



A CMS Energy Company

May 30, 2019

Ms. Kavita Kale  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
P.O. Box 30221  
Lansing, MI 48909

**RE: Case No. U-20463 - In the matter, on the Commission's own motion, to commence an investigation into a January 30, 2019 fire at Consumers Energy Company's Ray Compressor Station in Macomb County.**

Dear Ms. Kale:

Enclosed for electronic filing in the above-captioned case is **Consumers Energy Company's Reply to the Commission Staff's Response and Stakeholder Comments.**

This is a paperless filing and is therefore being filed only in PDF format.

Sincerely,

Bret A. Totoraitis

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# Consumers Energy Company's Reply to the Commission Staff's Response and Stakeholder Comments

MPSC Case No. U-20463

May 30, 2019

## **Consumers Energy Company's Reply to the Commission Staff's Response and Stakeholder Comments**

Consumers Energy Company ("Consumers Energy" or the "Company") thanks the Michigan Public Service Commission ("MPSC" or the "Commission") Staff ("Staff"), the Office of the Attorney General, and the Association of Businesses Advocating Tariff Equity for their comments on its April 5, 2019 Ray Compressor Station Fire Report (MPSC Case No. U-20463).

The Company's ongoing after-action reviews of the event continue to yield findings in addition to those included in the April 5 Fire Report; and the new information enables the Company to respond more comprehensively to Staff comments. This Reply to Staff's Response will review these new findings and lessons learned, provide insight into activities undertaken and planned since the event, and articulate the Company's commitment to continue meeting timely with Staff to ensure a satisfactory resolution for all stakeholders.

### **New Findings, Consequent Actions and Lessons Learned**

Consumers Energy's ongoing investigation into the origin of the fire has revealed that a grounding fault was the underlying cause of the initial firegate event. When the station's well pump started up, its variable frequency drive caused a voltage spike in the grounding system of the Det-tronics panel located in the headquarters building. These high voltages caused enhanced discrete input/output (EDIO) and analog input module (AIM) modules to lose communication with the Det-tronics pilot air system, a fault which triggered the initial firegate.

To eliminate the grounding voltage into the Det-tronics system, the well pump pressure switch and pressure transmitter will be relocated to the east side of the plant 3 auxiliary building (Figure 1). The risk of a communications break-down between the pilot air system and its modules has been mitigated by relocating the modules from the headquarters building to the plant 3 auxiliary building.



*Figure 1. Relocated controls*

Consumers Energy has contracted with an engineering firm and is collaborating to develop an air/gas dispersion model that illustrates how the fire occurred, evaluates the condition of affected facility components,

and identifies designs that provide better mitigation. The model revealed a better design for gas dispersion pipes. New straight pipes, which allow gas to exit at a high velocity, have been installed at the Ray Compressor Station (Figure 2) in conformity with this finding. Future gas ejections will reach a higher elevation before mixing with enough air to become combustible. The Company continues to model additional scenarios for analysis and, by year end, will have developed a standard for Plant Hazard Analysis that will apply to all future projects and sites.



*Figure 2. Old and new straight pipe designs*

Ongoing after-action review of the event flagged many of the same opportunities for improvement that Staff recommended in its Response, particularly including the portions of the Company's Incident Command System ("ICS") pertaining to incident action planning, resource management, interagency coordination, crisis communication, and business continuity. Company employees made good-faith efforts to supply clear, transparent, and accurate information as quickly as it became available, and reached out to each of these stakeholders, but the rapidly changing status at Ray Compressor Station, and throughout the gas delivery system, resulted in those communications not always being consistent and contemporaneous. Differences in the communications' content, timing, and source generated unnecessary confusion. Consumers Energy welcomes the opportunity to work with Staff, state officials and emergency responders on improving its ICS communication activities going forward. The Company further commits to continuing to work with Staff to ensure accurate and timely reporting of information.

The fire has prompted the Company to begin a review of its curtailment procedures, including the tariff provision relating to operational flow orders. The event raised questions about the effectiveness of the existing tariff procedures in emergencies, and the Company welcomes the opportunity to ensure that its curtailment tariff enables it to operate safely and minimize customer disruptions during extraordinary circumstances. If the Company's ongoing review indicates a need for improvements, Consumers Energy will file proposed changes to the tariff in a future gas rate case. Company employees are also exploring the potential to add new demand response and interruptible provisions to its tariffs to add customer value and reduce the impact of future disruptions.

Consumers Energy concurs with Staff's recommendation that, in addition to the root cause analysis, the Company should review factors that could have increased the significance of this incident and identify potential countermeasures. Consumers Energy looks forward to collaborating with Staff to implement the recommended improvements and renew its commitment to deliver natural gas safely and reliably, especially during extreme winter weather when customers need it most.

#### **Other Activities Undertaken Since the Event**

Consumers Energy took the opportunity to listen to and learn from residents affected by the fire. On May 16, 2019, Consumers Energy hosted a Community Open House in Armada, Michigan, where the Ray Compressor Station is located. The event was attended by the members of more than 20 households, who interacted with Company employees at "conversation stations." Each of these stations was staffed by Company subject matter experts equipped to answer questions about a specific topic: what a compressor station is and how it works, what happened at Ray Compressor Station on January 30, 2019, and how the Company has responded to the event. Consumers Energy acknowledges the value of the community perspectives provided at this event.

Internally, the Company has continued to review both the events leading to the Ray Compressor Station fire, its response to the incident, and how its facilities, policies, and procedures can be revised to function as effectively as possible in all conditions. This information gathering has resulted in a change in the layout at the Ray Compressor Station, an evaluation of changes potentially needed at other facilities, and plans to make both the improvements cited in this Reply and others to be agreed upon in future discussions with Staff.

#### **Consumers Energy's Commitment to Stakeholders**

Extraordinary circumstances on the morning of January 30, 2019 created an emergency with unfortunate consequences for Michigan families and businesses. The Company was prepared with a significant contingency supply of gas to keep customers safe, warm, and productive – even during the extreme cold predicted for that day. Nevertheless, Consumers Energy customers had to cope with voluntary and involuntary reductions in gas consumption during dangerous winter weather. For this, the Company gratefully acknowledges impacted businesses and residents for their help. While the Company did not plan or expect to have to call on its customers, this cooperation helped to stabilize the system and was an important aid in restoring service as soon as possible.

While Consumers Energy is proud of how well its employees executed their emergency plans, it also acknowledges that events such as the Ray Compressor Station fire provide critical opportunities to identify and mitigate previously unforeseeable risks. The Company commits to making the improvements revealed by this event, and to working closely with Staff to ensure that all stakeholders can continue to count on Consumers Energy.