

COUNCIL COMMUNICATION

From: The City Manager

Subject: Approve Participation in MML Sponsored Electric Rate Case

Manager's Recommendation:

I recommend approval of the participation by the City of Saginaw in the Consumers Energy rate case before the Michigan Public Service Commission, that the City contribute \$5,000 as its share of that participation and that the City Manager or his designee be authorized to execute all documents necessary for that participation. The documents have been approved by the City Manager as to substance and the City Attorney as to form.

Justification:

The City of Saginaw is a member of and an active participant in the Michigan Municipal League ("MML"). The MML has sought participation from member communities in its intervention in the latest Consumers Energy rate increase case before the Michigan Public Service Commission ("MPSC"). This Consumers Energy proposal would substantially increase municipal electric rates, eliminate past credits and increase the allowed rate of return for Consumers Energy. Under a new version of the law, Consumers Energy would implement this increased rate even before it is approved by the MPSC.

The MML and the Michigan Township Association ("MTA") have asked for participation among those communities affected. The suggested amount for the contribution is 0.368% of the community's annual electric bill. For the City of Saginaw, that amount is estimated at \$5,000. Funds are available in the City Manager's Other Services/Professional Services Account, No. 101-1710-701.80-01.

Council Action:

Council _____ moved that the recommendation from the City Manager be approved.