

On June 7, 2012, the Michigan Public Service Commission (MPSC) approved a settlement agreement entered into by Consumers Energy and various interveners to this case. The agreement reflects an increase to Consumers base gas rates of \$16 million annually with an authorized ROE of 10.3%. Terms of the agreement include:

- \$56 million in annual funding for a Main Replacement Program (MRP) with reporting requirements that track spending. The MRP funding will annually remain in place until a new gas rate case order is issued.
- The current gas revenue decoupling mechanism was discontinued on April 30, 2012 and will not be reinstated unless one is approved in a subsequent case.
- Consumers Energy agrees it will not file another natural gas rate case prior to December 1, 2012.

Overall, the settlement agreement will increase customer rates 0.8%.

*Gas Rate Case U-16855 can be accessed at the Michigan Public Service Commission's website.

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=16855>