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**FOR IMMEDIATE RELEASE** Aug. 28, 2018

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## **MPSC approves \$10.6 million Consumers gas rate increase**

LANSING, Mich. – The Michigan Public Service Commission (MPSC) today approved a settlement agreement allowing a \$10.6 million rate increase for Consumers Energy Co. natural gas customers.

The total is 6 percent of the amount Consumers had sought when it asked the Commission in October 2017 to approve a \$178.2 million increase in rates ([Case No. U-18424](#)). Consumers later reduced its request to \$82.6 million.

The \$10.6 million annual amount includes adjustments related to the lower corporate taxes under the Tax Cut and Jobs Act of 2017. The agreement was reached by the parties in the case: Consumers Energy, Association of Businesses Advocating Tariff Equity (ABATE), Michigan Department of the Attorney General (AG), Lansing Board of Water and Light (LBWL), Retail Energy Supply Association (RESA), Residential Customer Group (RCG), and MPSC Staff. The Midland Cogeneration Venture Limited Partnership (MCV), which was an intervenor in the case, filed a statement of non-objection to the final agreement.

A residential customer using 10,000 cubic feet of natural gas per month will see an increase of 44 cents effective Sept. 1.

The residential customer charge will remain at \$11.75 per month with a low-income assistance credit of the same amount for customers whose total household income is not more than 150 percent of the federal poverty level.

Under the agreement, Consumers will continue to fund its Gas Enhanced Infrastructure Replacement Program (EIRP), at a minimum of \$75 million annually. In 2018, the Jackson-based utility expects to replace about 365,000 feet – or nearly 70 miles -- of distribution, transmission, and storage pipe to provide safe, reliable, and efficient service to customers. The EIRP is a 25-year plan to replace higher risk pipe in the transmission and distribution system.

The MPSC ordered the utility to file annual reports with the MPSC as part of a Pipeline Integrity Program. The confidential reports will include locations of pipeline anomalies, cost, repair details, remediation documentation, coating reports, and contractor services.

In a related ruling in the case, the Commission ordered Consumers to change information on the bills it send to customers participating in the gas choice program. Consumers will start including a link to the Commission's gas choice website ([www.michigan.gov/compareMiGas](http://www.michigan.gov/compareMiGas)) and provide the phone number of a customer's alternative gas supplier in the "Questions"

section. It will also make a slight change to its descriptions of the gas customer choice (GCC) and gas cost recovery (GCR) programs to more accurately reflect what is included in the rates customers pay.

Consumers was last granted a gas rate increase in July 2017 for \$29,211,000.

**Consumers Energy Co. (Case No. U-18424)  
Commission Order Fact Sheet**

- Equity-to-debt ratio: 52.5 percent to 47.5 percent
- Rate of return on common equity: 10 percent
- Consumers will set up a collaborative meeting to discuss pooling options for gas transportation customers to be combined by the gas supplier, so the supplier can manage the needs of multiple customers at a time.
- A second collaborative will be convened by Consumers to discuss daily balancing of gas transportation deliveries. Balancing a customer's use daily instead of the current monthly balancing may more accurately measure costs.

To look up cases from today's meeting, access the eDockets filing system [here](#).

For information about the MPSC, visit [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc), sign up for one of its [listservs](#), or follow the Commission on [Twitter](#).

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