

September 28, 2015

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48917

Re: MPSC Case No. U-17693

Dear Ms. Kunkle:

Enclosed herewith for filing in the above-referenced matter, please find the Reply Brief of Retail Energy Supply Association and Certificate of Service. If you have any questions, please feel free to contact my office. Thank you.

Very truly yours,

Fraser Trebilcock Davis & Dunlap, P.C.



Jennifer Utter Heston

JUH/ab
Enclosures
cc: All parties of record.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY for)
approval of a Gas Cost Recovery Plan) Case No. U-17693
and Authorization of Gas Cost Recovery)
Factors for the 12-month period)
April 2015 – March 2016.)
_____)

REPLY BRIEF OF
RETAIL ENERGY SUPPLY ASSOCIATION

NOW COMES the Retail Energy Supply Association ("RESA")¹, by and through its attorneys, Fraser Trebilcock Davis & Dunlap, P.C., and pursuant to the schedule adopted by Administrative Law Judge Suzanne D. Sonneborn ("ALJ"), hereby respectfully submits this Reply Brief on Consumers Energy Company's ("Consumers") application for approval of a gas cost recovery ("GCR") plan and authorization of gas cost recovery factors for the 12-month period April 1, 2015 – March 31, 2016.

In this Reply Brief, RESA will briefly respond to certain positions advanced by the Michigan Attorney General ("AG") in his initial brief filed August 31, 2015. The vast majority of the positions advanced by the AG in his initial brief were anticipated and addressed in RESA's Initial Brief, and will not be repeated herein. The positions advanced by the AG in his initial brief do not dissuade RESA. RESA continues to support the

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¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

positions identified in its Initial Brief for the reasons contained therein, and for the reasons discussed further below. The fact that any issue is not addressed in this Reply Brief should not be interpreted as indicating agreement with the proponent of that issue.

I. INTRODUCTION.

RESA is concerned with the gas customer choice ("GCC") proposals interjected into this GCR reconciliation proceeding by the AG. The AG submitted witness testimony proposing changes to Consumers' GCC tariff, and proposing a new pipeline reservation charge on GCC customers. During the briefing phase of this case, however, the AG appears to have abandoned a portion of its witness's recommendations. For the reasons discussed in RESA's Initial Brief and further below, the GCC proposals presented in this case are unnecessary, flawed, unreasonable, and, if approved, would be harmful to GCC customers. The AG's GCC proposals should be rejected.

II. THE ATTORNEY GENERAL'S PROPOSED PIPELINE RESERVATION CHARGE ON GCC CUSTOMERS IS UNJUST AND UNREASONABLE AND SHOULD BE REJECTED.

In its initial brief, the AG recommends that the Commission direct Consumers to implement a new pipeline capacity reservation charge on GCC customers.² The AG raises no new issues in his initial brief that were not anticipated and fully addressed in RESA's Initial Brief. Importantly, no other party to this proceeding supported the AG's recommendation, including the Michigan Public Service Commission ("MPSC") Staff. While the MPSC Staff supported a capacity reservation charge for DTE Gas Company³, they

² Attorney General's Initial Brief, pp. 25-27.

³ See, MPSC Staff's Initial Brief, Case No. U-17131, p. 2, 6-9.

have not supported such a charge for Consumers. DTE Gas' capacity procurement and gas supply plan is decidedly different from Consumers' capacity procurement and gas supply plan. The important distinctions are discussed in RESA's Initial Brief⁴, and warrant the rejection of a capacity reservation charge for Consumers as unjust and unreasonable. The AG's proposed change to Consumers' GCC program is without merit and should be rejected.

III. THE ATTORNEY GENERAL ABANDONED ITS WITNESS'S PROPOSED ADJUSTMENT TO CONSUMERS' DAILY DELIVERY OBLIGATIONS TARIFF. THE PROPOSED ADJUSTMENT SHOULD BE REJECTED.

The AG's witness recommended adjustments to Consumers' Daily Delivery Obligations ("DDOs") tariff in summary fashion.⁵ The AG's witness recommended that Consumers update its DDOs more often than once a month.⁶ The AG made the same recommendation in other recent Consumers GCR proceedings.⁷

In his initial brief, however, the AG did not advocate his witness's recommendation. Thus, it appears that the AG has abandoned this issue for purposes of this proceeding, and no other party to this proceeding supported the AG's recommendation. Thus, the AG's witness recommendation should be rejected.

IV. CONCLUSION AND PRAYER FOR RELIEF.

For all the reasons explained in the preceding sections of this Reply Brief and RESA's Initial Brief, RESA respectfully requests that the Honorable Administrative Law

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⁴ RESA's Initial Brief, pp. 10-12.

⁵ 4 Tr. 469-470.

⁶ 4 Tr. 470.

⁷ See, Case Nos. U-17334 and U-17133-R.

Judge issue a proposal for decision recommending that the Commission reject the proposed adjustments to Consumers' GCC program.

Respectfully submitted,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.
ATTORNEYS FOR RETAIL ENERGY SUPPLY ASSOCIATION



Date: September 28, 2015

By: _____

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STATE OF MICHIGAN

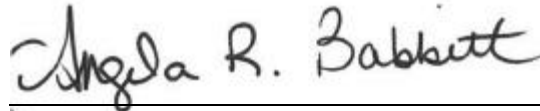
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Case No. U-17693

CERTIFICATE OF SERVICE

Angela R. Babbitt hereby certifies that on the 28th day of September, 2015, she served the *Reply Brief of Retail Energy Supply Association* and this Certificate of Service on the persons identified on the attached service list via electronic mail.



Angela R. Babbitt

Service List for U-17693

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