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Eric J. Schneidewind

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May 15, 2012

Ms. Mary Jo Kunkle
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Re: Case No. U-16999

Dear Ms. Kunkle:

Attached for paperless electronic filing is the Petition To Intervene Of The Retail Energy Supply Association.

Also attached is a Proof of Service indicating service on counsel.

Thank you for your assistance in this matter.

Very truly yours,

VARNUM,^{LLP}

Eric J. Schneidewind

EJS/mrr

cc: ALJ
parties

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
MICHIGAN CONSOLIDATED)
GAS COMPANY for authority to)
increase its rates, amend its rate)
schedules and rules governing the)
distribution and supply of natural gas,)
and for miscellaneous accounting authority.)
_____)

Case No. U-16999

PETITION TO INTERVENE OF THE RETAIL ENERGY SUPPLY ASSOCIATION

The Retail Energy Supply Association ("RESA") by its attorneys, Varnum LLP hereby files this petition with the Michigan Public Service Commission ("Commission") for leave to intervene in and become a party to the above entitled proceedings pursuant to R460.17201 (Rule 201) of the Commission Rules of Practice and Procedure. In support of this Petition, RESA states as follows:

1. RESA is a broad and diverse group of retail energy suppliers who share the common vision that competitive retail energy markets deliver a more efficient customer oriented outcome than a regulated utility structure¹. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

¹ RESA's members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus, LLC; Reliant; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

2. RESA members are licensed to sell natural gas to retail customers in Michigan: Integrys Energy Services, Inc. ("Integrys Energy") and Constellation NewEnergy-Gas Division, LLC ("CNEG") are licensed Alternative Gas Suppliers ("AGS"). Integrys Energy and CNEG currently serve customers on the Michigan Consolidated Gas Company ("MichCon") system.

3. On Friday, April 20, 2012, MichCon filed the Application in this matter with the Commission seeking approval of revisions to its tariffs incorporating rate increase in the amount of \$76.7 million, and requested changes of particular interest to the transportation community including but not limited to:

- 1) Rate base increases largely related to a Main Replacement Program, O&M increases and changes in the capital structure.
- 2) A request that the current Pilot Revenue Decoupling Mechanism ("PRDM") included in Rate Case U-15985 be replaced with the new RDM along the lines approved by the Commission for Detroit Edison electric operations in Case U-16472.
- 3) Adoption of a program to install AMI equipment.
- 4) The average revenue increase would be 7.16% but revenue increases by class range from 5.86% for residential to 6.64% for general service and 14.34% for transportation. At the high end, rate LT customers would see an increase of 23.5%.

4. RESA members are directly affected by these proceedings because the rates and terms of service approved in these proceedings will be paid by RESA members or their customers participating in the MichCon transportation market. As an organization representing licensed

AGSs with their own distinct interests, RESA's interests in this proceeding cannot be adequately represented or protected by any other party.

5. RESA is therefore entitled to Intervention in this case because the issues to be addressed in this proceeding could have a direct and substantial impact upon at least two RESA members in terms of the price paid for essential services, and conditions or terms that may be proposed by other parties. Thus, the proposed tariff revisions can create an injury in fact for RESA members.

6. Under an Order in Michigan Consolidated Gas Company Case U-9138, November 10, 1988, standing to intervene in a proceeding is established by a showing which requires a party to demonstrate that

- 1) It will suffer an injury in fact as a result of the outcome of the case; and
- 2) It must be within the zone of interest protected by the statute involved.

RESA meets the "injury in fact" test because the proposed revisions of tariffs potentially raise rates to customers served by RESA members. These proposed changes in rules and conditions of service all have the potential to adversely impact existing RESA members and the customers they serve.

As entities which utilize and purchase services from MichCon, RESA members are termed "customers" under utility tariffs and as such could be directly affected by changes to the tariff sheets and rules which are proposed by Applicant MichCon. Thus, RESA members are within the zone of interest protected by statutes.

7. RESA is also entitled to a grant of Intervenor status on a permissive basis. RESA members as AGSs serving customers on the MichCon system have direct knowledge of the impact of the proposed tariff changes on AGS entities operating on the MichCon system and on the customers they serve. RESA, as the representative of AGSs has a perspective that is unique and that perspective is not directly represented by any other party to this matter.

8. Further, RESA was granted Intervention as a party in Consumers Energy General Rate Case U-16418, SEMCO Cases U-15953 and U-16169 and in Michigan Consolidated Gas General Rate Case U-16400.

9. As an Intervenor in this case, RESA will take the position that any revisions to the tariffs of MichCon must be just, reasonable and non-discriminatory.

10. WHEREFORE, RESA respectfully request that the Commission grant its Petition to Intervene in this matter.

Respectfully submitted,

Varnum,^{LLP}
Attorneys for Retail Energy Supply Association

May 15, 2012

By: _____
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Lansing, Michigan 48933
517/482-6237

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BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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Case No. U-16999

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Monica Robinson, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on the 15th day of May, 2012, she served a copy of RESA's Intervention upon those individuals listed on the attached Service List by email at their last known addresses.

Monica Robinson

SERVICE LIST U-16999

Administrative Law Judge

Hon. Mark D. Eyster

mdeyste@michigan.gov

Michigan Consolidated Gas Company

Richard P. Middleton

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