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LITTLE TRAVERSE BAY ENVIRONMENTAL PROJECT

CMS LAND COMPANY SUBMITS APPLICATION TO TREAT AND RELEASE WATER COLLECTED AT EAST PARK AND BAY HARBOR DEVELOPMENT

PETOSKEY, Mich., July 22, 2010 – CMS Land Company submitted today an application for a permit to treat and release water collected as part of the Little Traverse Bay Environmental Project in Emmet County.

In the application, CMS Land outlines its plan to build a $4 million state-of-the-art treatment plant at the Bay Harbor development to treat the water using the best commercially available technology, and then release it to Lake Michigan.

That treatment would include removing 90 percent or more of the mercury from the collected water. The reduction would be accomplished by adding a material to the collected water that causes dissolved mercury and other contaminants to form solids and then use "ultra filtration" to remove the solids containing the captured contaminants.

David Mengebier, the president of CMS Land, said the permit is the best environmental option available to safely dispose of the water collected at the project.

"CMS Land has investigated 10 different options for water disposal at the Little Traverse Bay Environmental Project," Mengebier said. "Treatment of the water using the best available technology and discharge under this permit is the best viable option from an environmental and economic standpoint, and nearly eliminates the public safety and road damage issues associated with the current trucking of water."

The application for the National Pollutant Discharge Elimination System (NPDES) permit was submitted to the Michigan Department of Natural Resources and Environment. It is part of CMS Land's ongoing efforts to identify a remedy to locally treat and dispose of water collected as part of its environmental efforts at Resort Township's East Park and the Bay Harbor development.

Clean water collected from upstream diversion wells will be blended with the treated water to ensure the water meets the federal Clean Water Act standard for mercury discharge of 1.3 parts per trillion (ppt). To put this standard in context, the federal Safe Drinking Water Act standard for mercury is 2,000 ppt. A part per trillion is equal to one drop of water in 20 Olympic sized swimming pools (13.2 million gallons of water).

At East Park, mercury levels in the collected water are 4 ppt to 5 ppt and treatment using the best available technology won't lower the levels any further. Blending the collected water with water from diversion wells will also be used to ensure the Clean Water Act standard for mercury discharge is met.

An additional benefit of the proposed process at Bay Harbor is that the mercury collected in the sediment during the treatment process will be placed in a licensed and regulated landfill, isolating it from the environment.

CMS Land also is willing to agree to pursue further development of new mercury reduction technology that the company is testing on a pilot basis, and to use that technology, if it proves to be effective on a larger scale and commercially feasible.

More than one-half mile of underground water collection lines has been installed as a major remedy at the environmental project. As a result, an average of 150,000 gallons of untreated water is intercepted before reaching Lake Michigan every day. An average of 10 to 16 trucks carrying up to 11,500 gallons each (with a one-day high of 27 trucks) leave two local water treatment plants each day by making a left turn onto U.S 31. The trucks then proceed to the busy U.S. 31/131 intersection as they travel about 60 miles to a deep injection well in Johannesburg for disposal of the treated water.

The trucks have traveled more than two million miles – a distance equivalent to four round trips to the moon – for a task that can be accomplished locally.

"Trucking water for the long term is not a sustainable or appropriate option due to the public safety, environmental, road damage, and cost issues associated with trucking. Nor is it a local solution to a local concern," said Mengebier.

In addition to the NPDES application, CMS Land has agreed to pursue a permit for a deep injection disposal well in Emmet County in response to a request by the Michigan Department of Natural Resources and Environment and interest by some environmental groups. The limited available geological data indicates it is unlikely that a deep injection well could be developed successfully in the area. However, CMS Land is willing to pursue the option.

CMS Land has spent about $105 million over the past five years on the Little Traverse Bay Environmental Project and achieved significant environmental progress.

The company has installed a variety of remedies to stop groundwater with high alkalinity and traces of mercury and other metals from reaching the Little Traverse Bay. Those remedies, which have been tested and proven effective at other similar sites, have produced excellent environmental results.

East Park and Bay Harbor were reclaimed from the site of an abandoned limestone quarry and cement factory covering 1,200 acres and five miles of Lake Michigan shoreline. The brownfield site was redeveloped in 1994 and was the largest reclamation project in North America at that time.

Although no longer a partner in the project that redeveloped the abandoned site, CMS Land agreed to address certain environmental issues associated with the cement dust left behind by the cement plant.

CMS Land is a subsidiary of CMS Energy. CMS Energy is a Michigan-based company that has an electric and natural gas utility, Consumers Energy, as its primary business and also owns and operates independent power generation businesses.

CMS Land is separate from Consumers Energy and no utility funds are used to pay for the Little Traverse Bay Environmental Project.

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