NOTICE OF INTENT TO FILE A LICENSE APPLICATION LUDINGTON PUMPED STORAGE PROJECT (FERC No. 2680) CONSUMERS ENERGY COMPANY AND DTE ELECTRIC COMPANY

January 20, 2014

Pursuant to 18 C.F.R. Section 5.5 of the Federal Energy Regulatory Commission's (FERC) regulations, Licensees Consumers Energy Company (Consumers Energy) and DTE Electric Company (DTEE) (collectively 'Licensees' or Applicants'), hereby give notice and declare their intent to apply for a new license for the Ludington Pumped Storage Project (FERC No. 2680).

In accordance with 18 C.F.R. Section 5.5 and Section 16.6(b), the following information is provided.

1. The potential applicants or existing Licensees' name and address:

Consumers Energy Company One Energy Plaza Jackson, MI 49201, and

DTE Electric Company One Energy Plaza Detroit, MI 48226

2. Project number:

Ludington Pumped Storage Project, FERC No. 2680

3. License expiration date:

The Federal Energy Regulatory Commission issued a license to operate the Ludington Pumped Storage Project on July 30, 1969. The license was for a period effective July 1, 1969 and terminating June 30, 2019. Consumers Energy Company and DTE Electric Company will file its Application for New License on or before June 30, 2017.

4. Applicant's statement of intention to file an application for a subsequent license:

Consumers Energy and DTEE hereby unequivocally declare their intent to apply for relicense of the Ludington Pumped Storage Project, FERC Project No. 2680. The Licensees request that FERC conduct the relicensing using the Integrated Licensing Process (ILP).

5. Principal Project works include:

Upper Reservoir: A storage reservoir, formed by a dike with a maximum height of 170 feet and a perimeter of approximately 5.7 miles, with 82,300 acre-feet of gross storage capacity at maximum water surface elevation 942 NGVD.

Conduits: Six steel penstocks about 1,300 feet long with inside diameters varying from 28.5 to 24 feet.

Powerhouse: A concrete powerhouse located adjacent to Lake Michigan, containing six pump-turbine generating units each with a authorized installed capacity of 2,222,700 horsepower (1657.5 megawatts (MW))¹.

Tailrace: An excavated 1,100 foot wide, 2,715 foot-long tailrace channel in Lake Michigan. Two parallel 1,600 foot-long jetties on the northerly and southerly sides of the tailrace and 1,700 foot-long breakwater paralleling the shoreline to protect the powerhouse from wave action.

Appurtenant Facilities: Include various public recreation facilities, a seasonally installed 12,850 foot-long fish barrier to the project's intakes, and miscellaneous buildings.

6. Project Location:

The Ludington Pumped Storage Project is located on the east shore of Lake Michigan in Mason and Ottawa Counties, Michigan. The Project is located in Pere Marquette and Summit Townships (Mason County). A satellite recreation area for the Project is located in Port Sheldon (Ottawa County), 70 miles south of the powerhouse and impoundment.

7. Installed plant capacity:

The Project has six generating units with a total nameplate capacity of 1,872 MW.

- 8. The names and mailing addresses of:
 - a. Every county in which any part of the Project is located, and in which any Federal facility that is used or to be used by the Project is located:

The Project is located in Mason and Ottawa Counties, Michigan.

Mason County Government 304 E. Ludington Avenue Ludington, MI 49431

Ottawa County Government 12220 Fillmore Street West Olive, MI 49460 There are no Federal facilities used by the Project.

b. Every city, town, or similar political subdivision in which any part of the Project is or is to be located and any Federal facility that is or is to be used by the Project is located:

The Project is located in the Pere Marquette Township, Summit Township and Port Sheldon Township.

Pere Marquette Charter Township 1699 Pere Marquette Highway Ludington, MI 49431

Township of Summit 4560 W. Anthony Road Ludington, MI 49431

Port Sheldon Township 16201 Port Sheldon Street West Olive, MI 49460

There are no Federal facilities used by the Project.

Every city, town, or similar political subdivision that has a population of 5,000 or more people and is located within 15 miles of the existing or proposed Project:

The following political subdivisions with populations of 5,000+ are within 15 miles of the Project:

Powerhouse and Impoundment: City of Ludington (8,076);

City of Ludington 400 S. Harrison Ludington, MI 49431

Port Sheldon Recreation Area: Allendale Township (20,708); Blendon Township (5,772); City of Grand Haven (10,412); Grand Haven Township (15,178); City of Holland (33,051); Holland Township (35,636); Park Township (17,802); Robinson Township (6,084); Spring Lake Township (11,977); City of Zeeland (5,504); and Laketown Township (5,505).

Allendale Township 6676 Lake Michigan Drive PO Box 539 Allendale, MI 49401-0539 Blendon Township 7161 72nd Avenue Hudsonville, MI 49426

City of Grand Haven 519 Washington Avenue Grand Haven, MI 49417

Grand Haven Township 13300 168th Street Grand Haven, MI 49417

City of Holland 270 South River Avenue Holland, MI 49423

Holland Township 353 North 120th Avenue PO Box 8127 Holland, MI 49422-8127

Park Township 52 152nd Avenue Holland, MI 49424

Robinson Township 12010 120th Avenue Grand Haven, MI 49417

Spring Lake Township 106 South Buchanan Spring Lake, MI 49456

City of Zeeland 21 South Elm Street Zeeland, MI 49464-1783

Laketown Township 4338 Beeline Road Holland, MI 49423

c. Every irrigation district, drainage district, or similar special purpose political subdivision:

Mason County Drain Commissioner 102 East Fifth Street Scottville, MI 49454 d. Every other political subdivision in the general area of the Project or proposed Project that there is reason to believe would be likely to be interested in, or affected by, the notification:

There are no other political districts or subdivisions that are likely to be interested in or affected by the notification.

e. Affected Indian Tribes:

The Licensees are not aware that the Project affects any Native American tribe. The following is a listing of Native American tribes that may have some level of interest in the area surrounding the Project and have been contacted by the Licensees in preparation of the Pre-Application Document:

Bay Mills Indian Community 12140 W. Lakeshore Drive Brimley, MI 49715

Grand Traverse Band of Ottawa and Chippewa Indians 2605 N. West Bay Shore Drive Peshawbestown, MI 49682

Little River Band of Ottawa Indians Government Center 2608 Government Center Drive Manistee, MI 49660

Little Traverse Bay Bands of Odawa Indians 7500 Odawa Circle Harbor Springs, MI 49740

Red Lake Band of Chippewa Indians of Minnesota P.O. Box 550 Red Lake, MN 56671

Sault Ste. Marie Tribe of Chippewa Indians of Michigan 523 Ashmun Street Sault Ste. Marie, MI 49783

Saginaw Chippewa Indian Tribe of Michigan 7070 East Broadway Road Mt. Pleasant, MI 48858

9. Whether the application is for a power or a non-power license:

The Ludington Pumped Storage Project license application is for a power license.

Furthermore, in accordance with 18 C.F.R. Section 5.5, Licensee must distribute to appropriate Federal, state, and interstate resource agencies, Indian tribes, local governments, and members of the public likely to be interested in the proceeding this notification of intent. A complete listing of appropriate agencies, tribes, local governments and non-governmental organizations (NGOs) is provided in Appendix A of the Pre-application Document.

The information required to be made available to the public pursuant to 18 C.F.R Section 16.7 is located at the Licensees offices at Consumers Energy Company, Cadillac Service Center, 330 Chestnut Street, Cadillac, Michigan 49601. In addition a copy of the Pre-Application Document will be available at the Mason County District Library in Ludington.

¹ By Order Amending License dated May 7, 2012, FERC approved Licensees' request to upgrade and overhaul all six pump-turbine/motor generating units at the Project. This upgrade will increase the authorized installed capacity of the Project from 1,657.5 MW to 1,785 MW. The hydraulic capacity of the Project will increase from 66,600 cfs to 76,290 cfs. The upgrades are expected to be completed by May 6, 2020.