

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
to commence an investigation into a January 30,	)	
2019 fire at <b>CONSUMERS ENERGY COMPANY's</b>	)	Case No. U-20463
Ray Compressor Station in Macomb County.	)	
_____	)	

At the February 7, 2019 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Norman J. Saari, Commissioner

**ORDER**

At approximately 10:30 a.m. on January 30, 2019, a fire occurred at Consumers Energy Company's (Consumers) Ray Natural Gas Compressor Station in Macomb County (the Ray facility). As a result of the fire, equipment was damaged and the company stopped gas flow from the compressor station. The Ray facility is the largest source of working gas capacity in the state of Michigan and supplies a significant portion of Consumers' natural gas needs during peak winter periods. The fire and shutdown of the Ray facility occurred at a time of unprecedented demand in natural gas usage due to extremely cold weather conditions on January 30 and 31, 2019. To ensure continued delivery of natural gas during this emergency, Consumers arranged alternative supplies from natural gas pipelines and other storage fields, limited natural gas used for electricity production, coordinated with large commercial and industrial customers to curtail usage, and requested that all customers conserve energy. Late on January 30, 2019, Consumers resumed

operation of Plant 1 of the Ray facility, however the other two plants continued to be inoperable due to the fire. To ensure the stability of the natural gas system and avoid a potentially life-threatening situation with forced outages of natural gas service to residential customers, the Michigan State Police issued an emergency alert to cellular phones in the Lower Peninsula of Michigan asking residents to reduce their thermostats to 65 degrees or less and Governor Gretchen Whitmer called on residents to do the same through the media. At 12:00 a.m. on Friday, February 1, 2019, Consumers resumed normal natural gas delivery operations.

Given the significance of this emergency event, the Commission opens this docket for the purpose of investigating: (1) the origin of the fire; (2) how Consumers responded to the fire, both at the site and at its corporate office; (3) the company's implementation of gas curtailment procedures; (4) whether there is evidence of a failure on the part of Consumers to properly maintain its equipment or any non-compliance with Commission rules; (5) whether the company properly responded to the natural gas shortage; (6) estimated reductions in natural gas usage from large customer curtailments and residential conservation over time during the emergency with corresponding timeframes of actions (e.g., public appeals, emergency alerts) by Consumers and the State of Michigan; (7) Consumers' coordination and communication with State of Michigan officials and local emergency response agencies; (8) actions directed toward physical security and cybersecurity before, during, and after the event; and (9) the total cost of the incident, including gas lost on site, emergency natural gas purchases, estimates of customer curtailment impacts, and repair of the facility. Issues not within the scope of the investigation in this docket are the adequacy of energy supply and delivery and contingency planning, including reliance on the Ray

facility under different operating conditions, Consumers' interconnections with interstate pipelines, and Consumers' gas supply arrangements and procurement strategies.<sup>1</sup>

The Commission directs Consumers to file a report in this docket no later than 5:00 p.m. on April 7, 2019, addressing these issues. Thereafter, the Commission Staff (Staff) shall file a response in this docket no later than 5:00 p.m. on May 8, 2019, responding to the company's filings, outlining the process and anticipated timeline for the subsequent Root Cause Analysis Report that the Commission's Gas Operations Section will provide, and recommending potential changes to utility operations or procedures, if such changes are identified. Stakeholders, including end-use customers and local governments, are also encouraged to provide input by May 8, 2019, to be considered by the Commission. Consumers may thereafter file a reply to the Staff's response and stakeholder input no later than 5:00 p.m. on May 30, 2019. At the conclusion of the process, the Commission may propose remedial action, as appropriate.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company shall file a report in this docket as outlined in this order no later than 5:00 p.m. on April 7, 2019.

B. The Commission Staff shall file a response in this docket no later than 5:00 p.m. on May 8, 2019, responding to the company's filings, outlining the process and anticipated timeline for the subsequent Root Cause Analysis Report that the Commission's Gas Operations Section will provide, and recommending potential changes to utility operations or procedures, if such changes are identified.

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<sup>1</sup> As requested by Governor Whitmer, the Commission's assessment of the supply and deliverability of natural gas, electricity and propane, and contingency planning will be addressed in the February 7, 2019 order in Case No. U-20464. Review of Consumers' plans and actions for procuring natural gas to meet customer demand during normal and peak operational conditions is addressed through an annual gas cost recovery proceeding.

C. Stakeholders, including end-use customers and local governments, may file input by May 8, 2019.

D. Consumers Energy Company may file a reply to the Commission Staff's response and stakeholder input no later than 5:00 p.m. on May 30, 2019.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungpl@michigan.gov](mailto:pungpl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

By its action of February 7, 2019.

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Kavita Kale, Executive Secretary


# PROOF OF SERVICE

STATE OF MICHIGAN )

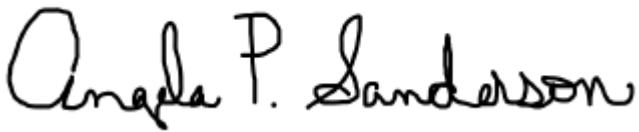
Case No. U-20463

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on February 7, 2019 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

  
Brianna Brown

Subscribed and sworn to before me  
this 7<sup>th</sup> day of February 2019.



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Angela P. Sanderson  
Notary Public, Shiawassee County, Michigan  
As acting in Eaton County  
My Commission Expires: May 21, 2024

**Service List for Case: U-20463**

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Consumers Energy Company 2 of 2	matorrey@cmsenergy.com

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