

1 Q. **Reference: Evidence on Rate Stabilization Plan – Surplus Refund Plan**

2 Please list the similarities and differences in Hydro’s Surplus Refund Plan and the  
3 2009 Consumers Energy Company refund. (Surplus Refund Plan, Page 11, Lines 16-  
4 18)

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7 A. The salient similarities and differences in Hydro’s Surplus Refund Plan and the 2009  
8 Consumers Energy Company refund are as follows:

- 9 • The Consumers Energy refund arose due to the difference between self-  
10 implemented rates and the final rates per the commission order. The NP  
11 RSP Surplus results from the over-collection of fuel costs;
- 12 • Both refund plans are based on the recognition of the administrative  
13 difficulties and complexities in identifying individual past customers;
- 14 • Both refund plans refund the over-collection on commodity or energy sales;
- 15 • Both plans use recent or forecasted commodity or energy sales rather than  
16 sales during the over-collection period; and
- 17 • The Consumers Energy refund plan is iterative in recognition of the  
18 possibility that there are differences between forecasted sales and actual  
19 sales during the refund period could result in residual amounts owed to  
20 ratepayers after the initial month. In such an instance, subsequent  
21 iterations would be made until the residual refund owed to customers is at  
22 or below a minimum threshold of \$0.0001 per thousand cubic feet of gas.  
23 Under the proposed refund approach, a credit will be applied to each  
24 customer’s account.