

CONSUMERS ENERGY CO
Form U-3A-2
February 28, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM U-3A-2

STATEMENT BY HOLDING COMPANY CLAIMING EXEMPTION UNDER
RULE U-3A-2 FROM THE PROVISIONS OF THE PUBLIC UTILITY
HOLDING COMPANY ACT OF 1935

TO BE FILED ANNUALLY PRIOR TO MARCH 1

CONSUMERS ENERGY COMPANY

(Name of Company)

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hereby files with the Securities and Exchange Commission, pursuant to Rule 2, its statement as a holding company from the provisions of the Public Utility Holding Company Act of 1935, the following information:

February 28, 2002

1. Name, state of organization, location and nature of business of claimant and entity in which it holds an interest greater than any exempt wholesale generator (EWG) or foreign utility company in which it holds an interest.

Consumers Energy Company

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

Consumers Energy Company is a Michigan corporation engaged in the generation, transmission, distribution and sell of electricity, and in the purchase, storage, transmission and distribution of natural gas, in the lower peninsula of the state of Michigan.

1. CMS Engineering Co.

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

CMS Engineering Company is a Michigan corporation engaged in offering design, engineering, construction and related construction services to natural gas utilities, natural gas exploration and other energy businesses.

2. CMS Midland Holdings Company

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

CMS Midland Holdings Company is a Michigan corporation involved as a Limited Partnership, a Delaware limited partnership, which leases assets to CMS Midland Holdings Company, a Michigan limited partnership.

3. CMS Midland, Inc.

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

CMS Midland, Inc. is a Michigan corporation engaged as a 49% General Partner in CMS Midland Holdings Company, a Michigan limited partnership.

4. Consumers Campus Holdings, LLC

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Address: 212 West Michigan Avenue, Jackson, Michigan 49201

Consumers Campus Holdings, LLC is a Michigan limited liability company formed for the purpose of being a lessee in the synthetic lease financing of the new Consumers Energy Company downtown Jackson, Michigan.

5. Consumers EnergyGuard Services, Inc.

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

Consumers EnergyGuard Services, Inc., is a Michigan corporation formed for the purpose of providing a residential bill payment insurance product to Consumers' residential customers.

6. Consumers Funding LLC

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

Consumers Funding LLC is a Delaware limited liability company formed for the purpose of holding property transferred by Consumers and issuer of securitization bonds.

7. Consumers Nuclear Services, LLC

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

Consumers Nuclear Services, LLC is a Michigan limited liability company formed for the purpose of holding a 20% member interest in Nuclear Management LLC.

- 7.1 Nuclear Management Company, LLC (20%)

Address: 700 First Street, Hudson, Wisconsin 54016

Nuclear Management Company, LLC is a Wisconsin limited liability company formed for the purpose of ensuring reliability and continued safe operation, to pursue overall excellence in the provision of services, as well as to identify efficiencies in the provision of operating services.

8. Consumers Receivables Funding, LLC

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

Consumers Receivables Funding, LLC is a Delaware limited liability company formed for the purpose of purchasing receivables from Consumers Energy Company and sell them to a third party.

9. ES Services Company

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

ES Services Company is a Michigan corporation formed for the purpose of offering engineering, construction management and related services primarily to electric utilities and generation facilities.

10. MEC Development Corp.

Address: 212 West Michigan Avenue, Jackson, Michigan 49201

MEC Development Corp. is a Michigan corporation that previously held assets related to the issuance of bonds issued by the Midland Cogeneration Venture Limited Partnership, a Michigan corporation.

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11. Michigan Electric Transmission Company
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Michigan Electric Transmission Company is a Michigan corporation formed for the purpose of holding the interest of CEC Investments I, Inc. and related to the power plant building pending a purchase of the title to the land by Consumers.
12. Michigan Gas Storage Company
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Michigan Gas Storage Company is a Michigan corporation and a natural gas storage facility under the Natural Gas Act engaged in the interstate transportation and storage of gas for Consumers.
13. Consumers Parnall Holdings, LLC
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Consumers Parnall Holdings, LLC is a Michigan limited liability corporation formed for the purpose of holding the interest of CEC Investments I, Inc. and related to the power plant building pending a purchase of the title to the land by Consumers.
14. Consumers Power Company Financing I
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Consumers Power Company Financing I is a Delaware Trust established to issue Trust Securities.
15. Consumers Power Company Financing II
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Consumers Power Company Financing II is a Delaware Trust established to issue Trust Securities.
16. Consumers Power Company Financing III
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Consumers Power Company Financing III is a Delaware Trust established to issue Trust Securities.
17. Consumers Power Company Financing IV
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Consumers Power Company Financing IV is a Delaware Trust established to issue Trust Securities.
18. Consumers Power Company Financing V
Address: 212 West Michigan Avenue, Jackson, Michigan 49201
Consumers Power Company Financing V is a Delaware Trust established to issue Trust Securities.

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2. A brief description of the properties of claimant and each of its subsidiary public utility companies, including the generation, transmission and distribution of electric energy for sale, or for the distribution of natural or manufactured gas, indicating the location of principal generating plants, transmission lines, producing fields, gas manufacturing plants, and electric and gas distribution properties which are outside the State in which claimant and its subsidiaries are organized, and the pipelines which deliver or receive electric energy or gas at the borders of such State.

 Claimant's subsidiary Consumers is a public utility. Its property and facilities used for the generation, transmission and distribution of electric energy and for the distribution of natural or manufactured gas are located within the State of Michigan and are described below.

(1) Electric Properties

Consumers' electric generation is supplied by the following plants:

Name and Location (Michigan)	Size and Year Entering Service	2001 Summer Net Demand Capability
Coal Generation		
J H Campbell 1&2 - West Olive	2 Units, 1962-1967	
J H Campbell 3 - West Olive	1 Unit, 1980	
D E Karn - Essexville	2 Units, 1959-1961	
B C Cobb - Muskegon	2 Units, 1956-1957	
J R Whiting - Erie	3 Units, 1952-1953	
J C Weadock - Essexville	2 Units, 1955-1958	
Total Coal Generation		
Oil/Gas Generation		
B C Cobb - Muskegon	3 Units, 1999-2000	
D E Karn - Essexville	2 Units, 1975-1977	
Total Oil/Gas Generation		
Hydroelectric		
Conventional Hydro Generation	13 Plants, 1907-1949	
Ludington Pumped Storage	6 Units, 1973	
Total Hydroelectric		
Nuclear Generation		
Palisades - South Haven	1 Unit, 1971	
Total Nuclear Generation		
Gas/Oil Combustion Turbine Generation		
	8 Plants, 1966-1999	
Total Gas/Oil Combustion Turbine		
Total owned generation		

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Purchased and Interchange Power Capacity

TOTAL

- (a) Represents Consumers' share of the capacity of the J H Campbell 3, net of 6.69 percent Michigan Public Power Agency and Wolverine Power Supply Cooperative, Inc.).
- (b) Represents Consumers' share of the capacity of Ludington. Consumers and Detroit percent undivided ownership, respectively, in the plant.
- (c) Represents Consumers' share of net pumped storage generation. This facility electrical hours for storage to later generate electricity during peak-demand hours.
- (d) Includes 1.8 MW of distributed generation.
- (e) Includes 1,240 MW of purchased contract capacity from the MCV Facility.

Electric subtransmission and distribution lines are located on or under public highways, streets where they are located on or under easements or other rights. Consumers owns 340 miles of high lines. The subtransmission system consists of 4,152 structural miles of overhead lines and 16 s lines. The distribution system consists of 54,380 structural miles of overhead lines and underground lines.

Consumers owns substations having an aggregate transformer capacity of 28,868,000 kilovoltamperes

On April 1, 2001, Consumers transferred its investment in electric transmission lines and subsidiary, Michigan Electric Transmission Company (METC). The transmission system consist overhead lines.

METC owns substations having an aggregate transformer capacity of 12,015,660 kilovoltamperes.

Consumers is interconnected with certain Michigan and neighboring utilities. Consumers owns t METC owns the non-land assets which connect with the electric transmission lines that deliver Michigan state border to:

Indiana & Michigan Electric Company at the following interconnection points: Palisades-Cook Argenta-Robinson Park and Argenta-Twin Branch; and Northern Indiana Public Service Company at point: Barton Lake-Batavia.

(2) Gas Properties

Consumers' gas distribution and transmission system consists of 24,746 miles of distri transmission lines throughout Michigan's lower peninsula. It owns and operates six compres 113,680 installed horsepower. Consumers has 11 gas storage fields located across Michigan capacity of 221.3 bcf.

Michigan Gas Storage's transmission system consists of 521 miles of pipelines within M owns and operates two compressor stations with a total of 53,500 installed horsepower. Mic storage fields located in Osceola, Clare and Missaukee counties of Michigan with an aggreg bcf.

In November 2001, Michigan Gas storage filed an application with the Federal Ener

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declaration of exemption from provisions of the National Gas Act. Upon approval of the Michigan Gas Storage and its facilities would be merged into Consumers Energy Company.

3. The following information for the last calendar year with respect to claimant and public utility companies:

ELECTRIC ENERGY

(a) Number of kWh of electric energy sold (at retail or wholesale).

Total Electric Energy Sold

(b) Number of kWh of electric energy distributed at retail outside Michigan.

Total Electric Energy Distributed Outside of the State of Michigan

(c) Number of kWh of electric energy sold at wholesale outside Michigan or at Michigan's State Line.

Total Electric Energy Sold at Wholesale Outside the State of Michigan or at Michigan's State Line.

(d) Number of kWh of electric energy purchased outside Michigan or at Michigan's state line.

Total Electric Energy Purchased Outside of Michigan

NATURAL GAS

CMS Energy information reports for natural gas, as it does not deal with or in manufacture

(a) Number of Mcf of natural gas distributed at retail.

Total Natural Gas Distributed at Retail

(b) Number of Mcf of natural gas distributed at retail outside Michigan.

Total Natural Gas Distributed at Retail Outside the State of Michigan

(c) Number of Mcf of natural gas sold at wholesale outside Michigan or at Michigan's State Line.

Total Natural Gas Sold at Wholesale Outside Michigan or at Michigan's State Line.

(d) Number of Mcf of natural gas purchased outside Michigan.

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Total Natural Gas Purchased Outside of Michigan

4. The following information for the reporting period with respect to claimant and or indirectly in an EWG or a foreign utility company, stating monetary amounts in
- (a) Name, location, business address and description of the facilities used by the EWG for the generation, transmission and distribution of electric energy for sale or for the production of natural or manufactured gas;
NONE
- (b) Name of each system company that holds an interest in such EWG or foreign utility company and the interest held;
NONE
- (c) Type and amount of the capital invested, directly or indirectly, by the holding company, direct or indirect guarantee of the security of the EWG or foreign utility company claiming exemption; and any debt or other financial obligation for which the holding company is indirectly, to the holding company claiming exemption or another system company; utility company;
NONE
- (d) Capitalization and earnings of the EWG or foreign utility company during the reporting period;
NONE
- (e) Identify any service, sales or construction contract(s) between the EWG or foreign utility company, and describe the services to be rendered or goods sold and fees or revenues received;
NONE

Exhibit A-1 Consolidating statement of income and surplus of Claimant and its subsidiary for the calendar year 2001, together with a consolidating balance sheet of Claimant and its subsidiary for the calendar year.

Exhibit B- Not Applicable

The above-named Claimant has caused this statement to be duly executed on its behalf by its duly authorized officer on the 28th day of February, 2002.

CONSUMERS ENERGY COMPANY
A Michigan corporation

[CORPORATE SEAL]

By: /s/David A. Mikelonis .
David A. Mikelonis
Senior Vice President and General Counsel

ATTEST:

/s/Michael D. VanHemert
Michael D. VanHemert
Assistant Secretary

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Name, title, and address of officer to whom notices and correspondence concerning this Sta

David A. Mikelonis
 Senior Vice President and
 General Counsel
 Consumers Energy Company
 2123 West Michigan Avenue
 Jackson, Michigan 49201

EXHIBIT A

A consolidating statement of income and surplus of Consumers Energy Company and its subsidiary co
 together with a consolidating balance sheet of CMS Energy and its subsidiary companies as of the
 attached.

(In Millions)	CONSUMERS ENERGY COMPANY				CMS Midland Holdings Company
	Consomers Energy Company (1)	Michigan Electric Transmission Company	Consumers Funding LLC		
	\$2,649	\$82	\$0	\$	
	1,358	0	0		
Operating Revenue	5	0	0		1
Electric					
Gas	4,012	82	0		1
Other					
Total operating revenue	330	0	0		
Operating Expenses	604	0	0		
Fuel for electric generation					
Purchased power -	476	0	0		
related parties	707	0	0		
Purchased and interchange					
power	143	0	0		
Cost of gas sold					
Cost of gas sold-	126	0	0		
related parties	636	27	0		
Loss on power purchases agreement-	202	10	0		
MCV Partnership					
Other	329	8	0		
Maintenance	183	4	0		
Depreciation, depletion and amortization	3,736	49	0		
General Taxes					

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	276	33	0	1
Total operating expenses				
Pretax Operating Income	49	1	3	
Other Income (Deductions)	(10)	0	0	
Dividends and interest	56	0	0	
from affiliates				
Accretion expense				
Other, net	95	1	3	
Total other income				
(deductions)	148	0	3	
	88	0	0	
Interest Charges	(6)	0	0	
Interest on long-term debt				
Other interest	230	0	3	
Capitalized interest				
	141	34	0	1
Net interest charges	26	12	0	
Net Income (Loss) Before Income Taxes				
Income Taxes	115	22	0	1
Net Income (Loss) Before Cumulative				
Effect of Change in Accounting	(11)	0	0	
Principle				
Cumulative Effect of Change in	104	22	0	1
Accounting for Derivative				
Instruments				
	2	0	0	
Net Income (Loss)	41	0	0	
Preferred Stock Dividends				
Preferred Securities Distribution	61	22	0	1
Net Income (Loss) Available				
to Common Stockholder				
Dividends on Common Stock	191	0	0	
Net Income (Loss) After Common				
Dividends	\$ (130)	\$22	\$0	\$1

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- (1) Represents Consumers Energy Company, Michigan Gas Storage Company, ES Services MEC Development Corporation, Consumers Power Company Financing I, Consumers Energy Company Financing III, Consumers Energy Company Financing IV, Consumers Nuclear Services, LLC and Consumers Parnall Holdings, LLC

CONSUMERS ENERGY COMPANY
Consolidating Balance Sheet Assets
December 31, 2001
(In Millions)

	Consumers Energy Company (1)	Michigan Electric Transmission Company	Consumers Funding LLC	CMS Midland Holdings Company
Plant (At original cost)				
Electric	\$7,211	\$450	\$0	\$0
Gas	2,593	0	0	0
Other	23	0	0	0
	-----	-----	-----	-----
	9,827	450	0	0
Less accumulated depreciation, depletion and amortization	5,715	219	0	0
	-----	-----	-----	-----
	4,112	231	0	0
Construction work-in-progress	435	29	0	0
	-----	-----	-----	-----
	4,547	260	0	0
	-----	-----	-----	-----
Investments				
Stock of affiliates	746	0	0	0
First Midland Limited Partnership	0	0	0	253
Midland Cogeneration Venture Limited Partnership	0	0	0	0
	-----	-----	-----	-----
	746	0	0	253
	-----	-----	-----	-----
Current Assets				
Cash and temporary cash Investments	10	0	4	0
Accounts receivable and accrued revenue	115	17	0	0
Accounts receivable -				

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related parties	49	27	1	0
Notes receivable -				
related parties	0	0	16	0
Inventories at average cost -				
Gas in underground storage	569	0	0	0
Materials and supplies	63	6	0	0
Generating plant fuel stock	52	0	0	0
Prepaid property taxes	144	0	0	0
Regulatory assets	19	0	0	0
Other	4	10	0	0
	-----	-----	-----	-----
	-----	-----	-----	-----
	1,025	60	21	0
	-----	-----	-----	-----
	-----	-----	-----	-----
Non-current Assets				
Regulatory Assets				
Securitization costs	717	0	0	0
Postretirement benefits	209	0	0	0
Abandoned Midland project	12	0	0	0
Other	167	0	0	0
Nuclear decommissioning				
trust funds	581	0	0	0
Long-term notes receivables -				
related parties	536	0	453	0
Other	176	0	0	0
	-----	-----	-----	-----
	-----	-----	-----	-----
	2,398	0	453	0
	-----	-----	-----	-----
	-----	-----	-----	-----
Total Assets	\$8,716	\$320	\$474	\$253
	=====	=====	=====	=====

(1) Represents Consumers Energy Company, Michigan Gas Storage Company, ES Services Company, MEC Development Corporation, Consumers Power Company Financing I, Company II, Consumers Energy Company Financing III, Consumers Energy Company Financing Services, Consumers Nuclear Services, LLC and Consumers Parnall Holdings LLC.

CONSUMERS ENERGY COMPANY
 Consolidating Balance Sheet - Equity and Liabilities
 December 31, 2001
 (In Millions)

	Consumers Energy Company (1)	Michigan Electric Transmission Company	Consumers Funding LLC	CMS Midland Holdings Company	CMS Midlan Inc.
Capitalization					
Common Stockholders' Equity					
Common stock	\$872	\$0	\$0	\$0	\$0
Paid-in-capital	640	198	2	54	54
Revaluation capital	5	0	0	0	0
Retained earnings	412	22	0	35	35

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	1,929	220	2	89
Preferred stock	44	0	0	0
Company-obligated mandatorily redeemable preferred				
securities of subsidiaries	520	0	0	0
Long-term debt	2,019	0	453	0
Intercompany long-term notes payable	989	0	0	0
Non-current portion of capital leases	56	0	0	0
	5,557	220	455	89
Current Liabilities				
Current portion of long-term debt and capital leases	257	0	0	0
Notes Payable	416	0	0	0
Intercompany notes payable	26	0	0	0
Accounts payable	298	0	0	0
Accrued taxes	212	11	0	4
Accounts payable - related parties	122	18	0	0
Deferred income taxes	12	0	0	0
Other	257	0	3	0
	1,584	29	19	4
Non-current Liabilities				
Deferred income taxes	537	42	0	146
Postretirement benefits	279	0	0	0
Regulatory liabilities for income taxes, net	276	0	0	0
Power purchase agreement - MCV Partnership	169	0	0	0
Deferred investment tax credit	87	0	0	14
Other	227	29	0	0
	1,575	71	0	160
Total Stockholders' Equity and Liabilities	\$8,716	\$320	\$474	\$253

(1) Represents Consumers Energy Company, Michigan Gas Storage Company, ES Services Company Development Corporation, Consumers Power Company Financing I, Consumers Energy Company

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Company Financing III, Consumers Energy Company Financing IV, Consumers EnergyGuard Services, LLC and Consumers Parnall Holdings, LLC.

CONSUMERS ENERGY COMPANY
 Consolidating Statement of Retained Earnings
 December 31, 2001
 (In Millions)

	Consumers Energy Company (1)	Michigan Electric Transmission Company	Consumers Funding LLC	CMS Midland Holdings Company	CMS Midland Inc.
Balance at January 1, 2001	\$542	\$0	\$0	\$24	\$1
Net Income (Loss)	104	22	0	11	
Less Dividends Paid					
Common Stock	191	0	0	0	
Preferred Stock	2	0	0	0	
Preferred Securities Distributions	41	0	0	0	
	-----	-----	-----	-----	-----
	234	0	0	0	
	-----	-----	-----	-----	-----
Balance at December 31, 2001	\$412	\$22	\$0	\$35	\$1
	=====	=====	=====	=====	=====
	=====	=====	=====	=====	=====

- (1) Represents Consumers Energy Company, Michigan Gas Storage Company, ES Services Company, Development Corporation, Consumers Power Company Financing I, Consumers Energy Company Financing III, Consumers Energy Company Financing IV, Consumers Energy Nuclear Services, LLC and Consumers Parnall Holdings, LLC.