

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

April 21, 2005

In Reply Refer To:
Consumers Energy Company
Docket Nos. PR05-4-000 and PR05-4-001

Consumers Energy Company
Attn: Deborah A. Moss
1016 16th, NW
Suite 500
Washington, DC 20036

Attention: Ms. Deborah A. Moss, Principal Attorney

Reference: Stipulation and Agreement

Dear Ms. Moss:

1. The Stipulation and Agreement (Settlement) filed by Consumers Energy Company (Consumers) on March 24, 2005 reasonably resolves all issues in this proceeding, produces a fair and equitable transportation rate and, therefore, is approved. This order will benefit Consumers' current and potential shippers by affording them with alternative transportation services at fair and equitable rates.
2. The following is a summary of the major provisions of the Settlement.
 - a. Effective November 24, 2004, the maximum fair and equitable rate for Natural Gas Policy Act of 1978 section 311 interruptible transportation service on Consumers' system will be \$0.1429 per Dth plus up to 2.29 percent fuel, lost and unaccounted for gas.
 - b. On or before November 24, 2007, Consumers shall make an informational filing of cost and throughput data pursuant to 18 C.F.R. §154.313 (2004). Should Consumers decide to change its rates, it shall file a petition for rate approval pursuant to section 284.123(b)(2), 18 C.F.R. § 284.123(b)(2) (2004), to propose a new interruptible transportation rate.

- c. Within 30 days from the date the Commission issues an order approving, without modification, all terms of the Settlement, Consumers will refund, with interest as determined in accordance with 18 C.F.R. § 154.501(d) (2004), any amount it has collected for NGPA section 311 transportation of natural gas through its facilities above the rate specified in section 2(a), above, on or after November 24, 2004.
- d. The provisions of the Settlement shall not become effective unless and until the Commission issues an order accepting and approving all terms and conditions of the Settlement and such order becomes final and no longer subject to rehearing.
- e. The Settlement represents a negotiated agreement of the issues in this proceeding. Neither the Commission, its Staff, nor any other party shall be deemed to have approved, accepted, agreed, or consented to any principle or issue in this proceeding.

3. The Settlement was filed pursuant to Rule 602(f)(2) of the Commission's rules of Practice and Procedure, 18 C.F.R. § 385.602(f)(2) (2004). Pursuant to Consumers' request, a shortened comment period was established with initial comments to be filed on or before April 1, 2005, and reply comments on or before April 8, 2005. Pursuant to Rule 385.602(d), 18 C.F.R. § 385.602(d) (2004), Consumers served a copy of the Settlement on all parties. No protests or adverse comments were filed.

4. This letter order does not relieve Consumers of its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission. Commissioner Brownell concurring with a separate statement attached.

Magalie R. Salas,
Secretary.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Consumers Energy Company

Docket Nos. PR05-4-000 and
PR05-4-001

(Issued April 21, 2005)

BROWNELL, Commissioner, concurring:

For the reasons set forth in Green Canyon Pipe Line Company, L.P. in Docket No. PR01-15-001, I would not impose a triennial rate approval requirement on Section 311 pipelines. Here, Consumers Energy Company has agreed to make a triennial rate approval filing as part of an overall settlement. Therefore, I agree with the result of this order which is to approve an uncontested settlement.

Nora Mead Brownell
Commissioner