
SECTION D
RATE SCHEDULES

D1. GENERAL TERMS AND CONDITIONS OF THE RATE SCHEDULES

D1.1 Special Taxes

- A. In municipalities which levy special taxes, license fees, or street rentals against the Company, and which levy has been successfully maintained, the standard of rates shall be increased within the limits of such municipalities so as to offset such special charges and thereby prevent the customers in other localities from being compelled to share any portion of such local increase.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the Company's production, transmission or sale of gas.

D1.2 Rules Applicable

Service under all Rate Schedules shall be subject to the Rules and Regulations of the Company.

D1.3 Controlled Service

All Rates are subject to all provisions contained in Rule C2, Controlled Service, of the Rules and Regulations of the Company which are applicable to priority of service hereunder.

D1.4 Territory Served

All Rates apply in the territory served by the Company, comprising the cities, villages and townships in All Districts as stated in the applicable Rules and Regulations of the Company.

Issued February 11, 2008
D. G. Brudzynski
Vice President
Regulatory Affairs

Detroit, Michigan



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D2. SURCHARGES

	Rate Schedule No.	2006 Uncollectibles Expense True-up Mechanism Surcharge (UETM)
A	Residential	1.6633¢/Ccf
AS	Low Income Senior Citizens	1.6633¢/Ccf
2A	Residential Multiple Family Dwelling Class I	1.7985¢/Ccf
2A	Residential Multiple Family Dwelling Class II	1.4269¢/Ccf
GS-1	Non-Residential General Service	1.4978¢/Ccf
GS-2	Large Volume	1.6578¢/Ccf
S	School	1.0905¢/Ccf
ST	Small Volume Transportation	0.2581¢/Ccf
LT	Large Volume Transportation	0.1273¢/Ccf
XLT	Extra Large Volume Transportation	0.1064¢/Ccf

In addition to the above surcharges, Rate Schedules A, AS, 2A, GS-1, GS-2, and S are subject to Rule C7, Gas Cost Recovery, and may be subject to Rule C8, Customer Attachment Program or to Rule C9, Main Extension/Area Expansion Program.

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D3. GAS COST RECOVERY FACTORS

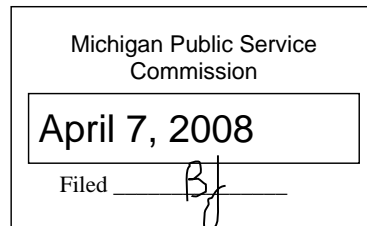
The listed monthly gas cost recovery factors are authorized pursuant to the Gas Cost Recovery Clause, Rule C7.

<u>Month</u>	<u>Maximum Allowable GCR Factor \$/Ccf</u>	<u>Actual Factor Billed \$/Ccf</u>
April, 2007	\$0.84900	\$0.80000
May, 2007	\$0.84900	\$0.84900
June, 2007	\$0.84900	\$0.84900
July, 2007	\$0.88300	\$0.84900
August, 2007	\$0.88300	\$0.80000
September, 2007	\$0.88300	\$0.80000
October, 2007	\$0.84900	\$0.75000
November, 2007	\$0.84900	\$0.75000
December, 2007	\$0.84900	\$0.75000
January, 2008	\$0.84900	\$0.70000
February, 2008	\$0.84900	\$0.70000
March, 2008	\$0.84900	\$0.84900
April, 2008	\$1.00500	\$1.00500
May, 2008	\$1.00500	
June, 2008	\$1.00500	
July, 2008	\$0.83600	
August, 2008	\$0.83600	
September, 2008	\$0.83600	
October, 2008	\$0.83600	
November, 2008	\$0.83600	
December, 2008	\$0.83600	
January, 2009	\$0.83600	
February, 2009	\$0.83600	
March, 2009	\$0.83600	

The Company will file a revised [Sheet No. D-3.00](#) monthly or as necessary to reflect the factor to be billed the following month. The gas cost recovery factors shown above are subject to adjustment pursuant to the GCR factor ceiling price adjustment mechanism included in MichCon's filing in Case No. *U-15451*. [Sheet No. D-3.00](#) will be updated if adjustments are made pursuant to this mechanism.

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D4. QUARTERLY GCR FACTOR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM

The GCR factors listed on [Sheet No. D-3.00](#) may be increased on a quarterly basis, for the remaining quarters of the April **2008** through March **2009** GCR Plan year, contingent upon the NYMEX futures prices for natural gas increasing to a level above that which was incorporated into the calculation of the GCR factor ceiling prices (X_{plan}).

$$\text{NYMEX Increase} = X - X_{plan}$$

X = The simple average of the actual NYMEX monthly natural gas futures contract settlement prices, (\$/MMBtu) for the remaining Flowing (April – March) plan months, all the calendar months of **2008** (LIFO **2008**) and all the calendar months of **2009** (LIFO **2009**), averaged over the first five trading days of the months prior to implementation. For the LIFO **2008** strip, closing prices may be used for months that are no longer trading.

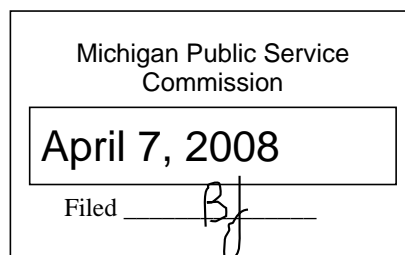
X_{plan} = The NYMEX average Flowing and LIFO strips incorporated in the calculation of the base GCR factor, as delineated in the Incremental Contingent Factor tariff Sheet.

At least fifteen days prior to the beginning of each quarter, the Company shall file with the **Michigan Public Service Commission** an updated [Sheet No. D-3.00](#). A filing must be made regardless of whether it increases or decreases the maximum allowable GCR factor. The GCR factor will not be lowered below the base GCR factor. The informational filing shall include all supporting documents necessary to verify the new price ceiling, including the calculation of the weighted five-day average of the NYMEX strip for the remaining months of the GCR period and a copy of the published NYMEX futures price sheets for the first five trading days of the month, such sheet being an authoritative source used by the gas industry. The filing shall be incorporated into the GCR Plan docket, Case No. **U-15451**, with notice provided to all intervenors.

(Continued on [Sheet No. D-5.00](#))

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(Continued from Sheet No. D-4.00)

D4. QUARTERLY GCR FACTOR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM (Contd.)

The following Contingent Gas Cost Recovery Factors are authorized for the April 2008 through March 2009 GCR plan period:

		Apr - Mar			Jul - Mar		
		1st Q			2 nd Q		
		INDEX	LIFO	LIFO	INDEX	LIFO	LIFO
		Apr-Mar	2008	2009	Jul-Mar	2008	2009
Multiplier		82%	-16%	22%	61%	-5%	24%
Plan NYMEX (X_{plan})		\$7.890	\$7.534	\$8.217	\$8.091	\$7.534	\$8.217
Base GCR Factor		\$8.36					
NYMEX Increase		Incremental Contingent GCR Factor					
Greater than	But Less	\$/Mcf					
Or Equal to	than	#1	#2	#3	#1	#2	#3
\$0.00	\$0.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.10	\$0.20	\$0.08	\$(0.02)	\$0.02	\$0.06	\$(0.01)	\$0.02
\$0.20	\$0.30	\$0.16	\$(0.03)	\$0.04	\$0.12	\$(0.01)	\$0.05
\$0.30	\$0.40	\$0.25	\$(0.05)	\$0.07	\$0.18	\$(0.02)	\$0.07
\$0.40	\$0.50	\$0.33	\$(0.06)	\$0.09	\$0.24	\$(0.02)	\$0.10
\$0.50	\$0.60	\$0.41	\$(0.08)	\$0.11	\$0.31	\$(0.03)	\$0.12
\$0.60	\$0.70	\$0.49	\$(0.10)	\$0.13	\$0.37	\$(0.03)	\$0.14
\$0.70	\$0.80	\$0.57	\$(0.11)	\$0.15	\$0.43	\$(0.04)	\$0.17
\$0.80	\$0.90	\$0.66	\$(0.13)	\$0.18	\$0.49	\$(0.04)	\$0.19
\$0.90	\$1.00	\$0.74	\$(0.14)	\$0.20	\$0.55	\$(0.05)	\$0.22
\$1.00	\$1.10	\$0.82	\$(0.16)	\$0.22	\$0.61	\$(0.05)	\$0.24
\$1.10	\$1.20	\$0.90	\$(0.18)	\$0.24	\$0.67	\$(0.06)	\$0.26
\$1.20	\$1.30	\$0.98	\$(0.19)	\$0.26	\$0.73	\$(0.06)	\$0.29
\$1.30	\$1.40	\$1.07	\$(0.21)	\$0.29	\$0.79	\$(0.07)	\$0.31
\$1.40	\$1.50	\$1.15	\$(0.22)	\$0.31	\$0.85	\$(0.07)	\$0.34
\$1.50	\$1.60	\$1.23	\$(0.24)	\$0.33	\$0.92	\$(0.08)	\$0.36
\$1.60	\$1.70	\$1.31	\$(0.26)	\$0.35	\$0.98	\$(0.08)	\$0.38
\$1.70	\$1.80	\$1.39	\$(0.27)	\$0.37	\$1.04	\$(0.09)	\$0.41

(Continued on Sheet No. D-6.00)

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(Continued from Sheet No. D-5.00)

D4. QUARTERLY GCR FACTOR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM (Contd.)

		Apr – Mar			Jul - Mar		
		1st Q			2 nd Q		
		INDEX	LIFO	LIFO	INDEX	LIFO	LIFO
		Apr-Mar	2008	2009	Jan-Mar	2008	2009
Multiplier		82%	-16%	22%	61%	-5%	24%
Plan NYMEX (X_{plan})		\$7.890	\$7.534	\$8.217	\$8.091	\$7.534	\$8.217
Base GCR Factor		\$8.36					
NYMEX Increase		Incremental Contingent GCR Factor					
Greater than	But Less	\$/Mcf					
Or Equal to	than	#1	#2	#3	#1	#2	#3
\$1.80	\$1.90	\$1.48	\$(0.29)	\$0.40	\$1.10	\$0.09	\$0.43
\$1.90	\$2.00	\$1.56	\$(0.30)	\$0.42	\$1.16	\$0.10	\$0.46
\$2.00	\$2.10	\$1.64	\$(0.32)	\$0.44	\$1.22	\$(0.10)	\$0.48
\$2.10	\$2.20	\$1.72	\$(0.34)	\$0.46	\$1.28	\$(0.11)	\$0.50
\$2.20	\$2.30	\$1.80	\$(0.35)	\$0.48	\$1.34	\$(0.11)	\$0.53
\$2.30	\$2.40	\$1.89	\$(0.37)	\$0.51	\$1.40	\$(0.12)	\$0.55
\$2.40	\$2.50	\$1.97	\$(0.38)	\$0.53	\$1.46	\$(0.12)	\$0.58
\$2.50	\$2.60	\$2.05	\$(0.40)	\$0.55	\$1.53	\$(0.13)	\$0.60
\$2.60	\$2.70	\$2.13	\$(0.42)	\$0.57	\$1.59	\$(0.13)	\$0.62
\$2.70	\$2.80	\$2.21	\$(0.43)	\$0.59	\$1.65	\$(0.14)	\$0.65
\$2.80	\$2.90	\$2.30	\$(0.45)	\$0.62	\$1.71	\$(0.14)	\$0.67
\$2.90	\$3.00	\$2.38	\$(0.46)	\$0.64	\$1.77	\$(0.15)	\$0.70
\$3.00		\$2.46	\$(0.48)	\$0.66	\$1.83	\$(0.15)	\$0.72

(Continued on Sheet No. D-7.00)

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(Continued from Sheet No. D-6.00)

D4. QUARTERLY GCR FACTOR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM (Contd.)

		Oct-Mar			Jan - Mar	
		3rd Q			4 th Q	
		INDEX	LIFO	LIFO	INDEX	LIFO
		Oct-Mar	2008	2009	Jan-Mar	2009
Multiplier		41%	2%	26%	24%	33%
Plan NYMEX (X_{plan})		\$8.370	\$7.534	\$8.217	\$8.680	\$8.217
Base GCR Factor		\$8.36				
NYMEX Increase		Incremental Contingent GCR Factor				
Greater than	\$/Mcf					
Or Equal to	than	#1	#2	#3	#1	#3
\$0.00	\$0.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.10	\$0.20	\$0.04	\$0.00	\$0.03	\$0.02	\$0.03
\$0.20	\$0.30	\$0.08	\$0.00	\$0.05	\$0.05	\$0.07
\$0.30	\$0.40	\$0.12	\$0.01	\$0.08	\$0.07	\$0.10
\$0.40	\$0.50	\$0.16	\$0.01	\$0.10	\$0.10	\$0.13
\$0.50	\$0.60	\$0.21	\$0.01	\$0.13	\$0.12	\$0.17
\$0.60	\$0.70	\$0.25	\$0.01	\$0.16	\$0.14	\$0.20
\$0.70	\$0.80	\$0.29	\$0.01	\$0.18	\$0.17	\$0.23
\$0.80	\$0.90	\$0.33	\$0.02	\$0.21	\$0.19	\$0.26
\$0.90	\$1.00	\$0.37	\$0.02	\$0.23	\$0.22	\$0.30
\$1.00	\$1.10	\$0.41	\$0.02	\$0.26	\$0.24	\$0.33
\$1.10	\$1.20	\$0.45	\$0.02	\$0.29	\$0.26	\$0.36
\$1.20	\$1.30	\$0.49	\$0.02	\$0.31	\$0.29	\$0.40
\$1.30	\$1.40	\$0.53	\$0.03	\$0.34	\$0.31	\$0.43
\$1.40	\$1.50	\$0.57	\$0.03	\$0.36	\$0.34	\$0.46
\$1.50	\$1.60	\$0.62	\$0.03	\$0.39	\$0.36	\$0.50
\$1.60	\$1.70	\$0.66	\$0.03	\$0.42	\$0.38	\$0.53
\$1.70	\$1.80	\$0.70	\$0.03	\$0.44	\$0.41	\$0.56
\$1.80	\$1.90	\$0.74	\$0.04	\$0.47	\$0.43	\$0.59
\$1.90	\$2.00	\$0.78	\$0.04	\$0.49	\$0.46	\$0.63

(Continued on Sheet No. D-8.00)

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(Continued from Sheet No. D-7.00)

D4. QUARTERLY GCR FACTOR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM (Contd.)

		Oct-Mar 3rd Q			Jan - Mar 4 th Q	
		INDEX	LIFO	LIFO	INDEX	LIFO
		Oct-Mar	2008	2009	Jan-Mar	2009
Multiplier		<i>41%</i>	<i>2%</i>	<i>26%</i>	<i>24%</i>	<i>33%</i>
Plan NYMEX (X_{plan})		<i>\$8.370</i>	<i>\$7.534</i>	<i>\$8.217</i>	<i>\$8.680</i>	<i>\$8.217</i>
Base GCR Factor		<i>\$8.36</i>				
NYMEX Increase		Incremental Contingent GCR Factor				
Greater than Or Equal to	But Less than	\$/Mcf				
		#1	#2	#3	#1	#3
\$2.00	\$2.10	<i>\$0.82</i>	<i>\$0.04</i>	<i>\$0.52</i>	<i>\$0.48</i>	<i>\$ 0.66</i>
\$2.10	\$2.20	<i>\$0.86</i>	<i>\$0.04</i>	<i>\$0.55</i>	<i>\$0.50</i>	<i>\$ 0.69</i>
\$2.20	\$2.30	<i>\$0.90</i>	<i>\$0.04</i>	<i>\$0.57</i>	<i>\$0.53</i>	<i>\$ 0.73</i>
\$2.30	\$2.40	<i>\$0.94</i>	<i>\$0.05</i>	<i>\$0.60</i>	<i>\$0.55</i>	<i>\$ 0.76</i>
\$2.40	\$2.50	<i>\$0.98</i>	<i>\$0.05</i>	<i>\$0.62</i>	<i>\$0.58</i>	<i>\$ 0.79</i>
\$2.50	\$2.60	<i>\$1.03</i>	<i>\$0.05</i>	<i>\$0.65</i>	<i>\$0.60</i>	<i>\$ 0.83</i>
\$2.60	\$2.70	<i>\$1.07</i>	<i>\$0.05</i>	<i>\$0.68</i>	<i>\$0.62</i>	<i>\$ 0.86</i>
\$2.70	\$2.80	<i>\$1.11</i>	<i>\$0.05</i>	<i>\$0.70</i>	<i>\$0.65</i>	<i>\$ 0.89</i>
\$2.80	\$2.90	<i>\$1.15</i>	<i>\$0.06</i>	<i>\$0.73</i>	<i>\$0.67</i>	<i>\$ 0.92</i>
\$2.90	\$3.00	<i>\$1.19</i>	<i>\$0.06</i>	<i>\$0.75</i>	<i>\$0.70</i>	<i>\$ 0.96</i>
\$3.00		<i>\$1.23</i>	<i>\$0.06</i>	<i>\$0.78</i>	<i>\$0.72</i>	<i>\$ 0.99</i>

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D.5 RESIDENTIAL SERVICE RATE A

Applicable to All Districts

Character of Service

Who May Take Service

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of the Company, service is available under this Rate Schedule to any residential customer for residential service as hereinafter defined. As used in this Rate Schedule “residential service” means service to any residential customer for any purpose, including space heating, by individual meter in a single family dwelling or building; or in an individual flat or apartment, or to not over four households served by a single meter (one customer) in a multiple family dwelling, or portion thereof. Residential premises also used regularly for professional or business purposes (such as doctor’s office in a home, or where a small store is integral with the living space) are considered as residential where the residential use is half or more of the total gas volume; otherwise, these will be provided service under General Service Rate GS-1.

For purposes of rate application “residential usage” shall be usage consumed within an individual household, or reasonably appurtenant and related to, and normally with such a household, for such applications as space conditioning, cooking, water heating, refrigeration, clothes drying, incineration, lighting and other similar household applications.

Hours of Service

Twenty-four hours per day.

Rate

Customer Charge:	\$8.50 per Customer per month, plus
Distribution Charge:	\$0.17013 per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on [Sheet No. D-1.00](#) and Surcharges shown on [Sheet No. D-2.00](#).

(Continued on [Sheet No. D-10.00](#))

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(Continued from [Sheet No. D-9.00](#))

D5. RESIDENTIAL SERVICE RATE A (Contd.)

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is delinquent. The due date shall be 21 days following the date the bill was sent. A late payment charge will not be assessed against Customers participating in the Winter Protection Plan.

Gas Cost Recovery

This rate is subject to adjustments for fluctuations in the cost of gas as stated in Rule C7 of the applicable Rules and Regulations of Company.

Customer Contract

Applications for Gas Service shall be in writing upon application forms to be supplied by Company. Existing Customers who wish to connect spaceheating equipment must make written application for such service on forms to be provided by Company.

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D6. LOW INCOME SENIOR CITIZEN SERVICE RATE AS

Applicable to All Districts

**Character of Service
Who May Take Service**

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of Company, service is available under this Rate Schedule to residential Customers for residential service as hereinafter defined. As used in this Rate Schedule “residential service” means service to qualified residential Customers for domestic and spaceheating purposes, provided that such consumer’s premises are heated solely by gas, by individually metered single-family dwelling or building; or in an individual flat or apartment, served by a single meter (one Customer) in a multiple-family dwelling.

To qualify for this Rate, Customer must be 62 years of age or older and have a household income that does not exceed 125% of the federal income poverty level. Upon request of Company, a Customer shall provide information sufficient for Company to verify that Customer is qualified for new or continued service under this Rate. The Rate is not available for an alternate or seasonal home.

Customers qualifying for this Rate shall not be subject to discontinuation of gas service during the spaceheating season (October 1 through April 30).

Customers previously taking service under Rate Schedule 3 as of January 1, 2004 shall be qualified for Rate Schedule AS, and the maximum income requirement shall be waived for such Customers.

For purposes of rate application “residential usage” shall be usage consumed within an individual household, or reasonably appurtenant and related to, and normally with such a household, for such applications as spaceheating, cooking, water heating, refrigeration, clothes drying, incineration and other similar household applications. “Residential usage” does not include usage for lighting, air conditioning or swimming pool heating.

Rate

Customer Charge:	\$8.50 per Customer per month, plus
Winter Credit:	(\$12.00) per month during billing months December through March
Distribution Charge:	\$0.17013 per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00 .

(Continued on [Sheet No. D-12.00](#))

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D7. RESIDENTIAL MULTIPLE FAMILY DWELLING SERVICE RATE 2A

Applicable to All Districts

Character of Service

Who May Take Service

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of Company, service is available under this Rate Schedule to any of Company's existing multiple family dwelling Customers as of September 29, 1978, for any centrally metered installations containing individual households for residential service. This Rate is not available for commercial or industrial service, including swimming pool heater usage.

Any swimming pool heater usage or other commercial type usage shall be Company submetered or separately metered in order for Customer to remain on this Rate Schedule. Company shall furnish the required meter and install it at Customer's expense.

For centrally metered installations placed in service after September 12, 1996, all usage, including swimming pool heater usage, may be eligible for gas service under this Rate Schedule.

Definitions

As used in this Rate Schedule, "residential service" means service to any multiple family dwelling Customer for purposes of spaceheating and other domestic uses. For the purposes of this Rate Schedule, a multiple family dwelling includes such living facilities as for example, cooperatives, condominiums and apartments; provided, however, in order to qualify for this service, each household within such multiple family dwelling must have the normal household facilities such as bathroom, individual cooking and kitchen sink. A "multiple family dwelling" does not include such living facilities as, for example, penal or corrective institutions, motels, hotels, dormitories, nursing homes, tourist homes, military barracks, hospitals, special care facilities or any other facilities primarily associated with the purchase, sale or supplying (for profit or otherwise) of a commodity, product or service by a public or private person, entity, organization or institution; these facilities will be provided service under General Service Rate GS-1.

For purposes of rate application "residential usage" shall be usage consumed within an individual household, or reasonably appurtenant and related to, and normally with such a household, for such applications as space conditioning, cooking, water heating, refrigeration, clothes drying, incineration, lighting and other similar household applications.

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D7. RESIDENTIAL MULTIPLE FAMILY DWELLING SERVICE RATE 2A (Contd.)

Applicable to All Districts

Rate

Customer Charge (One of the following charges per Customer per month will be applied.)

Meter Class I:	\$8.50 per Customer per month
Meter Class II:	\$20.00 per Customer per month
Distribution Charge:	\$0.17013 per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on [Sheet No. D-1.00](#) and Surcharges shown on [Sheet No. D-2.00](#).

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is delinquent. The due date shall be 21 days following the date the bill was sent.

Gas Cost Recovery

This rate is subject to adjustments for fluctuations in the cost of gas as stated in Rule C7 of the applicable Rules and Regulations of Company.

(Continued on [Sheet No. D-15.00](#))

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(Continued from Sheet No. D-14.00)

D7. RESIDENTIAL MULTIPLE FAMILY DWELLING SERVICE RATE 2A (Contd.)

Applicable to All Districts

Standby Service

- A. Definition: “Standby Service” means that gas service provided by Company whereby gas systems maintained by Company (including, but not limited to, unauthorized gas, pipes, regulation, and metering) are available for immediate no-notice use for the delivery and/or sourcing of natural gas to Customer’s energy systems relied upon for: (1) emergency, (2) contingency, (3) supplemental energy, (4) reserve energy, (5) displacing the primary fuel source, or (6) operating a limited number of hours annually.
- B. Surcharge: Customer taking standby service for a facility or equipment shall pay a monthly charge equal to 25¢/cf or \$250/MMBtu for each cf or MMBtu of nameplate rating of the facility or equipment taking standby service.

Customer Contract

Applications for Gas Service shall be in writing upon application forms to be supplied by Company. Existing Customers who wish to connect spaceheating equipment must make written application for such service on forms to be provided by Company.

(Continued on [Sheet No. D-16.00](#))

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(Continued from Sheet No. D-15.00)

D7. RESIDENTIAL MULTIPLE FAMILY DWELLING SERVICE RATE 2A (Contd.)

Applicable to All Districts

Meter Classification

For application of the Monthly Customer Charge in this Rate, Company's gas meters are designated in one of the following classifications:

<u>Meter Class I</u>	<u>Meter Class II</u>	<u>Meter Class II (Contd.)</u>
American 5 Lt.	American 20 Lt.	Roots 3M NC
American 10 Lt.	American 30 Lt.	Roots - Connersville 2-1/2x7
Maryland 5 Lt.	Maryland 20 Lt.	Roots 7M NC
Maryland 10 Lt.	Maryland 30 Lt.	Roots - Connersville 3-1/2x10
Rockwell 5 Lt.	McDonald 20 Lt.	Roots - Connersville 4x12
Rockwell 10 Lt.	McDonald 30 Lt.	Roots - Connersville 5x15
Superior 5 Lt.	American AL-425 NC	Roots - Connersville 6 x 18
Superior 10 Lt.	American AL-800 NC	Roots 5M NC
Detroit 5 Lt.	Rockwell - Emco #2; 415	Roots - 11M NC
Detroit 10 Lt.	Rockwell - Emco #750	Roots - Connersville 8 x 20
McDonald 5 Lt.	Rockwell - Emco #2-1/2	Roots - Connersville 8 x 24
McDonald 10 Lt.	Sprague 4; 675	Roots - Connersville 10x30
Pittsburg 5 Lt.	Sprague 5	Roots - Connersville 12x36
Pittsburg 10 Lt.	Sprague 5A; 1000	Roots 16 Mid
Tuft 5 Lt.	Metric 30B	Roots 23 Mid
Tuft 10 Lt.	Metric 35B	Roots 38 Mid
American AL-175 NC	Metric 60B	Roots 56 Mid
American 5B-225 NC	American AL-425 TC	Roots 102 Mid
American AL-250 NC	American AL-800 TC	Roots - Connersville 4x8
Rockwell - Emco #0-175	Rockwell 415 TC	Roots - Connersville 18x54
Rockwell - Emco #250	Rockwell 750 TC	Roots - Connersville 60 lb. 8x24
Rockwell - Emco #1-275	American 60 Lt.	Roots - Connersville 60 lb. 12x36
Sprague 1A; 175	Maryland 60 Lt.	Roots - Connersville 60 lb. 4x12
Sprague 2; 305	American AL-1400 NC	Roots - Connersville 60 lb. 5x15
Sprague 3; 400	American AL-2300 NC	Roots - Connersville 60 lb. 6x18
Metric 5B	American AL-5000 NC	Roots 3M TC
Metric 10B	Rockwell - Emco #3	Roots 7M TC
American AL-175TC	Rockwell - Emco #4	Roots 5M TC
American AL-225TC	Rockwell - Emco #5	Roots 11M TC
American AL-250TC	Rockwell 3000 NC	Roots 16M TC
Rockwell 175TC	Metric 80B	Romet 2M TC
Rockwell 250TC	Roots 1.5M TC	Romet 3M TC
Rockwell R200 TC	American AL-2300 TC	Romet 5M TC
Superior AL-175 TC	American AL-5000 TC	Romet 7M TC
Superior AL-250 TC	Rockwell #3000 TC	Romet 11M TC
Sprague 175 TC	American 11C	Romet 16M TC
Sprague 175-RM TC	American 25C	Roots 19 Mid
Sprague 250 TC	American AL-1400 TC	Turbine, All
Sprague 400 TC		
Metric 175 TC		
Rockwell R275 TC		

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D8. GENERAL SERVICE RATE GS-1 AND GS-2

Applicable to All Districts

Availability

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of Company, service is available under this Rate Schedule to any non-residential Customer, for any purpose.

Rates and Charges

<u>Service Category</u>	<u>Customer Charge per Month</u>	<u>Distribution Charge</u>
GS-1	\$20.00 per meter	\$0.19431 per 100 cubic feet
GS-2	\$475.00 per meter	\$0.15533 per 100 cubic feet

Customers may choose the Service Category under which they take service, consistent with the provisions of Rules C4.1, Classes of Service, C4.2, Choice of Rates and C4.3, Gas Not to be Submetered for Resale. When a Customer is selecting its initial Service Category, Company must advise them that the economic break even point between GS-1 and GS-2 is approximately 14,000 Mcf per year. After the initial selection is made, then it is Customer's responsibility to determine when it is appropriate to switch Service Categories, as permitted by Rule C4.2, Choice of Rates.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on [Sheet No. D-3.00](#). The rate is subject to adjustments for fluctuations in the cost of gas as stated in Rule C7 of the applicable Rules and Regulations of Company.

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on [Sheet No. D-1.00](#) and Surcharges shown on [Sheet No. D-2.00](#).

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is not paid on or before 21 calendar days from the date of mailing.

(Continued on [Sheet No. D-18.00](#))

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D8. GENERAL SERVICE RATE GS-1 AND GS-2 (Contd.)

Applicable to All Districts

Standby Service

- A. Definition: “Standby Service” means that gas service provided by Company whereby gas systems maintained by Company (including, but not limited to, unauthorized gas, pipes, regulation, and metering) are available for immediate no-notice use for the delivery and/or sourcing of natural gas to Customer’s energy systems relied upon for: (1) emergency, (2) contingency, (3) supplemental energy, (4) reserve energy, (5) displacing the primary fuel source, or (6) operating a limited number of hours annually.
- B. Surcharge: Customer taking standby service for a facility or equipment shall pay a monthly charge equal to 25¢/cf or \$250/MMBtu for each cf or MMBtu of nameplate rating of the facility or equipment taking standby service.

Customer Contract

Applications for Gas Service shall be in writing upon application forms to be supplied by Company. In addition to such application, Customer taking service under General Service Rate GS-2 is required to sign a Large Volume Contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

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D9. SCHOOL SERVICE RATES

Applicable to All Districts

Character of Service

Who May Take Service

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of Company, service is available under this Rate Schedule to each individual school which shall make application for service and which shall by contract in writing agree that the gas supplied hereunder shall, during the term of such contract, be used only in the following buildings:

- A. Buildings on property exempt from taxation under the laws of the State of Michigan which are located on the same site and used for school purposes to impart instruction to children, grades kindergarten through twelve, when provided by any public, private, denominational or parochial school, including all adjacent and appurtenant buildings owned by the same Customer which are located on the same site and which constitute an integral part of such school facilities.
- B. Buildings on property exempt from taxation under the laws of the State of Michigan which are located on the same campus and used to impart instruction provided by colleges and universities when being operated under the laws of said State, including all adjacent and appurtenant buildings owned by the same Customer which are located on the same campus and which constitute an integral part of such college or university facilities.

Rate

Customer Charge:	\$200.00 per Customer per month, plus
Distribution Charge:	\$0.14841 per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on [Sheet No. D-1.00](#) and Surcharges shown on [Sheet No. D-2.00](#).

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is not paid on or before 21 calendar days from the date of mailing.

(Continued on [Sheet No. D-20.00](#))

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D9. SCHOOL SERVICE RATE S (Contd.)

Applicable to All Districts

Gas Cost Recovery

This rate is subject to adjustments for fluctuations in the cost of gas as stated in Rule C7 of the applicable Rules and Regulations of Company.

Standby Service

- A. Definition: “Standby Service” means that gas service provided by Company whereby gas systems maintained by Company (including, but not limited to, unauthorized gas, pipes, regulation, and metering) are available for immediate no-notice use for the delivery and/or sourcing of natural gas to Customer’s energy systems relied upon for: (1) emergency, (2) contingency, (3) supplemental energy, (4) reserve energy, (5) displacing the primary fuel source, or (6) operating a limited number of hours annually.
- B. Surcharge: A Customer taking standby service for a facility or equipment shall pay a monthly charge equal to 25¢/cf or \$250/MMBtu for each cf or MMBtu of nameplate rating of the facility or equipment taking standby service.

Customer Contract

Applications for Gas Service shall be in writing upon application forms to be supplied by Company. In addition to such application, Customer is required to sign a contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

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SECTION E
TRANSPORTATION SERVICE
GAS TRANSPORTATION STANDARDS AND BILLING PRACTICES

E1. GENERAL PROVISIONS AND DEFINITIONS

E1.1 Definitions

Annual Contract Quantity or ACQ means an annual quantity of natural gas specified in the Contract between Customer and Company, that can be delivered to Company and is based on Customer's average 12 Month usage (determined from the last 36 Months of data), plus adjustments, approved at Company's sole discretion, for known or expected changes or special operating conditions. Company will utilize their best efforts to insure that Customer's ACQ is reflective of Customer's annual consumption and allow Customer all reasonable opportunities to minimize the risk of Unauthorized Gas Usage Charges.

Business Day is Monday through Friday, excluding Company holidays.

Contract is the agreement between Company and Customers for the provision of transportation or storage services under Company's Rate Schedule. For purposes of clarity, the agreement between Company and Customer may also be referred to as a Transportation Contract or Storage Contract.

Contract Year is defined within each Contract.

Customer means the individual or business that purchases transportation or storage service from Company.

Delivery Point(s) are the point(s) where Company delivers gas to Customer, or for Customer's account.

Gas Day is a period of 24 consecutive hours (23 hours when changing from Standard Time to Daylight Savings Time and 25 hours when changing back to Standard Time) beginning at 10:00 a.m. Eastern Clock Time.

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(Continued from [Sheet No. E-1.00](#))

E1. GENERAL PROVISIONS AND DEFINITIONS (Contd.)

E1.1 Definitions (Contd.)

Maximum Daily Quantity or MDQ means a daily quantity of natural gas specified in the Contract between Customer and Company, that can be delivered to Company and is based on Customer's highest historical Month usage (determined from the last 36 Months of data) divided by the number of days during that Month and multiplied by 110%, plus adjustments, approved at Company's sole discretion, for known or expected changes or special operating conditions. Provided, however, during September and October, Customer's MDQ will be based on the daily average of Customer's September and October usage from the previous three years, plus 1.43% of Customer's ACQ divided by 30 days. Company and Customer may agree to use a different MDQ as part of the negotiations for an optional discount from the cost based rates set forth in the tariff. Company will utilize their best efforts to insure that Customer's MDQ is reflective of Customer's maximum daily consumption and allow Customer all reasonable opportunities to minimize the risk of Unauthorized Gas Usage Charges.

MMBtu means one million Btu.

MMcf means one million cubic feet of gas at a base temperature of 60° F and a base pressure of 14.65 psia.

Month is the period beginning on the first Gas Day of the calendar Month and ending at the same hour on the first Gas Day of the next succeeding calendar Month.

Nomination or Nominating is a transmittal by Customer, or its designated agent, of request for receipt and/or delivery of gas for Customer's account for each Gas Day that service is desired.

Operational Flow Order or OFO: See Section E4.5.

Rate Schedule means the schedule of rates governing natural gas service as approved by the Commission.

Receipt Point(s) are those interconnection(s) between the facilities of Company and third parties that deliver gas to Company, for the account of Customer.

(Continued on [Sheet No. E-3.00](#))

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(Continued from [Sheet No. E-2.00](#))

E1. GENERAL PROVISIONS AND DEFINITIONS (Contd.)

E1.1 Definitions (Contd.)

Standby Service means that gas service provided by Company whereby gas systems maintained by Company (including, but not limited to, unauthorized gas, pipes, regulation, and metering) are available for immediate no-notice use for the delivery and/or sourcing of natural gas to Customer's energy systems relied upon for: (1) emergency, (2) contingency, (3) supplemental energy, (4) reserve energy, (5) displacing the primary fuel source, or (6) operating a limited number of hours annually.

Standby Maximum Daily Quantity or SMDQ means the Maximum Daily Quantity of natural gas specified in the Contract between Customer and Company for Standby Service to support the operation of Customer's facility or equipment.

Tariff means Company's Rate Book for Natural Gas Service, M.P.S.C. No. 5 - Gas as modified and approved from time to time by the Commission.

Total Heating Value Per Cubic Foot means the number of Btu produced by the combustion, at constant pressure, of one cubic foot of gas, with air of the same pressure and temperature as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by the combustion is condensed to the liquid state. This definition applies regardless of the equipment used to determine the total heating value per cubic foot.

Transportation Rate Restoration Charge: See Section E8.

Unauthorized Gas Usage Charge: See Section E7.

Defined terms used in Section E and not defined above have the meaning set forth in the applicable Rate Schedule or Contract.

E1.2 Application of Rules

If at any time during the term of a Contract any of the parties, by force of any such law, order, decision, rule or regulation are ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, such Contract shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation.

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E1. GENERAL PROVISIONS AND DEFINITIONS (Contd.)

E1.3 Possession of Gas

As between Company and Customer, Customer shall be deemed in exclusive control and possession of the gas transported hereunder and responsible for any loss, damage or injury caused thereby until it is delivered to Company at the Receipt Point(s) and after it is delivered by Company at the Delivery Point(s). Company shall be deemed in exclusive control and possession of said gas and responsible for any loss, damage or injury caused thereby after it is delivered by Customer, or for Customer's account, at the Receipt Point(s) and until it is delivered by Company at the Delivery Point(s).

E1.4 Warranty

Customer warrants, for itself, its successors and assigns, that it will have, at the time of delivery of gas hereunder good and marketable title to the gas delivered and that such gas shall be free and clear of all liens, encumbrances, and claims. Customer warrants that it will indemnify Company and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas or to royalties, taxes, license fees or charges thereon.

E1.5 Non-Waiver of Future Defaults

No waiver by either party of any one or more defaults by the other in the performance of any provisions of Company's Tariff or any Contract will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

E1.6 Incorporation of Rate Schedules and Contract

Unless limited to specifically identified Rate Schedules, the General Terms and Conditions set forth in Sections B through E are incorporated in and are a part of any Contract entered into by Company for the provision of service under the Transportation Service Rate Schedule, or Rate Schedules TOS-F, TOS-I, CS-F, or CS-I. To the extent there is any inconsistency between terms in these General Terms and Conditions and terms in any Rate Schedule or Contract, the applicable Rate Schedule shall govern.

E1.7 Assignment

Customer may not assign any of its rights or obligations hereunder without the prior written consent of Company.

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E1. GENERAL PROVISIONS AND DEFINITIONS (Contd.)

E1.8 Default

Company reserves the right to suspend transportation and/or storage services, or to terminate any Contract between Customer and Company, at any time in the case of an emergency or as a result of violation of the General Terms and Conditions of the Contract or Company's Tariff.

E2. RECORDS, ACCOUNTING AND CONTROL

E2.1 Mailing of Notices, Bills and Payments

All notices, bills and payments required or permitted to be given in connection with service shall be sent to the address specified in Customer's Contract shall be in writing and shall be valid and sufficient if delivered in person, dispatched by first class mail, overnight mail or facsimile.

E2.2 Nominations, Accounting and Control

- A. Customer may designate a third party as agent for purposes of Nominating, and for giving and receiving notices related to Nominations. Customer shall provide Company with written notice of such designation. Any such designation shall be effective starting the Month following the receipt of the notice and will remain in effect until revoked in writing by Customer.
- B. All Nominations shall be submitted through Company's electronic gas nomination system. Specific information to be included in the Nomination is posted on Company's electronic gas nomination system.
- C. Customer, or its designated agent, shall notify Company's Gas Nominations Department of the daily quantity of gas that Customer is Nominating for delivery to Company on behalf of Customer. Such Nominations shall be submitted by 2:00 p.m. Eastern Clock Time prior to the effective Gas Day. Nominations made after the 2:00 p.m. deadline shall be accepted at the sole discretion of Company. Customer, or its designated agent, shall provide Company with a Nomination for each Gas Day. (If a single nomination is received it shall be assumed to apply for each subsequent day of the month unless otherwise stated.)

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E2. RECORDS, ACCOUNTING AND CONTROL (Contd.)

E2.2 Nominations Accounting and Control (Contd.)

- D. If Customer fails to provide a Nomination for any Month, the daily Nomination is assumed to be zero.
- E. Customer or Customer's authorized representative may transfer a portion of their account balance to another Customer. Customer from whom the gas is transferred shall be charged a \$25 fee. Such transactions are prospective and may not be used to avoid penalties once charged.

E3. GAS QUALITY

E3.1 Quality

- A. The gas delivered to Company shall meet the following requirements:
- (1) Gas shall not contain more than 0.0005 percent (5 ppm) oxygen by volume;
 - (2) Gas shall be commercially free from objectionable odors, solid or liquid matter, bacteria, dust, gum or gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters or other appliances through which it flows;
 - (3) Gas shall not contain more than 0.25 grain of hydrogen sulfide nor more than 0.5 grain of mercaptan sulfur per 100 cubic feet;
 - (4) Gas shall not contain more than 5.0 grains of total sulfur (including hydrogen sulfide and mercaptan sulfur) per 100 cubic feet;
 - (5) Gas shall not at any time have a carbon dioxide content in excess of two percent by volume;
 - (6) Gas shall not contain an amount of moisture that at any time exceeds five pounds per million cubic feet;

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E3. GAS QUALITY (Contd.)

E3.1 Quality (Contd.)

- (7) Gas shall be fully interchangeable in accordance with the provisions of AGA Research Bulletin No. 36 and any subsequent modifications and amendments thereof;
 - (8) The temperature of the gas shall not exceed 100° F;
 - (9) The hydrocarbon dew point of the gas shall not exceed 0° F at 500 pounds per square inch.
- B. If the gas delivered by Customer at any Receipt Point fails to meet the qualities stipulated in Section E3.1(a), then Company shall notify Customer of such deficiency and thereupon may, at its option, refuse to accept delivery pending correction. Upon demonstration that the gas being tendered meets the gas quality specifications of Section E3.1(a), Company shall resume taking delivery of gas.

E3.2 Heating Value

The gas delivered by Customer shall have a Total Heating Value Per Cubic Foot of not less than 950 Btu nor more than 1,100 Btu.

E4. SERVICE REQUIREMENTS

E4.1 Quantities

- A. Customer may deliver, or cause to be delivered, and Company shall, subject to other provisions in Company's Rate Schedule, accept quantities of gas up to the MDQ specified in the Contract. If deliveries to Company exceed agreed upon quantities, Company may refuse deliveries or terminate the Contract upon 30 days' written notice to Customer.
- B. Deliveries to Company may be made by Customer or on behalf of Customer at existing interconnections between the gas transmission facilities of Company and other pipeline systems. These Receipt Point(s) shall be those specified by Company from time to time on its electronic bulletin board.

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E4. SERVICE REQUIREMENTS (Contd.)

E4.2 Delivery Pressure

All deliveries of gas by Customer and Company shall be made at Company's prevailing pressure.

E4.3 Shutoff of Service

Company is not required to perform service under any Contract on behalf of any Customer failing to comply with any and all terms of Customer's Contract and Company's Tariff.

E4.4 Measurement

A. All quantities of gas received at Receipt Point(s) by Company for the account of Customer shall be measured at the Receipt Point(s) by Company or its designee in accordance with, and shall comply with the measurement specifications contained in:

- (1) Transmission Measurement Committee Report #3, Natural Gas Department, American Gas Association, including the Appendix thereto, dated September 1985, ("Gas Measurement Report #3")
- (2) Transmission Measurement Committee Report #7, Natural Gas Department, American Gas Association, including the Appendix thereto, dated April 1996, ("Gas Measurement Report #7")
- (3) Transmission Measurement Committee Report #8, Natural Gas Department, American Gas Association, including the Appendix thereto, dated July 1992, ("Gas Measurement Report #8")
- (4) Transmission Measurement Committee Report #9, Natural Gas Department, American Gas Association, including the Appendix thereto, dated June 2000, ("Gas Measurement Report #9")
- (5) And any subsequent modifications and amendments thereof.

(Continued on [Sheet No. E-9.00](#))

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E4. SERVICE REQUIREMENTS (Contd.)

E4.4 Measurement (Contd.)

B. All quantities of gas delivered at the Delivery Point(s) by Company to Customer, or for the account of Customer, shall be measured at the Delivery Point(s) by Company, or its designee, in accordance and in compliance with the measurement specifications contained in the Gas Measurement Report #3, Gas Measurement Report #7, Gas Measurement Report #8 and Gas Measurement Report #9.

E4.5 Notice of Operational Flow Order (OFO)

When there is adequate time during an emergency situation, and if applicable, Company will implement an Operational Flow Order, or OFO. An OFO invokes daily-balancing upon all Customers and allows Company to limit the daily storage withdrawal volumes of Customers with Storage rights specified in Customer's Contract and/or applicable Rate Schedule to that level authorized by Company in the OFO. The payment of Unauthorized Gas Usage penalties does not create the right to exceed the levels established by an OFO. Customers not balancing deliveries to Company, with use, and authorized storage withdrawal volumes, on any Gas Day during an OFO will be subject to a penalty equal to the highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$1.00 per 100 cubic feet or \$10.00 per MMBtu, if applicable, plus Customer's contracted Transportation Charge, for all gas taken by Customer in excess of the cumulative volume delivered to Company (less the allowance for gas-in-kind) on behalf of Customer.

If an OFO or curtailment becomes necessary, Company shall provide notice to the Commission and all affected Customers of the nature, probable duration and extent of such OFO or curtailment. Such notice will be given as far in advance as possible.

E5. BILLING

Company shall follow the provisions of Rule B4, Commercial and Industrial Billing Practices, of the Tariff.

E6. CREDITWORTHINESS

If a Customer deposit is required in accordance with the provisions of Rules B4, Commercial and Industrial Billing Practices, R 460.2083, Customer Deposits and R 460.2084 Discontinuation, Termination or Denial of Service, Customers taking service under Rate Schedules ST, LT, XLT, TOS-F, TOS-I, CS-F, and CS-I shall be subject to the following provision:

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E6. CREDITWORTHINESS (Contd.)

- A. Customer shall be required to demonstrate creditworthiness. Company is not required to commence service or to continue to provide service if Customer, when requested by Company to demonstrate creditworthiness, fails to do so to Company's satisfaction. Creditworthiness will be based upon: (1) a credit rating of investment grade defined as a rating of at least "BBB-" by Standard & Poor's Corporation, a rating of at least "Baa3" by Moody's Investors Service, or a rating of at least "BBB-" by Fitch Ratings; or (2) if public credit reports are not available, an equivalent rating of investment grade as determined by Company based on the financial rating methodology, criteria and ratios for the industry of Customer as published by the above rating agencies from time to time. For purposes of credit evaluation, Company will consider the following, as applicable:
- (1) audited financial statements;
 - (2) annual report;
 - (3) most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or such other publicly available information;
 - (4) for public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller or equivalent that such statements constitute a true, correct and fair representation of financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;
 - (5) publicly available credit reports from credit and bond rating agencies;
 - (6) private credit ratings, bank or trade references;
 - (7) past payment history to Company;
 - (8) whether Customer has filed for bankruptcy protection and/or is operating under any chapter of the bankruptcy laws;
 - (9) whether Customer is subject to liquidation or debt reduction procedures such as an assignment for the benefit of creditors or any creditors' committee agreement;
 - (10) whether Customer's credit rating has been downgraded by a credit rating agency within the last six Months; or
 - (11) such other information as may be mutually agreed to by Company and Customer.

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E8. TRANSPORTATION RATE RESTORATION CHARGE

A turn-on charge equal to the sum of the intervening Months' Monthly Customer Charges since the service was shut off shall be made to any Customer taking service under the Transportation Service Rate Schedule who orders a shutoff and a restoration of service at the same premises within a 12 Month period.

E9. AGGREGATION OF ACCOUNTS

Customer as defined in Section C13 of the Tariff may qualify for aggregation of accounts as more fully set forth in Section C13 of the Tariff.

E10. ELECTRONIC BULLETIN BOARD

Company shall make available, maintain and update, an electronic bulletin board (EBB) accessible to Customers and their authorized agents who Nominate gas to Company's system.

E11. TRANSPORTATION STANDARDS OF CONDUCT

This rule is intended to promote fair competition and a level playing field among all participants involved in transportation within Company's regulated gas service territory. Company will conduct its business to conform to the following Transportation Standards of Conduct:

- A. Company will apply any Tariff provision relating to transportation service in the same manner without discrimination to all similarly situated persons.
- B. Company will not give its marketing affiliate or Customers of its affiliate preference over any other non-affiliated gas marketers or their Customers in matters relating to transportation service including, but not limited to, nominating, balancing, metering, billing, storage, standby service, curtailment policy or price discounts.
- C. Company will not communicate to any Customer, Supplier or third parties that any advantage may accrue to such Customer, Supplier or other third party in the use of Company's services as a result of that Customer, Supplier or other third party dealing with its marketing affiliate and shall refrain from giving any appearance that it speaks on behalf of its affiliate.

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E11. TRANSPORTATION STANDARDS OF CONDUCT (Contd.)

- D. Company will process all similar requests for transportation service in the same manner and within the same period of time.
- E. Company will not provide leads or provide market sensitive information regarding a current or potential Customer or marketer to its marketing affiliate. If a Customer requests information about marketers, Company will provide a list of all marketers operating on its system, including its affiliate, but will not promote its affiliate.
- F. If a Customer makes a request in writing that its historic volumetric sales and transportation data be provided to a particular marketer or marketers in general, that request will be honored by Company until revoked by Customer. To the extent Company provides to its marketing affiliate a discount or information related to the transportation, sales or marketing of natural gas, including but not limited to Company's Customer lists, that is not readily available or generally known to any other marketer or Supplier or has not been authorized by a Customer, it will provide details of such discount or provide the information contemporaneously to all potential marketers on its system that have requested such information. A marketer may make a standing request for contemporaneous disclosure of such information.
- G. Company will not condition or tie its agreement to release interstate pipeline capacity to any agreement by a gas marketer, Customer, Supplier or pipeline transporter relating to any service in which its marketing affiliate is involved.
- H. Company will not condition or tie an agreement to provide a transportation discount to any agreement by a marketer, Customer, Supplier or pipeline transporter relating to any service in which its marketing affiliate is involved.
- I. Company's operating employees and the operating employees of its marketing affiliate will function independently of each other, be employed by separate business entities, and reside in separate offices.
- J. Company will keep separate books of accounts and records from those of its marketing affiliate.

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E12. TRANSPORTATION STANDARDS OF CONDUCT COMPLAINT PROCEDURE

If Company receives a verbal complaint related to its Rules, Regulations and Rate Schedules for Gas Service, M.P.S.C. No. 5, Section E11, Transportation Standards of Conduct, Company will attempt to resolve the complaint on an informal basis. If 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 Ave
Detroit, MI 48226
Attention: Legal Department

B. Company will acknowledge the receipt of the formal written complaint, in writing, within five working days of receipt by Company.

C. 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.

D. Company will prepare a written statement communicating the results of Company's preliminary investigation within 30 days of the initial receipt of the complaint by Company with a description of the action to be taken or the action proposed to be taken.

E. (1) If the complainant is satisfied with the action taken or the action that is proposed to be taken, complainant will acknowledge its agreement by signing and returning a copy of Company's written statement addressing the action taken or proposed to be taken.

(2) If the complainant is not satisfied with Company's response, then the complainant may address the complaint to the Commission.

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E13. TRANSPORTATION CONTRACT CANCELLATION

Customer taking service under a Transportation Service Rate Schedule may cancel its Contract during the initial term of the Contract if Customer provides at least 30 days prior written notice to Company that (1) Customer's facility or business has or will permanently close or cease operations, (2) Customer is transferring ownership of the facility or business in whole, or (3) Customer is transferring service to another Rate Schedule provided Customer complies with all rules for transferring service to another Rate Schedule. Upon Contract termination, Customer will be required to pay all outstanding charges owed to Company by the payment due date posted on the final invoice for transportation service.

If Customer taking gas service under a Transportation Service Rate Schedule, and is paying a negotiated transportation rate under the optional provision, terminates its Contract prior to the end of the term as provided above, Customer will be required to pay Company, as liquidated damages and not as a penalty, a settlement payment equal to the sum of the Transportation Charges and Monthly Customer Charges that Company would have received from the time of cancellation to the expiration date of Customer's Contract. In calculating the settlement payment, the Transportation Charge will be applied to Customer's then current ACQ. Any settlement payment will be discounted to present value using the London Interbanking Offer Rate (LIBOR) on the date of Contract cancellation to take into account the period between the date of cancellation and the date on which such amounts would have otherwise been due under the Contract.

E14. CASHOUT MECHANISM

E14.1 Scope

This Cashout Mechanism provides Company with the authorization to Cashout Imbalances with Nominating Agents at Company's Dry Receipt Point(s).

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E14. CASHOUT MECHANISM (Contd.)

E14.2 Definitions

As used in Section E14:

Actual Deliveries means the amount of gas nominated by the Nominating Agents for the Production Month and tendered by Company during the same Month at Dry Receipt Points.

Actual Receipts means the amount of gas tendered by Nominating Agent to Company during the Month at Dry Receipt Points.

Alpena System Dry Points means those receipt points identified on ConQuest EBB, as may change from time to time, under the heading “Alpena System Dry Points”.

Business Day means Monday through Friday, excluding Federal Banking Holidays.

Cashout means the monetary settlement of Imbalances. Company will purchase and sell gas at Alpena System Dry Points and Non-Alpena System Dry Points to correct Imbalances.

Cashout Price means the price determined pursuant to Section E14.4.

Company means Michigan Consolidated Gas Company, or MichCon.

ConQuest Electronic Bulletin Board or ConQuest EBB means Company’s electronic communication system, which is available to all Nominating Agents.

Deficient Quantities means the negative volume that is derived by subtracting Actual Deliveries from Actual Receipts.

Dry Receipt Points means both the Alpena System Dry Points and the Non-Alpena System Dry Points.

Excess Quantities means the positive volume that is derived by subtracting Actual Deliveries from Actual Receipts.

Imbalance means the volumetric difference between Actual Receipts and Actual Deliveries as further explained in Section E14.4A.

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E14. CASHOUT MECHANISM (Contd.)

E14.2 Definitions (Contd.)

Maximum Nomination Quantity means a quantity of gas as determined by Company based on the previous twelve Month average Actual Receipts multiplied by 110%, plus adjustments for known or expected changes that are communicated to Company at least five days prior to the effective nomination change.

Month means the period beginning on the first day of a calendar Month and ending on the last day of the same calendar Month.

Monthly Index Price means the price determined pursuant to Section E14.4B.

Nominating Agent means the party responsible for nominating gas on the ConQuest EBB at the Dry Receipt Points.

Non-Alpena System Dry Points means those receipt points identified on ConQuest EBB, as may change from time to time, under the heading “Non-Alpena System Dry Points”.

Production Month means the Month during which Nominating Agent receives service under Section E14.

Title Holder means the owner of the largest working interest in any well from which gas is nominated into Company’s Dry Receipt Points.

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E14. CASHOUT MECHANISM (Contd.)

E14.3 Determination and Resolution of Imbalances

- A. It is the Nominating Agent's responsibility to provide timely and accurate nominations of quantities proposed to be received and delivered by Company, and to maintain each day, as nearly as practicable, equality between Actual Receipts and Actual Deliveries under Section E14. Company will reject nominations exceeding the Maximum Nomination Quantity. Actual Receipts exceeding the Maximum Nomination Quantity will be considered Trespass Gas, as such term is defined on ConQuest EBB.
- B. If Actual Deliveries exceed Actual Receipts at a Dry Receipt Point by greater than ten percent (10%) on a cumulative daily basis throughout the Month, Company will reject and or modify all nominations received at the Dry Receipt Point. Company will allow nominations to continue when the difference between Actual Deliveries and Actual Receipts at the Dry Receipt Point is equal to or less than ten percent (10%) on a cumulative daily basis for the Month.
- C. At the end of each Production Month, Company will determine whether Nominating Agent caused an Imbalance to occur. If an Imbalance exists, Nominating Agent and Company shall Cashout the Imbalance volume pursuant to Section E14.4.

E14.4 Cashout Provision

- A. Company shall compare Actual Receipts to Actual Deliveries tendered at each Dry Receipt Point utilized by Nominating Agent and calculate an Imbalance no later than the tenth (10th) Business Day following the end of each Production Month. The volumetric difference, after any imbalance trading has occurred pursuant to Section E14.5, will result in Excess Quantities or Deficient Quantities. If the Nominating Agent nominated gas on multiple Dry Receipt Points, Company shall aggregate Excess Quantities and Deficient Quantities for all Alpena System Dry Points separately from Non-Alpena System Dry Points. The separately aggregated Excess Quantities and/or Deficient Quantities shall be divided by the Actual Deliveries separately aggregated for the Alpena System Dry Points and the Non-Alpena System Dry Points respectively, using final Monthly confirmed volumes as posted on Company's ConQuest EBB. This calculation will be used to determine Nominating Agent's Monthly Imbalance percentage on the Alpena System Dry Points and separately for the Non-Alpena System Dry Points. Company shall be authorized to purchase and sell gas at Dry Receipt Points to manage imbalance quantities.

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E14. CASHOUT MECHANISM (Contd.)

E14.4 Cashout Provision (Contd.)

- B. Each Month, Company shall determine the Monthly Index Price. The Monthly Index Price shall be based on the Daily Price Survey rates for MichCon citygates as reported in Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service. The Monthly Index Price shall be equal to the sum of the daily Mich.-MichCon Midpoint Citygate Price for the applicable Production Month divided by the number of quoted price days in the same Production Month. Company will post the Monthly Index Price on its ConQuest EBB by the 3rd Business Day of the Month.
- C. In cases where Nominating Agent's Imbalance results in Excess Quantities, Company shall pay Nominating Agent the following based on the Monthly Imbalance percentage:

<u>Imbalance Percentage (Tier)</u>	Cashout Price for the Excess <u>Quantities</u>
Greater of first 100 MMBtu	
Or 0% up to 2%	100% of Monthly Index Price
> 2% Up to 5%	80% of Monthly Index Price
> 5%	60% of Monthly Index Price

For purposes of determining the tier at which an Imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% imbalance, Excess Quantities that make up the first 2% of the Imbalance will be priced at 100% of the Monthly Index Price. Excess Quantities making up the next 3% of the Imbalance will be priced at 80% of the Monthly Index Price. Excess Quantities making up the remaining 2% of the Imbalance will be priced at 60% of the Monthly Index Price.

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E14. CASHOUT MECHANISM (Contd.)

E14.4 Cashout Provision (Contd.)

- D. In cases where Nominating Agent's Imbalance results in Deficient Quantities, Nominating Agent shall pay Company the following based on the Monthly Imbalance percentage:

<u>Imbalance Percentage (Tier)</u>	<u>Cashout Price for Deficient Quantities</u>
Greater of first 100 MMBtu	
Or 0% up to 2%	100% of Monthly Index Price
> 2% Up to 5%	120% of Monthly Index Price
> 5%	140% of Monthly Index Price

For purposes of determining the tier at which an Imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% imbalance, Deficient Quantities that make up the first 2% of the Imbalance will be priced at 100% of the Monthly Index Price. Deficient Quantities making up the next 3% of the Imbalance will be priced at 120% of the Monthly Index Price. Deficient Quantities making up the remaining 2% of the Imbalance will be priced at 140% of the Monthly Index Price.

- E. Cashout of volumes relating to prior period adjustments shall be cashed out at 100% of the Monthly Index Price applicable to the Production Month in which the prior period adjustment was created.

E14.5 Imbalance Trading

- A. Company will allow a Nominating Agent to net Imbalances with other Nominating Agents within the Alpena System Dry Points and within the Non-Alpena System Dry Points, but not between the Alpena System Dry Points and the Non-Alpena System Dry Points. Gas from Alpena System Dry Points must be transported to Company's Woolfolk delivery point, or other points as identified on ConQuest EBB before imbalance trading can occur.
- B. The information required for imbalance trading must include the identification of both Nominating Agents involved in the trade, production period, and the Monthly volume to be traded. Imbalances must be traded with Imbalances in the opposite direction and must move the Nominating Agent's Imbalance closer to zero.

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E14. CASHOUT MECHANISM (Contd.)

E14.5 Imbalance Trading (Contd.)

- C. Company will enable the imbalance trading process by:
- (1) Receiving the request for imbalance trade;
 - (2) Receiving the imbalance trade confirmation;
 - (3) Sending the imbalance trade notification;
 - (4) Reflecting the trade on the Nominating Agent's next Monthly imbalance or cashout invoice.
- D. Imbalance trades can only be withdrawn by the initiating Nominating Agent and only prior to Company sending the imbalance trade notification.
- E. Company will post on its ConQuest EBB a list of imbalance trading procedures in order to facilitate the Monthly trading of Imbalances.

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E14. CASHOUT MECHANISM (Contd.)

E14.6 Billing and Payment

- A. On or about the 20th calendar day of each Month, Company shall render to Nominating Agent a statement of the Cashout amount for the preceding Production Month.
- B. In cases where a Deficient Quantity exists, Nominating Agent shall make payments to Company within 10 calendar days of the statement date. Payments shall be remitted to Company as directed on the invoice.
- C. In cases where an Excess Quantity exists, Company shall make payments to Nominating Agent within 10 calendar days of the statement date. Company shall remit payments to Nominating Agent in the manner directed by Nominating Agent.
- D. In the event that Nominating Agent fails to pay the amount of any statement rendered by Company within the allowed time, then Nominating Agent will be subject to immediate suspension of service, i.e., nominations will not be accepted, until such amount is paid. By authorizing Nominating Agent to nominate gas, Title Holder is deemed to be the guarantor for payment of any amounts due Company not paid by Nominating Agent. In addition to any other remedies Company may have, without notice or approval, (1) Company may offset any indebtedness it owes under this mechanism or otherwise to Nominating Agent and or Title Holder against any amounts Nominating Agent or Title Holder owes to Company under this mechanism and (2) Company may take title, at no cost and free and clear of any adverse claims, to Title Holder's gas on Company's system including but not limited to gas in Company's and MichCon Gathering Company's transportation facilities, parked gas and gas in Company's storage facilities as compensation for service in the event Nominating Agent defaults on any of its cashout payment obligations to Company. Company will only take title to an amount of Title Holder's gas necessary to offset the undisputed dollar amount Nominating Agent owes to Company. The monetary value of the gas will be the Monthly Index Price for the Month in which the imbalance occurred.

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Applicable to all Districts

E15. TRANSPORTATION SERVICE RATES ST, LT, XLT

Availability

Subject to any restrictions, service under this Rate Schedule is available to any Customer who could otherwise purchase gas under any other Company Rate Schedule.

Customer that selects transportation service under this Rate Schedule must remain on this Rate Schedule for at least 12 Months before Customer is eligible for sales service and shall continue on this rate Month to Month after the initial term of the Transportation Contract has expired unless otherwise agreed upon between Company and Customer. Customer eligible to request a return to sales rates must provide a minimum of 12 Months written notice to Company of its election to return to sales rates.

Company reserves the right to deny a return to sales rates subject to Company's Controlled Service Rule C2.

Under this Rate Schedule, Company will transport gas for Customer from the Receipt Point(s) to the Delivery Point(s).

Rates and Charges

	Service Category		
	ST	LT	XLT
Monthly Charges			
Customer Charge	\$1,300.00 Per Meter	\$3,375.00 Per Meter	\$11,300.00 Per Meter
Remote Meter Charge	--	--	\$100.00 Per Meter
Optional Remote Meter Charge	\$100.00 Per Meter	\$100.00 Per Meter	--
Transportation Rates			
Cost Based Rate	\$0.08078 Per Ccf	\$0.05596 Per Ccf	\$0.04219 Per Ccf
Optional Rates:			
Maximum Rate	\$0.13856 Per Ccf	\$0.08892 Per Ccf	\$0.06638 Per Ccf
Minimum Rate	\$0.02300 Per Ccf	\$0.02300 Per Ccf	\$0.01800 Per Ccf

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Applicable to all Districts

E15. TRANSPORTATION SERVICE RATES ST, LT, XLT (Contd.)

Selection Of Service Category and Rates

When Customer is selecting its initial service category, Company must advise it that the economic break even point between ST and LT is approximately 100,000 Mcf per year and the economic break even point between LT and XLT is approximately 700,000 Mcf per year (based on the cost based rate). After the initial selection is made, then it is Customer's responsibility to determine when it is appropriate to switch service categories.

Customer will be charged the Cost Based Rate under its chosen Service Category, unless Customer chooses to negotiate a different rate under the Optional Rate provision. Company must advise Customer of its right to negotiate rates under the Optional Rate provision, however Company is under no obligation to offer a rate different than the Cost Based Rate. Company, at its discretion, may negotiate different transportation rates for individual Customers between the maximum and minimum rates under the appropriate Optional Rate provision. The negotiated rate may be applied to Customer's entire load or a portion of its load; however, under no circumstances can Company charge an average rate per Mcf greater than the maximum rate or less than the minimum rate. The transportation rate is charged for each Ccf of gas delivered to Customer in a given month.

Transportation Service

In accordance with Section E2.2 and Company's Nominating procedures, Customer shall advise Company of the volume of gas that Customer will cause to be delivered to Company for transportation during that Month and the Receipt Point(s) where the gas will be delivered to Company.

If in any Month, the volume of gas received by Company at the Receipt Point(s), less the allowance for company-use and lost-and-unaccounted-for gas, is more than the volume of gas taken by Customer at the Delivery Point(s), then the difference shall be retained by Company and delivered to Customer in those succeeding Months when the volume of gas received by Company is less than Customer's requirements. Should the aggregate volume of gas, less the allowance for company-use and lost-and-unaccounted-for gas, retained by Company at any Month-end exceed 10% of the Annual Contract Quantity, then Company shall have the rights: (1) to refuse to receive any additional volume of gas for that Customer until Company has satisfied itself that the volume of gas retained for Customer is less than 10% of the Annual Contract Quantity, and (2) to charge Customer for the storage of any Month-end balance that exceeds 10% of the Annual Contract Quantity.

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Applicable to all Districts

E15. TRANSPORTATION SERVICE RATES ST, LT, XLT (Contd.)

If Customer does not withdraw its gas retained by Company within 60 days of the termination of the Contract, then Company shall have the right to purchase the gas from Customer at a rate of \$1.00 per MMBtu.

Gas in Kind

Company shall retain 1.42% of all gas received at the Receipt Point(s) to compensate it for the allowance for company-use and lost-and-unaccounted-for gas on Company's system. This volume shall not be included in the quantity available for delivery to Customer.

Surcharges and Special Taxes

This Rate Schedule is subject to Surcharges shown on [Sheet No. D-2.00](#).

In municipalities which levy special taxes, license fees, or street rentals against Company, and which levy has been successfully maintained, the standard of rates shall be increased within the limits of such municipalities so as to offset such special charges and thereby prevent Customers in other localities from being compelled to share any portion of such local increase.

Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon Company's production, transmission or sale of gas.

Late Payment Charge and Due Date

A late payment charge of 2% shall be applied to the unpaid balance outstanding if the bill is not paid in full on or before the date on which the bill is due. The due date of Customer's bill shall be 21 days from the date the bill was sent.

(Continued on [Sheet No. E-26.00](#))

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Detroit, Michigan

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(Continued from [Sheet No. E-25.00](#))

Applicable to all Districts

E15. TRANSPORTATION SERVICE RATES ST, LT, XLT (Contd.)

Unauthorized Gas Usage

“Unauthorized Gas Usage” occurs when Customer uses Company’s system supply while taking service under a transportation Rate Schedule.

If Customer uses Company’s system supply, then Customer shall pay Company for Unauthorized Gas Usage at the highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$1.00 per 100 cubic feet, plus Customer’s contracted Transportation Charge, for all gas taken by Customer in excess of the cumulative volume delivered to Company (less Gas-in-Kind) on behalf of Customer.

Load Balancing Storage Charge

- A. Customer shall be charged \$0.246 per MMBtu per Month plus 1.42% for fuel for injection, for the storage of any Month-end balance of gas that exceeds 10% of the Annual Contract Quantity. The 1.42% for fuel for injection shall be paid for by Gas-in-Kind.
- B. Monthly withdrawals from storage during November through March will be limited to 3% of Customer’s ACQ. Withdrawals in excess of that limit may be authorized but are subject to MichCon’s sole judgment and prior approval pursuant to appropriate terms and conditions. Without prior approval, if in any Month the volume of gas received by Company, less Gas-in-Kind plus the 3% of Customer’s ACQ is less than the volume of gas taken by Customer at the Delivery Point(s), then the excess delivery will be treated as unauthorized gas usage and will be charged under the Unauthorized Gas Usage provision.
- C. Injections into storage during September and October will be limited to no more than 1.43% of ACQ without prior approval from Company. Customer will be charged \$0.246 per MMBtu of gas, plus 1.42% retained as fuel, for any gas injected during the September and October period that exceeds the Month-end tolerance level of 1.43% of ACQ per Month. This charge will be in addition to any charges assessed to Customer for exceeding the Month-end balance of gas that exceeds 10% of the ACQ.

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Applicable to all Districts

E15. TRANSPORTATION SERVICE RATES ST, LT, XLT (Contd.)

Standby Service

A. Charges:

Customer taking Standby Service for a facility or equipment shall pay a Monthly charge equal to Company's election of:

- (1) \$0.065 per cubic foot, or \$65 per MMBtu, for each cubic foot, or MMBtu, of nameplate rating of the facility or equipment taking Standby Service; or
- (2) \$2.71 per MMBtu of SMDQ.

B. Company may require Customer to pay for facilities (e.g., additional meter(s), electronic remote metering, flow restriction devices, etc.) required to monitor Customer's Standby Service contracted election.

Metering Requirements

All eligible XLT Customers shall be required to provide, at no expense to Company, a dedicated telecommunication line(s) as required for metering purposes, to a location specified by Company. The communication link must be installed and operating prior to a transportation Customer receiving service under Service Category XLT.

All eligible ST and LT Customers may choose to provide, at no expense to Company, a dedicated telecommunication line(s) for metering purposes, to a location specified by Company.

Customer shall be responsible for (i) ensuring that the communication links allow access to the meter data by Company and are compatible with Company's metering and billing systems, and (ii) all associated costs relating to the communication links including other accompanying equipment and monthly fees. Company shall own and maintain the actual metering equipment and modem.

Customer Contract

Customer is required to sign a Transportation Contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

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Applicable to all Districts

E16. TRANSPORTATION OFF-SYSTEM (FIRM) SERVICE RATE TOS-F

Service Eligibility

Service shall be available to all entities desiring to move gas through Company's system to an Off-System location.

Customer is required to sign a Contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

Definitions

As used in this Rate Schedule:

"Equivalent Quantities" means the quantity of gas received from Customer, or for the account of Customer, at the Receipt Point(s) less Gas in Kind withheld by Company for loss and use.

"Off System" means gas that is transported from a Receipt Point into Company's system to a Delivery Point that is interconnected to another local gas distribution company or a pipeline not owned by Company.

Defined terms used in this Rate Schedule and not defined above have the same meaning as set forth in Section E1.1 or in Contract.

Type of Service Offered

Under this Rate Schedule, Company will transport natural gas volumes on a firm basis, for Customer on Company's Dry Gas Transmission System. Company, in its sole judgment, shall have the right to determine if capacity is available for firm transportation under this Rate Schedule.

(Continued on [Sheet No. E-29.00](#))

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Applicable to all Districts

E16. TRANSPORTATION OFF-SYSTEM (FIRM) SERVICE RATE TOS-F (Contd.)

Transportation Service

Company shall receive gas from Customer or for the account of Customer at the Receipt Point(s) and redeliver Equivalent Quantities, to Customer or for the account of Customer at the Delivery Point(s).

In accordance with Section E2.2 and Company's Nominating procedures, Customer shall advise Company of the volume of gas that Customer will cause to be delivered to Company for transportation during that Month, and the Receipt Point(s) and Delivery Point(s).

The Receipt Point(s) and Delivery Point(s) shall be mutually agreed upon by Company and Customer and set forth in the Contract.

Any rates, terms and conditions not covered by Tariff shall be as contained in Company's standard Contract for Off-System Service.

Imbalance

Company and Customer shall work to keep the gas flow in balance at all times. If at any time, the volumes of gas received by Company at the Receipt Point(s) are greater or lesser than the gas delivered at the Delivery Point(s), Company may refuse, increase or decrease deliveries to correct the imbalances. If, upon termination of a Contract, Customer has not delivered to Company quantities of gas that are equal to those Customer has taken at the Delivery Point(s), Customer must deliver the deficient volumes to Company, within 60 days of the termination of Contract, at a mutually agreeable rate of delivery. If Customer fails to correct the imbalance within the 60 day period, then Customer shall pay an unauthorized usage charge to Company at a rate of the highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$10.00 per MMBtu for all gas taken by Customer in excess of the cumulative volume delivered to Company (less use and loss) on behalf of Customer.

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Applicable to all Districts

E16. TRANSPORTATION OFF-SYSTEM (FIRM) SERVICE RATE TOS-F (Contd.)

Gas in Kind

Company shall retain 1.42% of all gas received at the Receipt Point(s) to compensate it for the allowance for company-use and lost-and-unaccounted-for gas on Company's system. This volume shall not be included in the quantity available for delivery to Customer. In no event will Customer pay Gas-in-Kind more than once on the same volumes.

Rates

- A. For contracts less than 365 days, a rate as mutually agreed to by Customer and Company and set forth in Contract, consisting of a demand portion and/or a commodity portion.
- B. For contracts equal to or exceeding 365 days, a rate not to exceed \$0.209 per MMBtu, consisting of a demand portion and/or a commodity portion shall be mutually agreed to by Customer and Company and set forth in Contract.

Late Payment Charge and Due Date

A late payment charge of 2% shall be applied to the unpaid balance outstanding if the bill is not paid in full on or before the date on which the bill is due. The due date of Customer's bill shall be 21 days from the date bill was sent

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Applicable to all Districts

E17. TRANSPORTATION OFF-SYSTEM (INTERRUPTIBLE) SERVICE RATE TOS-I

Service Eligibility

Service shall be available to all entities desiring to move gas through Company's system to an Off-System location.

Customer is required to sign a Contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

Definitions

As used in this Rate Schedule:

"Equivalent Quantities" means the quantity of gas received from Customer, or for the account of Customer, at the Receipt Point(s) less Gas in Kind withheld by Company for loss and use.

"Off System" means gas that is transported from a Receipt Point into Company's system to a Delivery Point that is interconnected to another local gas distribution company or a pipeline not owned by Company.

Defined terms used in this Rate Schedule and not defined above have the same meaning as set forth in Section E1.1 or in Contract.

Type of Service Offered

Under this Rate Schedule, Company will transport natural gas volumes on an interruptible basis, for Customer on Company's Dry Gas Transmission System. Company, in its sole judgment, shall have the right to determine, on a day-to-day basis, if capacity is available for interruptible transportation under this Rate Schedule.

(Continued on [Sheet No. E-32.00](#))

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Applicable to all Districts

E17. TRANSPORTATION OFF-SYSTEM (INTERRUPTIBLE) SERVICE RATE TOS-I (Contd.)

Transportation Service

Company shall receive gas from Customer or for the account of Customer at the Receipt Point(s) and redeliver Equivalent Quantities, to Customer or for the account of Customer at the Delivery Point(s).

In accordance with Section E2.2 and Company's Nominating procedures, Customer shall advise Company of the volume of gas that Customer will cause to be delivered to Company for transportation during that Month, and the Receipt Point(s) and Delivery Point(s).

The Receipt Point(s) and Delivery Point(s) shall be mutually agreed upon by Company and Customer and set forth in the Contract.

Any rates, terms and conditions not covered by Tariff shall be as contained in Company's standard Contract for Off-System Service.

Imbalance

Company and Customer shall work to keep the gas flow in balance at all times. If at any time, the volumes of gas received by Company at the Receipt Point(s) are greater or lesser than the gas delivered at the Delivery Point(s), Company may refuse, increase or decrease deliveries to correct the imbalances. If, upon termination of a Contract, Customer has not delivered to Company quantities of gas that are equal to those Customer has taken at the Delivery Point(s), Customer must deliver the deficient volumes to Company, within 60 days of the termination of Contract, at a mutually agreeable rate of delivery. If Customer fails to correct the imbalance within the 60 day period, then Customer shall pay an unauthorized usage charge to Company at a rate of the highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$10.00 per MMBtu feet for all gas taken by Customer in excess of the cumulative volume delivered to Company (less use and loss) on behalf of Customer.

(Continued on [Sheet No. E-33.00](#))

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Applicable to all Districts

E17. TRANSPORTATION OFF-SYSTEM (INTERRUPTIBLE) SERVICE RATE TOS-I (Contd.)

Gas in Kind

Company shall retain 1.42% of all gas received at the Receipt Point(s) to compensate it for the allowance for company-use and lost-and-unaccounted-for gas on Company's system. This volume shall not be included in the quantity available for delivery to Customer. In no event will Customer pay Gas-in-Kind more than once on the same volumes.

Rates

- A. For contracts less than 365 days, a rate as mutually agreed to by Customer and Company and set forth in Contract, consisting of a demand portion and/or a commodity portion.
- B. For contracts equal to or exceeding 365 days, a rate not to exceed \$0.209 per MMBtu, consisting of a demand portion and/or a commodity portion shall be mutually agreed to by Customer and Company and set forth in Contract.

Late Payment Charge and Due Date

A late payment charge of 2% shall be applied to the unpaid balance outstanding if the bill is not paid in full on or before the date on which the bill is due. The due date of Customer's bill shall be 21 days from the date the bill was sent.

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Applicable to all Districts

E18. CONTRACT STORAGE (FIRM) SERVICE RATE CS-F

Availability

This Rate Schedule is available to all entities desiring firm storage service to the extent that:

- A. Company has determined that it has sufficient available and uncommitted storage capacity to perform the service requested by the entity; and
- B. Customer is required to sign a Contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

Characteristics of Service

Any rates, terms and conditions not covered by the Tariff shall be as contained in the Contract.

Gas in Kind

Fuel for injection of 1.42% shall be paid for by Gas-in-Kind.

Rates

The Storage Charge shall be a rate not to exceed \$1.47 per MMBtu, consisting of a demand portion and a commodity portion, as provided by Contract.

Late Payment Charge and Due Date

A late payment charge of 2% shall be applied to the unpaid balance outstanding if the bill is not paid in full on or before the date on which the bill is due. The due date of Customer's bill shall be 21 days from the date the bill was sent.

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(Continued from [Sheet No. E-34.00](#))

Applicable to all Districts

E18. CONTRACT STORAGE (FIRM) SERVICE RATE CS-F (Contd.)

Penalty Charges

Company is authorized to charge storage Customers for deliveries to, or redeliveries from, storage in excess of the maximum volumes set forth in the Contract. The penalty rates shall not exceed the rate of the highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$10.00 per MMBtu for all gas taken by Customer in excess of the cumulative volume delivered to Company (less use and loss) on behalf of Customer.

Customer shall request the withdrawal of all its gas in storage for delivery to the Delivery Point(s) on or before the last Gas Day on the term of the Contract. If, upon termination of the Contract, Customer has not requested the withdrawal of all its gas in storage, then Customer's remaining volumes shall be deemed sold to Company at a rate of the MichCon City Gate Index as published in Gas Daily less \$0.50 per MMBtu. Payment for the volumes left in storage shall appear as a credit on the last statement rendered by Company. To the extent that the credit exceeds the total charges in that statement, Company shall pay the difference to Customer.

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Applicable to all Districts

E19. CONTRACT STORAGE (INTERRUPTIBLE) SERVICE RATE CS-I

Availability

This Rate Schedule is available to all entities desiring interruptible storage service to the extent that:

- A. Company has determined that it has sufficient available and uncommitted storage capacity to perform the service requested by the entity; and
- B. Customer is required to sign a Contract, limited as to time, which must be approved and executed by the President or a Vice President of Company, or a designated representative, before it shall be binding upon Company.

Characteristics of Service

Any rates, terms and conditions not covered by the Tariff shall be as contained in the Contract.

On any Gas Day, gas that is nominated to Company for injection or withdrawal is subject to interruption at the sole discretion of Company.

Gas in Kind

Fuel for injection of 1.42% shall be paid for by Gas-in-Kind.

Rates

The Storage Charge shall be a rate not to exceed \$1.47 per MMBtu, consisting of a demand portion and a commodity portion, as provided by Contract.

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Applicable to all Districts

E19. CONTRACT STORAGE (INTERRUPTIBLE) SERVICE RATE CS-I (Contd.)

Late Payment Charge and Due Date:

A late payment charge of 2% shall be applied to the unpaid balance outstanding if the bill is not paid in full on or before the date on which the bill is due. The due date of Customer's bill shall be 21 days from the date the bill was sent.

Penalty Charges:

Company is authorized to charge storage Customers for deliveries to, or redeliveries from, storage in excess of the maximum volumes set forth in the Contract. The penalty rates shall not exceed the rate of the highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$10.00 per MMBtu for all gas taken by Customer in excess of the cumulative volume delivered to Company (less use and loss) on behalf of Customer.

Customer shall request the withdrawal of all its gas in storage for delivery to the Delivery Point(s) on or before the last Gas Day on the term of the Contract. If, upon termination of the Contract, Customer has not requested the withdrawal of all its gas in storage, then Customer's remaining volumes shall be deemed sold to Company at a rate of the MichCon City Gate Index as published in Gas Daily less \$0.50 per MMBtu. Payment for the volumes left in storage shall appear as a credit on the last statement rendered by Company. To the extent that the credit exceeds the total charges in that statement, Company shall pay the difference to Customer

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SECTION F
GAS CUSTOMER CHOICE PROGRAM

F1. GENERAL PROVISIONS

A Supplier desiring to supply gas to customers under the Gas Customer Choice Service Rate CC (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 F1 through F5.

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 Rate CC.

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

F1.1 Customers may elect to participate in the Program and Suppliers may solicit customer participation at any time.

F1.2 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.

F1.3 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.

F1.4 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.

(Continued on [Sheet No. F-2.00](#))

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F1. GENERAL PROVISIONS (Contd.)

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.

F1.5 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, converted to price per MMBtu using the system-average Btu factor; 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, converted to MMBtu using the system-average Btu factor, exceeds the cumulative Supplier deliveries for those customers for the Program Year in MMBtu. 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.

F1.6 A Supplier shall pay a monthly Administrative Fee of \$100.00 per Supplier-designated Pricing Category.

F1.7 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 quantities 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 quantities 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.

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F1. GENERAL PROVISIONS (Contd.)

F1.8 Gas delivered into the Company’s system shall comply with Rule B1, Technical Standards for Gas Service, Part 8, Gas Quality.

F1.9 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.

F1.10 A Supplier that falls short of the delivery schedule, described in F1.7, above, shall pay a per MMBtu “Failure Fee” for all shortages in the amount of \$6.00 per MMBtu (\$10.00 per MMBtu during periods of a Company-declared supply emergency in accordance with Rule C3.1, 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 C7 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 F1.4, above, shall have its Authorized Supplier status revoked. Subject to Rule C2, Controlled Service, the Supplier’s customers shall become sales rate customers of the Company.

F1.11 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.

(Continued on [Sheet No. F-4.00](#))

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F.1 GENERAL PROVISIONS (Contd.)

F1.12 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 MMBtu 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, converted to MMBtu, or 110% of the cost of gas billed to sales customers pursuant to the Company's Rule C7. 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 F1.13.

F1.13 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 MMBtu remitted to the Supplier per F1.12, before reductions for Administrative Fees, Billing Fees, Failure Fees, and Supply Equalization Charges, converted to cost per Mcf using the monthly system-average Btu factor, 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 C7 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.

F1.14 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 C2, Controlled Service, its customers shall become sales rate customers of the Company.

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F1. GENERAL PROVISIONS (Contd.)

F1.15 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.

F1.16 The annual load requirement, delivery schedules, Supply Equalization Charges, and delivery shortfall Failure Fees 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. The annual reconciliation will be performed on an aggregate basis for all accounts served by a Supplier, i.e., all Supplier-designated Pricing Categories and customer groups within each category will be combined for the purposes of the annual reconciliation.

F1.17 The Company may disclose, at such times as requested by the Commission or its Staff, the gas rates charged to Rate CC customers.

F1.18 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.

F1.19 The Company will act as Supplier of last resort under the Program.

F1.20 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.

F1.21 The Transportation Standards of Conduct, Rules E1 and E2, shall apply to the GCC program.

F1.22 The Company will convert customer consumption from Mcf to MMBtu using monthly system-average Btu factor.

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F2. RESIDENTIAL CUSTOMER PROTECTIONS

F2.1 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.

F2.2 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.

F2.3 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.

F2.4 A Supplier must use a font size of at least 12 point for its contract with a customer.

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F2. RESIDENTIAL CUSTOMER PROTECTIONS (Contd.)

F2.5 The following information must be included in the Supplier's contract with a customer:

- A. The Supplier's name.
- B. The Supplier's address.
- C. The Supplier's toll-free telephone number.
- D. Cancellation rights.
- E. Any customer fees or penalties related to the contract.
- F. The contract pricing provisions in unit rates the customer is typically billed for.
- G. The terms regarding contract length.
- H. 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.
- I. 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).

F2.6 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.

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F2. RESIDENTIAL CUSTOMER PROTECTIONS (Contd.)

F2.7 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.

F2.8 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.

F3. SOLICITATION REQUIREMENTS

F3.1 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:

- A. An original signature.
- B. Independent third party verification
- C. Voice recording.
- D. An e-mail address if signed up through the Internet.
- E. 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.

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F3. SOLICITATION REQUIREMENTS (Contd.)

F3.2 Suppliers who are soliciting customers must:

- A. Clearly identify the Supplier on whose behalf they are soliciting.
- B. Not represent themselves as an employee or agent of the Company.
- C. 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.
- D. Submit marketing materials to the Commission Staff for review at least five (5) business days prior to using the materials.

F3.3 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 F2.5. However, nonresidential customer contracts with a 12-month historical usage exceeding 200 Mcf (including contracts containing aggregated volumes exceeding 200 Mcf), as determined by the Supplier, do not need to include a 30 day cancellation provision as provided in subsection I of F2.5.

F4. SUPPLIER REGISTRATION AND CODE OF CONDUCT

F4.1 A Supplier is required to register with the Commission and provide the following information prior to any solicitation:

- A. The name of the Supplier's company/corporation or owner's name and type of organization.
- B. The Supplier's mailing address.
- C. The Supplier's principal place of business address.
- D. The name and address of the registered agent in Michigan and a working phone number during normal business hours.

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F4. SUPPLIER REGISTRATION AND CODE OF CONDUCT (Contd.)

- E. The Supplier's toll-free number available for customer inquiries and concerns.
 - F. Prices and associated terms and conditions for commodity sales to residential customers updated on a monthly basis.
 - G. Name, address and phone number of person designated to receive and respond to Commission requests.
- F4.2 As a condition of registration as a Supplier, a Supplier must agree to abide by a code of conduct that provides:
- A. 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.
 - B. The Supplier will commit to truth in advertising. The Supplier will provide gas supply and related services at advertised terms and conditions.
 - C. The Supplier will comply with all Company Program rules and tariffs as they are contained in the Company's "Rate Book for Natural Gas Service".
 - D. 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.

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F4. SUPPLIER REGISTRATION AND CODE OF CONDUCT (Contd.)

- E. 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 three (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.
- F. 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.
- G. The Supplier will retain pipeline capacity sufficient to meet its customer requirements.

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F5. 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:

F5.1 Complainant will route all formal complaints in writing to:

Michigan Consolidated Gas Company
2000 Second Avenue
Detroit, MI 48226

Attention: Legal Department

F5.2 The Company will acknowledge the receipt of the formal written complaint, in writing, within five (5) working days of receipt by the Company.

F5.3 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.

F5.4 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.

- F5.5**
- A. 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.
 - B. 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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F6. GAS CUSTOMER CHOICE SERVICE RATE CC

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 Section F1, General Provisions. 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 Gas Customer Choice Service Rate CC (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 F 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.

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F6. GAS CUSTOMER CHOICE SERVICE RATE CC (Contd.)

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 the Company's Rate Book for Natural Gas Service as approved by the 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.

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 C2, Controlled Service.

General Terms and Surcharges

This Rate is subject to all general terms and conditions shown on [Sheet No. D-1.00](#) and surcharges shown on [Sheet No. D-2.00](#) and is also subject to charges, terms and conditions set forth in Section F.

Minimum Charge

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

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F6. GAS CUSTOMER CHOICE SERVICE RATE CC (Contd.)

Due Date and Late Payment Charge

The due date of a customer's bill shall be 21 days from the date the bill was sent. The due date of a nonresidential customer's bill shall be 21 days from the date the bill was sent. 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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STANDARD FORMS

STANDARD FORMS INCLUDING APPLICATIONS, AGREEMENTS AND CONTRACTS FOR GAS SERVICE, GAS MAIN EXTENSIONS AND FOR SURVEY AND MAINTENANCE OF CUSTOMER-OWNED GAS FACILITIES IN CENTRALLY METERED INSTALLATIONS

<http://my.dteenergy.com/otherInformation/pdfs/michConRiders.pdf>

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