



**VIA UPS AND EMAIL**

January 3, 2023

*Garrick J. Rochow*  
*President and CEO*  
CMS Energy Corp. / Consumers Energy Co.  
1 Energy Plaza  
Jackson, Michigan, 49201

Shaun M. Johnson  
Senior Vice President and General Counsel  
CMS Energy Corp. / Consumers Energy Co.  
1 Energy Plaza  
Jackson, Michigan, 49201

*RE: Consumers Commitments to Maintain Lake Allegan Water Levels*

Dear Messrs. Rochow and Johnson,

I am writing to you on behalf of the Lake Allegan Association, a citizens' group dedicated to preserving and fostering a healthy environment for Lake Allegan.

As you know, CMS Energy Corporation and its principal subsidiary Consumers Energy Company (collectively, "Consumers") is currently engaged in a comprehensive review of its hydroelectric plants in Michigan, including the plant located at the Calkins Bridge Dam, which forms the 1600 acre impoundment now known as Lake Allegan. Earlier this year, Consumers held a community meeting at Allegan High School and distributed public materials containing information and potential "Future Scenarios" for the Calkins Bridge Dam. Among other more reasonable alternatives in the Future Scenarios presented by Consumers was this shocking alternative: ***Remove the dam and return the river to its natural state.***

Our community was stunned to learn that Consumers would even consider this alternative, which has serious implications on numerous fronts. Consumers clearly anticipated receiving significant negative community feedback regarding the devastation that such a scenario would inflict upon Allegan area residents and businesses, and you are presumably considering the certain "collateral damage" to our community as part of your decision making. However, the purpose of this letter is to respectfully request that you immediately consider the previous written commitments made to our community by Consumers regarding the preservation of Lake Allegan. These commitments were not addressed by Consumers in the community meeting or in the accompanying meeting materials, and to our knowledge they have not been publicly addressed at all by Consumers.

I'm sure that you are aware that Consumers did not build the Calkins Bridge Dam, but rather purchased it from the City of Allegan in 1968. That transaction was not without controversy at the time. There was substantial local resistance to surrendering the independence of having our own power company and there were concerns regarding the future of Lake Allegan. Consumers engaged in a very public campaign to convince Allegan residents that the sale would be to their benefit. Among other topics addressed in various campaign materials in late 1967, Consumers made the following public promise to the people of Allegan (please see **Attachment 1**, included with this letter):

**Consumers Power has agreed....****TO PROTECT THE WATER LEVEL OF LAKE ALLEGAN**

**as law, weather and normal operating conditions permit. Final documents will be worded so that these same conditions will apply to anyone who may obtain the hydro property from Consumers Power Company in the future.**

**Be sure to vote YES Wednesday, January 18**

In fact, Consumers had agreed to protect the water level of Lake Allegan. In a written agreement with the City of Allegan dated December 5, 1966, respecting the sale of Allegan's municipal electric system to Consumers, which agreement was made subject to later approval by the electors of the City at a special election, Consumers agreed to the following provision (para. 10):

[T]he Company agrees that to the extent permitted by law and ***so long as it is the owner of the hydroelectric plant in Valley Township, Allegan County, to be sold by the City to the Company hereunder and specifically described in Schedule A attached hereto, the Company will maintain and operate said hydroelectric plant so that the pond thereof (i.e., Lake Allegan) will be maintained at a level not lower than elevation 615.0 U.S.G.S. Datum, and not higher than elevation 618.0 U.S.G.S. Datum***, subject, however, to fluctuation due to rainfall, weather, and normal operations and to the right to lower the level of said pond temporarily for the purpose of maintaining, repairing, extending, enlarging or otherwise working upon said hydroelectric plant or any part thereof. (emphasis added)

Following the City's approval of the transaction and the required regulatory approvals, the sale of the Calkins Bridge dam facility to Consumers was finalized and documented in a Deed from the City dated May 20, 1968, which included the following provision:

Consumers Power Company, by the acceptance of this instrument and the recording of same in the Register of Deeds office for the County of Allegan, agrees that, to the extent permitted by law and the regulations as established by the regulatory bodies of the State of Michigan and of the United States having jurisdiction over the matter, and so long as it is the owner of the hydroelectric plant in Valley Township, Allegan County, Michigan, and known as the Calkins Bridge dam, Consumers Power Company will maintain and operate said hydroelectric plant so that the pond created thereby (i.e., Lake Allegan) will be maintained at the levels described on page 7 of the Federal Power Commission order issued January 29, 1968, in Docket No. E-7360, subject, however, to fluctuations due to rainfall, weather and normal operations and to the right to lower the level of said pond temporarily for the purpose of maintaining, repairing, extending, enlarging or otherwise working upon said hydroelectric plant, or any part thereof. ***It is further agreed that the obligation to maintain the level of the pond created by the Calkins Bridge dam, as herein set forth, shall be a covenant running with the land.*** (emphasis added)

It is abundantly clear that the ongoing protection of the water levels of Lake Allegan was a significant concern of the City of Allegan and its residents at the time of the sale to Consumers. It is equally clear that both Consumers and the City of Allegan intended for Consumers and all subsequent owners of the Calkins Bridge dam to have an ongoing legal obligation to maintain the water levels of Lake Allegan at their current levels.

The impact in our community of the announcement by Consumers that it is considering removing the Calkins Bridge Dam and eradicating Lake Allegan has been swift and severe. The real estate market was immediately frozen in its tracks, and pending transactions were cancelled. The financial impact to our residents, many of whom have made lifetime investments here and/or are retirees with now-frozen assets, is significant and ongoing. All of this has been caused by the public announcement by Consumers that it is considering a Future Scenario – removing the Calkins Bridge Dam and eradicating Lake Allegan – that Consumers is not even legally allowed to implement.

The purpose of this letter is not to threaten legal action, as I'm sure that Consumers is already keenly aware that legal actions would follow any actual decision to decimate our community. Rather, in light of the previous public and legal commitments made by Consumers when it acquired the Calkins Bridge Dam, **we respectfully appeal to you to promptly make a public announcement that Consumers will no longer consider the removal of the Calkins Bridge Dam and the eradication of Lake Allegan as an option for the potential Future Scenarios.**

We are eager to work with you to help Consumers address the situation in a mutually beneficial manner. We welcome an opportunity to engage in a constructive dialog with Consumers regarding the other Future Scenarios for the Calkins Bridge Dam. I can be reached at [coco@lakeallegan.org](mailto:coco@lakeallegan.org).

Sincerely,



Coco Soodek  
President, Lake Allegan Association

cc: Dan Scripps, Chair, Michigan Public Service Commission (via US Mail)  
James Storey, Chair, Allegan County Commission (via email)  
Joel Dye, Allegan City Manager (via email)  
Scott Beltman, Allegan County Commissioner, District 4 (via email)  
Ron Remington, Supervisor, Valley Township (via email)  
Steve Schulz, Supervisor, Allegan Township (via email)  
Kelly Jones, Esq  
Sue Jones, Esq  
Board, Lake Allegan Association, Inc.  
Members, Lake Allegan Association, Inc.

# ATTACHMENT 1

## Consumers Power has agreed - - - -

### TO PAY THE CITY OF ALLEGAN \$1,782,000

\$1,750,000 for the City electric system and \$32,000 for part of the old Sherman Hotel property. This amount of money has earning power far in excess of average electric system earnings in the last few years.

### TO OPEN A SERVICE HEADQUARTERS IN ALLEGAN

Inside the City limits.  
This will require several acres of land.  
20 to 40 people will work here, not counting present City electric employees.  
Estimated annual payroll to begin with:  
\$200,000.  
This is in addition to the City electric payroll which has been reported as \$100,000.

### TO PROTECT THE WATER LEVEL OF LAKE ALLEGAN

as law, weather and normal operating conditions permit.  
Final documents will be worded so that these same conditions will apply to anyone who may obtain the hydro property from Consumers Power Company in the future.

### TO HIRE ALL PRESENT CITY ELECTRIC EMPLOYEES

They will get—  
Better pay  
Bigger retirement checks  
Improved fringe benefits  
and it won't be necessary for anyone to move from Allegan.

Civic and industrial leaders urge a YES vote.  
Many of your friends and neighbors favor the sale  
4 Out of 5 City Council Members recommend acceptance.

Be sure to vote YES Wednesday, January 18

