

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>SEMCO ENERGY GAS COMPANY</b> for	)	
authority to implement a gas cost recovery plan	)	Case No. U-15703
and factors for the 12-month period of April 2009	)	
through March 2010 for its Battle Creek Division.	)	
_____	)	

At the June 2, 2009 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Steven A. Transeth, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On December 23, 2008, pursuant to 1982 PA 304, MCL 460.6h *et seq.*, SEMCO Energy Gas Company (SEMCO) filed an application with supporting testimony and exhibits requesting approval of its gas cost recovery (GCR) plan and factors for the 12-month period ending March 31, 2010 for its Battle Creek Division.

A prehearing conference was held on February 12, 2009, before Administrative Law Judge Mark E. Cummins. SEMCO and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that SEMCO's 2009-2010 GCR plan as reflected in its filing, is reasonable and should be approved. The parties further agree that the Commission should approve a base GCR factor of

\$6.5490 per dekatherm (Dth) for SEMCO's Battle Creek Division for the 12-month period ending March 31, 2010. The parties agree that the base GCR factor is comprised of a demand capacity charge of \$0.5364 per Dth; a balancing recovery charge of \$0.2500 per Dth; and a gas commodity charge of \$5.7626 per Dth. The parties further agree that SEMCO should be authorized to adjust the 2009-2010 maximum authorized GCR factor, with symmetry, in accordance with the contingency matrix set forth in Attachment 2 to the settlement agreement. The New York Mercantile Exchange increase used to calculate the quarterly adjustment is capped at \$3.00 per million British thermal units (MMBtu). Any new GCR factor ceiling calculated under the matrix will not decrease below the base GCR factor of \$6.5490 per Dth; however, the Commission notes that MCL 460.6h(9) permits SEMCO to reduce its GCR factor below the level authorized by this order.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The 2009-2010 gas cost recovery plan as filed, is approved.
- C. SEMCO Energy Gas Company is authorized for the 2009-2010 plan year to incorporate into its rates a base gas cost recovery factor of \$6.5490 per dekatherm for the 12-month period ending March 31, 2010.
- D. SEMCO Energy Gas Company is authorized to implement maximum gas cost recovery factors for the 2009-2010 plan year as set forth in the settlement agreement and pursuant to the contingency mechanism set forth in Attachment 2 of the settlement agreement.

E. SEMCO Energy Gas Company shall file, within 30 days, tariff sheets updated to reflect the approvals in this order and substantially similar to those contained in Attachment 2 to the settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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Orjiakor N. Isiogu, Chairman

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Monica Martinez, Commissioner

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Steven A. Transeth, Commissioner

By its action of June 2, 2009.

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Mary Jo Kunkle, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \*

In the matter of the application of )  
**SEMCO ENERGY GAS COMPANY** )  
for authority to implement a gas cost recovery )  
plan and factors for the 12-month period of )  
April 2009 through March 2010 for its )  
Battle Creek Division. )

Case No. U-15703

**SETTLEMENT AGREEMENT**

Pursuant to MCL 24.278 and Rule 333 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“Commission”), R 460.17333, SEMCO Energy Gas Company (“SEMCO Gas” or the “Company”) and the Commission Staff (“Staff”) agree as follows:

1. On December 23, 2008, SEMCO Gas filed its (i) application, (ii) testimony and exhibits of John R. Alger, Walter E. Fitzgerald, Marc A. Simone, Tamara L. Spencer and James A. Van Sickle, and (iii) 5-year forecast for its Battle Creek Division.

2. On January 16, 2009, the Commission’s Executive Secretary issued the Notice of Hearing in this proceeding directing SEMCO Gas to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its Battle Creek Division service area and to intervenors in Case No. U-15453. Further, SEMCO Gas was directed to publish the Notice of Hearing in daily newspapers of general circulation throughout its service area. On February 11, 2009, SEMCO Gas electronically filed its affidavit of mailing and proof of publication.

3. On February 12, 2009, Administrative Law Judge (“ALJ”) Mark E. Cummins, conducted a prehearing conference. SEMCO Gas and Staff participated in the proceedings.

4. The parties have participated in settlement discussions and agree as follows:

a. SEMCO Gas’s 2009-10 GCR plan for its Battle Creek Division as filed in this case, is reasonable and should be approved by the Commission.

b. As developed in Attachment 1 hereto, the parties request the Commission to approve a 2009-10 base GCR factor of \$6.5490 per dekatherm (“Dth”) for SEMCO Gas’s Battle Creek Division for the 12-month period ending March 31, 2010, as comprised of i) a demand capacity charge of \$0.5364 per Dth, ii) a balancing recovery charge of \$0.2500 per Dth, and iii) a gas commodity charge of \$5.7626 per Dth. SEMCO Gas should be authorized to recalculate the 2009-10 maximum GCR factor with symmetry in accordance with the contingency matrix set forth in Attachment 2. The NYMEX increase used to calculate the quarterly adjustment pursuant to the contingency matrix is capped at \$3.00 per MMBtu, and any new GCR factor ceiling calculated pursuant to the matrix will not decrease below the base GCR factor of \$6.5490 per Dth.

c. SEMCO Gas’s five-year forecast for its Battle Creek Division, based on current evidence, meets the statutory mandates of Act 304 and should be accepted for filing.

5. This settlement agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under MRE 408. If the Commission approves this settlement agreement without modification, neither the parties to the settlement nor the Commission shall make any reference to, or use this settlement agreement or the order approving

it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the provisions of this settlement agreement and the order approving it.

6. Pursuant to Rule 333(6) of the Commission's Rules of Practice and Procedure, R 460.17333(6) the parties agree any order approving this settlement agreement shall not establish precedent for future proceedings and shall not be used as such. This settlement agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-15703 only. If the Commission approves this settlement agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this settlement agreement only. Except as otherwise set forth herein, the parties agree and understand that this settlement agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings, or appeals related thereto.

7. This settlement agreement is not severable. Each provision of this settlement agreement is dependent upon all other provisions of this settlement agreement. Failure to comply with any provision of this settlement agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this settlement agreement or any provision of this settlement agreement, this settlement agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any party.

8. It is the opinion of all signatories that this settlement agreement is reasonable, will promote the public interest, and will aid in the expeditious conclusion of this case.

9. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this settlement agreement without modification.

SEMCO ENERGY GAS COMPANY

Dated: May 20, 2009

By: \_\_\_\_\_  
One of its Attorneys  
Harvey J. Messing (P23309)  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.  
One Michigan Avenue, Suite 900  
Lansing, MI 48933  
(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: May 20, 2009

By: \_\_\_\_\_  
Patricia S. Barone (P29560)  
Assistant Attorney General  
6545 Mercantile Way, Suite 15  
Lansing, MI 48911

LALIB:179646.2\129584-00030

**SEMCO Energy Gas Company**  
**Case No. U-15703**

**Settlement Agreement**  
**Attachment 1**

**SEMCO Energy Gas Company**  
**2009-2010 Storage Plan - Battle Creek Division**  
**(Quantities in Dth)**

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
1	ERGS	Beginning Inv Vol	272,963	399,000	528,000	654,000	803,000	952,000	1,096,000	1,170,000	1,074,000	850,000	585,000	366,000	
2		Injected Vol Rec	127,956	130,964	127,919	151,269	151,269	146,193	75,127	0	0	0	0	0	910,697
3		Injected Fuel Loss	1,919	1,964	1,919	2,269	2,269	2,193	1,127	0	0	0	0	0	13,660
4		Injected Vol Del	126,037	129,000	126,000	149,000	149,000	144,000	74,000	0	0	0	0	0	897,037
5		Withdrawn Vol Rec	0	0	0	0	0	0	96,000	224,000	265,000	219,000	146,000	950,000	
6		Withdrawn Fuel Loss	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750	
7		Withdrawn Vol Del	0	0	0	0	0	0	95,520	222,880	263,675	217,905	145,270	945,250	
8		Ending Inv Vol	399,000	528,000	654,000	803,000	952,000	1,096,000	1,170,000	1,074,000	850,000	585,000	366,000	220,000	
9															
10	LACEY	Beginning Inv Vol	153,694	153,694	153,694	153,694	177,730	177,730	177,730	177,730	177,730	177,730	123,730		
11		Injected Vol Rec	0	0	0	24,036	0	0	0	0	0	0	0	24,036	
12		Injected Fuel Loss	0	0	0	0	0	0	0	0	0	0	0	0	
13		Injected Vol Del	0	0	0	24,036	0	0	0	0	0	0	0	24,036	
14		Withdrawn Vol Rec	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000	
15		Withdrawn Fuel Loss	0	0	0	0	0	0	0	0	0	0	0	0	
16		Withdrawn Vol Del	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000	
17		Ending Inv Vol	153,694	153,694	153,694	177,730	177,730	177,730	177,730	177,730	177,730	123,730	69,730		
18															
19	LEE 11	Beginning Inv Vol	243,530	268,000	330,000	390,000	452,000	514,000	574,000	600,000	521,000	393,000	260,000	178,000	
20		Injected Vol Rec	24,470	62,000	60,000	62,000	62,000	60,000	26,000	0	0	0	0	0	356,470
21		Injected Fuel Loss	0	0	0	0	0	0	0	0	0	0	0	0	
22		Injected Vol Del	24,470	62,000	60,000	62,000	62,000	60,000	26,000	0	0	0	0	0	356,470
23		Withdrawn Vol Rec	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000	
24		Withdrawn Fuel Loss	0	0	0	0	0	0	0	0	0	0	0	0	
25		Withdrawn Vol Del	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000	
26		Ending Inv Vol	268,000	330,000	390,000	452,000	514,000	574,000	600,000	521,000	393,000	260,000	178,000	105,000	
27															
28	LEE 2	Beginning Inv Vol	165,752	197,000	276,000	353,000	432,000	511,000	588,000	620,000	553,000	444,000	331,000	215,000	
29		Injected Vol Rec	31,248	79,000	77,000	79,000	79,000	77,000	32,000	0	0	0	0	0	454,248
30		Injected Fuel Loss	0	0	0	0	0	0	0	0	0	0	0	0	
31		Injected Vol Del	31,248	79,000	77,000	79,000	79,000	77,000	32,000	0	0	0	0	0	454,248
32		Withdrawn Vol Rec	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000	
33		Withdrawn Fuel Loss	0	0	0	0	0	0	0	0	0	0	0	0	
34		Withdrawn Vol Del	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000	
35		Ending Inv Vol	197,000	276,000	353,000	432,000	511,000	588,000	620,000	553,000	444,000	331,000	215,000	105,000	
36															
37	Storage Total	Beginning Inv Vol	835,939	1,017,694	1,287,694	1,550,694	1,864,730	2,154,730	2,435,730	2,567,730	2,325,730	1,864,730	1,353,730	882,730	
38		Injected Vol Rec	183,674	271,964	264,919	316,305	292,269	283,193	133,127	0	0	0	0	0	1,745,451
39		Injected Fuel Loss	1,919	1,964	1,919	2,269	2,269	2,193	1,127	0	0	0	0	0	13,660
40		Injected Vol Del	181,755	270,000	263,000	314,036	290,000	281,000	132,000	0	0	0	0	0	1,731,791
41		Withdrawn Vol Rec	0	0	0	0	0	0	242,000	461,000	511,000	471,000	383,000	2,068,000	
42		Withdrawn Fuel Loss	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750	
43		Withdrawn Vol Del	0	0	0	0	0	0	241,520	459,880	509,675	469,905	382,270	2,063,250	
44		Ending Inv Vol	1,017,694	1,287,694	1,550,694	1,864,730	2,154,730	2,435,730	2,567,730	2,325,730	1,864,730	1,353,730	882,730	499,730	

1 **SEMCO Energy Gas Company**  
2 **2009-2010 Average Day Supply Purchase Plan - Battle Creek Division**  
3 **(Quantities in Dth)**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>GCR Demand</b>	324,207	164,917	91,905	83,350	78,903	105,728	244,730	476,839	749,356	800,050	699,247	560,312	4,379,546
<b>Fuel Consumed</b>													
Transport	21,229	20,091	18,882	19,877	19,666	19,248	19,752	11,802	15,300	15,357	11,795	8,276	201,276
Injection	1,919	1,964	1,919	2,269	2,269	2,193	1,127	0	0	0	0	0	13,660
Withdrawal	0	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750
<b>Total Fuel</b>	<b>23,148</b>	<b>22,055</b>	<b>20,801</b>	<b>22,146</b>	<b>21,935</b>	<b>21,441</b>	<b>20,879</b>	<b>12,282</b>	<b>16,420</b>	<b>16,682</b>	<b>12,890</b>	<b>9,006</b>	<b>219,686</b>
<b>Storage Injections</b>													
ERGS	126,037	129,000	126,000	149,000	149,000	144,000	74,000	0	0	0	0	0	897,037
LACEY	0	0	0	24,036	0	0	0	0	0	0	0	0	24,036
LEE 11	24,470	62,000	60,000	62,000	62,000	60,000	26,000	0	0	0	0	0	356,470
LEE 2	31,248	79,000	77,000	79,000	79,000	77,000	32,000	0	0	0	0	0	454,248
<b>Total Injections</b>	<b>181,755</b>	<b>270,000</b>	<b>263,000</b>	<b>314,036</b>	<b>290,000</b>	<b>281,000</b>	<b>132,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,731,791</b>
<b>Total Requirements</b>	<b>529,111</b>	<b>456,972</b>	<b>375,706</b>	<b>419,532</b>	<b>390,839</b>	<b>408,170</b>	<b>397,609</b>	<b>489,121</b>	<b>765,777</b>	<b>816,732</b>	<b>712,137</b>	<b>569,318</b>	<b>6,331,023</b>
<b>Supply</b>													
ANR AI WH	90,516	65,253	0	27,814	0	29,087	5,891	0	0	0	0	0	218,561
ANR CG WH	0	0	0	0	0	0	0	0	0	0	0	0	0
ANR SE WH	59,512	0	0	0	0	0	0	0	0	0	0	0	59,512
ANR SW WH	92,062	95,131	92,062	95,131	95,131	92,062	95,131	92,062	95,131	95,131	85,925	95,131	1,120,090
PEPL FP T2A	51,000	52,700	51,000	52,700	52,700	51,000	52,700	51,000	52,700	52,700	47,600	52,700	620,500
PEPL FP T3W	0	0	0	0	0	0	0	27,000	27,900	27,900	25,200	27,900	135,900
PEPL WH	236,020	243,888	232,644	243,888	243,008	236,020	243,888	77,059	129,046	130,002	82,412	10,587	2,108,460
<b>Total Supply</b>	<b>529,111</b>	<b>456,972</b>	<b>375,706</b>	<b>419,532</b>	<b>390,839</b>	<b>408,170</b>	<b>397,609</b>	<b>247,121</b>	<b>304,777</b>	<b>305,732</b>	<b>241,137</b>	<b>186,318</b>	<b>4,263,023</b>
<b>Storage Withdrawals</b>													
ERGS	0	0	0	0	0	0	0	96,000	224,000	265,000	219,000	146,000	950,000
LACEY	0	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000
LEE 11	0	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000
LEE 2	0	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000
<b>Total Withdrawals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>242,000</b>	<b>461,000</b>	<b>511,000</b>	<b>471,000</b>	<b>383,000</b>	<b>2,068,000</b>
<b>Total Supply</b>	<b>529,111</b>	<b>456,972</b>	<b>375,706</b>	<b>419,532</b>	<b>390,839</b>	<b>408,170</b>	<b>397,609</b>	<b>489,121</b>	<b>765,777</b>	<b>816,732</b>	<b>712,137</b>	<b>569,318</b>	<b>6,331,023</b>

1 **SEMCO Energy Gas Company**  
2 **2010-2011 Average Day Supply Purchase Plan - Battle Creek Division**  
3 **(Quantities in Dth)**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>GCR Demand</b>	318,646	162,053	90,265	81,853	77,475	103,816	240,326	468,410	735,965	785,679	686,590	550,148	4,301,226
<b>Fuel Consumed</b>													
Transport	21,674	21,214	19,405	20,110	20,085	19,603	19,830	11,270	14,456	14,451	13,046	9,379	204,522
Injection	2,025	2,086	2,025	2,406	2,406	2,330	1,188	0	0	0	0	0	14,467
Withdrawal	0	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750
<b>Total Fuel</b>	<b>23,699</b>	<b>23,300</b>	<b>21,431</b>	<b>22,516</b>	<b>22,491</b>	<b>21,932</b>	<b>21,018</b>	<b>11,750</b>	<b>15,576</b>	<b>15,776</b>	<b>14,141</b>	<b>10,109</b>	<b>223,739</b>
<b>Storage Injections</b>													
ERGS	133,000	137,000	133,000	158,000	158,000	153,000	78,000	0	0	0	0	0	950,000
LACEY	0	22,000	21,000	22,000	22,000	21,000	0	0	0	0	0	0	108,000
LEE 11	35,000	86,000	83,000	86,000	86,000	83,000	36,000	0	0	0	0	0	495,000
LEE 2	35,000	90,000	87,000	90,000	90,000	87,000	36,000	0	0	0	0	0	515,000
<b>Total Injections</b>	<b>203,000</b>	<b>335,000</b>	<b>324,000</b>	<b>356,000</b>	<b>356,000</b>	<b>344,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,068,000</b>
<b>Total Requirements</b>	<b>545,345</b>	<b>520,353</b>	<b>435,695</b>	<b>460,369</b>	<b>455,966</b>	<b>469,749</b>	<b>411,344</b>	<b>480,161</b>	<b>751,541</b>	<b>801,455</b>	<b>700,731</b>	<b>560,257</b>	<b>6,592,965</b>
<b>Supply</b>													
ANR AI WH	90,516	93,533	56,613	68,650	64,247	90,516	19,625	0	0	0	0	0	483,700
ANR CG WH	0	0	0	0	0	0	0	0	0	0	0	0	0
ANR SE WH	75,747	35,102	0	0	0	150	0	0	0	0	0	0	110,999
ANR SW WH	92,062	95,131	92,062	95,131	95,131	92,062	95,131	92,062	95,131	95,131	85,925	95,131	1,120,090
PEPL FP T2A	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL FP T3W	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL WH	287,020	296,588	287,020	296,588	296,588	287,020	296,588	146,098	195,411	195,324	143,806	82,126	2,810,176
<b>Total Supply</b>	<b>545,345</b>	<b>520,353</b>	<b>435,695</b>	<b>460,369</b>	<b>455,966</b>	<b>469,749</b>	<b>411,344</b>	<b>238,161</b>	<b>290,541</b>	<b>290,455</b>	<b>229,731</b>	<b>177,257</b>	<b>4,524,965</b>
<b>Storage Withdrawals</b>													
ERGS	0	0	0	0	0	0	0	96,000	224,000	265,000	219,000	146,000	950,000
LACEY	0	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000
LEE 11	0	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000
LEE 2	0	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000
<b>Total Withdrawals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>242,000</b>	<b>461,000</b>	<b>511,000</b>	<b>471,000</b>	<b>383,000</b>	<b>2,068,000</b>
<b>Total Supply</b>	<b>545,345</b>	<b>520,353</b>	<b>435,695</b>	<b>460,369</b>	<b>455,966</b>	<b>469,749</b>	<b>411,344</b>	<b>480,161</b>	<b>751,541</b>	<b>801,455</b>	<b>700,731</b>	<b>560,257</b>	<b>6,592,965</b>

1 **SEMCO Energy Gas Company**  
2 **2011-2012 Average Day Supply Purchase Plan - Battle Creek Division**  
3 **(Quantities in Dth)**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>GCR Demand</b>	312,811	159,046	88,542	80,277	75,973	101,801	235,690	459,575	721,867	770,567	673,279	539,453	4,218,881
<b>Fuel Consumed</b>													
Transport	21,510	21,129	19,395	20,101	20,076	19,588	19,804	10,713	13,568	13,499	12,031	8,627	200,040
Injection	2,025	2,086	2,025	2,406	2,406	2,330	1,188	0	0	0	0	0	14,467
Withdrawal	0	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750
<b>Total Fuel</b>	<b>23,535</b>	<b>23,215</b>	<b>21,421</b>	<b>22,507</b>	<b>22,482</b>	<b>21,918</b>	<b>20,992</b>	<b>11,193</b>	<b>14,688</b>	<b>14,824</b>	<b>13,126</b>	<b>9,357</b>	<b>219,257</b>
<b>Storage Injections</b>													
ERGS	133,000	137,000	133,000	158,000	158,000	153,000	78,000	0	0	0	0	0	950,000
LACEY	0	22,000	21,000	22,000	22,000	21,000	0	0	0	0	0	0	108,000
LEE 11	35,000	86,000	83,000	86,000	86,000	83,000	36,000	0	0	0	0	0	495,000
LEE 2	35,000	90,000	87,000	90,000	90,000	87,000	36,000	0	0	0	0	0	515,000
<b>Total Injections</b>	<b>203,000</b>	<b>335,000</b>	<b>324,000</b>	<b>356,000</b>	<b>356,000</b>	<b>344,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,068,000</b>
<b>Total Requirements</b>	<b>539,346</b>	<b>517,261</b>	<b>433,963</b>	<b>458,784</b>	<b>454,455</b>	<b>467,719</b>	<b>406,682</b>	<b>470,769</b>	<b>736,555</b>	<b>785,390</b>	<b>686,405</b>	<b>548,809</b>	<b>6,506,137</b>
<b>Supply</b>													
ANR AI WH	90,516	93,533	54,880	67,066	62,737	88,636	14,963	0	0	0	0	0	472,331
ANR CG WH	0	0	0	0	0	0	0	0	0	0	0	0	0
ANR SE WH	69,748	32,009	0	0	0	0	0	0	0	0	0	0	101,757
ANR SW WH	92,062	95,131	92,062	95,131	95,131	92,062	95,131	92,062	95,131	95,131	88,993	95,131	1,123,159
PEPL FP T2A	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL FP T3W	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL WH	287,020	296,588	287,020	296,588	296,588	287,020	296,588	136,706	180,424	179,259	126,412	70,678	2,740,891
<b>Total Supply</b>	<b>539,346</b>	<b>517,261</b>	<b>433,962</b>	<b>458,784</b>	<b>454,455</b>	<b>467,719</b>	<b>406,682</b>	<b>228,769</b>	<b>275,555</b>	<b>274,390</b>	<b>215,405</b>	<b>165,809</b>	<b>4,438,137</b>
<b>Storage Withdrawals</b>													
ERGS	0	0	0	0	0	0	0	96,000	224,000	265,000	219,000	146,000	950,000
LACEY	0	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000
LEE 11	0	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000
LEE 2	0	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000
<b>Total Withdrawals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>242,000</b>	<b>461,000</b>	<b>511,000</b>	<b>471,000</b>	<b>383,000</b>	<b>2,068,000</b>
<b>Total Supply</b>	<b>539,346</b>	<b>517,261</b>	<b>433,962</b>	<b>458,784</b>	<b>454,455</b>	<b>467,719</b>	<b>406,682</b>	<b>470,769</b>	<b>736,555</b>	<b>785,390</b>	<b>686,405</b>	<b>548,809</b>	<b>6,506,137</b>

1 **SEMCO Energy Gas Company**  
2 **2012-2013 Average Day Supply Purchase Plan - Battle Creek Division**  
3 **(Quantities in Dth)**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>GCR Demand</b>	306,668	155,875	86,726	78,613	74,388	99,671	230,794	450,283	706,972	754,619	659,231	528,158	4,131,999
<b>Fuel Consumed</b>													
Transport	21,336	21,039	19,385	20,091	20,067	19,576	19,776	10,128	12,629	12,493	11,122	7,832	195,474
Injection	2,025	2,086	2,025	2,406	2,406	2,330	1,188	0	0	0	0	0	14,467
Withdrawal	0	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750
<b>Total Fuel</b>	<b>23,362</b>	<b>23,126</b>	<b>21,410</b>	<b>22,497</b>	<b>22,473</b>	<b>21,905</b>	<b>20,964</b>	<b>10,608</b>	<b>13,749</b>	<b>13,818</b>	<b>12,217</b>	<b>8,562</b>	<b>214,691</b>
<b>Storage Injections</b>													
ERGS	133,000	137,000	133,000	158,000	158,000	153,000	78,000	0	0	0	0	0	950,000
LACEY	0	22,000	21,000	22,000	22,000	21,000	0	0	0	0	0	0	108,000
LEE 11	35,000	86,000	83,000	86,000	86,000	83,000	36,000	0	0	0	0	0	495,000
LEE 2	35,000	90,000	87,000	90,000	90,000	87,000	36,000	0	0	0	0	0	515,000
<b>Total Injections</b>	<b>203,000</b>	<b>335,000</b>	<b>324,000</b>	<b>356,000</b>	<b>356,000</b>	<b>344,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,068,000</b>
<b>Total Requirements</b>	<b>533,030</b>	<b>514,001</b>	<b>432,136</b>	<b>457,110</b>	<b>452,862</b>	<b>465,576</b>	<b>401,757</b>	<b>460,890</b>	<b>720,721</b>	<b>768,438</b>	<b>671,448</b>	<b>536,720</b>	<b>6,414,690</b>
<b>Supply</b>													
ANR AI WH	90,516	93,533	53,053	65,392	61,143	86,494	10,039	0	0	0	0	0	460,170
ANR CG WH	0	0	0	0	0	0	0	0	0	0	0	0	0
ANR SE WH	63,432	28,749	0	0	0	0	0	0	0	0	0	0	92,181
ANR SW WH	92,062	95,131	92,062	95,131	95,131	92,062	95,131	92,062	95,131	95,131	85,925	95,131	1,120,090
PEPL FP T2A	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL FP T3W	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL WH	287,020	296,588	287,020	296,588	296,588	287,020	296,588	126,828	164,590	162,307	114,523	58,590	2,674,249
<b>Total Supply</b>	<b>533,030</b>	<b>514,001</b>	<b>432,136</b>	<b>457,110</b>	<b>452,862</b>	<b>465,576</b>	<b>401,757</b>	<b>218,890</b>	<b>259,721</b>	<b>257,438</b>	<b>200,448</b>	<b>153,720</b>	<b>4,346,690</b>
<b>Storage Withdrawals</b>													
ERGS	0	0	0	0	0	0	0	96,000	224,000	265,000	219,000	146,000	950,000
LACEY	0	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000
LEE 11	0	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000
LEE 2	0	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000
<b>Total Withdrawals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>242,000</b>	<b>461,000</b>	<b>511,000</b>	<b>471,000</b>	<b>383,000</b>	<b>2,068,000</b>
<b>Total Supply</b>	<b>533,030</b>	<b>514,001</b>	<b>432,136</b>	<b>457,110</b>	<b>452,862</b>	<b>465,576</b>	<b>401,757</b>	<b>460,890</b>	<b>720,721</b>	<b>768,438</b>	<b>671,448</b>	<b>536,720</b>	<b>6,414,690</b>

1 **SEMCO Energy Gas Company**  
2 **2013-2014 Average Day Supply Purchase Plan - Battle Creek Division**  
3 **(Quantities in Dth)**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>GCR Demand</b>	300,177	152,522	84,804	76,849	72,710	97,410	225,604	440,475	691,180	737,731	644,353	516,189	4,040,005
<b>Fuel Consumed</b>													
Transport	21,154	20,945	19,374	20,081	20,057	19,563	19,746	9,509	11,633	11,429	10,076	6,991	190,557
Injection	2,025	2,086	2,025	2,406	2,406	2,330	1,188	0	0	0	0	0	14,467
Withdrawal	0	0	0	0	0	0	0	480	1,120	1,325	1,095	730	4,750
<b>Total Fuel</b>	<b>23,179</b>	<b>23,031</b>	<b>21,399</b>	<b>22,487</b>	<b>22,464</b>	<b>21,893</b>	<b>20,934</b>	<b>9,989</b>	<b>12,753</b>	<b>12,754</b>	<b>11,171</b>	<b>7,721</b>	<b>209,774</b>
<b>Storage Injections</b>													
ERGS	133,000	137,000	133,000	158,000	158,000	153,000	78,000	0	0	0	0	0	950,000
LACEY	0	22,000	21,000	22,000	22,000	21,000	0	0	0	0	0	0	108,000
LEE 11	35,000	86,000	83,000	86,000	86,000	83,000	36,000	0	0	0	0	0	495,000
LEE 2	35,000	90,000	87,000	90,000	90,000	87,000	36,000	0	0	0	0	0	515,000
<b>Total Injections</b>	<b>203,000</b>	<b>335,000</b>	<b>324,000</b>	<b>356,000</b>	<b>356,000</b>	<b>344,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,068,000</b>
<b>Total Requirements</b>	<b>526,356</b>	<b>510,553</b>	<b>430,204</b>	<b>455,337</b>	<b>451,174</b>	<b>463,303</b>	<b>396,538</b>	<b>450,464</b>	<b>703,933</b>	<b>750,484</b>	<b>655,524</b>	<b>523,910</b>	<b>6,317,779</b>
<b>Supply</b>													
ANR AI WH	90,516	93,533	51,121	63,618	59,455	84,220	4,819	0	0	0	0	0	447,283
ANR CG WH	0	0	0	0	0	0	0	0	0	0	0	0	0
ANR SE WH	56,758	25,301	0	0	0	0	0	0	0	0	0	0	82,059
ANR SW WH	92,062	95,131	92,062	95,131	95,131	92,062	95,131	92,062	95,131	95,131	85,925	95,131	1,120,090
PEPL FP T2A	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL FP T3W	0	0	0	0	0	0	0	0	0	0	0	0	0
PEPL WH	287,020	296,588	287,020	296,588	296,588	287,020	296,588	116,402	147,802	144,353	98,599	45,779	2,600,347
<b>Total Supply</b>	<b>526,356</b>	<b>510,553</b>	<b>430,204</b>	<b>455,337</b>	<b>451,174</b>	<b>463,302</b>	<b>396,538</b>	<b>208,464</b>	<b>242,933</b>	<b>239,484</b>	<b>184,524</b>	<b>140,910</b>	<b>4,249,779</b>
<b>Storage Withdrawals</b>													
ERGS	0	0	0	0	0	0	0	96,000	224,000	265,000	219,000	146,000	950,000
LACEY	0	0	0	0	0	0	0	0	0	0	54,000	54,000	108,000
LEE 11	0	0	0	0	0	0	0	79,000	128,000	133,000	82,000	73,000	495,000
LEE 2	0	0	0	0	0	0	0	67,000	109,000	113,000	116,000	110,000	515,000
<b>Total Withdrawals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>242,000</b>	<b>461,000</b>	<b>511,000</b>	<b>471,000</b>	<b>383,000</b>	<b>2,068,000</b>
<b>Total Supply</b>	<b>526,356</b>	<b>510,553</b>	<b>430,204</b>	<b>455,337</b>	<b>451,174</b>	<b>463,302</b>	<b>396,538</b>	<b>450,464</b>	<b>703,933</b>	<b>750,484</b>	<b>655,524</b>	<b>523,910</b>	<b>6,317,779</b>

1 SEMCO Energy Gas Company  
2 2009-2010 Estimated Cost of Gas - Battle Creek Division  
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	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
6 Supply Commodity Cost	\$2,218,398	\$1,955,389	\$1,657,625	\$1,896,330	\$1,797,313	\$1,888,212	\$1,876,418	\$1,363,023	\$1,754,994	\$1,820,813	\$1,455,640	\$1,158,650	\$20,842,805
7 Storage Commodity Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transportation Comm. Cost	\$15,966	\$15,300	\$14,080	\$14,958	\$14,665	\$14,495	\$14,757	\$9,293	\$12,059	\$12,101	\$9,389	\$6,844	\$153,908
9 <b>Total Commodity Costs</b>	<b>\$2,234,363</b>	<b>\$1,970,689</b>	<b>\$1,671,706</b>	<b>\$1,911,288</b>	<b>\$1,811,978</b>	<b>\$1,902,707</b>	<b>\$1,891,176</b>	<b>\$1,372,317</b>	<b>\$1,767,053</b>	<b>\$1,832,914</b>	<b>\$1,465,029</b>	<b>\$1,165,494</b>	<b>\$20,996,713</b>
10													
11 Wdl Storage Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,405,371	\$2,659,731	\$2,941,269	\$2,827,122	\$2,331,583	\$12,165,076
12 Inj Storage Value	\$775,632	\$1,172,845	\$1,178,758	\$1,441,010	\$1,354,997	\$1,320,120	\$633,200	\$0	\$0	\$0	\$0	\$0	\$7,876,562
13 <b>Total Storage Inventory Value</b>	<b>(\$775,632)</b>	<b>(\$1,172,845)</b>	<b>(\$1,178,758)</b>	<b>(\$1,441,010)</b>	<b>(\$1,354,997)</b>	<b>(\$1,320,120)</b>	<b>(\$633,200)</b>	<b>\$1,405,371</b>	<b>\$2,659,731</b>	<b>\$2,941,269</b>	<b>\$2,827,122</b>	<b>\$2,331,583</b>	<b>\$4,288,514</b>
14													
15 Storage Services Fixed Cost	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$660,679
16 Pipeline Trans Services Fixed Cost	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$256,082	\$256,082	\$256,082	\$256,082	\$256,082	\$2,931,858
17 Peaking Supply Services Fixed Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,085	\$1,085	\$1,085	\$3,255
18 <b>Total Fixed Costs</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$312,224</b>	<b>\$312,224</b>	<b>\$312,224</b>	<b>\$3,595,792</b>
19													
20 <b>GCR Demand (Dth)</b>	<b>324,207</b>	<b>164,917</b>	<b>91,905</b>	<b>83,350</b>	<b>78,903</b>	<b>105,728</b>	<b>244,730</b>	<b>476,839</b>	<b>749,356</b>	<b>800,050</b>	<b>699,247</b>	<b>560,312</b>	<b>4,379,546</b>
21													
22 <b>Commodity Cost of Gas</b>	<b>\$1,458,731</b>	<b>\$797,844</b>	<b>\$492,947</b>	<b>\$470,278</b>	<b>\$456,981</b>	<b>\$582,587</b>	<b>\$1,257,975</b>	<b>\$2,777,688</b>	<b>\$4,426,784</b>	<b>\$4,774,183</b>	<b>\$4,292,151</b>	<b>\$3,497,077</b>	<b>\$25,285,227</b>
23 <b>Fixed Cost of Gas</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$312,224</b>	<b>\$312,224</b>	<b>\$312,224</b>	<b>\$3,595,792</b>
24 <b>Total Cost of Gas</b>	<b>\$1,749,709</b>	<b>\$1,088,822</b>	<b>\$783,925</b>	<b>\$761,256</b>	<b>\$747,959</b>	<b>\$873,564</b>	<b>\$1,548,953</b>	<b>\$3,088,826</b>	<b>\$4,737,922</b>	<b>\$5,086,407</b>	<b>\$4,604,375</b>	<b>\$3,809,301</b>	<b>\$28,881,019</b>

1 SEMCO Energy Gas Company  
2 2010-2011 Estimated Cost of Gas - Battle Creek Division  
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	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
6 Supply Commodity Cost	\$2,861,771	\$2,731,936	\$2,305,956	\$2,491,805	\$2,500,406	\$2,599,544	\$2,290,713	\$1,383,425	\$1,795,392	\$1,858,878	\$1,471,208	\$1,103,193	\$25,394,227
7 Storage Commodity Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Transportation Comm. Cost	\$16,214	\$16,095	\$14,747	\$15,331	\$15,291	\$15,059	\$14,883	\$8,899	\$11,433	\$11,429	\$8,825	\$6,400	\$154,605
9 <b>Total Commodity Costs</b>	<b>\$2,877,985</b>	<b>\$2,748,030</b>	<b>\$2,320,703</b>	<b>\$2,507,137</b>	<b>\$2,515,697</b>	<b>\$2,614,603</b>	<b>\$2,305,596</b>	<b>\$1,392,323</b>	<b>\$1,806,824</b>	<b>\$1,870,307</b>	<b>\$1,480,033</b>	<b>\$1,109,593</b>	<b>\$25,548,832</b>
10													
11 Wdl Storage Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,336,172	\$2,545,039	\$2,820,973	\$2,651,228	\$2,165,522	\$11,518,933
12 Inj Storage Value	\$1,081,993	\$1,780,182	\$1,736,554	\$1,951,855	\$1,977,431	\$1,927,660	\$847,413	\$0	\$0	\$0	\$0	\$0	\$11,303,087
13 <b>Total Storage Inventory Value</b>	<b>(\$1,081,993)</b>	<b>(\$1,780,182)</b>	<b>(\$1,736,554)</b>	<b>(\$1,951,855)</b>	<b>(\$1,977,431)</b>	<b>(\$1,927,660)</b>	<b>(\$847,413)</b>	<b>\$1,336,172</b>	<b>\$2,545,039</b>	<b>\$2,820,973</b>	<b>\$2,651,228</b>	<b>\$2,165,522</b>	<b>\$215,847</b>
14													
15 Storage Services Fixed Cost	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$660,679
16 Pipeline Trans Services Fixed Cost	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$256,082	\$256,082	\$256,082	\$256,082	\$256,082	\$2,931,858
17 Peaking Supply Services Fixed Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 <b>Total Fixed Costs</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
19													
20 <b>GCR Demand (Dth)</b>	<b>318,646</b>	<b>162,053</b>	<b>90,265</b>	<b>81,853</b>	<b>77,475</b>	<b>103,816</b>	<b>240,326</b>	<b>468,410</b>	<b>735,965</b>	<b>785,679</b>	<b>686,590</b>	<b>550,148</b>	<b>4,301,226</b>
21													
22 <b>Commodity Cost of Gas</b>	<b>\$1,795,992</b>	<b>\$967,849</b>	<b>\$584,150</b>	<b>\$555,282</b>	<b>\$538,266</b>	<b>\$686,943</b>	<b>\$1,458,183</b>	<b>\$2,728,495</b>	<b>\$4,351,863</b>	<b>\$4,691,280</b>	<b>\$4,131,261</b>	<b>\$3,275,115</b>	<b>\$25,764,678</b>
23 <b>Fixed Cost of Gas</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
24 <b>Total Cost of Gas</b>	<b>\$2,086,969</b>	<b>\$1,258,827</b>	<b>\$875,127</b>	<b>\$846,260</b>	<b>\$829,243</b>	<b>\$977,921</b>	<b>\$1,749,161</b>	<b>\$3,039,634</b>	<b>\$4,663,002</b>	<b>\$5,002,419</b>	<b>\$4,442,400</b>	<b>\$3,586,253</b>	<b>\$29,357,216</b>

1 SEMCO Energy Gas Company  
2 2011-2012 Estimated Cost of Gas - Battle Creek Division

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Supply Commodity Cost	\$3,135,681	\$2,980,202	\$2,512,472	\$2,703,366	\$2,708,200	\$2,809,450	\$2,452,658	\$1,419,879	\$1,787,376	\$1,840,227	\$1,445,927	\$1,076,439	\$26,871,877
Storage Commodity Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Comm. Cost	\$16,122	\$16,048	\$14,731	\$15,317	\$15,277	\$15,040	\$14,840	\$8,485	\$10,773	\$10,722	\$8,155	\$5,899	\$151,408
<b>Total Commodity Costs</b>	<b>\$3,151,803</b>	<b>\$2,996,249</b>	<b>\$2,527,203</b>	<b>\$2,718,683</b>	<b>\$2,723,477</b>	<b>\$2,824,490</b>	<b>\$2,467,498</b>	<b>\$1,428,365</b>	<b>\$1,798,149</b>	<b>\$1,850,948</b>	<b>\$1,454,082</b>	<b>\$1,082,338</b>	<b>\$27,023,285</b>
Wdl Storage Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,422,654	\$2,712,831	\$3,008,179	\$2,786,706	\$2,266,826	\$12,197,196
Inj Storage Value	\$1,198,117	\$1,952,583	\$1,898,626	\$2,123,858	\$2,147,869	\$2,091,439	\$917,316	\$0	\$0	\$0	\$0	\$0	\$12,329,809
<b>Total Storage Inventory Value</b>	<b>(\$1,198,117)</b>	<b>(\$1,952,583)</b>	<b>(\$1,898,626)</b>	<b>(\$2,123,858)</b>	<b>(\$2,147,869)</b>	<b>(\$2,091,439)</b>	<b>(\$917,316)</b>	<b>\$1,422,654</b>	<b>\$2,712,831</b>	<b>\$3,008,179</b>	<b>\$2,786,706</b>	<b>\$2,266,826</b>	<b>(\$132,614)</b>
Storage Services Fixed Cost	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$660,679
Pipeline Trans Services Fixed Cost	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$256,082	\$256,082	\$256,082	\$256,082	\$256,082	\$2,931,858
Peaking Supply Services Fixed Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Fixed Costs</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
<b>GCR Demand (Dth)</b>	<b>312,811</b>	<b>159,046</b>	<b>88,542</b>	<b>80,277</b>	<b>75,973</b>	<b>101,801</b>	<b>235,690</b>	<b>459,575</b>	<b>721,867</b>	<b>770,567</b>	<b>673,279</b>	<b>539,453</b>	<b>4,218,881</b>
<b>Commodity Cost of Gas</b>	<b>\$1,953,687</b>	<b>\$1,043,666</b>	<b>\$628,577</b>	<b>\$594,824</b>	<b>\$575,608</b>	<b>\$733,050</b>	<b>\$1,550,181</b>	<b>\$2,851,018</b>	<b>\$4,510,980</b>	<b>\$4,859,128</b>	<b>\$4,240,787</b>	<b>\$3,349,164</b>	<b>\$26,890,672</b>
<b>Fixed Cost of Gas</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
<b>Total Cost of Gas</b>	<b>\$2,244,665</b>	<b>\$1,334,644</b>	<b>\$919,555</b>	<b>\$885,802</b>	<b>\$866,586</b>	<b>\$1,024,028</b>	<b>\$1,841,159</b>	<b>\$3,162,157</b>	<b>\$4,822,119</b>	<b>\$5,170,266</b>	<b>\$4,551,926</b>	<b>\$3,660,303</b>	<b>\$30,483,209</b>

1 SEMCO Energy Gas Company  
2 2012-2013 Estimated Cost of Gas - Battle Creek Division

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Supply Commodity Cost	\$3,188,818	\$3,035,965	\$2,560,465	\$2,754,188	\$2,758,839	\$2,857,344	\$2,472,095	\$1,384,318	\$1,716,590	\$1,759,497	\$1,371,061	\$1,017,798	\$26,876,978
Storage Commodity Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Comm. Cost	\$16,026	\$15,998	\$14,714	\$15,301	\$15,263	\$15,020	\$14,795	\$8,050	\$10,076	\$9,975	\$7,545	\$5,371	\$148,134
<b>Total Commodity Costs</b>	<b>\$3,204,844</b>	<b>\$3,051,963</b>	<b>\$2,575,179</b>	<b>\$2,769,489</b>	<b>\$2,774,101</b>	<b>\$2,872,364</b>	<b>\$2,486,890</b>	<b>\$1,392,369</b>	<b>\$1,726,665</b>	<b>\$1,769,473</b>	<b>\$1,378,606</b>	<b>\$1,023,169</b>	<b>\$27,025,112</b>
Wdl Storage Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,465,671	\$2,795,615	\$3,100,279	\$2,858,984	\$2,322,701	\$12,543,250
Inj Storage Value	\$1,232,716	\$2,001,504	\$1,942,846	\$2,171,471	\$2,195,494	\$2,136,677	\$935,857	\$0	\$0	\$0	\$0	\$0	\$12,616,564
<b>Total Storage Inventory Value</b>	<b>(\$1,232,716)</b>	<b>(\$2,001,504)</b>	<b>(\$1,942,846)</b>	<b>(\$2,171,471)</b>	<b>(\$2,195,494)</b>	<b>(\$2,136,677)</b>	<b>(\$935,857)</b>	<b>\$1,465,671</b>	<b>\$2,795,615</b>	<b>\$3,100,279</b>	<b>\$2,858,984</b>	<b>\$2,322,701</b>	<b>(\$73,314)</b>
Storage Services Fixed Cost	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$660,679
Pipeline Trans Services Fixed Cost	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$256,082	\$256,082	\$256,082	\$256,082	\$256,082	\$2,931,858
Peaking Supply Services Fixed Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Fixed Costs</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
<b>GCR Demand (Dth)</b>	<b>306,668</b>	<b>155,875</b>	<b>86,726</b>	<b>78,613</b>	<b>74,388</b>	<b>99,671</b>	<b>230,794</b>	<b>450,283</b>	<b>706,972</b>	<b>754,619</b>	<b>659,231</b>	<b>528,158</b>	<b>4,131,999</b>
<b>Commodity Cost of Gas</b>	<b>\$1,972,128</b>	<b>\$1,050,459</b>	<b>\$632,333</b>	<b>\$598,019</b>	<b>\$578,608</b>	<b>\$735,687</b>	<b>\$1,551,033</b>	<b>\$2,858,040</b>	<b>\$4,522,281</b>	<b>\$4,869,752</b>	<b>\$4,237,589</b>	<b>\$3,345,870</b>	<b>\$26,951,798</b>
<b>Fixed Cost of Gas</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
<b>Total Cost of Gas</b>	<b>\$2,263,106</b>	<b>\$1,341,437</b>	<b>\$923,311</b>	<b>\$888,997</b>	<b>\$869,586</b>	<b>\$1,026,665</b>	<b>\$1,842,010</b>	<b>\$3,169,178</b>	<b>\$4,833,419</b>	<b>\$5,180,890</b>	<b>\$4,548,728</b>	<b>\$3,657,009</b>	<b>\$30,544,336</b>

1 SEMCO Energy Gas Company  
2 2013-2014 Estimated Cost of Gas - Battle Creek Division  
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	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
5														
6	Supply Commodity Cost	\$3,204,844	\$3,073,234	\$2,599,965	\$2,794,348	\$2,801,214	\$2,899,640	\$2,486,727	\$1,344,834	\$1,635,337	\$1,666,129	\$1,284,897	\$950,035	\$26,741,204
7	Storage Commodity Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Transportation Comm. Cost	\$15,924	\$15,945	\$14,697	\$15,285	\$15,247	\$14,999	\$14,747	\$7,591	\$9,337	\$9,185	\$6,848	\$4,810	\$144,616
9	<b>Total Commodity Costs</b>	<b>\$3,220,768</b>	<b>\$3,089,179</b>	<b>\$2,614,662</b>	<b>\$2,809,633</b>	<b>\$2,816,461</b>	<b>\$2,914,639</b>	<b>\$2,501,474</b>	<b>\$1,352,426</b>	<b>\$1,644,674</b>	<b>\$1,675,314</b>	<b>\$1,291,745</b>	<b>\$954,845</b>	<b>\$26,885,820</b>
10														
11	Wdl Storage Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,496,462	\$2,854,501	\$3,165,644	\$2,914,918	\$2,367,228	\$12,798,754
12	Inj Storage Value	\$1,254,548	\$2,039,593	\$1,981,494	\$2,211,528	\$2,237,357	\$2,178,764	\$953,736	\$0	\$0	\$0	\$0	\$0	\$12,857,020
13	<b>Total Storage Inventory Value</b>	<b>(\$1,254,548)</b>	<b>(\$2,039,593)</b>	<b>(\$1,981,494)</b>	<b>(\$2,211,528)</b>	<b>(\$2,237,357)</b>	<b>(\$2,178,764)</b>	<b>(\$953,736)</b>	<b>\$1,496,462</b>	<b>\$2,854,501</b>	<b>\$3,165,644</b>	<b>\$2,914,918</b>	<b>\$2,367,228</b>	<b>(\$58,266)</b>
14														
15	Storage Services Fixed Cost	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$55,057	\$660,679
16	Pipeline Trans Services Fixed Cost	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$235,921	\$256,082	\$256,082	\$256,082	\$256,082	\$256,082	\$2,931,858
17	Peaking Supply Services Fixed Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	<b>Total Fixed Costs</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
19														
20	<b>GCR Demand (Dth)</b>	<b>300,177</b>	<b>152,522</b>	<b>84,804</b>	<b>76,849</b>	<b>72,710</b>	<b>97,410</b>	<b>225,604</b>	<b>440,475</b>	<b>691,180</b>	<b>737,731</b>	<b>644,353</b>	<b>516,189</b>	<b>4,040,005</b>
21														
22	<b>Commodity Cost of Gas</b>	<b>\$1,966,220</b>	<b>\$1,049,587</b>	<b>\$633,167</b>	<b>\$598,105</b>	<b>\$579,105</b>	<b>\$735,875</b>	<b>\$1,547,738</b>	<b>\$2,848,888</b>	<b>\$4,499,175</b>	<b>\$4,840,958</b>	<b>\$4,206,663</b>	<b>\$3,322,074</b>	<b>\$26,827,554</b>
23	<b>Fixed Cost of Gas</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$290,978</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$311,139</b>	<b>\$3,592,537</b>
24	<b>Total Cost of Gas</b>	<b>\$2,257,198</b>	<b>\$1,340,564</b>	<b>\$924,145</b>	<b>\$889,083</b>	<b>\$870,082</b>	<b>\$1,026,853</b>	<b>\$1,838,716</b>	<b>\$3,160,026</b>	<b>\$4,810,313</b>	<b>\$5,152,097</b>	<b>\$4,517,802</b>	<b>\$3,633,212</b>	<b>\$30,420,092</b>

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2 **SEMCO Energy Gas Company**  
3 **2009-2014 NYMEX Price Forecast**  
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		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Date	2009	2009	2009	2009	2009	2009	2009	2009	2009
8	3/2/2009	4.1520	4.2280	4.3600	4.4950	4.5770	4.6160	4.7180	5.2330	5.7880
9	3/3/2009	4.2820	4.3500	4.4740	4.6030	4.6820	4.7200	4.8200	5.3000	5.8250
10	3/4/2009	4.3400	4.4190	4.5420	4.6740	4.7540	4.7920	4.8920	5.3570	5.8570
11	3/5/2009	4.0880	4.1760	4.3060	4.4490	4.5330	4.5720	4.6770	5.1520	5.6520
12	3/6/2009	3.9450	4.0170	4.1420	4.2910	4.3770	4.4200	4.5250	5.0250	5.5450
13	<b>Average</b>	4.1614	4.2380	4.3648	4.5024	4.5846	4.6240	4.7264	5.2134	5.7334

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Date	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
17	3/2/2009	6.0580	6.0660	5.9430	5.6430	5.6680	5.7580	5.8700	5.9450	5.9750	6.0680	6.3830	6.7630
18	3/3/2009	6.0900	6.0950	5.9700	5.6700	5.6950	5.7850	5.8970	5.9720	6.0020	6.0950	6.4100	6.7850
19	3/4/2009	6.1290	6.1340	6.0090	5.6970	5.7220	5.8110	5.9220	5.9960	6.0250	6.1170	6.4320	6.8070
20	3/5/2009	5.9220	5.9370	5.8120	5.5170	5.5450	5.6350	5.7470	5.8210	5.8500	5.9420	6.2570	6.6320
21	3/6/2009	5.8200	5.8350	5.7130	5.4380	5.4660	5.5560	5.6710	5.7450	5.7740	5.8680	6.1880	6.5630
22	<b>Average</b>	6.0038	6.0134	5.8894	5.5930	5.6192	5.7090	5.8214	5.8958	5.9252	6.0180	6.3340	6.7100

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Date	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
26	3/2/2009	6.9830	6.9830	6.7880	6.2180	6.1880	6.2630	6.3580	6.4280	6.4530	6.5380	6.7880	7.0730
27	3/3/2009	7.0050	7.0050	6.8100	6.2400	6.2100	6.2850	6.3800	6.4500	6.4750	6.5600	6.8050	7.0900
28	3/4/2009	7.0270	7.0270	6.8320	6.2420	6.2120	6.2870	6.3820	6.4520	6.4770	6.5620	6.8070	7.0920
29	3/5/2009	6.8520	6.8520	6.6570	6.0870	6.0570	6.1320	6.2270	6.2970	6.3270	6.4120	6.6570	6.9420
30	3/6/2009	6.7850	6.7850	6.5900	6.0250	5.9950	6.0700	6.1650	6.2350	6.2650	6.3500	6.5950	6.8800
31	<b>Average</b>	6.9304	6.9304	6.7354	6.1624	6.1324	6.2074	6.3024	6.3724	6.3994	6.4844	6.7304	7.0154

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Date	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
35	3/2/2009	7.2930	7.2930	7.0580	6.3980	6.3430	6.4080	6.4980	6.5680	6.5930	6.6730	6.9080	7.1980
36	3/3/2009	7.3100	7.3100	7.0750	6.4150	6.3600	6.4250	6.5150	6.5850	6.6100	6.6900	6.9250	7.2150
37	3/4/2009	7.3120	7.3120	7.0770	6.4020	6.3470	6.4120	6.5020	6.5720	6.5970	6.6770	6.9120	7.2020
38	3/5/2009	7.1620	7.1620	6.9270	6.2570	6.2020	6.2670	6.3620	6.4320	6.4570	6.5370	6.7720	7.0620
39	3/6/2009	7.1000	7.1000	6.8650	6.2000	6.1450	6.2100	6.3050	6.3750	6.4000	6.4800	6.7150	7.0050
40	<b>Average</b>	7.2354	7.2354	7.0004	6.3344	6.2794	6.3444	6.4364	6.5064	6.5314	6.6114	6.8464	7.1364

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Date	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
44	3/2/2009	7.4230	7.4230	7.1880	6.5180	6.4680	6.5380	6.6230	6.6980	6.7280	6.8080	7.0480	7.3330
45	3/3/2009	7.4400	7.4400	7.2050	6.5300	6.4800	6.5500	6.6350	6.7100	6.7400	6.8200	7.0600	7.3450
46	3/4/2009	7.4270	7.4270	7.1920	6.5070	6.4570	6.5270	6.6120	6.6870	6.7170	6.7970	7.0320	7.3170
47	3/5/2009	7.2870	7.2870	7.0520	6.3620	6.3120	6.3820	6.4670	6.5420	6.5720	6.6520	6.8870	7.1720
48	3/6/2009	7.2300	7.2300	6.9900	6.3050	6.2550	6.3250	6.4100	6.4850	6.5150	6.5950	6.8300	7.1150
49	<b>Average</b>	7.3614	7.3614	7.1254	6.4444	6.3944	6.4644	6.5494	6.6244	6.6544	6.7344	6.9714	7.2564

		Jan	Feb	Mar
	Date	2014	2014	2014
53	3/2/2009	7.5580	7.5580	7.3180
54	3/3/2009	7.5700	7.5700	7.3300
55	3/4/2009	7.5420	7.5420	7.3020
56	3/5/2009	7.3970	7.3970	7.1570
57	3/6/2009	7.3400	7.3400	7.1000
58	<b>Average</b>	7.4814	7.4814	7.2414

**SEMCO Energy Gas Company  
2009-2010 Basis Price Forecast**

	<b>Supply Source</b>	<b>Summer</b>	<b>Winter</b>
4	ANR - Alliance	(0.0700)	0.0500
5	ANR - Southeast	(0.0600)	(0.0800)
6	ANR Southwest	(0.4000)	(0.4700)
7	Panhandle	(0.4900)	(0.5600)
8	ANR City Gate (ML7)	0.1000	0.1000

**SEMCO Energy Gas Company**  
 Calculation of the Annual GCR Factor  
**Battle Creek**

Line	2009 April	2009 May	2009 June	2009 July	2009 August	2009 September	2009 October	2009 November	2009 December	2010 January	2010 February	2010 March	Total
1	324,207	164,917	91,905	83,350	78,903	105,728	244,730	476,839	749,356	800,050	699,247	560,312	4,379,546
2													
3	324,207	164,917	91,905	83,350	78,903	105,728	244,730	476,839	749,356	800,050	699,247	560,312	4,379,546
4													
5	8,610	7,845	6,560	4,765	3,256	2,461	2,498	2,977	2,866	4,308	5,921	7,953	60,021
6	6,801	6,197	5,182	3,764	2,572	1,944	1,973	2,352	2,264	3,403	4,677	6,282	47,410
7	(5,075)	(5,101)	(4,556)	(4,219)	(3,511)	(3,241)	(3,310)	(3,825)	(3,646)	(4,201)	(4,477)	(4,802)	(49,965)
8	313,871	155,977	84,720	79,040	76,586	104,565	243,569	475,336	747,872	796,540	693,126	550,878	4,322,079
9													
10													
11	313,871	155,977	84,720	79,040	76,586	104,565	243,569	475,336	747,872	796,540	693,126	550,878	4,322,079
12	46,077	40,658	33,043	17,017	8,970	5,148	4,879	4,575	6,372	14,370	25,235	43,951	250,295
13	359,949	196,634	117,762	96,057	85,556	109,713	248,447	479,910	754,244	810,910	718,361	594,830	4,572,374
14													
15													
16	\$290,978	\$290,978	\$290,978	\$290,978	\$290,978	\$290,978	\$290,978	\$311,139	\$311,139	\$312,224	\$312,224	\$312,224	\$3,595,792
17	290,978	290,978	290,978	290,978	290,978	290,978	290,978	311,139	311,139	312,224	312,224	312,224	3,595,792
18													
19													
20													
21	2,234,363	1,970,689	1,671,706	1,911,288	1,811,978	1,902,707	1,891,176	1,372,317	1,767,053	1,832,914	1,465,029	1,165,494	20,996,713
22	(775,632)	(1,172,845)	(1,178,758)	(1,441,010)	(1,354,997)	(1,320,120)	(633,200)	1,405,371	2,659,731	2,941,269	2,827,122	2,331,583	4,288,514
23	\$1,749,709	\$1,088,822	\$783,925	\$761,256	\$747,959	\$873,564	\$1,548,953	\$3,088,826	\$4,737,922	\$5,086,407	\$4,604,375	\$3,809,301	\$28,881,019
24													
25													
26	(56,778)	(51,733)	(43,259)	(31,423)	(21,474)	(16,228)	(16,474)	(19,633)	(18,903)	(28,411)	(39,046)	(52,448)	(395,810)
27	(44,848)	(40,863)	(34,170)	(24,821)	(16,962)	(12,818)	(13,013)	(15,508)	(14,931)	(22,441)	(30,842)	(41,428)	(312,646)
28	33,466	33,639	30,047	27,824	23,155	21,375	21,826	25,224	24,043	27,704	29,525	31,666	329,493
29	\$1,681,550	\$1,029,865	\$736,543	\$732,836	\$732,677	\$865,893	\$1,541,293	\$3,078,910	\$4,728,131	\$5,063,258	\$4,564,011	\$3,747,090	\$28,502,055
30													
31													
32	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500
33	359,949	196,634	117,762	96,057	85,556	109,713	248,447	479,910	754,244	810,910	718,361	594,830	4,572,374
34	\$89,987	\$49,159	\$29,441	\$24,014	\$21,389	\$27,428	\$62,112	\$119,978	\$188,561	\$202,728	\$179,590	\$148,707	\$1,143,094
35													
36	\$290,978	\$290,978	\$290,978	\$290,978	\$290,978	\$290,978	\$290,978	\$311,139	\$311,139	\$312,224	\$312,224	\$312,224	\$3,595,792
37	(\$89,987)	(\$49,159)	(\$29,441)	(\$24,014)	(\$21,389)	(\$27,428)	(\$62,112)	(\$119,978)	(\$188,561)	(\$202,728)	(\$179,590)	(\$148,707)	(\$1,143,094)
38	\$200,991	\$241,819	\$261,537	\$266,963	\$269,589	\$263,550	\$228,866	\$191,161	\$122,578	\$109,496	\$132,633	\$163,516	\$2,452,699
39	359,949	196,634	117,762	96,057	85,556	109,713	248,447	479,910	754,244	810,910	718,361	594,830	4,572,374
40	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364	\$0.5364
41	\$193,076	\$105,475	\$63,168	\$51,525	\$45,892	\$58,850	\$133,267	\$257,424	\$404,576	\$434,972	\$385,329	\$319,067	\$2,452,621.46
42													
43	\$1,681,550	\$1,029,865	\$736,543	\$732,836	\$732,677	\$865,893	\$1,541,293	\$3,078,910	\$4,728,131	\$5,063,258	\$4,564,011	\$3,747,090	\$28,502,055
44	(89,987)	(49,159)	(29,441)	(24,014)	(21,389)	(27,428)	(62,112)	(119,978)	(188,561)	(202,728)	(179,590)	(148,707)	(1,143,094)
45	(193,076)	(105,475)	(63,168)	(51,525)	(45,892)	(58,850)	(133,267)	(257,424)	(404,576)	(434,972)	(385,329)	(319,067)	(2,452,621)
46	\$1,398,486	\$875,232	\$643,934	\$657,297	\$665,396	\$779,614	\$1,345,914	\$2,701,508	\$4,134,994	\$4,425,558	\$3,999,092	\$3,279,316	\$24,906,340
47													
48	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626	\$5.7626
49	\$1,808,715	\$898,832	\$488,205	\$455,479	\$441,333	\$602,567	\$1,403,588	\$2,739,169	\$4,309,685	\$4,590,142	\$3,994,208	\$3,174,492	\$24,906,415
50													
51	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490
52													
53	\$2,091,779	\$1,053,465	\$580,813	\$531,018	\$508,614	\$688,845	\$1,598,967	\$3,116,571	\$4,902,823	\$5,227,841	\$4,559,127	\$3,642,266	\$28,502,130
54	\$410,229	\$23,600	(\$155,729)	(\$201,818)	(\$224,063)	(\$177,047)	\$57,674	\$37,661	\$174,692	\$164,584	(\$4,884)	(\$104,824)	
55	\$410,229	\$433,829	\$278,100	\$76,282	(\$147,781)	(\$324,828)	(\$267,154)	(\$229,493)	(\$54,801)	\$109,782	\$104,898	\$74	
56													
57													
58													
59			\$28,881,019										
60			4,379,546										
61			\$ 6.5945										

Balancing Recovery Charge \$0.2500  
 Demand Capacity Charge \$0.5364  
 Gas Commodity Charge \$5.7626  
**Total GCR Charge \$6.5490**

**SEMCO Energy Gas Company**  
Case No. U-15703  
**Settlement Agreement**  
**Attachment 2**

**The Gas Cost Recovery Factors**

**The following maximum Gas Cost Recovery Factors for the April 2009 through March 2010 GCR plan period are authorized pursuant to the Gas Cost Recovery Clause:**

<b>Billing Months</b>	<b>Maximum Authorized Factor \$/Dth</b>	<b>Actual Factor Billed \$/Dth</b>
April 2009	\$7.5699/ Dth	\$6.5000/ Dth
May 2009	\$7.5699/ Dth	\$5.0000/ Dth
June 2009	\$7.5699/ Dth	\$5.9000/ Dth
July, 2009	\$6.5490	
August, 2009	\$6.5490	
September, 2009	\$6.5490	
October, 2009	\$6.5490	
November, 2009	\$6.5490	
December, 2009	\$6.5490	
January, 2010	\$6.5490	
February, 2010	\$6.5490	
March, 2010	\$6.5490	

The current month's Gas Cost Recovery factor is composed of the following cost components:

Balancing Charge .....	\$0.2500 per Dth
Capacity Demand Charge .....	\$0.5364 per Dth
Gas Commodity Charge .....	\$5.7626 per Dth

SEMCO ENERGY GAS COMPANY – BATTLE CREEK DIVISION  
(To revise Gas Cost Recovery Factors)

Case No.: U-15703

	April-June 1st Q		July-Sept 2nd Q		Oct-Dec 3rd Q		Jan-Mar 4th Q		
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	
	April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Jan-Mar	
<b>Fractional Mult. <math>F_m</math></b>	0.590	0.232	0.536	0.230	0.506	0.247	0.500	0.237	
<b>Plan NYMEX (<math>X_{plan}</math>)</b>	\$4.4574	\$5.7707	\$4.4574	\$5.7707	\$4.4574	\$5.7707	\$4.4574	\$5.9689	
<b>Base GCR Factor</b>	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	
<b>NYMEX Increase</b>	<b>Incremental Contingent GCR Factor</b>								
Greater than Or Equal to									
\$0.00	\$0.05	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
\$0.05	\$0.10	\$0.0295	\$0.0116	\$0.0268	\$0.0115	\$0.0253	\$0.0124	\$0.0250	\$0.0118
\$0.10	\$0.15	\$0.0590	\$0.0232	\$0.0536	\$0.0230	\$0.0506	\$0.0247	\$0.0500	\$0.0237
\$0.15	\$0.20	\$0.0885	\$0.0349	\$0.0804	\$0.0345	\$0.0758	\$0.0371	\$0.0750	\$0.0355
\$0.20	\$0.25	\$0.1180	\$0.0465	\$0.1073	\$0.0460	\$0.1011	\$0.0495	\$0.1000	\$0.0474
\$0.25	\$0.30	\$0.1476	\$0.0581	\$0.1341	\$0.0575	\$0.1264	\$0.0619	\$0.1250	\$0.0592
\$0.30	\$0.35	\$0.1771	\$0.0697	\$0.1609	\$0.0690	\$0.1517	\$0.0742	\$0.1500	\$0.0710
\$0.35	\$0.40	\$0.2066	\$0.0813	\$0.1877	\$0.0805	\$0.1769	\$0.0866	\$0.1750	\$0.0829
\$0.40	\$0.45	\$0.2361	\$0.0929	\$0.2145	\$0.0920	\$0.2022	\$0.0990	\$0.2000	\$0.0947
\$0.45	\$0.50	\$0.2656	\$0.1046	\$0.2413	\$0.1035	\$0.2275	\$0.1114	\$0.2250	\$0.1065
\$0.50	\$0.55	\$0.2951	\$0.1162	\$0.2681	\$0.1150	\$0.2528	\$0.1237	\$0.2500	\$0.1184
\$0.55	\$0.60	\$0.3246	\$0.1278	\$0.2949	\$0.1265	\$0.2780	\$0.1361	\$0.2750	\$0.1302
\$0.60	\$0.65	\$0.3541	\$0.1394	\$0.3218	\$0.1380	\$0.3033	\$0.1485	\$0.3000	\$0.1421
\$0.65	\$0.70	\$0.3836	\$0.1510	\$0.3486	\$0.1495	\$0.3286	\$0.1608	\$0.3250	\$0.1539
\$0.70	\$0.75	\$0.4132	\$0.1626	\$0.3754	\$0.1610	\$0.3539	\$0.1732	\$0.3500	\$0.1657
\$0.75	\$0.80	\$0.4427	\$0.1743	\$0.4022	\$0.1725	\$0.3791	\$0.1856	\$0.3750	\$0.1776
\$0.80	\$0.85	\$0.4722	\$0.1859	\$0.4290	\$0.1840	\$0.4044	\$0.1980	\$0.4000	\$0.1894
\$0.85	\$0.90	\$0.5017	\$0.1975	\$0.4558	\$0.1955	\$0.4297	\$0.2103	\$0.4250	\$0.2013
\$0.90	\$0.95	\$0.5312	\$0.2091	\$0.4826	\$0.2070	\$0.4550	\$0.2227	\$0.4500	\$0.2131
\$0.95	\$1.00	\$0.5607	\$0.2207	\$0.5095	\$0.2185	\$0.4802	\$0.2351	\$0.4750	\$0.2249
\$1.00	\$1.05	\$0.5902	\$0.2323	\$0.5363	\$0.2300	\$0.5055	\$0.2475	\$0.5000	\$0.2368
\$1.05	\$1.10	\$0.6197	\$0.2440	\$0.5631	\$0.2415	\$0.5308	\$0.2598	\$0.5250	\$0.2486
\$1.10	\$1.15	\$0.6493	\$0.2556	\$0.5899	\$0.2530	\$0.5561	\$0.2722	\$0.5500	\$0.2604
\$1.15	\$1.20	\$0.6788	\$0.2672	\$0.6167	\$0.2645	\$0.5813	\$0.2846	\$0.5750	\$0.2723
\$1.20	\$1.25	\$0.7083	\$0.2788	\$0.6435	\$0.2760	\$0.6066	\$0.2969	\$0.6000	\$0.2841
\$1.25	\$1.30	\$0.7378	\$0.2904	\$0.6703	\$0.2875	\$0.6319	\$0.3093	\$0.6250	\$0.2960
\$1.30	\$1.35	\$0.7673	\$0.3020	\$0.6971	\$0.2990	\$0.6572	\$0.3217	\$0.6500	\$0.3078
\$1.35	\$1.40	\$0.7968	\$0.3137	\$0.7240	\$0.3105	\$0.6824	\$0.3341	\$0.6750	\$0.3196
\$1.40	\$1.45	\$0.8263	\$0.3253	\$0.7508	\$0.3220	\$0.7077	\$0.3464	\$0.7000	\$0.3315
\$1.45	\$1.50	\$0.8558	\$0.3369	\$0.7776	\$0.3335	\$0.7330	\$0.3588	\$0.7250	\$0.3433

SEMCO ENERGY GAS COMPANY – BATTLE CREEK DIVISION  
(To revise Gas Cost Recovery Factors)

Case No.: U-15703

	April-June		July-Sept		Oct-Dec		Jan-Mar		
	1st Q		2nd Q		3rd Q		4th Q		
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	
	April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Jan-Mar	
<b>Fractional Mult. <math>F_m</math></b>	0.590	0.232	0.536	0.230	0.506	0.247	0.500	0.237	
<b>Plan NYMEX (<math>X_{plan}</math>)</b>	\$4.4574	\$5.7707	\$4.4574	\$5.7707	\$4.4574	\$5.7707	\$4.4574	\$5.9689	
<b>Base GCR Factor</b>	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	\$6.5490	
<b>NYMEX Increase</b>	<b>Incremental Contingent GCR Factor</b>								
Greater than Or Equal to									But Less than
\$1.50	\$1.55	\$0.8853	\$0.3485	\$0.8044	\$0.3450	\$0.7583	\$0.3712	\$0.7500	\$0.3551
\$1.55	\$1.60	\$0.9149	\$0.3601	\$0.8312	\$0.3565	\$0.7835	\$0.3836	\$0.7750	\$0.3670
\$1.60	\$1.65	\$0.9444	\$0.3717	\$0.8580	\$0.3680	\$0.8088	\$0.3959	\$0.8000	\$0.3788
\$1.65	\$1.70	\$0.9739	\$0.3834	\$0.8848	\$0.3795	\$0.8341	\$0.4083	\$0.8250	\$0.3907
\$1.70	\$1.75	\$1.0034	\$0.3950	\$0.9116	\$0.3910	\$0.8594	\$0.4207	\$0.8500	\$0.4025
\$1.75	\$1.80	\$1.0329	\$0.4066	\$0.9385	\$0.4025	\$0.8847	\$0.4330	\$0.8750	\$0.4143
\$1.80	\$1.85	\$1.0624	\$0.4182	\$0.9653	\$0.4140	\$0.9099	\$0.4454	\$0.9000	\$0.4262
\$1.85	\$1.90	\$1.0919	\$0.4298	\$0.9921	\$0.4255	\$0.9352	\$0.4578	\$0.9250	\$0.4380
\$1.90	\$1.95	\$1.1214	\$0.4414	\$1.0189	\$0.4370	\$0.9605	\$0.4702	\$0.9500	\$0.4499
\$1.95	\$2.00	\$1.1509	\$0.4531	\$1.0457	\$0.4485	\$0.9858	\$0.4825	\$0.9750	\$0.4617
\$2.00	\$2.05	\$1.1805	\$0.4647	\$1.0725	\$0.4600	\$1.0110	\$0.4949	\$1.0000	\$0.4735
\$2.05	\$2.10	\$1.2100	\$0.4763	\$1.0993	\$0.4715	\$1.0363	\$0.5073	\$1.0250	\$0.4854
\$2.10	\$2.15	\$1.2395	\$0.4879	\$1.1262	\$0.4830	\$1.0616	\$0.5197	\$1.0500	\$0.4972
\$2.15	\$2.20	\$1.2690	\$0.4995	\$1.1530	\$0.4945	\$1.0869	\$0.5320	\$1.0750	\$0.5090
\$2.20	\$2.25	\$1.2985	\$0.5111	\$1.1798	\$0.5060	\$1.1121	\$0.5444	\$1.1000	\$0.5209
\$2.25	\$2.30	\$1.3280	\$0.5228	\$1.2066	\$0.5175	\$1.1374	\$0.5568	\$1.1250	\$0.5327
\$2.30	\$2.35	\$1.3575	\$0.5344	\$1.2334	\$0.5290	\$1.1627	\$0.5691	\$1.1500	\$0.5446
\$2.35	\$2.40	\$1.3870	\$0.5460	\$1.2602	\$0.5405	\$1.1880	\$0.5815	\$1.1750	\$0.5564
\$2.40	\$2.45	\$1.4166	\$0.5576	\$1.2870	\$0.5520	\$1.2132	\$0.5939	\$1.2000	\$0.5682
\$2.45	\$2.50	\$1.4461	\$0.5692	\$1.3138	\$0.5635	\$1.2385	\$0.6063	\$1.2251	\$0.5801
\$2.50	\$2.55	\$1.4756	\$0.5808	\$1.3407	\$0.5750	\$1.2638	\$0.6186	\$1.2501	\$0.5919
\$2.55	\$2.60	\$1.5051	\$0.5925	\$1.3675	\$0.5865	\$1.2891	\$0.6310	\$1.2751	\$0.6038
\$2.60	\$2.65	\$1.5346	\$0.6041	\$1.3943	\$0.5980	\$1.3143	\$0.6434	\$1.3001	\$0.6156
\$2.65	\$2.70	\$1.5641	\$0.6157	\$1.4211	\$0.6095	\$1.3396	\$0.6558	\$1.3251	\$0.6274
\$2.70	\$2.75	\$1.5936	\$0.6273	\$1.4479	\$0.6210	\$1.3649	\$0.6681	\$1.3501	\$0.6393
\$2.75	\$2.80	\$1.6231	\$0.6389	\$1.4747	\$0.6325	\$1.3902	\$0.6805	\$1.3751	\$0.6511
\$2.80	\$2.85	\$1.6526	\$0.6505	\$1.5015	\$0.6440	\$1.4154	\$0.6929	\$1.4001	\$0.6629
\$2.85	\$2.90	\$1.6822	\$0.6622	\$1.5284	\$0.6555	\$1.4407	\$0.7052	\$1.4251	\$0.6748
\$2.90	\$2.95	\$1.7117	\$0.6738	\$1.5552	\$0.6670	\$1.4660	\$0.7176	\$1.4501	\$0.6866
\$2.95	\$3.00	\$1.7412	\$0.6854	\$1.5820	\$0.6785	\$1.4913	\$0.7300	\$1.4751	\$0.6985
\$3.00		\$1.7707	\$0.6970	\$1.6088	\$0.6900	\$1.5165	\$0.7424	\$1.5001	\$0.7103