

**SECTION G
GAS CUSTOMER CHOICE PROGRAM**

G1. GENERAL PROVISIONS:

A Supplier desiring to supply gas to customers under Gas Customer Choice Rate CC must register with the Staff of the Commission and execute an "Authorized Gas Supplier Agreement" with the Company prior to any solicitation of the Company's customers. Such agreement shall require compliance with all of the terms of this Rule G1 through G5.

"Supplier" means a marketer, broker, producer, or other entity that has executed an Authorized Gas Supplier Agreement with the Company to deliver gas supplies to customers under the Gas Customer Choice Rate CC.

"Program" means the Gas Customer Choice Program approved by the Commission.

- (A) Customers may elect to participate in the Program and Suppliers may solicit customer participation at any time.*
- (B) A customer who is a transportation or sales customer of the Company must comply with any minimum term requirements of those tariffs before being permitted to switch to Rate CC.*
- (C) The customer's selection of a Supplier shall remain in effect until (i) terminated by the customer or the Supplier, or (ii) the Supplier becomes disqualified from participating in the Program, or (iii) the Company receives an enrollment for that customer from another Supplier. The Company shall incur no liability for relying on information from a customer or a Supplier which the Company believes to be genuine.*
- (D) A Supplier shall provide the Company, by the last day of the calendar month prior to the month in which the Supplier's customer commences service, a cash deposit in the amount of \$10.00 per Mcf for 10/365ths of the Company-estimated total annual load for those customers selecting that Supplier. The cash deposit shall be adjusted if the Company-estimated total annual load for those customers changes. As an alternative to a cash deposit, the Supplier may provide an irrevocable letter of credit from a financial institution, a surety bond, or a parental guarantee satisfactory to the Company in not less than the amount of the cash deposit. Any such letter of credit, surety bond or parental guarantee shall be in a form acceptable to the Company. The amount of cash deposit, letter of credit, surety bond or parental guarantee shall be applied against any unpaid charges and/or fees, as well as any price reconciliation liabilities, or liabilities associated with Supplier default. Cash deposit amounts not so applied shall be refunded to the Supplier if the Supplier ceases to serve customers under the Program.*

The Company shall pay simple interest to each Supplier who makes a cash deposit for the time the deposit is held. The interest rate shall be the average monthly short-term borrowing rate available to the Company for each month, or months in which the deposit is held. Payment of the interest to the Supplier shall be made at least semi-annually. The deposit shall cease to draw interest on the date the deposit is returned, on the date service is terminated, on the date the deposit is applied against any unpaid charges, fees or liabilities or the date that notice that the deposit is no longer required is sent to the Supplier's last known address.

(Continued on Sheet No. G-2.00)

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H. L. DOW III
SENIOR VICE PRESIDENT
STRATEGIC PLANNING & DEVELOPMENT**

DETROIT, MICHIGAN

**EFFECTIVE FOR TRANSPORTATION SERVICE
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**ISSUED UNDER AUTHORITY OF THE
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(Continued from Sheet No. G-1.00)

G1. GENERAL PROVISIONS: (continued)

- (E) If a Supplier adds customers after the customers' usage for the May billing cycle has begun for a Program Year, the monthly remittance to the Supplier for gas supplied to those customers will be adjusted by a Supply Equalization Charge. The Supply Equalization Charge shall be equal to the product of: (a) and (b) where (a) equals the Company's weighted average monthly cost of gas purchased for the months from the preceding April through the current billing month less the Supplier-specified customer billing price per Mcf, and (b) equals the increase for that month, if any, in the amount by which the cumulative Mcf quantity billed to those customers subject to the Supply Equalization Charge for the Program Year, exceeds the cumulative Supplier deliveries for those customers for the Program Year. The Supply Equalization Charge shall not be less than zero. The Program Year is the year beginning April 1 and ending the following March 31.
- (F) A Supplier shall pay a monthly Administrative Fee of \$100.00 per Supplier-designated Pricing Category.
- (G) The Company will provide each Supplier with a monthly schedule of quantities for delivery of gas into the Company's system on behalf of the Supplier's customers. The initial schedule will indicate volumes that the Supplier is required to deliver each day under each Supplier-designated Pricing Category. "Pricing Category" means the designated rate schedule established by a supplier. The schedule will be updated by the Company on a monthly basis. For most Gas Customer Choice customers, scheduled daily volumes will not normally vary by more than plus/minus 10% from 1/365th of the estimated annual customer load to be served by the Supplier. Scheduled daily volumes for Gas Customer Choice customers for electric peakers, greenhouses, grain dryers, asphalt plants and large new loads without historical load information may be determined by the Company on a different basis than set forth above. The Supplier shall be responsible for obtaining sufficient pipeline capacity to meet its delivery obligations.
- (H) Gas delivered into the Company's system shall comply with Rule B1.8, Gas Quality.
- (I) Each supplier shall notify the Company's Gas Transportation Administration Department of the daily quantity of gas that the Supplier is nominating for delivery on behalf of each Supplier-designated Pricing Category. Such nominations shall be submitted in accordance with the Company's existing nomination procedures.
- (J) A Supplier that falls short of the delivery schedule, described in Paragraph G, above, shall pay a per Mcf "Failure Fee" for all shortages in the amount of \$6.00 per Mcf (\$10.00 per Mcf during periods of a Company-declared supply emergency in accordance with Rule B4, Curtailment of Gas Service for Gas Supply Deficiency) plus the higher of (a) the cost of gas billed to sales customers pursuant to the Company's Rule B10 or (b) the highest price reported in Gas Daily in the midpoint column of the Daily Price Survey, for the following locations for the month in which the breach occurred or the month following such breach: Dawn, Ontario; ANR ML7 (entire zone); Chicago-LDC, large euts; Michigan – Consumers Energy, large euts; Michigan – MichCon, large euts.
- A Supplier that falls short of the required delivery schedule obligation to the extent that the cumulative unpaid Failure Fees exceed any cash deposit or alternative assurance described in Paragraph D, above, shall have its Authorized Supplier status revoked. Subject to Rule B3, Controlled Service, the Supplier's customers shall become sales rate customers of the Company.

(Continued on Sheet No. G-3.00)

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(Continued from Sheet No. G-2.00)

G1. GENERAL PROVISIONS: (continued)

- (K) All customer billing and remittance processing functions for services provided under Rate CC will be performed by the Company. The Supplier will be charged a monthly fee of \$0.30 per customer account. The Company will be responsible for credit and collection activities for the amounts billed directly to the customer by the Company. The Supplier must, at least three business days prior to the start of each billing month, furnish to the Company, in a format acceptable to the Company, the price per Ccf to be billed to each Supplier-designated Pricing Category on its behalf, or the most recently supplied price will be used.
- (L) The Company shall remit to the Supplier, approximately 21 days from the end of each calendar month, an amount for the cost of gas equal to the Mcf quantities that the Supplier has delivered onto the Company's system, not in excess of the Supplier's delivery obligation, multiplied by the lesser of the price per Mcf billed to the Supplier's customers that month or 110% of the cost of gas billed to sales customers pursuant to the Company's Rule B10. The amount to be remitted shall be reduced for any applicable Supply Equalization Charges, Administrative Fees, Billing Fees, Failure Fees, and/or amounts owed pursuant to the annual price reconciliation per Paragraph M.
- (M) Except as set forth below, within 60 working days after the end of the April billing cycle, or upon revocation of a Supplier's Authorized Supplier status, the Company will reconcile the cost per Mcf remitted to the Supplier per Paragraph L, before reductions for Administrative Fees, Billing Fees, Failure Fees, and Supply Equalization Charges, with the price per Mcf billed to customers over the course of the Program Year on the Supplier's behalf. Any difference multiplied by the smaller of the Mcf delivered by the Supplier or the billed customer consumption for the Program Year being reconciled, will be reflected in an adjustment on the next monthly remittance to the Supplier.
- In those instances where both (i) the weighted average price per Mcf billed to customers over the course of the Program Year on the Supplier's behalf is higher than the weighted average cost of gas billed to sales customers by the Company pursuant to the Company's Rule B10 and (ii) the volumes delivered by the Supplier exceed the billed customer consumption for the Program Year being reconciled, then the following procedure will be used. In such instances, (i) within 60 working days after the end of the April billing cycle, or upon revocation of a Supplier's Authorized Supplier status, the Company will reconcile the amount billed to customers on the Supplier's behalf with the Company's remittance to the Supplier for the gas delivered, and any difference will be reflected in an adjustment on the next monthly remittance to the Supplier, and (ii) gas delivered by the Supplier in excess of the billed customer consumption for the Program Year will be returned to the Supplier in kind unless the Company and the Supplier mutually agree on a price for the Company to purchase the excess gas.
- (N) A Supplier that fails to comply with the terms and conditions of the Program shall have its Authorized Supplier status suspended and/or terminated and, subject to Rule B3, Controlled Service, its customers shall become sales rate customers of the Company.
- (O) Where used in this Rule, the term "month," unless otherwise indicated, means billing month when referring to customer consumption and calendar month when referring to deliveries by Suppliers.

(Continued on Sheet No. G-4.00)

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(Continued from Sheet No. G-3.00)

G1. GENERAL PROVISIONS: (continued)

- (P) *The annual load requirement, delivery schedules, Supply Equalization Charges, delivery shortfall Failure Fees and annual reconciliation shall apply separately to each Supplier-designated Pricing Category and each of the two customer groups within that category, i.e. those enrolled before their usage for the May billing cycle has begun and those enrolled after their usage for the May billing cycle has begun in each Program Year.*
- (Q) *The Company may disclose, at such times as requested by the Commission or its Staff, the gas rates charged to Rate CC customers.*
- (R) *The Company shall have the authority to issue operational flow orders, or take other action which it deems necessary, to ensure system reliability, even if such action may be inconsistent with other provisions of these Program Rules.*
- (S) *The Company will act as Supplier of last resort under the Program.*
- (T) *A Supplier must include the Company's required tariff language in all of its contracts.*

If a customer has a complaint against a Supplier, the customer should try to resolve it first with the Supplier. If it is appropriate, the customer or Supplier should involve the Company. If the complaint is unresolved, the customer should involve the Commission Staff, and ultimately the Commission.

- (U) *The Transportation Standards of Conduct, Rules F1 and F2, shall apply to the GCC program.*

G2. RESIDENTIAL CUSTOMER PROTECTIONS:

- (A) *A Supplier must provide a 30-day unconditional cancellation period following the agreement date with a customer. The first day of the 30-day period is the day after the contract is entered into by the customer. The exercise of this right by the customer may occur through a verbal or written communication with the Supplier. The Supplier shall promptly submit a de-enrollment file to the Company after receiving notice that a customer has cancelled the contract. A customer who cancels within the specified period will be treated as not having exercised their customer choice option with respect to the enrollment which is cancelled. The Company is not required to de-enroll a customer until after it receives a de-enrollment file from the Supplier or a new enrollment file from a different Supplier.*
- (B) *A customer has the right to terminate participation with a Supplier at any time if the initial contract period has ended. The exercise of this right by the customer may occur through a verbal or written communication with the Supplier. The Supplier shall promptly submit a de-enrollment file to the Company after receiving notice that a customer has cancelled the contract. The Company is not required to de-enroll a customer until after it receives a de-enrollment file from the Supplier or a new enrollment file from a different Supplier.*
- (C) *A Supplier using face-to-face solicitation methods cannot represent itself as an employee or agent of the Company. A Supplier's sales representatives or agents must prominently display identification on the front of their outer clothing that identifies them as employees or agents working on behalf of a Supplier, and includes the name of the Supplier and the name and identification number of the person representing the Supplier.*

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(Continued from Sheet No. G-4.00)

G2. RESIDENTIAL CUSTOMER PROTECTIONS: (continued)

- (D) A Supplier must use a font size of at least 12 point for its contract with a customer.
- (E) The following information must be included in the Supplier's contract with a customer:
 - (1) The Supplier's name.
 - (2) The Supplier's address.
 - (3) The Supplier's toll-free telephone number.
 - (4) Cancellation rights.
 - (5) Any customer fees or penalties related to the contract.
 - (6) The contract pricing provisions in unit rates the customer is typically billed for.
 - (7) The terms regarding contract length.
 - (8) Provision of a 30-day advance notice of any price change at the expiration of a fixed price contract or termination of a month-to-month contract.
 - (9) In bold 14 point type above the place for the customer's signature, the statement: *I acknowledge that I am the account holder, a person legally authorized to execute a contract on behalf of the account holder, or the spouse of the account holder. I understand that by signing this agreement, I am switching the gas Supplier for this account to (new Supplier name). I understand that gas purchased for this account by (new Supplier name) will be delivered through Michigan Consolidated Gas Company's delivery system. The account holder, or the person who signed this contract on behalf of the account holder, has 30 days after today to cancel this contract for any reason through written or verbal notification to (new Supplier name).*
- (F) A Supplier must allow the Staff of the Commission an opportunity to review and comment on its contracts(s) at least five business days before the Supplier intends to use the contract(s) in the marketplace.
- (G) A Supplier that does not comply with the requirements of the Program will have its participation in the Program suspended until the Company has determined that necessary changes have been made to comply with the requirements. Any continuing or further non-compliance or use of materials that the Company determines do not meet all of the Program requirements may result in the Supplier's termination from the Program.
- (H) A Supplier must send a confirmation letter to a customer within seven (7) days of the customer entering into an agreement with the Supplier. The confirmation letter must include any safety-related messages required by the Company. The Company is not required to send letters to customers confirming a customer's choice of an alternative Supplier.

(Continued on Sheet No. G-6.00)

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(Continued from Sheet No. G-5.00)

G3. SOLICITATION REQUIREMENTS:

- (A) *For each customer, a Supplier must be able to demonstrate that a customer has made a knowing selection of the Supplier by at least one of the following verification records:*
- (1) *An original signature.*
 - (2) *Independent third party verification*
 - (3) *Voice recording.*
 - (4) *An e-mail address if signed up through the Internet.*
 - (5) *Another form of verification record approved by the Commission.*
- The Company or the Commission may request a reasonable number of records from a Supplier to verify compliance with this customer verification provision and, in addition, may request records for any customer due to a dispute.*
- (B) *Suppliers who are soliciting customers must:*
- (1) *Clearly indentify the Supplier on whose behalf they are soliciting.*
 - (2) *Not represent themselves as an employee or agent of the Company.*
 - (3) *Affirmatively indicate if they are a marketing affiliate of the Company that the affiliate is a separate entity and is not regulated by the Commission.*
 - (4) *Submit marketing materials to the Commission Staff for review at least five (5) business days prior to using the materials.*
- (C) *A Supplier must provide a copy of the contract to the customer, including all terms and conditions. The contract must contain all provisions as set forth in Paragraph G2.E.*

G4. SUPPLIER REGISTRATION AND CODE OF CONDUCT:

- (A) *A Supplier is required to register with the Michigan Public Service Commission and provide the following information prior to any solicitation:*
- (1) *The name of the Supplier's company/corporation or owner's name and type of organization.*
 - (2) *The Supplier's mailing address.*
 - (3) *The Supplier's principal place of business address.*
 - (4) *The name and address of the registered agent in Michigan and a working phone number during normal business hours.*

(Continued on Sheet No. G-7.00)

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(Continued from Sheet No. G-6.00)

G4. SUPPLIER REGISTRATION AND CODE OF CONDUCT: (continued)

- (5) *The Supplier's toll-free number available for customer inquiries and concerns.*
 - (6) *Prices and associated terms and conditions for commodity sales to residential customers updated on a monthly basis.*
 - (7) *Name, address and phone number of person designated to receive and respond to Commission requests.*
- (B) *As a condition of registration as a Supplier, a Supplier must agree to abide by a code of conduct that provides:*
- (1) *The Supplier will issue accurate and understandable marketing materials. The Supplier will refrain from engaging in communications or practices that are fraudulent, deceptive or misleading. The Supplier will maintain sufficient documentation to support any claims made to customers in advertising, marketing, promoting or representing the sale of gas supply or related services. The Supplier will provide this documentation to the Commission, upon request. Marketing materials for residential customers must contain the average price per Ccf, the period of time over which the price is valid, the term of the contract, the Supplier's name and telephone number, the area which the Supplier serves and the types of customers that the Supplier serves. If the Supplier does not offer a fixed price, the marketing materials must contain a clear explanation of the mechanism used to determine the price and an example of how the mechanism would be implemented over a relevant time period and for relevant usages. Marketing materials will clearly identify optional services.*
 - (2) *The Supplier will commit to truth in advertising. The Supplier will provide gas supply and related services at advertised terms and conditions.*
 - (3) *The Supplier will comply with all Company Program rules and tariffs as they are contained in the Company's "Rules, Regulations and Rate Schedules for Gas Service".*
 - (4) *The Supplier will provide accurate and sufficient customer service information. The Supplier will advise customers of the marketer's name, address, toll free telephone number and other service information, including dispute resolution procedures. The Supplier will give customers accurate and complete information on the customer's rights and responsibilities. The Supplier will have regular hours during which customers can make inquiries and complaints. Customer inquiries to a supplier that are related to gas emergencies, such as gas leaks or outages, should be directed to the Company.*

(Continued on Sheet No. G-8.00)

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(Continued from Sheet No. G-7.00)

G4. SUPPLIER REGISTRATION AND CODE OF CONDUCT: (continued)

- (5) *The Supplier will not switch a customer to the Supplier's service without the express authorization of the customer. The Supplier will use appropriate marketing and verification methods for switching customers. The Supplier will agree not to charge the customer for services that the customer has not expressly authorized. The Supplier will apply appropriate verification methods for any charges applied to the customer's account. The Supplier will maintain verification records for 3 years. Suppliers who switch or charge customers without the proper authorization must refund the supply or other charges to the customer and pay any administrative fees, such as switching fees, necessary to reverse the actions.*
- (6) *The Supplier will make a good faith effort to resolve customer disputes. The Supplier will have an internal customer dispute procedure which allows for complete, fair and timely responses to customer disputes and inquiries. The Supplier will investigate each complaint, report the results to the customer and attempt to resolve the complaint. If the complaint cannot be resolved, the Supplier will refer the customer to the Company, or if appropriate, to the Commission. The Supplier will appoint at least one employee to be a contact person between the Supplier and the Commission. The Supplier will cooperate with the Commission in trying to resolve disputes, including the provision of informational materials, contracts and verification records. The Supplier will keep a record of all customer disputes. Dispute records will be made available to the Commission, upon request.*
- (7) *The Supplier will retain pipeline capacity sufficient to meet its customer requirements.*

G5. PROCEDURES FOR COMPLAINTS BETWEEN SUPPLIERS AND THE COMPANY:

If the Company receives a verbal complaint from a Supplier related to the Program rules and operational features, the Company will resolve the complaint on an informal basis. If the Company and the complainant are unable to resolve the complaint on an informal basis, the procedures outlined below will be followed:

- (A) *Complainant will route all formal complaints in writing to:*

*Michigan Consolidated Gas Company
2000 Second Avenue
Detroit, MI 48226*

Attention: Legal Department
- (B) *The Company will acknowledge the receipt of the formal written complaint, in writing, within five working days of receipt by the Company.*
- (C) *The Company will confirm and amend the prepared written statement of the complainant to ensure the complaint includes the name of the complainant, relevant dates and specific claims.*

(Continued on Sheet No. G-9.00)

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(Continued from Sheet No. G-8.00)

G5. PROCEDURES FOR COMPLAINTS BETWEEN SUPPLIERS AND THE COMPANY: (continued)

- (D) *The Company will prepare a written statement communicating to the complainant the results of the Company's preliminary investigation within 15 working days of the initial receipt of the complaint by the Company with a description of the action taken or proposed to be taken.*
- (E)
 - (1) *If the complainant is satisfied with the action taken or proposed to be taken, complainant will acknowledge its agreement by signing and returning a copy of the Company's written statement addressing the action taken or proposed to be taken.*
 - (2) *If the complainant is not satisfied with the Company's response, then the complainant may address the complaint to the Commission.*

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Rate Schedule No. CC

GAS CUSTOMER CHOICE RATE

Availability

Subject to any restrictions, this Rate is available to any customer desiring gas service where the customer's gas is provided by an Authorized Gas Supplier under Rule G12. A customer will take service under this Rate commencing with the customer's first full billing month following enrollment, but not earlier than April 1, 2001. Service is limited to a total of 440,000 customers beginning April 2, 2002, and 660,000 customers beginning April 1, 2003. Beginning April 1, 2004, all customers are eligible. A Rate CC customer may switch Suppliers at the end of any billing month provided the Company receives sufficient notice in a form acceptable to the Company. A customer may change Suppliers one time in any 12-month period at no cost to the customer. A fee of \$10 will be required for each additional change of Supplier within the same 12-month period. If a Supplier's actions force a customer to the Company's sales service, the customer may choose another Supplier within two billing cycles without a switching fee regardless of the length of time that has elapsed since the customer left the Company's sales service. Except as set forth in the preceding sentence, a customer returning to the Company's sales service rates from Rate CC is subject to the Character of Service provisions of those sales rates, and except as otherwise provided, must remain on the sales rate for 12 months.

Minimum Term

Subject to the following provisions of this paragraph, a customer who has elected to take service under Rate CC shall not be permitted to change from Rate CC to another rate until at least 12 months have elapsed. A customer who has elected to take service under Rate CC may, however, switch Suppliers during the 12-month period. During the 12-month period, a customer may only change from Rate CC to another rate if (i) the customer exercises an unconditional right of cancellation pursuant to Section G with the initial Supplier selected by the customer, (ii) the customer establishes that the customer was enrolled by a Supplier without the customer's knowing consent, (iii) the Supplier's action forces the customer to the Company's sales service, (iv) the Supplier selected by the customer defaults under its Authorized Gas Supplier Agreement, or (v) the Supplier selected by the customer has its Authorized Supplier status revoked or terminated.

Nature of Service

The customer will remain a customer of the Company. The Company will read the meter and render a bill to the customer for the monthly customer charge, distribution charge, surcharges, penalties and taxes. The authorized Supplier's cost of gas charges will be billed as part of the Company's bill. Service is subject to all of the Company's "Rules, Regulations and Rate Schedules for Gas Service" as approved by the Michigan Public Service Commission. By requesting service on this Rate, the customer gives consent to the Company to furnish to the customer's authorized Supplier pertinent customer sales or transportation data.

(Continued on Sheet No. G-11.00)

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(Continued from Sheet No. G-10.00)

Rate Schedule No. CC (continued)

Monthly Rate

Customer Charge

As shown on the customer's applicable sales rate schedule.

Distribution Charge

As shown on the customer's applicable sales rate schedule.

Gas Commodity Charge

The customer's cost of gas will be as communicated to the Company each month by the customer's authorized Supplier. If a participating customer obtains gas supply from the Company as a result of its chosen Supplier becoming disqualified, or the customer otherwise returns to the Company's sales supply, the customer is subject to Rule B3, Controlled Service.

General Terms and Surcharges

This Rate is subject to all general terms and conditions shown on Sheet No. E-1.00 and surcharges shown on Sheet No. E-2.00 and is also subject to charges, terms and conditions set forth in Section G.

Minimum Charge

The minimum charge shall be the Customer Charge included in the rate.

Due Date and Late Payment Charge

The due date of a residential customer's bill shall be 17 days from the date of transmittal. The due date of a nonresidential customer's bill shall be 21 days from the date of mailing. A late payment charge of 2%, not compounded, of the unpaid portion of the bill, net of taxes, shall be assessed to any bill that is delinquent.

Term and Form of Contract

Service under this Rate shall require authorization in a manner specified by the Company.

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