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July 28, 2015

Ms. Mary Jo Kunkle Executive Secretary Michigan Public Service Commission 7109 W. Saginaw Highway P.O. Box 30221 Lansing, Michigan 48909

Re: MPSC Case No. U-17688

Dear Ms. Kunkle:

Attached for paperless electronic filing, please find Energy Michigan, Inc.'s Comments on Consumers' Tariff Sheets as well as Proof of Service in the above-referenced matter.

Thank you for your assistance in this matter.

Sincerely yours,

Timothy J. Lundgren

TJL/kc

c: ALJ
Parties

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#### STATE OF MICHIGAN

#### BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion
to commence a proceeding to implement the
provisions of Public Act 169 of 2014;

MCL 460.11(3) et seq., with regard to

Consumers Energy Company.

Case No. U-17688

### **COMMENTS OF ENERGY MICHIGAN, INC.**

Pursuant to the Commission's June 30, 2015 Order in this docket (the "Order"), Consumers Energy Company ("Consumers") submitted rate design summary sheets and tariff sheets on July 21, 2015. As provided in the Commission's Order, Energy Michigan, Inc. ("Energy Michigan") hereby provides comments on the accuracy of the Consumers tariff sheets.

# A. The credit for the Educational Institution Service Provision (GEI) should be applied as a credit, not as a delivery charge.

The Educational Institution Service Provision (GEI) provides a credit to schools, colleges, and universities. As described in the tariff sheet that Consumers submitted on July 21, the GEI credit applies to rates, GS, GSD, GP, and GPD.

In Consumers' accompanying rate design (file "U-17688 Rate Design Based on Final Order.xlxs"), separate GEI credits for power supply and delivery are shown for these rates in the calculation of the revenues for each of the rates. The GEI credit for delivery is the same for full

service and open access customers in each of the rates. The GEI credit for power supply is different. (Note that the GEI credit for power supply is zero for rates GS and GSD.)

In the July 21 tariff sheets, the GEI credits for power supply and delivery are added together and displayed under the caption "Delivery Charges: These charges are applicable to Full Service and Retail Open Access Customers." This occurs on Sheet Nos. D-19.00 for rate GS, D-24.00 for GSD, D-28.00 for GP, and D-34.00 for GPD.

The GEI credits shown on these sheets are not in any way "delivery charges." For full service customers, the GEI credits shown are the sum of the separate power supply GEI credit and the delivery GEI credit in the rate design. Consumers continues a practice of characterizing power supply charges as delivery charges, which Energy Michigan has pointed out in several past instances.

Energy Michigan is aware that the prior tariff sheets displayed the GEI credits in the same way – power supply and delivery lumped together and called "delivery charges." Energy Michigan believes that some additional clarity is needed, yet not a complete redesign of the affected tariff sheets at this point.

Therefore, in this proceeding Energy Michigan simply requests that the identifying caption of the GEI credits in the tariff sheets be modified to identify the credits more accurately. Specifically, on Sheet Nos. D-19.00, D-24.00, D-28.00, and D-34.00, the present caption of:

"Delivery Charges: These charges are applicable to Full Service and Retail Open Access Customers."

should be changed to:

"GEI Credits: These credits are applicable to Full Service and Retail Open Access Customers."

In a future proceeding, the GEI credit display in the tariff should be redesigned to show power supply and delivery credits separately, so that the specific prices used in the rate design are shown exactly in the tariff sheets, and then it will be clear that all GEI customers – both full service and ROA – will receive the same delivery credit but only full service customers will receive the power supply credit.

#### **B.** Conclusions

For the reasons provided above, Energy Michigan respectfully requests that the Commission direct Consumers to adjust the captions on Sheet Nos. D-19.00 for rate GS, D-24.00 for GSD, D-28.00 for GP, and D-34.00 for GPD, as discussed above.

Respectfully submitted,

Varnum LLP Attorneys for Energy Michigan, Inc.

July 28, 2015

By:\_\_\_\_\_

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# **STATE OF MICHIGAN**

# BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion to commence a proceeding to implement the provisions of Public Act 169 of 2014; MCL 460.11(3) <i>et seq.</i> , with regard to <b>Consumers Energy Company.</b>	) Case No. U-17688 ) ))
PROOF OF SERVICE	
STATE OF MICHIGAN ) ) ss. COUNTY OF INGHAM )	
Kimberly Champagne, the undersigned, being fi Legal Secretary at Varnum LLP and that on the 2 copy of Energy Michigan, Inc.'s Comments on C listed on the attached Service List via email at the	28th day of July, 2015, she served an electronic Consumers' Tariff Sheets upon those individuals
	Kimberly Champagne

### SERVICE LIST MPSC CASE NO. U-17688

### Administrative Law Judge – and U.S. Mail

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