

**Customer Choice  
Coalition Member  
Organizations**

ABATE

Associated Petroleum  
Industries - Michigan

Auto Dealers of Michigan LLC

Business & Institutional Furniture  
Manufacturers Association

Dow Corning Corporation

Energy Michigan

Great Lakes Petroleum Retailers &  
Applied Trade Association

Metropolitan Hospital

Michigan Association of  
Broadcasters Service Corporation

Michigan Association of  
Convenience Stores

Michigan Association of  
Intermediate School Administrators

Michigan Association of  
Non-Public Schools

Michigan Association of School  
Administrators

Michigan Association of School  
Boards

Michigan Grocers Association

Michigan Interfaith Power & Light

Michigan Petroleum Association

Michigan Press Association

Michigan Restaurant Association

Michigan Retailers Association

Michigan School Business Officials

Michigan School Energy  
Cooperative

Midwest Car Wash Association

Middle Cities Education  
Association

National Federation of  
Independent Business

Small Business Association of  
Michigan

Spartan Stores

United States Steel



For more information  
David Waymire 517-485-6600

For immediate release  
Oct. 3, 2007

## **Consumers Energy plant costs up 42 percent in five months**

Consumers Energy proposed new plant has a 42 percent cost overrun before it's even started, showing the danger of returning control of Michigan's electric system to monopoly utilities and the need for creation of fair, open competitive bidding process to meet Michigan's future electric needs.

Consumers Energy has told the Michigan Public Service Commission that its planned coal-fired plant near Bay City will cost \$1.44 billion – up from \$1.15 billion it estimated in May. The utility notified the commission of the increase in the cost of the proposed plant in a filing on Sept. 21. The revised filing states, "The cost of construction anticipated by this estimate is approximately 42% higher than the...estimate used in the original (May 1, 2007) filing.

A recent bill draft released by Rep. Frank Accavitti Jr., D-Eastpointe, chairman of the House Technology and Energy Committee and supported by Consumers Energy and Detroit Edison allows the Public Service Commission to grant those two companies a certificate of need allowing construction of a plant, without hearing, based on a utility filing. The proposal calls for utilities to be allowed to start charging customers even before the plant is delivering any power to Michigan.

It would presume any cost increases above the original estimate to be reasonable and prudent merely if supported by a filing at the Michigan Public Service Commission.

"This huge increase in plant expense is another reason why Michigan lawmakers should support Senate Bill 427 or House Bill 4630, which mandate competitive bidding for meeting Michigan's future energy needs, and not return control of its electric system to monopoly utilities," said Barry Cargill, executive director of the Customer Choice Coalition

"The State of Michigan requires competitive bidding for all major state purchases because it saves our citizens money. Now is the time to include electricity in the policy, to ensure that Michigan businesses and families are assured of getting the lowest cost possible for its electric needs," Cargill said.

If the legislation proposed by Consumers and Edison had been in place as of May 1, 2007 the Public Service Commission might have approved the Application, customers would have begun to pay costs of the project and then, a mere four months later, found that estimated costs had increased 42%.

Consumers and Detroit Edison have publicly stated that they won't build a new power plant unless Michigan's current electric choice and competition policies are repealed.

SB 427 would increase competition and ensure the lowest cost possible for

Michigan consumers by mandating that potentially less expensive solutions such as power purchases, renewable resources, efficiency or transmission additions must be considered as ways to meet Michigan's future electric needs, and prevent cost overruns.