1,975	2,739	3,434
25	Distribution Related Cost		613,438	492,543	40,495	47,733	8,760	8,572	9,075	6,262
26	Total		\$ 821,363	\$ 616,218	\$ 56,002	\$ 80,642	\$ 18,543	\$ 15,337	\$ 17,952	\$ 16,669
27	Mcf Thruput		278,843,000	152,942,000	15,207,000	37,258,000	11,906,000	16,364,000	21,785,000	23,381,000
28	Customer Count		1,705,130	1,577,430	93,647	31,563	1,042	923	332	193

Line	Allocation Factors (a)	Alloc (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLI (i)
1	Total Thruput (Mcf)	101	100.00%	54.85%	5.45%	13.36%	4.27%	5.87%	7.81%	8.39%
2	GCR Sales (Incl GL-1)	102	100.00%	71.46%	7.10%	16.55%	4.89%	0.00%	0.00%	0.00%
3	Transportation Gas	103	100.00%	0.00%	0.00%	0.00%	0.00%	26.60%	35.41%	38.00%
4	Average & Peak - Transmission	104	100.00%	57.66%	6.35%	14.10%	3.81%	5.04%	6.37%	6.68%
5	Average & Peak - High Pressure Distribution	105	100.00%	56.95%	6.30%	14.00%	3.82%	5.09%	6.64%	7.20%
6	Average & Peak - Non High Pressure Distribution	106	100.00%	63.44%	6.88%	15.17%	3.77%	4.43%	3.36%	0.95%
7	50% Storage Capacity / 50% Peak	107	100.00%	63.30%	6.76%	15.46%	4.41%	2.85%	3.54%	3.68%
8	Weighted Customer	108	100.00%	86.00%	6.91%	6.29%	0.47%	0.20%	0.08%	0.04%
9	Average Customers	109	100.00%	92.51%	5.49%	1.85%	0.06%	0.05%	0.02%	0.01%
10	Weighted Cust / Average Cust	110	100.00%	92.29%	5.48%	1.85%	0.06%	0.20%	0.08%	0.04%
11	Service Revenue Including COGS	111	100.00%	72.98%	6.66%	14.21%	3.95%	0.85%	0.77%	0.57%
12	Service Revenue Excluding COGS	112	100.00%	75.56%	5.92%	10.25%	2.37%	2.29%	2.07%	1.54%
13	Total Revenue	201	100.00%	72.83%	6.67%	14.27%	3.98%	0.86%	0.79%	0.60%
14	Production Plant	202	100.00%	71.46%	7.10%	16.55%	4.89%	0.00%	0.00%	0.00%
15	Total Transmission Plant	204	100.00%	60.44%	6.55%	14.77%	4.11%	3.96%	4.97%	5.20%
16	Total Distribution Plant	205	100.00%	74.26%	6.79%	10.44%	2.11%	2.41%	2.32%	1.68%
17	Total Plant In Service excl GC&I	206	100.00%	70.65%	6.74%	11.72%	2.70%	2.74%	2.93%	2.52%
18	Total CWIP	207	100.00%	67.81%	6.73%	12.99%	3.28%	2.87%	3.26%	3.06%
19	Total Rate Base	208	100.00%	68.71%	6.75%	13.15%	3.37%	2.53%	2.84%	2.65%
20	Total O&M excl Admin & General	209	100.00%	78.66%	6.28%	8.12%	1.75%	1.76%	1.85%	1.59%
21	Total Historic O&M Expense	214	100.00%	78.66%	6.28%	8.12%	1.75%	1.76%	1.85%	1.59%
22	Total Historic Depreciation & Amortization Expense	216	100.00%	71.28%	6.76%	11.71%	2.69%	2.57%	2.70%	2.28%
23	Total Historic Misc Revenue	217	100.00%	69.07%	6.89%	15.61%	4.51%	1.14%	1.38%	1.40%
24	Total Historic Payroll Taxes	218	100.00%	76.81%	6.43%	8.99%	1.92%	2.03%	2.09%	1.74%
25	Total Historic Pension & Benefits Expense	219	100.00%	76.81%	6.43%	8.99%	1.92%	2.02%	2.09%	1.74%
26	Total Historic CWIP	220	100.00%	67.81%	6.73%	12.99%	3.28%	2.87%	3.26%	3.06%
27	Total Historic Accumulated Depreciation	221	100.00%	72.03%	6.76%	11.28%	2.49%	2.59%	2.67%	2.18%
28	Total Historic Working Capital	222	100.00%	70.91%	6.76%	12.30%	2.97%	2.37%	2.52%	2.16%

Line	Rate Base (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLT (j)
1	Production Plant	102	\$ 8,933	\$ 6,383	\$ 634	\$ 1,478	\$ 437	\$ -	\$ -	\$ -
2	Storage Plant	107	\$ 310,496	\$ 196,546	\$ 20,996	\$ 48,003	\$ 13,696	\$ 8,848	\$ 10,979	\$ 11,427
3	Transmission To/From Storage	107	\$ 351,845	\$ 222,720	\$ 23,792	\$ 54,396	\$ 15,520	\$ 10,027	\$ 12,441	\$ 12,949
4	Other Transmission	104	\$ 361,220	\$ 208,274	\$ 22,922	\$ 50,924	\$ 13,770	\$ 18,191	\$ 22,998	\$ 24,141
5	Total Transmission Plant		\$ 713,065	\$ 430,995	\$ 46,714	\$ 105,319	\$ 29,291	\$ 28,218	\$ 35,439	\$ 37,090
6	Distribution Plant - Other	105	\$ 200,621	\$ 114,256	\$ 12,632	\$ 28,088	\$ 7,655	\$ 10,215	\$ 13,322	\$ 14,454
7	Mains - High Pressure Capable	105	\$ 303,255	\$ 172,707	\$ 19,095	\$ 42,457	\$ 11,571	\$ 15,440	\$ 20,137	\$ 21,849
8	Mains - Non-High Pressure Capable	106	\$ 804,514	\$ 526,467	\$ 55,383	\$ 122,011	\$ 30,363	\$ 35,603	\$ 27,010	\$ 7,678
9	Services & Meters	108	\$ 1,346,021	\$ 1,157,619	\$ 93,076	\$ 84,660	\$ 6,382	\$ 2,663	\$ 1,058	\$ 563
10	Total Distribution Plant		\$ 2,654,411	\$ 1,971,049	\$ 180,186	\$ 277,216	\$ 55,970	\$ 63,920	\$ 61,526	\$ 44,544
11	Total Plant In Service excl Gen, Com, & Int		\$ 3,686,905	\$ 2,604,973	\$ 248,531	\$ 432,016	\$ 99,394	\$ 100,986	\$ 107,944	\$ 93,061
12	Gen, Com, & Int Plant and PHFFU	206	\$ 376,663	\$ 266,130	\$ 25,391	\$ 44,136	\$ 10,154	\$ 10,317	\$ 11,028	\$ 9,507
13	Test Year PIS Change	206	\$ 150,606	\$ 106,410	\$ 10,152	\$ 17,647	\$ 4,060	\$ 4,125	\$ 4,409	\$ 3,801
14	Total Test Year Plant in Service		\$ 4,214,174	\$ 2,977,514	\$ 284,074	\$ 493,799	\$ 113,608	\$ 115,428	\$ 123,381	\$ 106,370
15	Storage	107	\$ 32,041	\$ 20,282	\$ 2,167	\$ 4,953	\$ 1,413	\$ 913	\$ 1,133	\$ 1,179
16	Transmission	204	\$ 10,767	\$ 6,508	\$ 705	\$ 1,590	\$ 442	\$ 426	\$ 535	\$ 560
17	Distribution	205	\$ 7,034	\$ 5,223	\$ 477	\$ 735	\$ 148	\$ 169	\$ 163	\$ 118
18	General, Common & Intangible and PHFFU	206	\$ 62,769	\$ 44,349	\$ 4,231	\$ 7,355	\$ 1,692	\$ 1,719	\$ 1,838	\$ 1,584
19	Test Year CWIP Change	220	\$ 46,875	\$ 31,786	\$ 3,156	\$ 6,091	\$ 1,539	\$ 1,344	\$ 1,527	\$ 1,433
20	Total CWIP		\$ 159,485	\$ 108,148	\$ 10,736	\$ 20,725	\$ 5,235	\$ 4,571	\$ 5,196	\$ 4,874
21	Production	202	\$ (14,163)	\$ (10,121)	\$ (1,006)	\$ (2,343)	\$ (693)	\$ -	\$ -	\$ -
22	Storage	107	\$ (145,734)	\$ (92,251)	\$ (9,855)	\$ (22,531)	\$ (6,428)	\$ (4,153)	\$ (5,153)	\$ (5,363)
23	Transmission	204	\$ (209,834)	\$ (126,829)	\$ (13,747)	\$ (30,992)	\$ (8,619)	\$ (8,304)	\$ (10,429)	\$ (10,914)
24	Distribution	205	\$ (1,812,603)	\$ (1,345,959)	\$ (123,043)	\$ (189,301)	\$ (38,220)	\$ (43,649)	\$ (42,014)	\$ (30,418)
25	General, Common & Intangible and PHFFU	206	\$ (235,050)	\$ (166,074)	\$ (15,845)	\$ (27,542)	\$ (6,337)	\$ (6,438)	\$ (6,882)	\$ (5,933)
26	Total Accumulated Depreciation		\$ (2,417,384)	\$ (1,741,234)	\$ (163,495)	\$ (272,709)	\$ (60,297)	\$ (62,544)	\$ (64,477)	\$ (52,628)
27	Cash & Cash Equivalents	209	\$ 125,905	\$ 99,033	\$ 7,909	\$ 10,228	\$ 2,198	\$ 2,212	\$ 2,325	\$ 1,999
28	Accounts Receivable	111	\$ 324,277	\$ 236,667	\$ 21,606	\$ 46,079	\$ 12,824	\$ 2,760	\$ 2,489	\$ 1,851
29	Materials and Supplies	209	\$ 17,477	\$ 13,747	\$ 1,098	\$ 1,420	\$ 305	\$ 307	\$ 323	\$ 277
30	Gas Stored Underground	107	\$ 784,022	\$ 496,292	\$ 53,016	\$ 121,211	\$ 34,584	\$ 22,342	\$ 27,723	\$ 28,854
31	End User Gas Storage Credit	103	\$ (31,240)	\$ -	\$ -	\$ -	\$ -	\$ (8,308)	\$ (11,061)	\$ (11,871)
32	Real & Personal Property Taxes	206	\$ 49,955	\$ 35,296	\$ 3,367	\$ 5,854	\$ 1,347	\$ 1,368	\$ 1,463	\$ 1,261
33	Other Assets	206	\$ 15,097	\$ 10,667	\$ 1,018	\$ 1,769	\$ 407	\$ 414	\$ 442	\$ 381
34	Deferred Debits	206	\$ 455,153	\$ 321,587	\$ 30,681	\$ 53,333	\$ 12,270	\$ 12,467	\$ 13,326	\$ 11,489
35	Total Assets		\$ 1,740,646	\$ 1,213,289	\$ 118,695	\$ 239,893	\$ 63,935	\$ 33,562	\$ 37,030	\$ 34,241
36	Accounts Payable	102	\$ 149,619	\$ 106,917	\$ 10,627	\$ 24,756	\$ 7,319	\$ -	\$ -	\$ -
37	Dividends Declared	206	\$ 8,582	\$ 6,064	\$ 579	\$ 1,006	\$ 231	\$ 235	\$ 251	\$ 217
38	Accrued Interest	206	\$ 16,509	\$ 11,664	\$ 1,113	\$ 1,934	\$ 445	\$ 452	\$ 483	\$ 417
39	Accrued Taxes - Federal	112	\$ 2,491	\$ 1,882	\$ 147	\$ 248	\$ 57	\$ 60	\$ 55	\$ 41
40	Accrued Taxes - State	112	\$ 14,585	\$ 11,020	\$ 862	\$ 1,454	\$ 332	\$ 353	\$ 325	\$ 239
41	Accrued Taxes - R&PP Tax & Other	206	\$ 41,317	\$ 29,193	\$ 2,785	\$ 4,841	\$ 1,114	\$ 1,132	\$ 1,210	\$ 1,043
42	Other Liabilities	206	\$ 5,210	\$ 3,681	\$ 351	\$ 610	\$ 140	\$ 143	\$ 153	\$ 132
43	Deferred Credits	206	\$ 405,204	\$ 286,296	\$ 27,314	\$ 47,480	\$ 10,924	\$ 11,099	\$ 11,863	\$ 10,228
44	Total Liabilities		\$ 643,517	\$ 456,718	\$ 43,779	\$ 82,331	\$ 20,561	\$ 13,474	\$ 14,340	\$ 12,315
45	Total Working Capital		\$ 1,097,129	\$ 756,572	\$ 74,917	\$ 157,562	\$ 43,374	\$ 20,088	\$ 22,689	\$ 21,927
46	Test Year Unamortized MGP Expense - Net	206	\$ 24,857	\$ 17,563	\$ 1,676	\$ 2,913	\$ 670	\$ 681	\$ 728	\$ 627
47	Test Year Retainers & Customer Advances-Net	205	\$ (7,530)	\$ (5,591)	\$ (511)	\$ (786)	\$ (159)	\$ (181)	\$ (175)	\$ (126)
48	Adjustments to Rate Base		\$ 17,327	\$ 11,971	\$ 1,164	\$ 2,126	\$ 511	\$ 500	\$ 553	\$ 501
49	Total Test Year Rate Base		\$ 3,070,731	\$ 2,112,971	\$ 207,396	\$ 401,503	\$ 102,431	\$ 78,043	\$ 87,343	\$ 81,043

Line	Expenses (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLT (i)
1	Production	202	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2	Storage	107	20,071	12,705	1,357	3,103	885	572	710	739
3	Transmission	204	23,688	14,318	1,552	3,499	973	937	1,177	1,232
4	Distribution	205	106,415	79,019	7,224	11,114	2,244	2,563	2,467	1,786
5	Customer Accounting	110	44,598	41,162	2,444	824	27	88	35	19
6	Customer Service & Information	109	577	534	32	11	0	0	0	0
7	Customer Assistance	109	42,726	39,526	2,347	791	26	23	8	5
8	Test Year O&M Change - other	214	(19,764)	(15,546)	(1,241)	(1,606)	(345)	(347)	(365)	(314)
9	Total Test Year O&M Expense excl Admin & General		\$ 218,311	\$ 171,718	\$ 13,713	\$ 17,735	\$ 3,811	\$ 3,836	\$ 4,032	\$ 3,466
10	Administrative & General Expense	209	\$ 55,362	\$ 43,546	\$ 3,478	\$ 4,497	\$ 966	\$ 973	\$ 1,022	\$ 879
11	Test Year Uncollectible Expense	109	\$ 43,756	\$ 40,479	\$ 2,403	\$ 810	\$ 27	\$ 24	\$ 9	\$ 5
12	Sales Promotion Expense	209	\$ 71	\$ 59	\$ 4	\$ 5	\$ 1	\$ 1	\$ 1	\$ 1
13	Production	202	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
14	Storage	107	2,840	1,798	192	439	125	81	100	105
15	Transmission	204	6,221	3,760	408	919	256	246	309	324
16	Distribution	205	37,536	27,873	2,548	3,920	791	904	870	630
17	Customer Accounting (Billing)	110	12,724	11,744	697	235	8	25	10	5
18	Customer Service	109	481	445	26	9	0	0	0	0
19	Sales Promotion	209	23	19	1	2	0	0	0	0
20	Administrative & General	209	16,941	13,325	1,064	1,376	296	298	313	269
21	Test Year Pension & Benefits expense change	219	(8,845)	(6,794)	(569)	(795)	(170)	(179)	(185)	(154)
22	Total Test Year Pension & Benefits Expense		\$ 67,921	\$ 52,170	\$ 4,368	\$ 6,105	\$ 1,306	\$ 1,375	\$ 1,418	\$ 1,179
23	Production	202	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
24	Storage	107	415	263	28	64	18	12	15	15
25	Transmission	204	910	550	60	134	37	36	45	47
26	Distribution	205	5,488	4,075	373	573	116	132	127	92
27	Customer Accounting (Billing)	110	1,860	1,717	102	34	1	4	1	1
28	Customer Service	109	70	65	4	1	0	0	0	0
29	Sales Promotion	209	3	2	0	0	0	0	0	0
30	Administrative & General	209	2,477	1,948	156	201	43	44	46	39
31	Test Year Payroll Tax expense change		1	1	0	0	0	0	0	0
32	Total Payroll Taxes		\$ 11,224	\$ 8,621	\$ 722	\$ 1,009	\$ 216	\$ 227	\$ 234	\$ 195
33	Production	202	\$ 5,284	\$ 3,776	\$ 375	\$ 874	\$ 258	\$ 0	\$ 0	\$ 0
34	Storage	107	9,259	5,861	626	1,431	408	264	327	341
35	Transmission	204	14,247	8,611	933	2,104	585	564	708	741
36	Distribution	205	82,257	61,080	5,584	8,591	1,734	1,981	1,907	1,380
37	Gen, Com, & Int	206	27,699	19,571	1,867	3,246	747	759	811	699
38	Test Year Total Depreciation & Amort Expense		\$ 138,746	\$ 98,899	\$ 9,386	\$ 16,246	\$ 3,733	\$ 3,567	\$ 3,753	\$ 3,161
39	Test Year Lost and Unaccounted for (LAUF) Gas	102	\$ 26,462	\$ 18,910	\$ 1,879	\$ 4,378	\$ 1,294	\$ -	\$ -	\$ -
40	Test Year Company Use	102	\$ 4,134	\$ 2,954	\$ 294	\$ 684	\$ 202	\$ -	\$ -	\$ -
41	Test Year Property Taxes	206	\$ 52,000	\$ 36,740	\$ 3,505	\$ 6,093	\$ 1,402	\$ 1,424	\$ 1,522	\$ 1,313
42	Test Year FIT & City Income Tax	201	\$ 48,519	\$ 35,343	\$ 3,237	\$ 6,917	\$ 1,928	\$ 418	\$ 383	\$ 292
43	Test Year MBT	201	\$ 13,207	\$ 9,620	\$ 881	\$ 1,883	\$ 525	\$ 114	\$ 104	\$ 80
44	Test Year Miscellaneous Taxes	112	\$ 3,933	\$ 2,972	\$ 233	\$ 392	\$ 89	\$ 95	\$ 88	\$ 64
45	Total Test Year Other Taxes		\$ 117,659	\$ 84,675	\$ 7,856	\$ 15,285	\$ 3,944	\$ 2,052	\$ 2,098	\$ 1,749
46	Total Test Year Expenses Excluding Cost of Gas Sold		\$ 679,512	\$ 519,076	\$ 43,809	\$ 66,070	\$ 15,299	\$ 12,055	\$ 12,567	\$ 10,635
47	Test Year Cost of Gas Sold		\$ 1,307,431	\$ 934,292	\$ 92,852	\$ 216,334	\$ 63,953	\$ -	\$ -	\$ -

Line	Revenues (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLT (j)
1	Test Year Service Revenue Including Cost of Gas Sold		\$ 2,079,495	\$ 1,517,680	\$ 138,554	\$ 295,494	\$ 82,238	\$ 17,698	\$ 15,960	\$ 11,871
<u>Other Revenues</u>										
2	Forfeited Discounts (Late Payment Charge)	111	\$ 11,134	\$ 8,126	\$ 742	\$ 1,582	\$ 440	\$ 95	\$ 85	\$ 64
3	Misc Service Rev (ASP)	102	45,982	32,859	3,266	7,608	2,249	-	-	-
4	Rev from Transmission of Gas of Others	204	11,680	7,060	765	1,725	480	462	580	608
5	Rent from Gas Property	204	1,004	607	66	148	41	40	50	52
6	Joint Commodities Mkt Agmt Rev	102	2,869	2,050	204	475	140	-	-	-
7	GCR related charges to Transport Customers	102	1,319	943	94	218	65	-	-	-
8	Gas Merchant-Buy/sell Contracts	107	12,874	8,149	871	1,990	568	367	455	474
9	Rev from Storage Agrmts (GM, MCV & others)	107	2,656	1,681	180	411	117	76	94	98
10	Administrative Customer Acctg charges for GCC	110	986	910	54	18	1	2	1	0
11	Miscellaneous	111	3,134	2,287	209	445	124	27	24	18
12	Test Year Misc Rev change	217	(7,253)	(5,009)	(500)	(1,133)	(327)	(83)	(100)	(102)
13	Total Other Test Year Revenues		\$ 86,385	\$ 59,662	\$ 5,950	\$ 13,489	\$ 3,898	\$ 985	\$ 1,190	\$ 1,211
14	Total Test Year Revenues		\$ 2,165,880	\$ 1,577,342	\$ 144,504	\$ 308,983	\$ 86,136	\$ 18,683	\$ 17,150	\$ 13,082

Line	Customer Costs by Class Using MPSC Approved Methodology (a)	Alloc Basis (b)	Total (c)	Residential (d)	Rate GS-1 (e)	Rate GS-2 (f)	Rate GS-3 (g)	Rate ST (h)	Rate LI (i)	Rate XLT (j)
1	Customer-Related Plant (Services & Meters) (1)		\$ 1,346,021	\$ 1,157,619	\$ 93,076	\$ 84,660	\$ 6,382	\$ 2,663	\$ 1,058	\$ 563
2	Pretax Cost of Capital (2)		9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%
3	Annual Plant Cost		\$ 131,372	\$ 112,984	\$ 9,084	\$ 8,263	\$ 623	\$ 260	\$ 103	\$ 55
4	Expenses:									
5	Customer Related Distribution Expense (3)	108	\$ 39,718	\$ 34,159	\$ 2,746	\$ 2,498	\$ 188	\$ 79	\$ 31	\$ 17
6	Customer Related Service Expense (3)	110	\$ 8,065	\$ 7,444	\$ 442	\$ 149	\$ 5	\$ 16	\$ 6	\$ 3
7	Customer Acctg Expense (1)		\$ 44,598	\$ 41,162	\$ 2,444	\$ 824	\$ 27	\$ 88	\$ 35	\$ 19
8	Cust Service and Info & Cust Assistance Exp (1)		\$ 43,303	\$ 40,060	\$ 2,378	\$ 802	\$ 26	\$ 23	\$ 8	\$ 5
9	Total Expenses		\$ 135,685	\$ 122,825	\$ 8,010	\$ 4,272	\$ 247	\$ 206	\$ 81	\$ 44
10	Annual Plant Cost		\$ 131,372	\$ 112,984	\$ 9,084	\$ 8,263	\$ 623	\$ 260	\$ 103	\$ 55
11	Expenses		\$ 135,685	\$ 122,825	\$ 8,010	\$ 4,272	\$ 247	\$ 206	\$ 81	\$ 44
12	Total Cost		\$ 267,056	\$ 235,808	\$ 17,095	\$ 12,535	\$ 870	\$ 466	\$ 184	\$ 99
13	Number of Customers (1)		1,705,130	1,577,430	93,647	31,563	1,042	923	332	193
14	Annual Cost		\$ 156.62	\$ 149.49	\$ 182.54	\$ 397.14	\$ 834.70	\$ 504.98	\$ 555.09	\$ 510.76
15	Monthly Cost		\$ 13.05	\$ 12.46	\$ 15.21	\$ 33.10	\$ 69.56	\$ 42.08	\$ 46.26	\$ 42.56

Source:
 (1) Exhibit A-12 (TAY-2)
 (2) Exhibit A-10 (DVR-1) Sch D-1
 (3) MPSC Report Page 324

Consumers Energy Company
 Revenue Deficiency/(Sufficiency) Comparison for 2012 Test Year Gas Cost-of-Service Study
 Using Historic Peak Day and Design Peak Day
 (thousands of dollars)

Case No: U-16855
 Witness: TAYehI
 Exhibit: A-56 (TAY-3)
 Date: September 2011
 Page: 1 of 1

<u>Line</u>	<u>Summary Description</u> (a)	<u>Total</u> (b)	<u>Residential</u> (c)	<u>Rate GS-1</u> (d)	<u>Rate GS-2</u> (e)	<u>Rate GS-3</u> (f)	<u>Rate ST</u> (g)	<u>Rate LT</u> (h)	<u>Rate XLI</u> (i)
1	Revenue Deficiency/(Sufficiency) - Historic Peak Day	\$ 49,299	\$ 32,830	\$ 10,300	\$ 1,482	\$ 258	\$ (2,361)	\$ 1,992	\$ 4,798
2	Revenue Deficiency/(Sufficiency) - Design Peak Day	49,299	34,584	10,949	1,951	(109)	(2,968)	1,003	3,889
3	Revenue Deficiency/(Sufficiency) - Difference	-	1,754	649	469	(367)	(607)	(989)	(909)