
BPL Deployment at Consumers Energy

NARUC 2006 Winter Committee Meetings
Washington, DC
February 13, 2006

Electric Distribution System

1,730,000 Customers

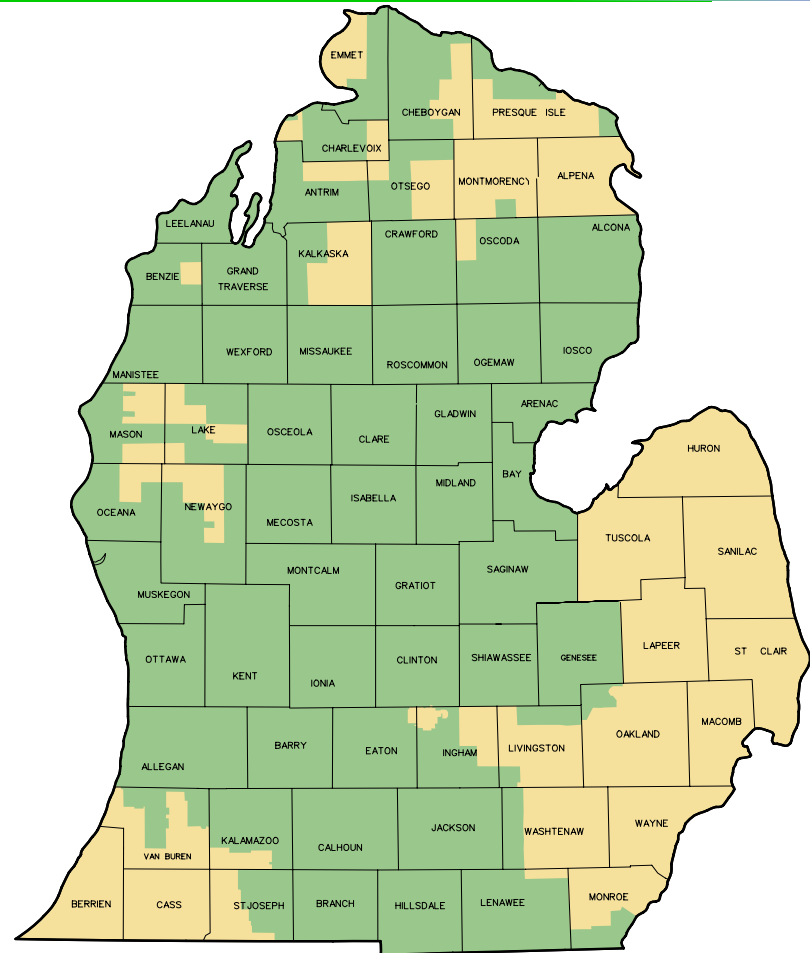
29,768 Square mile service territory

925 General Distribution Substations

59,000 Miles of distribution primary lines

545,000 Distribution transformers

20,000+ New customers annually



Business Model Selection

Of all the business models being considered by utilities, the Landlord approach was chosen and a commercial market pilot approved.

Low risk approach

Leverages the core competencies of the utility

Avoids affiliate transaction issues

Can be done within the existing regulatory environment

General Terms of the Agreement

The Shpigler Group receives the right to provide BPL Service to two communities and will market under Lighthouse Broadband (A total of 10,000 customer passed)

- 1st community – Grand Ledge
- 2nd community – St. Johns

Deployment is a Market Pilot

- No Investment on Consumer Energy's part
- No Commitment for further deployment
- Mutual sharing of information to

determine post pilot direction

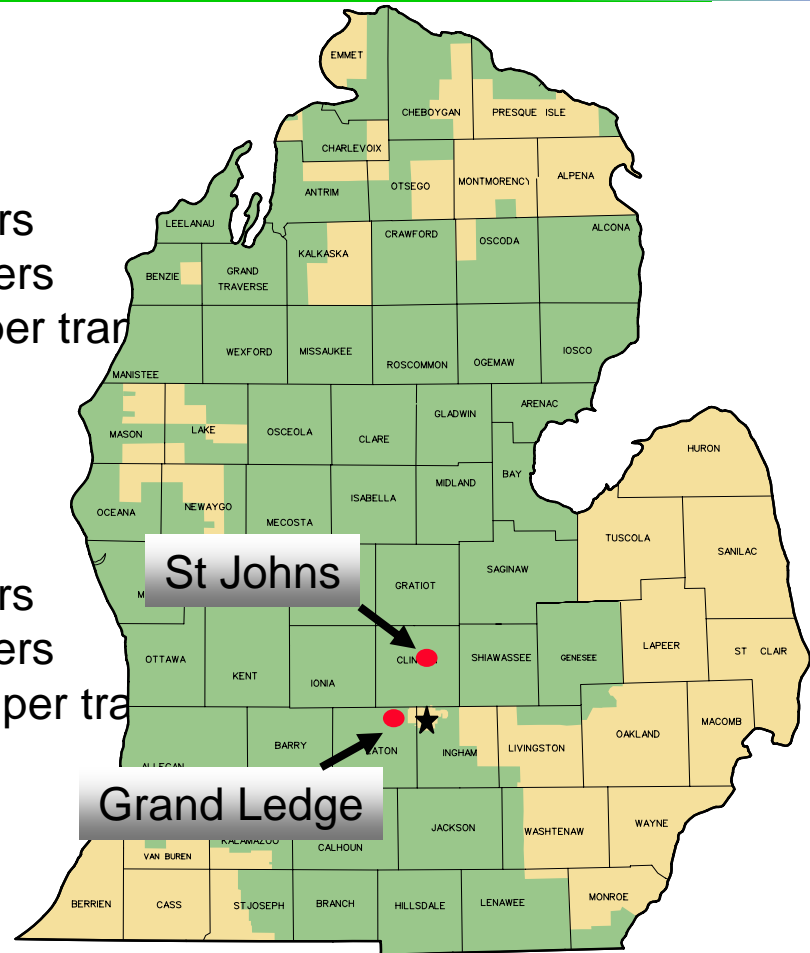
Pilot Communities

Grand Ledge

- 5350 Potential customers
- 574 Overhead transformers
- 482 Pad mount transformers
- 6 Customer per transformer

St Johns

- 4950 Potential Customers
- 482 Overhead transformers
- 178 Pad mount transformers
- 7.5 Customers per transformer



Consumers Energy's Objectives

Evaluate low risk Landlord Strategy for BPL

Determine Utility Application potential

Determine implications and potential for statewide deployment

Evaluate BPL as an Economic Development tool for more competitive broadband options in Michigan communities

Current Status

Grand Ledge Commercial Deployment

- Network up and running
- Continuing with deployment

St Johns Commercial Deployment

- Permit process proceeding
- Meetings recently held with City Officials and 911 Personnel
 - 2006 Deployment