

Give Ratepayers a Break! Citizens' Groups React to CMS Quarterly Report

JACKSON, MI – While Michigan residents struggle to find the money to pay their electric bills, CMS Energy announced their quarterly profits this afternoon. The company gave no indication that they would stop reckless spending on an unnecessary and risky coal-fired power plant or do away with plans to make ratepayers foot the bill for the plant, despite announcing that profits are down for the third quarter compared to the same period last year.

In a call with shareholders and financial analysts today, CMS CEO David Joos blamed the continued reduction in profits on "the continuing downturn in the state's economy," according to a CMS press release. He also cited "reduced electricity demand" as adversely affecting the energy giant's bottom line.

For the first nine months of 2009, CMS Energy had reported net income of \$216 million, or \$0.92 per share, compared to reported net income of \$224 million, or \$0.94 per share, for the first nine months of 2008.

"Michigan's working families have been hit hard by this recession and can't afford to pick up the tab for an expensive and dirty coal-fired power plant," said **Patty Gillis** from **Voices for Earth Justice**. "We need a break, and CMS Energy should put more of those earnings into energy efficiency to help businesses and homes cut electric bills and pollution at the same time."

CMS affiliate Consumers Energy is seeking approval for a \$2.6 billion coal-fired power plant at the site of existing coal plants in Essexville. Changes in state law secured by utilities last year will allow rate increases to go into effect on electric customers while the plant is being built, even though no new electricity would be available until at least 2017. In addition, residential Consumers Energy customers will receive the highest rate increases among customer classes as a result of the new law, with estimates of rate jumps as high as 30%, or in line with rate increases recently requested by WE Energies in the western U.P. to pay for new coal plants in Wisconsin.

Additional rate increases are also expected to be requested by Consumers Energy to clean up arsenic and other toxins spewing into Saginaw Bay from leaking coal ash waste pits on the Essexville site. In addition, Consumers Energy is currently fighting the Michigan Public Service Commission's efforts to return more than \$13 million in overpayments for tree trimming and fuel costs to ratepayers as required in a 2005 order. Just as the economy begins to recover, businesses and families that get their power from Consumers Energy will end up stuck with higher bills for more pollution.

"This rate increase is one of more to come that is unnecessary when people can't afford more increases on their electricity," said **Walt Bryden** of Bay County Group **Citizens Exploring Clean Energy**.

Citizens also reacted to Joos statement that the company would "continue to focus on providing customers with...affordable energy service in the most efficient and cost-effective manner."

"Earning profits on the backs of Michigan businesses and families while putting more pollution into our water and air is not the right direction for CMS Energy shareowners," said **Anne Woiwode** of the **Sierra Club**. "Instead of replacing aging infrastructure with more dirty coal, CMS Energy has the opportunity to earn returns on large capital investments in energy efficiency and clean energy, unleashing innovation and creating thousands of jobs for Michigan workers in new industries." As part of a review of need for the proposed coal plant, Public Service Commission staff recently reported that alternatives such as energy efficiency and clean energy could meet future needs for Consumers Energy.

"Raising our rates for an unnecessary and dirty coal plant in order to earn more profits for David Joos and CMS Energy is the wrong direction for Michigan's economy," continued Gillis, "Give us a break."

"Their solution is to ask us to pay more for something we don't need? How absurd," said **David Holtz**, Executive Director of **Progress Michigan**. Holtz added that the company should be increasing its investment in energy efficiency and clean, renewable energy to help customers make ends meet and create new family-supporting jobs in these challenging economic times.