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ERIC J. SCHNEIDEWIND

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April 23, 2004

Ms. Mary Jo Kunkle  
Michigan Public Service Commission  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

Re: Case No. U-13720

Dear Ms. Kunkle:

Enclosed for filing in the above captioned matter please find the original and four copies of Qualifications and Direct Testimony of Richard Polich on Behalf of Energy Michigan . Also enclosed is the original Proof of Service indicating service on counsel.

Please date stamp one copy of the above entitled document for my records and return it in the self-addressed stamped envelope provided.

Thank you for your assistance in this matter.

Very truly yours,

VARNUM, RIDDERING, SCHMIDT & HOWLETTLLP

Eric J. Schneidewind

EJS/mrr

cc: ALJ  
parties

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
CONSUMERS ENERGY COMPANY )  
for determination of net stranded costs for )  
The year 2002 and for approval of net )  
stranded cost recovery charges )  
\_\_\_\_\_ )

Commission Case No. U-13720

**QUALIFICATIONS AND DIRECT TESTIMONY**

**OF**

**RICHARD A. POLICH**

**ON BEHALF OF**

**ENERGY MICHIGAN**

**April 23, 2004**

**Qualifications of Richard A Polich**  
**On Behalf of Energy Michigan**  
MPSC Case U-13720

1 Q. Please state your name and business address.

2 A. My name is Richard A. Polich. My business address is PO Box 3522, Ann Arbor,  
3 Michigan

4 Q. By whom are you employed and what is your present position?

5 A. I am currently working as an independent consultant in a firm called Energy Options &  
6 Solutions.

7 Q. Please state your educational background.

8 A. I graduated from the University of Michigan in Ann Arbor in August of 1979 with a  
9 Bachelor of Science Engineering Degree in Nuclear Engineering and a Bachelor of  
10 Science Engineering Degree in Mechanical Engineering. In May 1990, I received a  
11 Masters of Business Administration from the University of Michigan in Ann Arbor.

12 Q. Please describe your work experience.

13 A. In May of 1978 I joined Commonwealth Associates as a Graduate Engineer and worked  
14 on several plant modification and new plant construction projects. In May 1979 I joined  
15 Consumers Power Company as an Associate Engineer in the Plant Engineering Services  
16 Department. In April of 1980 I transferred to the Midland Nuclear Project and  
17 progressed through various job classifications to Senior Engineer. I participated in the  
18 initial design evaluation of the Midland Cogeneration Plant. In July 1987 I transferred to  
19 the Market Services Department as a Senior Engineer and reached the level of Senior  
20 Market Representative. While in this department I analyzed the economic and  
21 engineering feasibility of customer cogeneration projects. In July of 1992 I transferred to  
22 the Rates and Regulatory Affairs Department of Consumers Energy as a Principal Rate  
23 Analyst. In that capacity I performed studies relating to all facets of development and

1 design of the Consumers' gas, retail, electric and electric wholesale rates. During this  
2 period, I was heavily involved in the development of Consumers Direct Access program  
3 and in the development of Retail Open Access program. I also participated in the  
4 development of the Consumers' revenue forecast.

5 In March 1998, I joined Nordic Electric as Vice President in charge of marketing  
6 and sales. My responsibilities included all aspects of obtaining new customers and  
7 enabling Nordic to supply electricity to those customers. In May 2000, my  
8 responsibilities shifted to Operations and Regulatory Affairs. My responsibilities include  
9 management of supply purchases; transmission services, and development of new power  
10 projects. Regulatory Affairs responsibilities include over seeing regulatory and  
11 legislation issues.

12 In March of 2003, I started my own energy consulting business, Energy Options  
13 & Solutions. The primary focus of the business will be to help energy users develop  
14 solutions to energy problems.

15 Q. Are you a registered Professional Engineer in the State of Michigan?

16 A. Yes I am.

17 Q. Have you previously testified before this Commission?

18 A. Yes. I presented testimony on five occasions on behalf of Consumers Energy. In the  
19 remand phase of retail wheeling Case U-10143/U-10176 presenting the Consumers'  
20 method for design of future retail wheeling rates, the Consumers proposed Special  
21 Contract Rate Case U-10625 presenting methods to identify and qualify customers. I  
22 presented testimony in the Consumers' Electric Rate Case proceeding U-10335. I  
23 presented testimony in the initial phase of retail wheeling Case U-10143/U-10176 on the  
24 proposed cost and rate of retail wheeling and in Case U-10685 the Consumers Energy  
25 Electric Rate Case in November 1994. I presented testimony before the Commission on

1 several occasions on behalf of Energy Michigan, including Cases U-11915 (Supplier  
2 Licensing) and U-11956 (Edison True Up Case), U-12478 and U-12505 (Edison and  
3 Consumers Energy Securitization Cases), U-12639 (Stranded Cost Methodology Case),  
4 U-13380 (Consumers Energy Determination of Stranded Costs), U-13350 (Detroit Edison  
5 Stranded Cost Case), U-13715 (Consumers securitization of Clean Air Act Investments),  
6 U-13808 (Detroit Edison General rate Case & Securitization Case), U-13933 (Consumers  
7 Special Contract Case), and U-13933 (Detroit Edison Low Income Energy Assistance  
8 Credit for Residential Customers).

9 Q. On whose behalf are you presenting direct testimony in this proceeding?

10 A. The Direct testimony I am presenting in this case is on behalf of Energy Michigan.

11 **Purpose of Direct Testimony**

12 Q. What is the purpose of your Direct testimony in Consumers Energy's Case No. U-13720?

13 A. My testimony will provide the proper calculation of Consumers Energy's ("Consumers")  
14 2002 Stranded Costs/(Benefits). I will be addressing the following areas of Consumers'  
15 case which need to be modified to arrive at the actual stranded costs:

- 16 • Stranded Cost calculation should be based upon 2000 production costs
- 17 • Seasonal capacity costs are not stranded costs.
- 18 • Revenue Requirement associated with Clean Air Act investments are to be excluded  
19 from stranded cost calculations.
- 20 • Revenue from Sales to Ultimate Customers should include the equivalent full rate  
21 revenue for special contract customers.
- 22 • Unrecovered Qualified Facility ("QF") capacity costs should not be assigned to Retail  
23 Open Access ("ROA") customers as stranded costs.

1 As a result of these adjustments, Energy Michigan will show that Consumers had a net  
2 stranded benefit of \$24.3 million for 2002.

3 Q. Are you sponsoring any Exhibits in this case?

4 A. Yes, I am sponsoring the following Exhibits:

5 Exhibit I-\_\_\_\_\_(RAP-1) 2002 Stranded Cost Calculation

6 Q. Where these proposed exhibits prepared by you or prepared under your direction?

7 A. Yes.

8 **Stranded Cost Calculation Basis**

9 Q. On what cost basis should the Michigan Public Service Commission (“Commission”)  
10 make its stranded cost decision?

11 A. The enactment of PA 141 created frozen rates for all customers. It also effectively fixed  
12 the amount of revenue the utilities could collect during the period of the rate freeze. If  
13 there were no ROA sales, Consumers could only collect revenues based upon its rates at  
14 the time of the freeze. Any costs not included in its rates were effectively uncollectable  
15 because they were not included in rate base. As such, the Commission should require the  
16 stranded cost calculation to be based upon those costs Consumers had included in its rate  
17 base at the time of the rate freeze.

18 Q. What is the implication and impact of including production costs not included in the  
19 frozen rates, in the stranded cost calculation?

20 A. If the Commission allows Consumers to include in the stranded costs calculation,  
21 production costs not included in rate base, then the Commission would be effectively  
22 giving Consumers a rate increase and assigning the total revenue requirement of that rate  
23 increase on the ROA sales. Under the frozen rate structure, none of the new production  
24 costs are included in rate base and were not subjected to approval by the Commission.

1 Including the new production costs in the stranded costs calculation would authorize  
2 Consumers to recover those costs from the ROA sales.

3 The second problem is the impact on the stranded cost calculation. The frozen  
4 rates cap Consumers revenues from full service rates. If the production cost increases are  
5 larger then Consumers revenue increases, then it could be shown that stranded costs  
6 occurred even with zero ROA sales. Again, inclusion of costs not in rate base transfers  
7 the cost responsibility to ROA sales.

8 Q. What year's data should be used for the basis of calculating stranded costs?

9 A. The calculation of stranded costs should be based upon the production plant in service at  
10 the time of enactment of PA 141. Since PA 141 was enacted in June of 2000, the  
11 Michigan's utilities were put on notice that competition was coming and they would need  
12 to be competitive. Theoretically, it could be argued that nay investment by the utilities  
13 after June of 2000 should be excluded from the stranded cost calculation. For simplicity  
14 and due to the availability of data, year end 2000 should be used. It was not envisioned  
15 that as utilities made future investments in production plant, these post 2000 investments  
16 would be included in future stranded costs reconciliation.

17 Q. What Construction Work In Process ("CWIP") should be included in the stranded costs  
18 calculation?

19 A. In theory, any costs not included in rate base at the time of enactment of PA 141 and  
20 inception of the rate freeze, should not be included in the stranded cost calculation. We  
21 have chosen to include the CWIP incurred up through the end of 2000 to be consistent  
22 with previous decision on the stranded cost calculation. This was based upon Consumers  
23 FERC From 1 data.

24 Q. How did you reflect the use of using a 2000 production cost basis in your stranded costs  
25 calculation?

1 A. The Net Production Plant used for calculating the Return Requirement is based upon  
2 Consumers 2000 figures. I have reflected this on line 1, of my exhibit I-\_\_\_(RAP-1).  
3 This figure was developed in the same manner as Mr. Torrey's calculation on his  
4 workpaper MAT WP-1. The result is a 2000 Net Production Plant (including 2000  
5 CWIP) of \$1,034 million.

6 **Special Contract Revenues**

7 Q. Do you agree with Consumers position that regarding inclusion of special contract  
8 discounts in stranded cost calculations?

9 A. No. Consumers is again attempting to assign the full cost of the special contract  
10 discounts to stranded costs. These arguments do not present a case that justifies  
11 performing stranded costs calculations using actual special contract revenues instead of  
12 the full service tariff revenues associated with special contract sales. The rationale  
13 contained in Consumers' witness Scott B. Brockett's testimony is based upon providing  
14 evidence that the revenues from special contracts are above the cost to serve those  
15 customers. This premise violates several basic rate making principals:

- 16 • The analysis is done on the basis of an isolated group of customers and not the entire  
17 customer base.
- 18 • The analysis does not show the impact upon other customer classes due to the  
19 redistribution of costs, which would occur in a general rate case.
- 20 • Special Contract Customers are not a separate rate class in consumers cost of service  
21 study.
- 22 • It is likely that all the "Rate Skewing" adjustments are also related to costs other than  
23 fixed generation-related costs.



1           • The allocation factor of 29.1048% for fixed generation related costs, is not  
2           appropriate for this class of customers for the same reasons mentioned in Mr.  
3           Brockett's testimony.

4 Q.       How would the discounts associated with special contract sales be treated in a general  
5       rate case?

6 A.       First, Consumers would need to establish a separate rate classification for those  
7       customers with special contracts. Second, Consumers would need to develop a rate  
8       design, qualification criteria, rules, regulation, etc. for that rate class. Third, Consumers  
9       would need to assign the sales and revenues to the new class. Fourth, a new cost of  
10       service study would need to be performed with the new rate class, which allocates  
11       Consumers costs to all customer classes.

12 Q.       What would happen to the discounts Consumers is providing under its special contracts  
13       under this scenario?

14 A.       If Mr. Brockett's analysis of the embedded cost of serving special contract load is correct,  
15       then the cost of service would reallocate approximately \$23 million of costs to other  
16       customer classes. These reallocated costs would be spread through out all the rate classes  
17       and in multiple cost categories (customer service, distribution, transmission, etc.). This  
18       would not necessarily mean a rate increase for other customer classes because not all  
19       rates are cost based. The changes in rates due to the distribution of the reallocated costs  
20       would be up to the Commission.

21 Q.       How would this method of allocation of special contract discounts differ from  
22       Consumers' proposal to include the discounts in the stranded costs calculation?

23 A.       Creation of a separate rate class for special contract sales would reallocate the discounts  
24       to all customers as opposed to Consumers' proposal in this case which would allocate

1 100% of the discounts to stranded costs. The Commission has repeatedly stated that a  
2 utility must demonstrate discounts to special contract sales must benefit *“all customers”*  
3 before they will allow recovery of those discounts. If the discounts benefit all customers,  
4 then the discounts must be allocated to all Consumers’ bundled customers and not just  
5 ROA customers. Consumers calculation of stranded costs results in 100% of special  
6 contract sales discounts being assigned to stranded costs.

7 Q. Does Consumers use Special Contracts to compete against alternative energy suppliers?

8 A. Yes. In case U-10685, Consumer was allowed to provide special contracts for a portion  
9 of its load that was available to be served under Direct Access Service Rate DA. The  
10 Commission’s order provided Consumers the ability to write special contracts which  
11 resulted in a reduction in the amount of Rate DA load to be served by power marketers.  
12 Many of Consumers current special contracts were a result of this competition.

13 Q. How should this effect the Commission’s treatment of special contract discounts?

14 A. The Commission needs to recognize the use of special contracts as a competitive tool by  
15 Consumers. In the real competitive world, a discount provided by one company is not  
16 reimbursed to the company by its competitor. If the Commission were to allow  
17 Consumers to exclude the special contract discounts in the stranded cost calculation, then  
18 it would be assigning the recovery of the special contract discounts to Consumers’  
19 competitors. The Commission cannot allow Consumers to compete with alternative  
20 forms of power supply, including, ROA, cogeneration, self generation, etc. and then  
21 reward it by allowing those discounts to be recovered from other customers. This creates  
22 a zero risk option for Consumers in the issuance of discounted sales.

23 Q. What is your recommendation regarding the special contract impact on the stranded cost  
24 calculations?

1 A. Energy Michigan recommends the Commission increase Consumers 2002 total revenue  
2 by \$19.9 million to reflect the difference between special contract actual 2002 revenue  
3 and the corresponding revenue under standard tariffs. This adjustment is shown on lines  
4 12-15 of Exhibit I-\_\_\_(RAP-1).

5 **Clean Air Act Investment Cost Recovery**

6 Q. Should the Commission allow Consumers to include revenue requirement of clean air act  
7 costs in its calculation of stranded costs?

8 A. No. The reason for rejection of inclusion of Clean Air Act (“CAA”) costs in the stranded  
9 cost calculations is the same as was discussed in my testimony in Consumers  
10 Securitization of CAA costs in Case U-13715. The Commission needs to recognize that  
11 the CAA costs being securitized are for Consumers’ production facilities which are price  
12 and cost competitive with the market and therefore, are not likely to be stranded assets.  
13 Any payment for CAA costs funding by ROA customers is a subsidy being granted to  
14 Full Service customers by the Commission and will have the impact of reducing  
15 competition. The Commission must maintain the position contained in its earlier orders  
16 which exempts ROA customers from CAA costs.

17 Q. What adjustments are needed to the Stranded Cost calculation?

18 A. The total revenue requirement needs to exclude the CAA Costs. I have excluded the add  
19 back of CAA costs shown in Michael A Torrey’s Exhibit A-\_\_\_(MAT-1), line 19.

20 **Seasonal Capacity Costs**

21 Q. Should seasonal capacity costs be included in the revenue requirement of the stranded  
22 costs calculation?

23 A. No. Seasonal capacity costs should be excluded from stranded costs calculations for the  
24 following reasons:

- 1 • These are variable costs to be recovered through the Power Supply Cost Recovery
- 2 (“PSCR”) mechanism.
- 3 • This costs were incurred after enactment of PA 141 n after the rates were frozen.
- 4 • These are not fixed generation-related costs.
- 5 • These are costs associated with only providing service to bundled tariff customers.
- 6 • These are costs which ROA load actually helps Consumers avoid.

7 Bottom line, if these costs are included in the stranded costs calculation, any resulting  
8 payment of these costs by ROA customers results in a subsidy for bundled service  
9 customers.

10 Q. Could ROA customers end up paying for summer seasonal capacity that Consumers  
11 purchased to ensure service to bundled customers?

12 A. If the MPSC allows Consumers to include summer seasonal capacity purchase in the  
13 Production Revenue Requirements, to the extent that revenues from increased sales to  
14 bundled customers do not cover these costs, the costs fall into Stranded Cost category.  
15 The only customers who pay Stranded Cost are ROA Customers. The rate freeze  
16 prevents Consumers from passing increased PSCR Costs to its bundled customers, even  
17 though the summer seasonal capacity purchase is made to provide electricity to those  
18 customers. Thus, bundled customers receive the benefit of ensured electrical supply  
19 while shifting the cost to ROA customers. It is kind of like giving bundled service  
20 customers free service.

21 Q. Should summer seasonal capacity purchases be treated as a long-term liability?

22 A. No. Although Consumers needs to procure this capacity prior to the summer season it is  
23 an avoidable cost. In fact, if ROA sales were to increase, there would be no need for the

1 summer seasonal capacity purchases. The real issue is the prudence of Consumers power  
2 purchase practices in uncertain markets.

3 Q. Does Consumers have other options to avoid the summer seasonal capacity purchases?

4 A. Yes. The first is exercising the right to interrupt customer load. Interruptible load can be  
5 treated as a replacement for a certain portion of peak power purchases. If Consumers is  
6 short electric supply due to insufficient capacity, the interruptible customers are requested  
7 to curtail usage to some predetermine load level (Base Load). If the customer fails to  
8 curtail load, most contracts contain provisions to charge large penalties for the amount of  
9 electricity used in excess of the Base Load. The intent of this penalty provision is to  
10 compensate the utility for any high costs it incurs as a result of purchasing power on the  
11 spot or emergency market to serve the uncurtailed interruptible load. Consumers has  
12 about 380 MW of interruptible load that could have been used to avoid some of the  
13 summer seasonal capacity purchases. Most of this interruptible load is from customers,  
14 which were receiving significant discounts on their electric service under Special  
15 Manufacturing Contracts. These were contracts Consumers willingly entered to reduce  
16 the amount of load participating in the Rate DA, Direct Access Program. The decision of  
17 Consumers to purchase Summer Seasonal Capacity to avoid interruption of customer  
18 loads, was an economic choice of Consumers, and which should not impact Stranded  
19 Cost paid by ROA Customers.

20 Q. How else can Customers reduce the amount of summer seasonal capacity purchases?

21 A. Consumers can promote methods that reduce its capacity commitments to its customers.  
22 This can be done through increased use of interruptible rates, promotion of self-  
23 generation and encouraging customer participation in Retail Open Access programs. The  
24 last item is critical because Consumers has stated they would like to use the

1           Securitization Cost Charge to “control” the amount of ROA participation. This usually  
2           means using the Stranded Cost Charge to reduce the amount of ROA participation.

3 Q.       What is your recommendation regarding the seasonal capacity impact on the stranded  
4           cost calculations?

5 A.       Energy Michigan recommends the Commission exclude Consumers’ 2002 seasonal  
6           capacity costs from the stranded costs calculation. This adjustment is shown on line 10  
7           of Exhibit I-\_\_\_\_(RAP-1).

### **Unrecovered Qualified Facility Costs**

9 Q.       Should the increase in QF Contract costs be included in the stranded costs calculation?

10 A.      No. Consumers inability it increase its PSCR charge for recovery of these costs do not  
11         turn these costs into stranded cots to be recovered from ROA sales. These are costs that  
12         need to be recovered from full service customers. The proposal by Consumers assigns  
13         100% of these costs to stranded costs. Until the PSCR charges are increased to reflect  
14         these increase in the QF Contract costs, they should not be included in the stranded costs  
15         calculations because they are not included in base rates. Any other treatment results in a  
16         pure subsidy for bundled customer by ROA sales.

17 Q.      Has the Commission previous rejected the inclusion of the QF increases?

18 A.      Yes. In case U-11180, the Commission rejected the recovery of the increased QF costs  
19         until after the rate freeze. This basis of the decision by the Commission had to applied in  
20         the 2002 stranded cost calculation because rates are still frozen. Including the QF  
21         increases in the stranded cost calculation will assign 100% of the responsibility of paying  
22         these costs to the RAO sales. These costs were not included in the 2002 PSCR and  
23         should not be included in the 2002 stranded cost calculation.

1 Q. What is your recommendation regarding the QF Costs impact on the stranded cost  
2 calculations?

3 A. Energy Michigan recommends the Commission only include Consumers' QF Costs  
4 included at the time its PSCR was frozen, in the stranded costs calculation. This  
5 adjustment is shown on line 7 of Exhibit I-\_\_\_\_(RAP-1).

6 **Payment of Securitization Surcharge**

7 Q. Mr. Polich, why should the payment of any securitization costs by ROA customers be  
8 linked to the Commission first determining stranded costs exist for the utility?

9 A. The majority of Consumers' assets which were refinanced through securitization  
10 bonding are production related assets/costs/revenue requirement. Prior to this case, all of  
11 these requests for securitization funding were associated with production assets placed  
12 into service prior to enactment of PA 141. The ROA customer bears some responsibility  
13 for these costs because Consumers made the investments while the customer was still  
14 served under Full Service rates.

15 Q. If Consumers is fully recovering its fixed generation-related costs, should ROA  
16 customers still be responsible for Securitization Surcharges?

17 A. No. If there are no stranded costs, then Consumers is fully recovering its costs from all  
18 its bundled service customers. As was stated in my testimony in Case U-13715,  
19 securitization surcharge payments by ROA sales needs to be linked to demonstration that  
20 the utility has real stranded costs. Without this, ROA is subsidizing bundled service  
21 customers.

22 Q. Does this conclude your testimony?

23 A. Yes, it does.

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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\_\_\_\_\_ )

Commission Case No. U-13720

**DIRECT EXHIBITS**  
  
**OF**  
  
**RICHARD A. POLICH**  
  
**ON BEHALF OF**  
  
**ENERGY MICHIGAN**

April 23, 2004



**ENERGY MICHIGAN**  
**Consumers Energy 2002 Stranded Cost Case**  
**2002 Stranded Cost Analysis**

Case No: U-13720  
Exhibit No. I-\_\_\_\_\_(RAP-1)  
Page No: 1 of 1  
Witness: R.A. Polich  
Date: 23-Apr-04

<u>Line No.</u>	<u>Description</u>	<u>Actual 2002</u>	<u>Source</u>
<b><u>Direct Costs</u></b>			
1	2000 Net Production Plant	\$1,034,060	RAP WP-1
2	Pre-Tax Rate of Return	<u>10.63%</u>	MA Torrey Exhibit (MAT-1)
3	Return Required	\$109,921	MA Torrey Exhibit (MAT-1)
4	Depreciation	\$56,979	MA Torrey Exhibit (MAT-1)
5	Property Taxes	\$42,720	MA Torrey Exhibit (MAT-1)
6	Insurance	\$858	MA Torrey Exhibit (MAT-1)
7	PPA Capacity Charges	<u>\$472,983</u>	2001 PPA Capacity Costs
8	Revenue Required of Fixed Gen.	\$683,461	Sum of Lines 3-7
<b><u>Fixed Generation Adjustments</u></b>			
9	Clean Air Act Revenue Requirement Removal	\$0	Already excluded
10	Seasonal Capacity Adjustment	<u>\$0</u>	
11	<b>Total Generation Related Reg Assets</b>	<b>\$683,461</b>	Sum of Lines 8-10
<b><u>Fixed Generation Related Revenue</u></b>			
12	Total Revenue from Sales to Ultimate Customers	\$2,411,253	MA Torrey Exhibit (MAT-1)
13	2002 Special Contract Revenue	(\$145,749)	SB Brocket Exhibit (SBB-1)
14	2002 Special Contract Revenue under Standard Tariffs	<u>\$165,618</u>	SB Brocket Exhibit (SBB-1)
15	Tariff Based 2002 Revenue	\$2,431,122	Sum of Lines 12-14
16	Generation as Percent of Sales	<u>29.10%</u>	MA Torrey Exhibit (MAT-1)
17	Fixed Generation Related Revenues	\$707,573	Line 12 * Line 13
18	From: Third Party Sales	\$191	MA Torrey Exhibit (MAT-1)
19	<b>Total Contribution to Fixed Generation Costs</b>	<b><u>\$707,764</u></b>	Sum of Lines 14 & 15
20	<b>Total Stranded Costs</b>	<b>(\$24,304)</b>	Line 11 minus Line 20

STATE OF MICHIGAN

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\_\_\_\_\_ )

Case No. U-13720

**PROOF OF SERVICE**

Monica Robinson, duly sworn, deposes and says that on the 23nd of April, 2004 she served a copy of Qualifications and Direct Testimony of Richard Polich on Behalf of Energy Michigan upon those individuals identified in the attached service list by e-mail and regular mail at their last known addresses.

\_\_\_\_\_  
Monica Robinson, Deponent

Subscribed and sworn to before me  
this 23rd day of April 2004.

\_\_\_\_\_  
Eric J. Schneidewind, Notary Public  
Eaton County, Michigan  
Acting in Ingham County, Michigan  
My Commission Expires: April 24, 2006

Service List U-13720

Jon Robinson  
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