

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
SEMCO ENERGY GAS COMPANY)	
for authority to increase its rates for the)	Case No. U-20479
distribution and transportation of natural gas)	
and for other relief.)	
_____)	

At the December 6, 2019 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
 Hon. Daniel C. Scripps, Commissioner
 Hon. Tremaine L. Phillips, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On May 31, 2019, SEMCO Energy Gas Company (SEMCO) filed an application, with supporting testimony and exhibits,¹ requesting authority to increase its rates for the distribution and transportation of natural gas and for other relief. SEMCO indicated in its application that it projected a \$38,114,307 jurisdictional revenue deficiency based on a projected 2020 calendar test year.

A prehearing conference was held on July 9, 2019, before Administrative Law Judge Sharon L. Feldman (ALJ). At the prehearing conference, the ALJ granted intervenor status to the Michigan Department of the Attorney General (Attorney General), Citizens Utility Board of

¹ On September 6, 2019, SEMCO filed replacement testimony and exhibits.

Michigan (CUB), and the Retail Energy Supply Association (RESA). SEMCO and the Commission Staff (Staff) also participated in the proceeding.

On September 27, 2019, CUB, the Staff, RESA, and the Attorney General filed direct testimony and exhibits, and on October 18, 2019, the Attorney General, the Staff, and SEMCO filed rebuttal testimony and exhibits.² On November 4, 2019, an evidentiary hearing took place wherein testimony and exhibits were bound into the record and cross-examination was waived. On November 20, 2019, after extensive discussions among the parties, a settlement agreement resolving all issues and agreed to by all parties was filed. Exhibit A, ¶ 7.

According to the settlement agreement, attached as Exhibit A, the parties agree that SEMCO's rates will be adjusted to reflect, as of January 1, 2020, on a service-rendered basis, a net annual revenue increase of \$19.9 million, inclusive of all impacts from the Tax Cuts and Jobs Act of 2017. The parties further agree that the revenue increase represents an overall capital structure with 54% common equity, with the understanding that the utility will move towards a 50/50 capital structure in its next general rate case, and also reflects an authorized rate of return on common equity of 9.87%.

The settlement agreement provides that the annual increase of \$19.9 million shall be allocated to customer classes as set forth in Attachment A to the settlement agreement and that, among other things, the increase shall be collected from the residential customer class through a monthly customer charge of \$12.25 and a volumetric distribution rate based on a billing determination of 95.5 dekatherms (Dth) in annual use per customer.

² On October 29 and 31, 2019, the Attorney General, RESA, and SEMCO filed revisions to testimony and exhibits. Public comments were also filed in the docket.

The settlement agreement provides that SEMCO shall initiate specified changes to its main replacement program and shall initiate an infrastructure reliability improvement program, with associated surcharges for both effective January 1, 2021, as set forth in Attachment B to the settlement agreement. The parties further agree that SEMCO shall implement a facility improvement demand surcharge of \$0.0328/Dth, as set forth in Attachment B effective January 1, 2020, with revenue collected to be used as a credit in the gas cost recovery process.

The parties agree to additional tariff revisions set forth in Attachments B and D to the settlement agreement, including the addition of a residential income assistance (RIA) program, with a monthly RIA credit equal to the customer charge and an enrollment target of 10,500 customers, and a low-income assistance credit of \$30 per month, capped at 2,000 customers.

The parties further agree that SEMCO shall not seek an increase in its general rates to take effect prior to January 1, 2023, and that, in its next general rate case, SEMCO will propose and support the removal of its hang tag fee and socialize this expense in base rates as it relates to low-income customers. SEMCO further agrees to investigate probabilistic risk modeling prior to its next general rate case and to address those results in that case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. SEMCO Energy Gas Company is authorized to increase its rates for the distribution and transportation of natural gas by \$19.9 million on an annual basis, in accordance with the settlement agreement, effective for service rendered on and after January 1, 2020, unless otherwise provided in the settlement agreement.

C. The Tax Cuts and Jobs Act of 2017 Credit A credits approved in the May 30, 2018 order in Case No. U-20115 shall terminate on January 1, 2020.

D. Within 30 days of this order, SEMCO Energy Gas Company shall file, with the Commission, tariff sheets substantially similar to those set forth in Attachment B to the settlement agreement.

E. Within 30 days of the implementation of the required software contemplated in Paragraph 7J of the settlement agreement, SEMCO Energy Gas Company shall file, with the Commission, tariff sheets substantially similar to those set forth in Attachment D 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. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General – Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of December 6, 2019.

Lisa Felice, 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 increase its rates for the)
distribution and transportation of natural gas)
and for other relief.)

Case No. U-20479

SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969 as amended, MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System’s Administrative Hearing Rules (R 792.10431), SEMCO Energy Gas Company, a division of SEMCO Energy, Inc. (“SEMCO Gas” or the “Company”), the Michigan Public Service Commission Staff (“Staff”), Attorney General Dana Nessel (“AG”), Citizens Utility Board of Michigan (“CUB”) and the Retail Energy Supply Association (“RESA”) (collectively, the “Parties”) agree as follows:

1. On May 31, 2019, SEMCO Gas filed its Application in this matter, along with supporting testimony, exhibits, and workpapers, proposing, among other things, an annual increase in its natural gas rates of \$38,114,307 based on a 2020 projected test year.
2. On June 12, 2019, the Commission’s Executive Secretary issued the Notice of Hearing. The prehearing conference was scheduled for July 9, 2019, before Administrative Law Judge (“ALJ”) Sharron L. Feldman.
3. At the prehearing, the petitions to intervene of the AG, CUB and RESA were granted. Staff also entered its appearance.

4. On September 27, 2019, the Staff, AG, CUB, and RESA each filed direct testimony and exhibits.

5. On October 18, 2019, SEMCO Gas filed its rebuttal testimony and exhibits. The Staff and the AG also filed rebuttal testimony.

6. On November 4, 2019, a hearing was held to bind in and admit into evidence the direct and rebuttal cases of the Parties.

7. Subsequently, after extensive discussions among the Parties, for purposes of resolving all of the issues in this case and subject to acceptance and approval of this Settlement Agreement by the Commission without modification, the Parties agree as follows:

- A. SEMCO Gas's rates will be adjusted to reflect an annual revenue increase of \$19,900,000 on a service rendered basis, as of January 1, 2020. This increase represents an overall capital structure with 54% common equity, with the understanding that in SEMCO Gas's next general rate case, the Company will move towards a 50/50 capital structure. The agreed-upon increase further reflects an authorized rate of return on common equity of 9.87%.
- B. The annual increase of \$19,900,000 shall be allocated to SEMCO Gas's tariff sales customer classes in the manner set forth in Attachment A to this Settlement Agreement. Among other things, the increase shall be collected from the residential customer class through a monthly customer charge of \$12.25 and a volumetric distribution rate based on a billing determination of 95.5 Dekatherms ("Dth") in annual use per customer.

- C. Except as addressed in paragraphs F, G and I herein, the revisions to SEMCO Gas's tariff sheets attached as Attachment B to the Settlement Agreement shall be effective on January 1, 2020.
- D. All impacts from Tax Cut and Jobs Act of 2017 ("TCJA"), including those referred to as Credit A and Calculation C, in the Commission's February 22, 2018 Order in Case No. U-18494 and May 2, 2019 Order in Case No. U-20311, are fully reflected in the base rates shown in Attachment B hereto. Consequently, the credits represented in the Commission's May 30, 2018 Order in Case No. U-20115 will terminate on the same date that the new base rates are effective, January 1, 2020.
- E. SEMCO Gas shall not, pursuant to MCL 460.6a, seek an increase in its general rates to take effect prior to January 1, 2023.
- F. SEMCO Gas shall initiate the following changes to its Main Replacement Program ("MRP") effective from 2021 through 2025. It is agreed that the MRP carrying cost rate shall be 9.43%. The Company will continue to utilize the Distribution Integrity Management Program ("DIMP") for project selection and will continue to target unprotected steel and vintage plastic pipe. The MRP will no longer have a base mile requirement but all miles will still be included in an annual report. The Company will file by April 1st of the year following the program year a report in this docket documenting the annual capital spend and total miles. The Staff will conduct an annual review of the MRP report and if necessary, file a report containing any appropriate recommendations to the Commission by June 1. Should the

Company underspend in that year, the underspent amount will be placed into a regulatory liability account to be addressed in the Company's next general base rate case. It is agreed that the MRP surcharge will not be subject to caps. The MRP Rider and surcharges to be effective January 1, 2021, are set forth in Attachment B. The 2021-2025 rate schedule is outlined in Attachment C. New rates will begin January 1 of each year and will be set forth in subsequent updated tariff pages.

- G. SEMCO Gas shall initiate the Infrastructure Reliability Improvement Program ("IRIP") beginning in 2020 through 2025 to complete projects detailed, along with the 2021-2025 rate schedule, in Attachment C. However, it is understood that SEMCO Gas will host technical conferences with the Parties to review project selection and prioritization process for the IRIP. It is agreed that the IRIP carrying cost rate shall be 9.43%. The Company will file by April 1st of the year following the program year a report in this docket documenting the annual capital spend and project details. The Staff will conduct an annual review of the IRIP report and if necessary, file a report containing any appropriate recommendations to the Commission by June 1. Should the Company underspend in that year, the underspent amount will be placed into a regulatory liability account to be addressed in the Company's next general base rate case. The surcharges associated with the IRIP to be effective January 1, 2021, are set forth in Attachment B. New rates will begin January 1 of each year and will be set forth in subsequent updated tariff pages.

- H. SEMCO Gas shall implement the Facility Improvement Demand (“FID”) surcharge of \$0.0328/Dth as set forth in Attachment B effective January 1, 2020. Revenue collected from the FID surcharge will be used as a credit in the gas cost recovery (“GCR”) process. When new third party pipeline interconnection costs are incurred in the future, SEMCO Gas will file an application with the Commission requesting approval to update the FID surcharge. This filing will be made on or around the same time the Company files its GCR case which reflects the inclusion of a new pipeline interconnection in the cost of gas for GCR and gas customer choice customers.
- I. Attachment B reflects miscellaneous tariff revisions including changes to rates, the addition of the Residential Income Assistance (“RIA”) program, the Low-Income Assistance Credit (“LIAC”), the new MRP and IRIP programs, changes to the gas customer choice program, and various other changes to Sections A, C, D, E, and F of the Company’s Rate Book. All changes reflected in Attachment B will take effect January 1, 2020.
- J. Attachment D reflects additional revisions including changes to charges, penalties and conditions related to the daily balancing process for natural gas transportation services set forth in Section E of the Company’s tariff. The changes reflected in Attachment D will take effect sometime in 2020 after the implementation of required Company software. Thirty-day notice will be provided to all affected customers. After a full year of implementation, SEMCO Gas will file in this docket reporting on its

experience with the move to the daily cash out process and related charges and penalties.

- K. The following describes SEMCO Gas's new Low Income Programs: SEMCO Gas agrees to implement a RIA program, in addition to the LIAC program. Customers enrolled in the RIA will receive a monthly credit equal to the customer charge. The program will have an enrollment target of 10,500 customers. Customers enrolled in the LIAC program will receive a monthly credit of \$30. Enrollment for the LIAC program will be capped at 2,000 customers. Further detail of which is provided in Attachment B.
- L. SEMCO Gas agrees that in its next general rate case it will propose and support the removal of its hang tag fee and socialize the expense in base rates but only as relating to its low income customers. Further, prior to its next general rate case, SEMCO Gas agrees to investigate probabilistic risk modeling and address the results in the case.

8. The Parties represent that Commission approval of this Settlement Agreement will aid in the expeditious conclusion of this proceeding and will minimize the time, effort and expense which would otherwise have to be devoted to this matter by the Commission and the Parties to the proceeding.

9. This Settlement Agreement has been made for the sole and express purpose of reaching a compromise among the positions of the Parties, without prejudice to their rights to take the same, new, or different positions in other proceedings. All offers of settlement and discussions relating to this Settlement Agreement shall be considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the Parties

to this Settlement Agreement nor the Commission shall make any reference to or use of 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 or use may be made to enforce the Settlement Agreement and any order approving it.

10. Each Party agrees not to appeal, challenge or otherwise contest the rates approved by the Commission in this case if they are the result of a Commission order accepting and approving this Settlement Agreement without modification. The terms of this Settlement Agreement are not severable. If the Commission does not accept this Settlement Agreement without modification, unless the Parties otherwise agree, in writing, this Settlement Agreement shall be deemed withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever. In such event, the Parties shall cooperate fully to bring this case to an expeditious conclusion, including by seeking to have the Administrative Law Judge schedule evidentiary hearings at the earliest practicable date.

11. The Parties waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281) as it applies to this Settlement Agreement.

SEMCO ENERGY GAS COMPANY

Sherri A. Wellman

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Dated: November 14, 2019

By: _____

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CITIZENS UTILITY BOARD OF MICHIGAN

Dated: November 14, 2019

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Dated: November 14, 2019

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Michigan Public Service Commission
SEMCO ENERGY Gas Compan
Summar of Proposed Rate Increase

Line No.	(a) Description	(b) Present Revenue \$	(c) Proposed Revenue \$	(d) Difference		(e) Percent %	(f) Cost of Service Allocation	(g) Target Revenue
				Revenue	Revenue			
Residential Service								
1	Residential Meter	\$ 174,074,249	\$ 187,744,279	\$ 13,670,030		8%	\$ 185,659,668	\$ 187,745,138
2	Total Residential Service	\$ 174,074,249	187,744,279	13,670,030		8%	185,659,668	187,745,138
General Service								
3	Small Service GS-1	\$ 29,900,944	\$ 31,458,615	1,557,671		5%	30,804,841	31,458,818
4	Medium Service GS-2	\$ 22,413,226	\$ 22,755,636	342,410		2%	22,403,373	22,755,516
5	Large Service GS-3	\$ 32,348,461	\$ 32,764,211	415,750		1%	32,336,347	32,763,930
6	Total General Service ⁽¹⁾	\$ 84,662,631	86,978,462	2,315,832		3%	85,544,561	86,978,264
7	Total Gas Sales	\$ 258,736,879	274,722,741	15,985,862		6%	271,204,229	274,723,402
Transportation								
8	Small Transport TR-1	\$ 3,710,987	\$ 4,149,383	438,396		12%	3,700,897	4,149,445
9	Medium Transport TR-2	\$ 6,091,549	\$ 8,528,613	2,437,064		40%	8,866,336	8,528,169
10	Large Transport TR-3	\$ 1,887,998	\$ 2,956,397	1,068,399		57%	8,383,752	2,956,397
11	Special Transport Rates	\$ 1,827,801	\$ 1,797,801	(30,000)		-2%		1,797,801
12	Total Transportation	\$ 13,518,336	17,432,194	3,913,858		29%	20,950,985	17,431,812
13	Total Service (Deliver & Fuel)	\$ 272,255,215	\$ 292,154,935	\$ 19,899,720		7%	\$ 292,155,215	\$ 292,155,215
14	Revenue Increase/(Decrease) Due to Rounding			360.30				
15	Total Revenue (Sufficienc)/Deficienc			\$ 19,900,080				
		Present Revenue						
		Without Credit A	Difference	Revenue Requirement				
16	Credit A Impact	\$ 279,442,342	\$ (7,187,127)	\$ 12,712,953				

Michigan Public Service Commission
SEMCO ENERGY Gas Compan
Summar of Proposed Rate Increase

Line	Average Rate Comparison	Average Monthl Bill		Increase / (Decrease)	Percent Change
		Present	Proposed		
1	Residential General Service	\$ 51.33	\$ 55.36	\$ 4.03	8%
2	GS-1	\$ 111.77	\$ 117.59	\$ 5.82	5%
3	GS-2	\$ 561.95	\$ 570.53	\$ 8.58	2%
4	GS-3	\$ 3,247.17	\$ 3,288.90	\$ 41.73	1%
	Transportation				
5	TR-1	\$ 2,643.15	\$ 2,955.40	\$ 312.25	12%
6	TR-2	\$ 8,905.77	\$ 12,468.73	\$ 3,562.96	40%
7	TR-3	\$ 26,222.19	\$ 41,061.06	\$ 14,838.87	57%

Michigan Public Service Commission
SEMCO ENERGY Gas Compan
Summar of Proposed Rate Increase

Line No.	(a) Description	(b) Units	(c) Present	(d) Proposed
Residential Class				
Residential Meter				
1	Customer Charge	\$/Mth	11.50	12.25
2	Income Assistance - RIA Program	\$/Mth		(12.25)
3	Income Assistance - LIAC Program	\$/Mth	-	(30.00)
4	MRP Charge	\$/Mth	1.50	-
5	Distribution Charge	\$/Dth	1.7342	2.2451
General Service				
Small Service GS-1				
6	Customer Charge	\$/Mth	11.50	15.00
7	MRP Charge	\$/Mth	3.31	-
8	Distribution Charge	\$/Dth	1.8203	1.9556
Medium Service GS-2				
9	Customer Charge	\$/Mth	35.00	38.80
10	MRP Charge	\$/Mth	20.87	-
11	Distribution Charge	\$/Dth	1.3932	1.5226
Large Service GS-3				
12	Customer Charge	\$/Mth	105.00	116.20
13	MRP Charge	\$/Mth	98.91	-
14	Distribution Charge	\$/Dth	1.0985	1.1966
Transportation				
Small Transport TR-1				
15	Customer Charge	\$/Mth	350.00	350.00
16	Remote Meter Charge	\$/Mth	75.00	75.00
17	MRP Charge	\$/Mth	273.89	-
18	On-Peak Charge	\$/Dth	0.9068	-
19	Off-Peak Charge	\$/Dth	0.7568	-
20	Transportation Rate	\$/Dth	-	1.0334
Large Transport TR-2				
21	Customer Charge	\$/Mth	1,590.00	1,089.15
22	Remote Meter Charge	\$/Mth	75.00	75.00
23	MRP Charge	\$/Mth	500.00	-
24	On-Peak Charge	\$/Dth	0.6279	-
25	Off-Peak Charge	\$/Dth	0.4779	-
26	Transportation Rate	\$/Dth	-	0.8563
Extra Large Transport TR-3				
27	Customer Charge	\$/Mth	7,290.00	10,831.50
28	Remote Meter Charge	\$/Mth	75.00	75.00
29	MRP Charge	\$/Mth	500.00	-
30	On-Peak Charge	\$/Dth	0.4031	-
31	Off-Peak Charge	\$/Dth	0.2531	-
32	Transportation Rate	\$/Dth	-	0.4669

Michigan Public Service Commission
SEMCO ENERGY Gas Compan
Summar of Proposed Rate Increase

Line No.	(a) Description	(b) Units	(c) Present	(d) Proposed
Special Rates - Extra Large Transportation				
30	Customer	\$/Mth	7,290.00	7,290.00
31	Remote Meter Charge	\$/Mth	75.00	75.00
32	MRP Charge	\$/Mth	500.00	-
Transportation Rate				
33	Graphic Packaging	\$/Dth	0.30	0.30
34	Post	\$/Dth	0.30	0.30
35	UP Paper	\$/Dth	0.28	0.28
36	West Rock	\$/Dth	0.30	0.30
37	Marquette Energ Center	\$/Dth	0.21	0.21
Other Transportation				
38	Gas in Kind	%	1.0530	0.3460
39	Facilities Improvement Demand Surcharge	\$/Dth	-	0.0328
Customer Attachment Program				
40	Discount Rate	%	7.22	6.44
41	Carr ing Cost Rate	%	10.01	9.43

M.P.S.C. No. 1 – Gas
SEMCO Energy Gas Company

Sheet No. A-1.00

SEMCO ENERGY GAS COMPANY
(A Division of SEMCO ENERGY, INC.)

**RATE BOOK
FOR
NATURAL GAS SERVICE**

These Standard Rules and Regulations and Rate Schedules contained herein have been adopted by the Company to govern its relations with customers and have been approved by the Michigan Public Service Commission as an integral part of its Rate Book for Natural Gas Service.

Copies of the Company's Rate Book for Natural Gas Service are available on SEMCO Energy's Company website at the following website

<http://www.semcoenergygas.com/FileStorage/Tariff.pdf>

a or at the Michigan Public Service Commission's website at the following website address,

<http://www.michigan.gov/mpsc/0,4639,7-159-16385-419459--,00.html>.

Territory

This Rate Book for Natural Gas Service applies to the entire territory served with Natural Gas by the Company.

M.P.S.C. No. 1 – Gas

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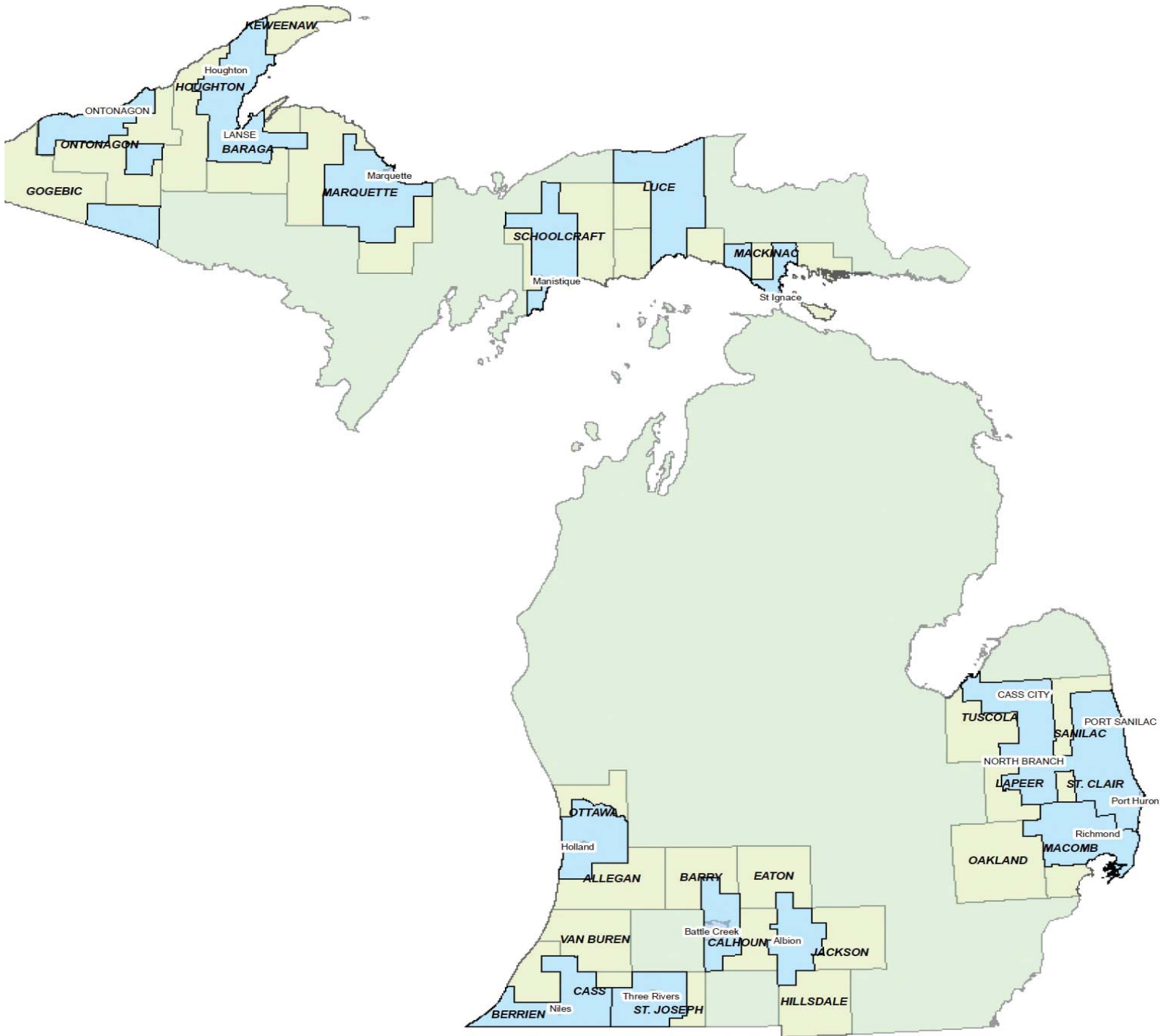
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http://www.semcoenergygas.com/main/content?page=58&SideParent	



This sheet has been cancelled and
is reserved for future use.

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City: Village of: Township of:

OPERATIONAL DISTRICT – EASTERN continued

ST. CLAIR COUNTY

Algonac	Emmett	Berlin	Brockway
Marine City		Burtchville	Casco
Marysville		China	Clay
Memphis		Clyde	Columbus
Port Huron		Cottrellville	East China
St. Clair		Emmett	Fort Gratiot
Yale		Grant	Greenwood
		Ira	Kenockee
		Kimball	Port Huron
		Riley	St. Clair
		Wales	

SANILAC COUNTY

Brown City	Applegate	Bridgehampton	Buel
Croswell	Carsonville	Custer	Elk
Sandusky	Deckerville	Elmer	Evergreen
Marlette	Lexington		Forester
	Melvin	Fremont	Greenleaf
	Peck	Lamotte	Lexington
	Port Sanilac	Maple Valley	Marion
		Marlette	Sanilac
		Speaker	Washington
		Watertown	Wheatland
		Worth	

TUSCOLA COUNTY

Cass City	Akron	Almer
Kingston	Columbia	Elkland
	Ellington	Elmwood
	Kingston	Koylton
	Novesta	

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City:

Village of:

Township of:

OPERATIONAL DISTRICT – SOUTHWESTERN

BERRIEN COUNTY

Buchanan
New Buffalo
Niles

Galien
Grand Beach
Michiana Shore
Three Oaks

Bainbridge
Buchanan
Galien
New Buffalo
Three Oaks

Bertrand
Chikaming
Lake
Niles
Weesaw

CASS COUNTY

Dowagiac

Cassopolis
Edwardsberg

Calvin
Jefferson

Howard
La Grange

Mason
Newberg
Penn
Porter
Wayne

Milton
Ontwa
Pokagon
Silver Creek

ST. JOSEPH COUNTY

Three Rivers

Centreville
Constantine
White Pigeon

Constantine
Florence
Lockport
Nottawa
Mottville

Fabius
Flowerfield
Mendon
Park Sherman
White Pigeon

VAN BUREN COUNTY

Keeler

OPERATIONAL DISTRICT – WESTERN

ALLEGAN COUNTY

Holland

Fillmore
Manlius
Salem

Laketown
Overisel
Saugatuck

OTTAWA COUNTY

Holland
Zeeland

Robinson

Allendale
Georgetown
Jamestown
Park
Zeeland

Blendon
Holland
Olive
Port Sheldon

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OPERATIONAL DISTRICT – UPPER PENINSULA EAST

BARAGA COUNTY

Baraga L’Anse	Baraga	L’Anse
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LUCE COUNTY

Newberry	McMillan	Pentland
----------	----------	----------

MACKINAC COUNTY

St. Ignace	Engadine	Garfield St. Ignace	Moran
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SCHOOLCRAFT COUNTY

Manistique		Hiawatha Thompson	Manistique
------------	--	----------------------	------------

VAN BUREN COUNTY

Keeler

OPERATIONAL DISTRICT – UPPER PENINSULA WEST

GOGEBIC COUNTY

Marenisco	Marenisco	Watersmeet
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HOUGHTON COUNTY

Hancock Houghton	South Range Calumet Lake Linden Laurium Dollar Bay Tamarack Mills Hubbell	Adams Franklin Portage Calumet Torch Lake	Chassell Osceola Quincy Schoolcraft
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MARQUETTE COUNTY

Ishpeming Marquette Negaunee		Chocolay Forsyth Marquette Republic Sands West Branch	Ely Ishpeming Nequanee Richmond Tilden
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ONTONAGON COUNTY

Ontonagon White Pine	Carp Lake Rockland	Ontonagon Stannard
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METER TEST CHARGE

The charge for a gas meter test when applicable per B.1.5.51 (Rule R460.2351) will be based upon time and materials.

ELEVATED PRESSURE CHARGE

Where a customer requires the Company to provide gas service at an elevated pressure (a pressure higher than standard pressure), the customer shall pay an initial charge of \$300 and shall pay an additional \$100 for each annual inspection of the system pressure thereafter. Elevated pressure provided at 2.0 p.s.i. for residential use shall be exempt from such charge.

ADDITIONAL METER BRACKET CHARGE

Where the Company sets an additional meter bracket from a single service at the same time as the Company installs the first meter bracket, the customer shall be subject to the charges directed by Rule C9, Customer Attachment Program.

Where the Company installs an additional meter bracket from a single service line at a time other than when the original meter bracket is installed, the charge shall be \$200.

SERVICE LINE AND/OR METER RELOCATION CHARGE

A charge for a customer requested service line or meter relocation shall be based upon time and materials.

OTHER CHARGES

A customer will be subject to a flat charge based on average cost for work performed to upgrade a meter at customer request, install or change an Excess Flow Valve (“EFV”), or retire service.

REMOTE MONITORING EQUIPMENT

Upon request, the Company may allow Customer, Shipper, or Authorized Agent to install equipment for remote monitoring of gas consumption. The Company may install additional equipment for the protection of Company’s metering facilities and to enable interfacing of a remote monitoring device. Connection of a remote monitoring device to the Company’s metering facilities shall be performed by the Company or installed under direct supervision of the Company. The Customer, Shipper or Authorized Agent will be charged a fee of \$2,100 for each instance of installation, repair, or re-installation of a remote monitoring device.

Continued From Sheet No. A-18.00

(C) Customer construction of a structure or appurtenance near or over the main, service line piping, or meter set assembly so that the utility's facilities are not in compliance with the provisions of the Michigan Gas Safety Standards or the utility's standards.

(D) Customer failure to correct or replace gas utilization equipment or gas fuel line piping that has been previously identified and classified as potentially hazardous by the utility.

Rate Book -- The assembled rate schedules, rules, regulations, and standard forms of the utility as filed with the commission.

Required Access -- Access that is necessary to conduct any of the following:

(A) Routine inspections and maintenance.

(B) Meter readings of gas usage.

(C) Scheduled replacement, repairs, relocations, or disconnection of branch service lines or other changes with respect to service lines and meter assembly piping.

SNG -- Substitute natural gas.

Substitute Natural Gas -- Gas which is interchangeable and compatible with natural gas, and which is manufactured from carbon and hydrogen-bearing materials.

Therm -- 100,000 British thermal units.

Utility -- A person, firm, corporation, cooperative, association, or agency which is subject to the jurisdiction of the Commission and which delivers or distributes and sells gas to the public for heating, power, or other residential, commercial, or industrial purposes

M.P.S.C – No. 1 – Gas
SEMCO ENERGY GAS COMPANY

Sheet No. C-1.00

**SECTION C
COMPANY RULES AND REGULATIONS
(FOR ALL CUSTOMERS)**

These General Rules and Regulations for all customers are not to supersede but are in addition to Rule B1, Technical Standards for Gas Service and Rule B2., Consumer Standards and Billing Practices for **Electric and Natural Gas Service**.

C1. CHARACTERISTICS OF SERVICE

C1.1 Company Liability and Force Majeure:

A. Company Liability

In any case of stoppage of the flow of gas to Customers, whether caused by accident, repairs or other cause, the Company will not be liable for any damage that may arise therefrom. All stoppage of gas or damages of any kind that may be caused by severe cold weather will be considered beyond the control of the Company and involving no pecuniary responsibility on its part.

The Company shall not be liable for damages that may be incurred by the use of gas or appliances or the presence of the Company's property on Customer's premises.

If a judgment is entered against the Company as a result of its failure to exercise reasonable care and skill, the Company's liability shall be limited to an amount equivalent to three times the Customer's non-gas Monthly Customer Charge or one thousand dollars, whichever is less. Neither the Company nor Customer shall be liable to the other party for consequential, incidental, exemplary, punitive, or indirect damages, lost profits or other business interruption damages arising out of the performance or non-performance of any obligation under the Company's Rate Book for Natural Gas Service or any contract, by statute, in tort or contract, under any indemnity provision or otherwise.

B. Force Majeure

Neither Customer nor the Company shall be liable in damages, or in any other remedy, legal or equitable, to the other for any act, omission, or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), extreme weather (any weather event that increases Customer demand beyond what the Company's system can deliver), crevasses, floods, washouts, loss of utility services (including but not limited to electric power, natural gas or other fuels, water supply, storm water or sewer drain service, radio communications, telephonic communications, fiber communications, cable communications, or internet communications), arrests and restraints of the government, either Federal or State, civil or military, and civil disturbances. Force majeure shall also mean the loss of upstream and/or on-system gas supply (including but not limited to gas supply received from on-system local gas production or on-system gas storage), the inability to schedule or transport gas to the Company's pipeline system from upstream sources, Gas Quality Deficiency, shutdowns for purposes of necessary repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity of testing (as required by governmental authority or as deemed necessary by the Company for the safe operation thereof), the necessity of making repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipelines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind

Continued On Sheet No. C-1.01

Continued from Sheet No. C-1.00

B. Force Majeure (Contd)

herein enumerated or otherwise which are not reasonably within the control of the Company. It is understood that the settlement of strikes and lockouts or controversies with landowners involving rights of way shall be entirely within the Company's discretion and that the above requirements that any Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the Company.

Under no circumstances will the following events constitute Force Majeure: (i) Customer's lack of finances, (ii) inadequate or uneconomic markets for Customer's gas, or (iii) insufficiency of Customer's gas supplies.

Such causes or contingencies affecting the performance of any obligations under any rate schedule or agreement by either Customer or the Company, shall not relieve it of liability in the event of its concurrent negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance of any obligation relieve Customer from its obligation to make payments of amounts then due, nor shall such causes or contingencies relieve either Customer or the Company of liability unless such party shall give notice and full particulars of the same in writing, including by facsimile or electronic communication, to the other party as soon as possible after the occurrence relied on.

C1.2 Discontinuance of Supply or Service:

The Company shall have the right at any time to terminate its service contract for breach of any of the terms and conditions thereof. The Company shall also have the right to stop service of gas to be furnished thereunder, without notice, for any of the following reasons or purposes, without such action causing a termination of such agreement:

- A. For the purpose of making repairs, replacements, extensions, and/or inability to obtain a meter reading;
- B. On account of or to prevent fraud or abuse;
- C. For violation of any of the Company's regulations;

Continued on Sheet No. C-3.00

Continued From Sheet No. C-5.00

PRIORITY 5

1. Commercial and Industrial requirements for boilers or kilns having alternate fuel capability and a peak usage of 50 Dth per day but less than 300 Dth per day.
2. Commercial and Industrial requirements for boilers or kilns having alternate fuel capability and a peak usage of 300 Dth per day or greater.

PRIORITY 6

The use of natural gas for the generation of steam or electricity by utilities or independent power producers.

- B. A customer who has a pollution problem which presents a threat to the public health and safety, where the use of natural gas offers the only feasible solution to the problem, may petition the Commission to assign a Priority of use higher than that to which the customer would otherwise be entitled. The matter will be considered by the Commission pursuant to its Rules of Practice relating to petitions or complaints.

C2.7 Definitions

- A. Alternate fuel capability means that an alternate fuel could have been used whether or not the facilities for use have actually been installed or the alternate fuel is available.
- B. Boilers shall mean all closed vessels in which a liquid is heated or vaporized by the combustion of fuel for the generation of steam or hot liquid.
- C. Co-generation shall mean the sequential production of both electrical (or mechanical) and thermal energy from the same fuel source.
- D. Commercial gas requirements shall refer to any usual commercial use of gas including but not limited to all gas purchased by a business which does not qualify for a manufacturing industry code under the Standard Industrial Classification, as listed in the current edition of the Standard Industrial classification Manual issued by the Executive Office of the President of the United States.
- E. Essential Agricultural Requirements means any use of natural gas for agricultural production, natural fiber production and processing, food processing, food quality maintenance, irrigation pumping crop drying, or a process fuel or feedstock in the production of fertilizer, agricultural chemicals, animal feed or food; provided, however, that boilers, gas turbines and engines which have alternate fuel capability shall not qualify as essential agricultural requirements without the express authorization of the Michigan Public Service Commission. The matter will be considered by the Commission pursuant to its Rules of Practice relating to petitions or complaints.

Continued On Sheet C-7.00

- F. Feedstock gas is natural gas used as a raw material for its chemical properties in creating an end product.
- G. Industrial gas requirements shall refer to any usual industrial use of gas, including but not limited to all gas purchases under the Standard Industrial Classification, listed in the current edition of the Standard Industrial Classification Manual, issued by the Executive Office of the President of the United States.
- H. Process gas is natural gas used in appliances capable of burning a gaseous fuel so as to utilize those combustion characteristics of gaseous fuels such as complete combustion, safe combustion products flame geometry, ease of temperature control to precise levels, and optimum safety of heat application. Specifically excluded are boilers, gas turbines, space heating equipment (other than direct fired makeup air heaters for process purposes) and indirect air heaters.
- I. Requirements for services essential for public health and safety shall mean gas purchased for use by or in connection with hospitals, convalescent homes, nursing homes, medical centers and clinics; water and sewage treatment and waste disposal facilities; civil defense centers and public utility buildings; newspapers, radio and television stations; fire stations, police stations, jails and penal institutions; and such other uses of gas are found qualified by the Michigan Public Service Commission as requirements of services essential for public health and safety; provided, however, that boilers, turbines and engines which have alternate fuel capability shall not qualify as requirements for services essential for public health and safety without the express authorization of the Michigan Public Service Commission. The matter will be considered by the Commission pursuant to its Rules of Practice relating to petition or complaints.
- J. Residential gas requirements shall include all gas usage metered and consumed within an individual household, and reasonably appurtenant and related to and normally associated with such a household, for such applications as space conditioning, cooking, water heating, refrigeration, clothes drying, incineration, lighting and other similar household applications. The term "household" includes single-family homes, farm homes, seasonal dwellings, duplexes and individual living units within manufactured home parks, condominiums, apartments and cooperatives; provided, however, to qualify for residential usage a household must have the normal household facilities such as bathroom, individual cooking and kitchen sink facilities.

- K. Force Majeure shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), extreme weather (any weather event that increases Customer demand beyond what the Company's system can deliver), crevasses, floods, washouts, loss of utility services (including but not limited to electric power, natural gas or other fuels, water supply, storm water or sewer drain service, radio communications, telephonic communications, fiber communications, cable communications, or internet communications), arrests and restraints of the government, either Federal or State, civil or military, and civil disturbances. Force majeure shall also mean the loss of upstream and/or on-system gas supply (including but not limited to gas supply received from on-system local gas production or on-system gas storage), the inability to schedule or transport gas to the Company's pipeline system from upstream sources, Gas Quality Deficiency, shutdowns for purposes of necessary repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity of testing (as required by governmental authority or as deemed necessary by the Company for the safe operation thereof), the necessity of making repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipelines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably within the control of the Company. It is understood that the settlement of strikes and lockouts or controversies with landowners involving rights of way shall be entirely within the Company's discretion and that the above requirements that any Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the Company.
- L. Gas Transportation Customers shall mean those Customers served under Section E of the Company's Tariff.
- M. Industrial Gas Requirements shall include all service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
- N. Interruption shall mean restrictions of gas supply or gas transportation services to Customers whose contracts or whereby provisions of the Company's Tariff, allow for the restriction of such gas supply or gas transportation services.
- O. Off System Transportation Service Customer shall mean an Off System Transportation Service Customer as described in Section E of the Company's Rate Book for Natural Gas Service.
- P. Requirements For Plant Protection shall mean such minimum quantities of gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protections cannot be afforded through the use of alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.

Continued On Sheet No. C-10.00

H. Unauthorized Use Charge

After the Company has provided actual oral or written notice of implementation of Curtailment to an affected Customer, any gas used by such Customer in excess of the quantities authorized during the period when a Curtailment has been instituted pursuant to this Rule will be subject to unauthorized use charges, with such charges being in addition to those normal charges (excluding penalties) made under the applicable rate schedules.

1. The charge for such unauthorized usage shall be the highest price reported for the Mich Con (also known as DTE Gas), Consumers Energy and Chicago LDCs during the period of Curtailment as reported by Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$10 per Dth. Failure to pay an unauthorized use charge when rendered shall subject the Customer to termination of gas service.
2. Unauthorized use charges will be credited to the Company's Booked Cost of Gas Sold as defined in Section C7.2 of the Company's Rate Book for Natural Gas Service.
3. In instances where Customer violation of Curtailment causes the Company to incur incremental fuel charges, overrun charges and/or penalties on up-stream pipelines, and where incurring of such pipeline penalties cannot reasonably be avoided by acquisition of gas supplies at the Company's city gate stations, then the cost of such pipeline penalties will be passed through to the Customer in violation. Pipeline penalties assessed to Customers are in addition to the regular unauthorized usage charge.
4. In instances where Customer violation of Curtailment causes the Company to incur labor and material costs associated with incremental operating and maintenance activities including, but not limited to: Customer meter shut-offs; Customer meter turn-ons; Customer re-lights; operation, maintenance, or repairs of Company gas facilities; then the cost of such incremental activities will be passed through to those Customer(s) in violation.
5. Incremental labor and material costs associated with a violation of Curtailment shall not be credited to the Company's Booked Cost of Gas Sold as defined in Section C7.2.

The Company may discontinue service without notice other than personal notice at the time of discontinuance, in case the meter or piping on the customer's premises is tampered with in any manner to allow unmetered gas to be used.

The Company will discontinue service to any customer upon request by the customer. However, if reconnection is requested by the same customer on the same premises within one (1) year after discontinuance, the customer shall be charged a turn-on charge.

Continued On Sheet No. C-15.00

C4. APPLICATION OF RATES

C4.1 Rate Schedules:

Unless otherwise specifically provided for in the rate schedule applicable, service will be supplied to each installation through one meter. Gas consumed by the same person, firm or corporation, and delivered and measured at different locations, will be billed separately for each location and not as one customer.

In some cases the customer is eligible to take service under a choice of rates. Upon request, the Company will advise the customer of the rate that will provide the lowest cost of service, based on the information at hand. The customer is ultimately responsible for the selection of the rate.

After the customer has selected their rate, the customer will not be permitted to change from that rate to another rate until at least twelve months have elapsed. Neither will the customer be permitted to evade this rule by temporarily terminating service. However, the Company may, at its option, waive the provisions of this paragraph where it appears that an earlier change is requested for permanent rather than for temporary or seasonal advantage. The intent of this rule is to prohibit frequent shifts from rate to rate.

No refund will be made of the difference in charges under different rates applicable to the same class of service.

C4.2 Special Taxes:

In any municipality or township in which special taxes, license fees or street rentals may be levied against the Company, and with respect to which the levy has been successfully maintained, the rate schedules applicable to service in such area shall be increased to offset such special charges which may be levied in order to prevent the customers in other localities from being compelled to share in any portion of such local increases. Rate schedules shall also be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the Company's production, purchase, distribution or sale of gas where the amount of such tax or excise is measured by the unit or units of gas produced, purchased, distributed or sold.

C4.3 Terms of Service:

A written agreement, inclusive of electronic documents or records, may be required from each customer before service will be commenced. A copy of the agreement will be furnished to the customer upon request.

Service agreements shall remain in force for the term stated, if any, and in any event for the full period during which service is taken and until three days after receipt by the Company at its office of written notice, from the customer, of his wish to discontinue service.

C4.4 Rate Schedule:

A. Apartment Buildings and Multiple Dwellings:

A customer receiving gas through a single meter to a building containing more than four apartments or dwelling units will be classified as a commercial customer, and will have one bill under the appropriate commercial service rate schedule.

Continued On Sheet No. C-19.00

If the building has meters and services for each apartment, the apartment will be classified residential and service will be billed to each service under the Residential Service Rate schedule.

B. Combined Residence and Commercial or Industrial Service:

Where one building is used by a customer as a commercial or industrial establishment and also as a residence, the piping shall be so arranged that the business and residence parts may be metered separately and a bill rendered for each class of service. If, for reasons acceptable to the Company, separation is not effected, the combined service shall be classified as commercial service and shall be billed under the applicable rate.

C4.5 Centrally Metered Installation:

A. A centrally metered installation serving multiple living units, such as apartments, multiple family units or manufactured home parks, is one that meets the following conditions:

1. The Complex is served by a single meter installation; and
2. The fuel lines are buried underground from the central meter installation to the location at which each fuel line enters each building or manufactured home at its outside wall; and
 - a. where the complex consists of two or more separate buildings, such as apartments, multifamily dwellings, dormitories or similar type buildings are supplied with gas and at least two buildings so supplied contain four or more living units, or
 - b. where the complex consists of manufactured homes, four or more manufactured homes used as living units are supplied with gas.
3. A centrally metered installation may also be an individual building served by a single meter installation where gas is supplied to multiple units.
4. Multiple living unit usage shall consist of the gas supplied for the individual dwelling units as well as all usage normally associated with buildings containing multiple living units.
5. All buried fuel lines from the outlet side of the Company's meter, up to the outlet side of the above ground shutoff valve adjacent to the outside wall of each structure served, in addition to the pipe from the property line to the meter, shall be considered service lines.
6. Penal and corrective institutions are not considered to be centrally metered installations.

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Sheet No. C-20.00

B. New Centrally Metered Installations

The cost of the gas main extension and all service lines (as defined above) shall be paid for in accordance with the Company's Rule C9, Customer Attachment Program. All service lines shall be installed, owned, operated and maintained by the Company.

C. Additions to an Existing Centrally Metered Installation

At the customer's request, the Company shall extend gas service to an addition to an existing centrally metered installation. Additional service lines shall be installed in accordance with the Company's Rule C9, Customer Attachment Program.

D. Customer Owned Centrally Metered Installation

Where the customer owns the service lines in a centrally metered installation, the customer must inspect, operate and maintain the installation in accordance with applicable code requirements or must enter into a contract with a person who is qualified to inspect, operate and maintain the installation in accordance with applicable code requirements. The company shall offer the customer a contract which provides for the operation and maintenance in accordance with applicable code requirements. Under the terms of the contract, the Company shall be permitted to recover the direct cost for service performed plus an appropriate administrative overhead.

Minimum Use

In certain instances the Company may require a minimum use agreement to be executed with the customer to support the Incremental Revenue calculation included in the Customer discounted cost of Service Model. The Minimum Use Agreement will specify the minimum annual consumption requirement for the Customer and, if the customer does not consume the specified minimum use, the company will bill the customer for the unused consumption amount multiplied by the distribution charge corresponding to the customer's Rate Class.

Continued On Sheet No. C-21.00

C5. CUSTOMER RESPONSIBILITIES

C5.1 Application for Service:

An application and/or contract accepted by the Company, may be required from each prospective customer requesting gas service before such service is supplied, whether or not a new installation by the Company is involved. This rule shall also apply in cases involving (a) the unsealing of a meter where service has previously been supplied, (b) a change in the class or service, and/or (c) a change in the name of the customer.

C5.2 Credit, Deposits and Guarantees:

The Company may require, as a condition of providing, restoring or continuing service to a customer or prospective customer, a deposit in accordance with the Consumer Standards and Billing Practices for Electric and Natural Gas Service.

C5.3 Service on Customers' Premise:

When requested, designated employees of the Company will investigate gas leaks on customer owned piping, whereupon, if a hazardous condition should be detected, the employee will terminate service until such condition has been repaired. This service will be performed free of charge.

C5.4 Customer's Piping and Utilization Equipment:

The Company reserves the right to deny or terminate service to any customer whose piping or equipment shall constitute a hazard. However, it disclaims any responsibility to inspect the customer's piping or equipment and shall not be held liable for any injury or damage resulting from the condition thereof.

C5.5 Bills and Remittances:

Bills for gas service shall be rendered on a monthly basis and shall be due and payable on or before the due date shown on each bill.

The Company will schedule meters to be read on a monthly basis and will attempt to read meters in accordance with such schedule.

When the Company is unable to obtain an actual meter reading, the bills shall be estimated on the basis of past service records, adjusted as may be appropriate. Where past service records are not available or suitable for use, such billing shall be based upon other service and weather data are available. Each such account shall be adjusted as necessary each time an actual meter reading is obtained.

Continued On Sheet No. C-22.00

Bills rendered for gas service in months in which meters are not read shall have the same force and effect as those based upon actual meter readings. Any customer may read the meter and provide the reading to the Company by telephone or on appropriate forms which shall be provided by the Company upon request.

The Company shall assess a late payment charge as authorized by the Company's Rate Book of Natural Gas Service and Billing Practices for Electric and Natural Gas Service.

C5.6 Access to Customer's Premises:

The Company's authorized agents shall have access to the customer's premises at all reasonable times to perform services required by the Company or requested by the customer. These services include, but are not limited to installing, inspecting, testing, reading, repairing, locking, disconnecting, relocating or removing meters and other property of the Company situated on said premises, and inspecting and determining the load characteristics of appliances installed on said premises. Neglect or refusal on the part of the customer to provide reasonable access shall be sufficient cause for shutoff of service by the Company, and assurance of access may be required before service is restored.

C5.7 Use of Service:

Customers shall not resell, share, or distribute to others any gas supplied by the Company without the written consent of the Company. The Company does not hold itself out as ready to supply gas to any customer for resale, and due to the wide variety of conditions encountered in serving customers on such a basis, separate arrangements will be made in each case. When the resale of gas is consented to by the Company, the Company may require that such resale be made at its established rates then effective for the same class of service in that specific community or area.

Continued On Sheet No. C-23.00

If a customer fails to pay bills as rendered on the Budget Program, the Company shall have the right to withdraw the Program with respect to such customer and to restore the customer to billing as provided for in the applicable tariffs, in addition to any other rights which the Company may have under such tariffs in case of arrearage in payment of bills.

C5.10 NSF Payments and Charge for Shut-Off Notification or On Premise Collection:

A. Charge for Nonsufficient Funds (NSF) Check

A check, debit card, credit card or other form of payment remitted as a bill payment and returned by the bank or financial institution against which it is drawn shall be rebilled to the customer's account. A charge of \$18.00 will be assessed to customers for processing payments returned by banks or other financial institutions for reasons of insufficient funds, accounts closed, no accounts and similar situations, excluding bank or financial institution errors.

B. Charge for Shut-Off Notification or On-Premises Collection

A charge of \$11.50 will be levied upon a customer if an employee of the utility is sent to the premise to either serve the customer with a shut off notification or to shut off service, unless the customer presents evidence that reasonably indicates the claim has been satisfied or is currently in dispute. The utility shall not assess this fee twice for the same premise visit. The customer may elect to make payment at that time; however, the charge for sending an employee to the premise will still apply. This charge will become part of the customer's arrears and will be subject to the same requirements applicable thereto.

C5.11 Discontinuance of Service:

In accordance with the Consumer Standards and Billing Practices for Electric and Natural Gas Service, the Company may discontinue service to a customer for failure to pay a delinquent account that is not in dispute, including a security deposit or other form of guarantee, or for failure to comply with the terms and conditions of a settlement agreement.

Continued On Sheet No. C-24.00

The Customer or Shipper shall not tamper with or adjust the Company's metering facilities and other associated meter equipment. Unsupervised and unauthorized installation of remote monitoring equipment, tampering with or adjustments to the Company's metering facilities and other associated meter equipment may result in discontinuance of service. If such tampering results in equipment damage or unauthorized consumption of gas by Customer or Shipper, the Company reserves the right to recover all unbilled service revenue and costs associated with such unauthorized consumption of gas including but not limited to, costs for discovery, repair and investigation.

C5.12 Turn-On Charges:

Transfers of service, where service at a premise is transferred from one customer to a subsequent customer, and where the transfer does not require the dispatch of a Company employee to the premise, shall be made with a charge of \$5.00 to the customer (transferee) establishing service. A premise with a Landlord Agreements shall be exempt from this charge if service is transferred to the landlord. Where a service turn-on requires the dispatch of a Company employee to the premise, the following turn on charges shall apply:

A. In the case of the same customer requesting turn-off and turn-on at the same premise within one year, the customer shall be charged \$75.00.

B. In all other circumstances where a service turn-on requires the dispatch of a Company employee, a single service turn-on charge of \$50.00 will be collected. This charge will become part of the customer's arrears and will be subject to the same requirements applicable thereto.

C5.13 Receipt or Delivery Facility Capacity Deficiency

Where the rated capacity of a Company supply receipt facility, or a supply delivery facility owned by an up-stream pipeline or storage provider, has been exceeded or is likely to be exceeded on a given day, the Company may apply the curtailment priorities given in rule C3.2 E to customers behind an affected receipt or delivery facility. Shippers will be notified of a gate station constraint in accordance with the requirements for issuance of an IBR.

Continued On Sheet No. C-24.01

C6. METERING

C6.1 Meters, Metering Equipment and Regulators:

The Company will furnish and maintain one meter or one set of metering equipment, and, when required, one regulator for each service contract. The customer shall provide, free of expense to the Company, at the point of service termination, located outside, suitable space for the installation of the necessary meter, metering equipment and/or regulator. Such a location shall be in accordance with all applicable codes and standards.

For customers with large or unusual facility requirements the Company may require the customer, at the customer's cost, to allow the Company to install a concrete foundation of appropriate size and thickness suitable for the installation of metering and pressure control equipment. Those customers may also be required to make special contractual arrangements with the Company for the large or unusual facilities.

Customers requesting delivery pressure above seven inches water column may be charged a fee for the additional metering and pressure control equipment necessary to provide elevated delivery pressure.

The customer shall permit only authorized agents of the Company, or other persons lawfully authorized to do so, to inspect, test, repair, or remove such equipment. If meters, regulators or other equipment are damaged or destroyed through neglect on the part of the customer, the cost of necessary repairs or replacements shall be paid by the customer.

C6.2 Meter Tests, Errors and Adjustments:

Per Consumer Standards and Billing Practices for Electric and Natural Gas Service Rule R 460.2351, the Company shall test meter accuracy upon request of a customer, provided such customer does not make requests for tests more frequently than once every two years, and if the customer agrees to accept the results of such tests as the basis for determining any adjustment which may be required. No charge shall be made to the customer for the first test in any five-year period, but if subsequent tests during the same period for the same customer show the meter to be within the allowable limits of accuracy, the Company shall charge the customer for each such test. If such test reveals the meter registration to be outside the accuracy limits prescribed in accordance with the Consumer Standards and Billing Practices for Electric and Natural Gas Service R 460.2361, any charge for the meter test shall be refunded and a billing adjustment made. The customer may be present at the time of the test if the customer makes a request in writing prior to the test. A written report shall be made to the customer by the Company. The Company shall maintain a record of the test.

Continued On Sheet No. C-25.00

C7.3 Billing:

A. In applying the Gas Cost Recovery Factor, per dekatherm, any fraction of 0.01 cent shall be rounded to the nearest 0.01 cent.

B. Each month the Company shall include in its rates a Gas Cost Recovery Factor up to the maximum authorized by the Commission as shown on Sheet No. D-3.00. For months in which the Michigan Public Service Commission has not approved a specific Gas Cost Recovery Factor, the Company may include an appropriate Gas Cost Recovery Factor in its rates if authorized by law to do so.

C. The Gas Cost Recovery Factor shall be the same per Dth for each customer metered using a pressure base of 14.65 PSIA. Customers metered at pressures other than 14.65 PSIA shall be billed the appropriate monthly Gas Cost Recovery Factor adjusted by the ratio that the metered pressure bears to 14.65 PSIA. The factor shall be placed into effect in the first billing cycle of each monthly billing period and shall continue in effect throughout all cycles in each monthly billing period.

D. The Gas Cost Recovery Factor shall appear on all GCR customer bills.

C7.4 General Conditions:

A. At least fifteen days prior to each billing month, the Company will notify the Public Service Commission Staff as to the actual factor or factors to be billed to its GCR Customers in the subsequent month.

If the factor or factors are subject to change after this date due to an adjustment mechanism, the Company will notify the Michigan Public Service Commission Staff as to the actual factor or factors to be billed to its Customers as soon as practical after the rate has been determined. The Company will also submit the revised tariff sheet D-3.00 showing the new factor or factors at that time.

B. This Gas Cost Recovery Clause is authorized by the provisions of 1982 P.A. 304. A copy of that act is available for public inspection at each business office of the Company. The Company will provide a copy of the act to any customer upon request.

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C8. REFUNDING PROCEDURES

C8.1 Receipt of Refunds

A. Supplier Refunds

By April 15 of each year the Company shall notify the Michigan Public Service Commission Staff of any pipeline or other supplier refunds (other than a routine bill adjustment) received during the prior twelve months ended March 31. During the period that the GCR clause is suspended, the notification shall include an indication of which amounts may be refundable to customers for periods prior to the April 1999 Billing Cycle and allocations to non GCR customers shall include deductions for Company Use and Lost and Unaccounted for Gas in accordance with C8.3A. This notification shall be in the form of a letter and shall include:

1. The amount of the refund, including interest.
2. Date each refund was received.
3. Source and reason for each refund.
4. Period covered by each refund (historical refund period).

Failure of the Company to report a refund to the Michigan Public Service Commission Staff by the April 15th deadline shall result in an interest penalty of 50% over the normal authorized rate of return on common equity for the period of time that the utility fails to comply with the notification requirement.

C8.2 GCR Customer Refunds:

A. Supplier Refunds

All supplier refunds allocable to GCR customers shall be reflected as reduction to the GCR Cost of Gas Sold in the month received and included in the Cost of Purchased and Produced Gas. No deductions for Company Use and Lost and Unaccounted For Gas volumes shall be made from refunds allocated to GCR customers.

B. GCR Reconciliation

Prior year GCR over/under-recoveries due to reconciliation provisions of the Company's GCR Clause shall be computed annually according to the provisions of 1982 PA 304. Such over/under-recoveries and any Commission ordered adjustments or disallowance's associated with the prior GCR year shall be reflected separately below the GCR Cost of Gas Sold line on the GCR Over/Under-recovery Reconciliation report.

Continued On Sheet No. C-29.00

C. Other Refunds

All other refunds shall be reflected in the month the refund is received and shall be included on a separate line below the Cost of Gas Sold line on the Over/Underrecovery Reconciliation Report so that such refunds are readily identifiable.

C8.3 Non-GCR Customer Refunds

A. All supplier refunds allocable to non-GCR customers shall be allocated on the basis of actual consumption during the historical refund period. Deductions for Company Use and Lost and Unaccounted For volumes shall be made from the non-GCR portion of the refund based upon the actual percentages for Company Use and Lost and Unaccounted For during the historical refund period.

B. Portions of the refunds allocable to non-GCR customers shall be credited to a refund liability account to accrue interest until distributed. The Company shall include an application to refund these moneys in its next GCR Reconciliation filing.

C. The Company is not required to issue payments to customers who are in arrears with the Company, to customers for whom payments were returned as undeliverable in previous refunds or for refund amounts of less than \$5.00. Refunds may be applied against past due amounts owed to the Company and any excess refunded according to these procedures. After 90 days, any returned or uncashed refund checks shall be transferred to the non-GCR refund liability account for refund to non-GCR customers in the next GCR Reconciliation. Rights to any portion of a refund shall not vest until a refund check has been negotiated.

D. Refund completion reports for non-GCR customers shall be submitted to the Michigan Public Service Commission Staff six months following initial distribution of a non- GCR customer refund. Reports, at a minimum, should include the amount authorized for refund compared to the amount actually refunded and the date of the refund distribution.

C9. CUSTOMER ATTACHMENT PROGRAM

A. Purpose

The Company proposes to make extension of its gas mains and/or service lines from time to time, at its own cost, to serve applicants whose requirements will not disturb or impair the service to prior users or will not require an expenditure out of proportion to the revenue obtainable therefrom.

The Company reserves the right to delay or deny a request for service under this rule, if fulfilling such a request could, in the Company's opinion, create conditions potentially adverse to the Company or its customers. Such conditions may include, but are not limited to, safety issues, system operating requirements or capital constraints. The provisions under this Rule are in addition to the existing rules and tariffs for customer gas service.

B. Customer Contribution

A customer contribution shall be required equal to the Connection Fee plus any applicable Fixed Monthly Surcharge plus any Excessive Service Line Fee.

C. Payment of Customer Contribution

For all customers other than land developers and builders the Customer Contribution shall be paid as follows:

The Connection Fee is payable in lump sum at the time the service agreement is executed by the customer. The Excessive Service Line Fee may be payable at the time the service agreement is executed or may be payable after the customer's service line is installed. The Connection Fee is non-refundable. The Excessive Service Line Fee is refundable if the service line has not been installed. If the service line has been installed, the Excessive Service Line Fee is non-refundable. The Fixed Monthly Surcharge shall be payable monthly throughout the surcharge period. The Fixed Monthly Surcharge will commence on the date that the customer receives gas service or six (6) months following the date the service agreement is executed by the customer, whichever occurs first. The customer may at any time elect to pay off the remaining Fixed Monthly Surcharge balance with a lump sum payment equal to the present value of the remaining monthly payments. If the present value of the Fixed Monthly Surcharge is less than \$200.00, the Company may require the customer to make a lump sum payment. The customer is liable for any Fixed Monthly Surcharge amounts billed prior to when they notify SEMCO they no longer own the property to which the Fixed Monthly Surcharge is attached. The Fixed Monthly Surcharge is assessed to the property served such that any subsequent customers requesting gas service at the property address, once notified by the Company of the amount and duration of such surcharge, shall be liable for the Fixed Monthly Surcharge. Such notification may be verbal, written or in the form of a bill which includes the Fixed Monthly Surcharge. Failure of sellers, agents, lessors or other non-Company parties to notify a customer of the Fixed Monthly Surcharge shall not relieve the customer's obligation to pay the Fixed Monthly Surcharge. Failure by the customer to timely pay the Fixed Monthly Surcharge shall result in the discontinuation, termination or denial of natural gas service. For land developers and builders, the customer contribution shall be required in a lump sum in advance of the facility expansion.

Continued On Sheet No. C-31.00

I. Model Assumptions

Incremental Revenues:

The incremental revenues will be calculated based on current rates and a forecast of the timing and number of customer attachments as well as the customer's annual consumption levels.

Incremental Costs:

1. Carrying Cost Rate

The carrying cost rate will be based on the weighted rate of debt, preferred stock, equity and associated taxes. The cost will be equal to and weighted in proportion to those authorized in the Company's most recent rate order. The carrying cost rate is equal to 9.43%.

2. Plant in Service

Plant in Service shall reflect the Company's estimated cost to construct distribution mains, customer service lines, meters and pressure regulators or regulating facilities for the Project. The timing of the facility investment, primarily service lines, will correspond with the projected timing of the customer attachments. The facility investment for an individual customer service line will be limited to the greater of 400 feet or 150 % of the average length of all service lines within the Project.

3. Carrying Costs

The Carrying Costs will be the product of the average of beginning and end-of-year net plant. Plant in Service minus accumulated depreciation minus deferred taxes, multiplied by the Carrying Cost Rate, noted in paragraph 1 above.

4. Depreciation

Depreciation expense will be the product of Plant in Service multiplied by the appropriate prescribed depreciation rates approved for the Company.

5. Property Taxes and Other Operating Expenses

Property taxes will be the product of Plant in Service multiplied by the Company's average property tax rate. All other incremental operating expenses will be included as identified. Incremental O&M will at a minimum include proportional cost for monthly meter reading, billing and mailing.

6. Discount Rate

The Discount rate will be a weighted rate of long-term debt, preferred stock, and common equity. The cost will be equal to and weighted in proportion to those authorized in the Company's most recent rate order. Based on the Company's rate order in Case No.U-20479 the Discount Rate is equal to 6.44%.

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J. Customer Attachment Project Areas

All gas sold in any area specifically listed below is subject to the following Customer Attachment Project (CAP) charges. CAP areas and charges shall be added to or removed from the list from time to time by the Company.

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
1799	WALTON ROAD PROJECT	10/1/2021	\$27.93
1876	USIMAKI RD	9/1/2022	\$51.32
1913	KEWEENAW	10/1/2023	\$30.22
1958	WOODFIELD HILLS	2/1/2021	\$83.84
1976	STAGECOACH RD	9/1/2019	\$39.88
1982	21555 N ULDRIKS DR	7/1/2019	\$122.72
1984	QUINCY ST ZEELAND	9/1/2019	\$197.32
1988	HOLLY DR (6850-6901)	6/1/2019	\$131.95
2006	ADAMS RD RES	9/1/2020	\$26.66
2017	PLANK RD	9/1/2019	\$117.01
2018	S CHANNEL 8748	6/1/2019	\$77.79
2020	BORDMAN RD	3/1/2021	\$88.55
2022	GREENLY 15747-15911	8/1/2019	\$175.15
2026	70159 FIR RD	10/1/2019	\$103.53
2030	6141 DEER TRAIL CT	5/1/2019	\$46.62
2032	LAVELY LN 5220	6/1/2019	\$20.97
2033	JANKOW RD	11/1/2019	\$112.82
2036	LAVELY LN 5242	1/1/2020	\$52.02
2037	25 MILE 27455-27600	7/1/2019	\$78.21
2038	29 MILE RD	10/1/2019	\$112.97
2039	MEISNER AND MARSH	9/1/2019	\$124.23
2040	HAGEN WEST OF ZUHLKE	11/1/2019	\$129.84
2042	WEST ST - 49908	8/1/2020	\$35.94
2043	PARO ST - 269	2/1/2020	\$84.60
2044	COUNTY RD CCK	9/1/2019	\$55.76
2045	POTTER-MANISTIQUE	10/1/2019	\$4.21
2046	ZINC/STEEL/SLATE ST	8/1/2019	\$44.56
2047	BROEMER RD	11/1/2019	\$81.36
2048	PEWABIC RD	8/1/2020	\$16.59
2049	BRIDGE ST - 27248-27	10/1/2019	\$47.06

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2050	VALLEY RD - 108&110	11/1/2019	\$33.90
2051	ELDRED AND GATES RD	11/1/2019	\$132.36
2052	ENGLISH RD	9/1/2019	\$159.63
2054	MOUNTAIN VIEW 69222	9/1/2019	\$163.56
2055	POUND RD 9962	10/1/2019	\$242.08
2056	LASSIER	11/1/2019	\$130.51
2057	MEISNER RD 8265-8326	9/1/2019	\$121.52
2058	SWAN CR & SHORT CUT	12/1/2021	\$129.84
2059	LOZON RD	10/1/2019	\$79.82
2060	COUSIN COURT	12/1/2019	\$180.38
2061	28 MILE SYS IMPROV	2/1/2020	\$52.99
2062	LINDSEY RD	1/1/2020	\$102.36
2063	OMOS RD 68515	11/1/2019	\$121.24
2064	INDIAN TRL & ARNOLD	11/1/2019	\$114.26
2065	LATHROP	12/1/2019	\$30.58
2066	MARKEL 6549-6674	11/1/2019	\$179.91
2067	SCHOOL SEC & MACKEY	1/1/2020	\$122.35
2068	KENDAL RD	12/1/2019	\$130.48
2069	HILLOCK DR	10/1/2019	\$130.59
2070	DIVISION 9063-9067	11/1/2019	\$145.62
2071	FLYNN RD	9/1/2019	\$99.92
2072	SYLVAN CT 14750&777	8/1/2019	\$108.51
2073	JAMES STREET	9/1/2019	\$75.08
2074	PC DUNE ROAD	11/1/2020	\$15.78
2075	120TH AVE	8/1/2019	\$103.64
2076	4223 64TH ST	7/1/2019	\$182.11
2077	DAVIS LANE	9/1/2019	\$87.56
2078	141ST AVE	8/1/2019	\$110.39
2079	60TH ST (3896 TO 399	11/1/2019	\$191.80
2080	2ND AVE (8160 8166)	11/1/2019	\$239.54

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2082	PIGEON TRAIL	11/1/2019	\$99.84
2083	142ND AVE (6264 6362	11/1/2019	\$127.83
2084	60TH ST (4209-4293)	9/1/2019	\$100.60
2085	JEFFERSON ST (1112	8/1/2020	\$65.72
2087	65TH ST	10/1/2019	\$181.12
2089	SUNSET BLVD 69205	9/1/2019	\$38.18
2090	62ND ST 95106	9/1/2019	\$94.01
2093	JAMES DR 58121	9/1/2019	\$56.49
2094	HARRAH RD 1250 1514	11/1/2019	\$62.77
2095	COTTON LAKE & 6 MILE	2/1/2020	\$94.45
2096	INDIAN TRAIL 6215 -	10/1/2019	\$81.84
2097	62ND, 139TH, 140TH	12/1/2019	\$139.76
2098	56TH AVE 2364 2381	10/1/2019	\$70.07
2099	CATALINA DR 2259	10/1/2019	\$63.44
2100	60TH ST (4421 4435)	11/1/2019	\$122.18
2101	S CHERRY 6696 6694	10/1/2020	\$150.10
2102	142ND AVE 5968, 5988	11/1/2019	\$155.57
2103	138TH AVE 6054 6092	11/1/2019	\$164.90
2104	LAKESHORE 15818	10/1/2019	\$61.26
2105	BLUE SCHOOL/RIVERCRE	11/1/2019	\$82.02
2107	80TH AVE 5400 6338	2/1/2020	\$134.21
2108	LEET ROAD 1070	11/1/2019	\$121.94
2109	WARNER RD 11101	7/1/2021	\$119.44
2111	TWIN SHORE DR 25238	10/1/2019	\$137.14
2112	LINDSEY E OF MELDRUM	7/1/2020	\$122.55
2113	DELAND, WEBER, SHUE	6/1/2020	\$128.43
2114	STURDEVANT 1025	1/1/2020	\$78.61
2115	CARPENTER ST	11/1/2019	\$76.30
2116	MAYER RD	9/1/2020	\$117.19
2117	SHORT CUT 9228	10/1/2020	\$122.50

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2118	MELDRUM AND MEISNER	7/1/2020	\$119.47
2119	DIAN ST 7384	11/1/2019	\$68.40
2120	33 MILE 31249	7/1/2020	\$174.79
2121	KUNSTMAN 61200	5/1/2020	\$55.27
2122	SCHEUER RD	11/1/2020	\$112.79
2123	LAMBS AND MINOR	10/1/2020	\$112.06
2124	SHORTCUT 6651-6708	8/1/2020	\$112.30
2125	SCHOENHERR 60045	8/1/2020	\$101.44
2126	FREEDOM AND STANTON	11/1/2019	\$137.25
2127	BUCHANAN, ARDIE, ZOE	1/1/2023	\$99.28
2128	RIVER BEND 4744	12/1/2019	\$116.77
2129	PORT SHELDON ST	6/1/2020	\$182.63
2130	88TH AVE 5817 5838	2/1/2020	\$60.52
2131	PARKVIEW DR 19310	1/1/2020	\$33.67
2132	CROSWELL ST & 124TH	8/1/2020	\$160.09
2133	GREENLY & BEELINE	2/1/2020	\$84.69
2135	TETER TRL 69252	2/1/2020	\$92.85
2136	DUTCH SETTLEME 26704	1/1/2020	\$87.85
2137	ROSEWOOD TR 193	11/1/2019	\$38.30
2138	HOLLY DR (6965 7170)	2/1/2020	\$172.12
2139	GREENLY 15704&15720	2/1/2020	\$89.19
2140	D DR S 7815	11/14/2019	\$90.86
2141	144TH 3426-3589	2/1/2020	\$129.72
2142	PASADENA 119	11/1/2019	\$48.33
2143	64TH AVE 7250 & 7275	2/1/2020	\$70.75
2144	FOX RIDGE 3200 3212	1/1/2020	\$149.72
2146	PRAIRIE RD	1/1/2020	\$316.43
2147	1561 CLEARVIEW	3/1/2020	\$39.47
2148	ROYAL AVE	12/1/2019	\$85.82
2149	1323 E BERTRAND RD	1/1/2020	\$120.69

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2151	26636 DEER PATH CT	1/1/2020	\$99.12
2152	411 N HILLSDALE	7/1/2020	\$140.47
2154	27 MILE, ALBION	7/1/2020	\$107.35
2155	BACHELOR DR	7/1/2020	\$123.24
2156	M 37 6735	11/1/2019	\$67.03
2157	72ND BTW FILLMORE	2/1/2020	\$55.37
2159	GORSLINE 5751 8761	8/1/2020	\$78.71
2160	4935 FIELDSTONE CT	1/1/2020	\$71.98
2161	STANTON 12020-12194	10/1/2020	\$115.72
2162	BLAIR ST 7329 TO 750	7/1/2020	\$90.44
82163	BINGHAM ST 76TH AVE	7/1/2020	\$125.22
2164	50TH 4282	7/1/2020	\$408.76
2165	50TH 4280	10/1/2020	\$88.29
2166	SHAG WAY DR, SAUG	7/1/2020	\$182.02
2167	62ND ST 4011 TO 4119	8/1/2020	\$138.85
2168	BAUER RD 5766-6978	8/1/2020	\$127.16
2169	72ND AVE 9661 9770	10/1/2020	\$129.12
2170	WILDWOOD, BLAIR	9/1/2020	\$121.63
2171	WHITETAIL AND 143RD	12/1/2020	\$167.87
2172	147TH 6518-6548	8/1/2020	\$184.36
2173	56TH AVE 9796 10010	8/1/2020	\$113.91
2174	64TH AVE 5615 TO 629	9/1/2020	\$137.31
2175	KRISTI RUSS 136TH	11/1/2020	\$119.18
2177	76TH AVE 6065 6300	10/1/2023	\$141.65
2178	BARRY ST 8225 8260	1/1/2024	\$101.77
2180	BALDWIN 10065 TO 101	10/1/2020	\$121.84
2181	MIDWAY LN 2787	7/1/2020	\$140.51
2182	WADHAMS RD 580	1/1/2020	\$76.84
2183	LOWE PLK 74790-75902	9/1/2020	\$140.54

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2184	SUERWIER	7/1/2020	\$135.26
2185	LINDSEY RD 7718-7880	8/1/2020	\$122.78
2186	ASHLEY RD	6/1/2020	\$132.42
2187	LINDSEY 7400-7458	8/1/2020	\$133.52
2188	CAPAC RD 79851	11/1/2020	\$113.40
2189	KIPPLING 7317 & 22	6/1/2021	\$29.24
2190	SPRINGBORN 9796-9821	11/1/2020	\$241.26
2191	JEWEL RD	10/1/2020	\$81.68
2192	BROADBRIDGE MCKINLEY	10/1/2020	\$140.36
2193	LAMBS RD 11621	8/1/2022	\$242.07
2194	LAFRANCE 4616-4630	10/1/2020	\$28.20
2195	SPRINGBORN 2195	11/1/2020	\$61.25
2196	HIGH RD 6113-6201	11/1/2020	\$138.73
2197	INDIAN TR 60850-885	10/1/2020	\$125.39
2198	MARSH AND SPRINGBORN	11/1/2020	\$131.19
2199	WADHAMS 1593	9/1/2020	\$136.08
2200	FOLKERT RD	11/1/2020	\$186.95
2201	PRAIRIE RD 13430	10/1/2020	\$37.29
2202	WALTON RD 1940	7/1/2025	\$170.21
2203	T DRIVE N SPRINGPORT	8/1/2020	\$87.37
2204	BRICK CHURCH	10/1/2020	\$67.03
2205	RED ROWAN 8726 8753	7/1/2020	\$21.82
2206	30227 29382 REDFIELD	10/1/2020	\$121.84
2207	DICK ST NILES	8/1/2020	\$78.63
2208	S RED BUD TRAIL NILE	10/1/2020	\$130.64
2209	WAUBASCON RD IN BC	1/1/2021	\$56.37
2210	SOUTHFORK SUBDIVISIO	10/1/2020	\$173.08
2211	1900 1950 GLENWOOD	10/1/2020	\$99.58
2212	NICHOLS RD	11/1/2020	\$169.97
2213	BROWN RD 14520	11/1/2020	\$108.60

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2214	6 1/2 MILE RD B.C.	10/1/2020	\$189.53
2215	SUNSET BLVD	1/1/2021	\$68.58
2216	2110 2140 HAMILTON	1/1/2021	\$133.70
2217	BELL RD 33465 33692	2/1/2021	\$101.95
2218	CAPITAL AVE NE 21237	1/1/2021	\$89.92
2219	OAK GROVE ROAD	6/1/2021	\$34.54
2220	JEFFERSON CENTER ST	6/1/2021	\$146.96
2221	MCKINLEY 8070-8076	6/1/2021	\$63.77
2222	MCKINLEY 8077-8176	10/1/2020	\$85.30
2223	34 MILE 8025-8035	11/1/2020	\$41.42
2224	34 MILE SYS IMPR	9/1/2020	\$54.78
2225	SEARLS 7054	9/1/2020	\$138.18
2226	RICHMAN RD 421	11/1/2020	\$89.85
2227	NEUMAN 5675	9/1/2020	\$67.80
2228	S CHANNEL PENIN HWY	6/1/2021	\$15.65
2229	MEISNER RD 6874-7477	12/1/2020	\$148.47
2230	FOSS RD 54470-54720	11/1/2020	\$103.99
2231	POUND RD 36902 37608	1/1/2021	\$223.79
2232	WOODBR AND BOARMAN	6/1/2021	\$107.05
2233	KUNSTMAN ROAD	9/1/2020	\$88.75
2235	SCHEUER RD 56251	11/1/2020	\$132.99
2236	N GATES RD 355	11/1/2020	\$55.03
2237	BATES RD 63400	2/1/2021	\$47.22
2238	BROUGHTON 57520-701	9/1/2021	\$145.58
2239	KIPLING RD 7336-364	9/1/2021	\$89.34
2240	POUND RD 9976-9996	7/1/2021	\$151.02
2241	LAKESHORE & ALIQUOT	12/1/2023	\$128.37
2242	138TH AVE	10/1/2025	\$96.26
2243	46TH ST 3979, HAMILT	10/1/2024	\$101.46
2244	100TH AVE 6200-6319	7/14/2021	\$184.40

Continued On Sheet No. C-34.06

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2245	STEPPING STONE DR	10/1/2021	\$58.23
2246	10447 OTTOGAN ST	7/29/2021	\$41.85
2248	80TH ST 3692	10/1/2020	\$22.05
2249	PEACEFUL PINES 9781	2/1/2021	\$131.65
2250	84TH AVE 6543TO7060	12/1/2024	\$98.63
2251	GREENLY ST 11554	11/1/2020	\$146.15
2252	92ND AVE 10639	11/1/2020	\$110.34
2255	BINGHAM 6424-7100	8/1/2023	\$167.08
2256	BLAIR ST 6464-7067	9/1/2026	\$119.13
2257	34TH ST 4613-4744	1/1/2027	\$105.34
2258	OAKLAND HILLS AND CR	8/1/2021	\$98.11
2259	DURWOOD ST 16958	6/1/2021	\$111.44
2260	72ND AVE	7/1/2021	\$79.05
2261	MARTIN LK/M66/E DAT	11/1/2023	\$120.23
2262	BITTERSWEET TRAIL	7/1/2019	\$20.54
2263	66195 BLACKBERRY	1/1/2021	\$59.84
2264	LAKE ST 69365 69400	10/1/2021	\$44.06
2265	BRODERICK WAY NILES	7/1/2021	\$134.52
2266	4274 4280 56TH ST	10/1/2021	\$106.64
2268	11 MILE RD 19176	6/1/2021	\$146.78
2270	6 MILE RUSTY WICKWIR	1/1/2021	\$79.79
2272	WOODLAWN BEACH	11/1/2021	\$70.25
2273	11 MILE & D DRIVE	8/1/2021	\$143.64
2274	PARADISE RD 5296	3/1/2021	\$125.13
2275	EASY LN 13570-13638	12/1/2021	\$39.36
2276	133RD 6045-93	6/1/2024	\$106.75
2277	EAST RD 6662-6896	9/1/2024	\$98.10
2278	WATKINS DR 2671-75	12/1/2021	\$167.82
2279	GAGE ST 25126	11/1/2021	\$60.85

Continued On Sheet No. C-34.07

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2280	WILLIAMS CT 16155	8/1/2021	\$31.63
2281	SWAN CREEK 7084	1/1/2021	\$146.96
2282	LINCOLN ST 6702-6709	12/1/2020	\$130.51
2283	MEISNER RD 8327-56	8/1/2021	\$87.67
2284	WHITTIER RD 3189	2/1/2021	\$63.46
2285	DOVE RD 5220-69	1/1/2021	\$109.71
2286	LAMBS 11659-11975	10/1/2021	\$134.22
2287	OMO RD 68423	1/1/2021	\$127.62
2288	NANCY BETH CT	10/1/2021	\$90.58
2289	25 MILE AND FOSS	9/1/2021	\$115.23
2290	PRATT AND COON CREEK	10/1/2021	\$132.90
2291	29 MILE 15825-16109	12/1/2021	\$159.11
2292	29 MILE 15550-15824	10/1/2021	\$159.09
2293	SCHOENHERR 60900-10	8/1/2021	\$72.39
2294	SCHOENHERR 60810-99	1/1/2022	\$79.16
2295	BATES RD 63080-63350	1/1/2022	\$70.60
2296	29 MILE RD (14003)	11/1/2021	\$89.42
2298	OAK ST 678	1/1/2022	\$158.90
2299	PLACE RD-SYSTEM IMPR	8/1/2021	\$58.45
2300	31 MILE RD 17391-702	10/1/2021	\$274.92
2301	SING SING RD-19742	12/1/2021	\$188.61
2302	6TH ST 16 SOUTH RANG	12/1/2021	\$81.81
2303	CENTENNIAL HTS 58135	6/1/2022	\$29.03
2305	STEEL ST SOUTH 915	11/1/2023	\$46.63
2307	ATLANTIC ST 1407	10/1/2022	\$17.10
2308	4TH ST 27489	10/1/2022	\$6.91
2309	CHIPPEWA TRL 23212	10/1/2022	\$50.61
2310	RIDGE ST W 807	10/1/2022	\$66.91
2311	2ND ST N 307	9/1/2023	\$12.13
2313	KAWBAWGAM RD 290	12/1/2022	\$19.87

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	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2314	MAIN ST EAST 405	10/1/2022	\$88.47
2315	HURON ST NORTH 47505	4/3/2023	\$66.36
2316	ROYAL OAK LN 101	4/1/2023	\$207.51
2317	STATE HWY M 64 COMM	1/1/2023	\$321.87
2318	STATE HIGHWAY M64	8/1/2023	\$44.15
2321	CECELIA/M-103-MOTTVL	11/1/2021	\$62.58
2322	MOORE PK RD&STEVENS	9/1/2024	\$98.05
2323	W CHICAGO 1500	11/1/2021	\$140.70
2324	PC OAK RD, HARBERT	12/1/2021	\$31.15
2325	US 12 32034-33321	11/1/2024	\$99.80
2326	OUTAGAMIE LN, CASSOP	11/1/2021	\$114.91
2327	66TH ST (4151-4187)	1/1/2024	\$151.96
2328	WHITE OAK & HIGH MEA	4/1/2025	\$93.01
2329	160TH AVE (3705)-HOL	12/1/2021	\$47.99
2330	S 14TH ST(3049-3050) W	11/1/2021	\$47.99
2331	BERTRAND/WEAVER/PO	5/1/2027	\$118.87
2332	131ST & SILVER LK DR	11/1/2021	\$146.30
2333	TYLER ST 11738	12/1/2024	\$100.95
2334	63RD ST (3710-3730)	1/1/2027	\$126.97
2335	56TH AVE (8237-8253)	12/1/2023	\$109.58
2336	S DIVISION 206 HOLLA	11/1/2021	\$42.54
2337	LANE RD 68015-68475	12/1/2026	\$155.95
2338	BEARANGER RD - 1942	1/1/2022	\$381.98
2339	KIPLING RD 7336-64	1/1/2022	\$89.34
2341	DIV DR (8272-8401)	7/1/2022	\$109.03
2342	RILEY ST (4903-4955)	8/1/2022	\$155.02
2343	138TH AVE 3968-3860	11/1/2023	\$126.15
2344	84TH AVE RANSON SYLV	12/1/2024	\$140.74
2345	40TH,146TH,OVERISEL	10/1/2022	\$66.22
2346	OTIS RD 6403	11/1/2022	\$22.85

Continued On Sheet No. C-34.09

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2347	TAYLOR ST 6109&6075	12/1/2027	\$152.62
2348	66TH ST (TIE-IN)	1/1/2027	\$114.13
2349	ROSEWOOD ST 4989 -RN	1/1/2023	\$54.35
2350	ELDERWOOD AVE 3570	1/1/2023	\$54.95
2351	ADAMS ST (4455-4780)	1/1/2027	\$128.22
2352	WINANS ST 10300-1032	1/1/2023	\$76.66
2353	7ND AVE 9750-9814	5/1/2023	\$66.07
2354	LAKE EFFECT PVT	11/1/2023	\$166.82
2355	TYLER W OF 144TH AVE	5/1/2023	\$96.66
2356	PINEVIEW COURT	5/1/2026	\$69.75
2357	N 160TH	10/1/2026	\$118.82
2358	TYLER ST 14693	5/1/2026	\$120.17
2359	QUINCY ST 11652	8/1/2023	\$172.00
2360	ADAMS ST 4416-40TH A	9/1/2026	\$74.28
2361	31 MILE 17702	11/1/2021	\$54.19
2362	FIRST ST (19528)	12/1/2021	\$9.22
2363	BRIGGEMAN RD	12/1/2021	\$149.78
2364	MELLEN DR 70961	1/11/2021	\$61.99
2365	BROADBRIDGE 6210-17	1/1/2022	\$123.70
2366	BEARD RD (8941-8984)	6/1/2022	\$243.71
2368	BELLE RIVER RD 5347	10/1/2022	\$248.84
2369	46TH ST 3954-3955	9/1/2022	\$71.13
2370	MESKILL RD 9803	10/1/2027	\$166.00
2371	HILLSIDE 68153-68331	1/1/2023	\$165.61
2372	MCKINLEY RD 7267-86	12/1/2022	\$244.35
2373	LOZON RD (6404-6465)	12/1/2022	\$132.59
2374	28 MILE 11805-12300	1/1/2023	\$103.82
2375	JEWELL RD 60802-6109	11/1/2022	\$141.51
2376	BRAIDWOOD RD 971-985	12/1/2024	\$79.89
2377	RICHMAN RD 405	8/1/2020	\$88.02

Continued On Sheet No. C-34.10

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2378	ST CLAIR HWY 8900-54	6/1/2023	\$287.62
2379	BROUGHTON 55768-96	12/1/2022	\$107.41
2380	33 MILE 7240-7897	1/1/2023	\$146.62
2382	WING RD 15784 S	7/1/2022	\$185.89
2384	BYNUM DR SPEC HOUSE	2/1/2023	\$87.68
2385	HELMER RD S 12219	1/1/2023	\$82.49
2386	ULDRIKS RD BC 20888	6/1/2023	\$102.22
2387	EATON RAPIDS RD 2460	6/1/2023	\$170.54
2388	ORCHARD KNOLL 63	9/1/2023	\$84.35
2391	BELLE RIVER - 11714	6/1/2022	\$104.39
2401	LKSHORE RD 15961 PRV	8/1/2022	\$69.66
2402	65TH ST, HOLLAND3667	7/1/2022	\$371.27
2405	KROB RD 16238, UNION	6/1/2022	\$77.25
2406	SKYHI RD, GRND BEACH	5/1/2025	\$113.55
2407	PC TULIP-PRAIRIE CLB	5/1/2022	\$63.42
2408	WEST OLIVE RD 8472-	6/1/2027	\$121.73
2409	S AVERY RD, THREE OA	6/1/2025	\$66.60
2411	HURON DR 16646-16695	12/1/2022	\$95.79
2412	LAKESHORE RD 15880	7/1/2022	\$33.26
2413	WALNUT ST 24601, DOW	11/1/2020	\$79.21
2415	CHRISTIANNA/YOUNGREN	9/1/2027	\$94.20
2417	WALTON CRK LN NILES	7/1/2028	\$119.79
2419	BEECHWOOD 70255 UNIO	2/1/2028	\$31.16
2420	KRUGER RD 6909-6989	2/1/2025	\$115.62
2421	WAYNE ST	9/1/2022	\$69.72
2422	W YOUNGREN & WILDWD	12/1/2027	\$80.87
2423	JEFFERSON CNTR ST	1/1/2023	\$36.14
2424	OAKLAND HILLS DR DOR	1/1/2028	\$98.83
2425	SILVER LAKE DR 6326	11/1/2025	\$149.52
2427	BAKERTOWN RD 16194	12/1/2022	\$24.41

Continued On Sheet No. C-34.11

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2428	BRUSH RD (US-12RFLD)	1/1/2028	\$68.09
2429	RED ARROW HWY 15412	1/1/2024	\$107.76
2430	BOND ST, NILES	7/1/2024	\$88.07
2433	RAVENSWOOD 4518-4620	9/1/2023	\$68.14
2434	FISHER RD 77210-7760	8/1/2023	\$153.46
2435	KUNSTMAN RD 61222-61	6/1/2023	\$107.28
2436	ARMADA PROJECT II	9/1/2028	\$57.18
2437	WEDGEWAY CT 484	10/1/2023	\$24.78
2438	34 MILE 30061-30224	9/1/2023	\$169.34
2444	COON CR 71851-72630	11/1/2023	\$117.23
2451	STREED AVE 15620 UNI	5/1/2019	\$62.93
2452	BOND ST (2812-2813)	11/1/2024	\$63.14
2453	LAKE SHORE RD 3698	5/1/2023	\$159.19
2454	HUNTINGTON DR, SAWYE	5/1/2028	\$113.10
2455	KRISTY LN, EDWARDSBU	5/1/2023	\$52.08
2456	SHORE ACRES LN, LKSD	11/1/2023	\$43.83
2458	TODD DR THREE RIVERS	8/1/2028	\$66.55
2459	FIR/US 12/BEEBE	10/1/2028	\$87.60
2460	GARVER LAKE RD EDWAR	8/1/2028	\$100.05
2461	TOWN HALL RD DOWAGIA	11/1/2021	\$34.63
2462	WILSON RD THREE OAKS	9/1/2028	\$170.78
2463	BELL RD (1819-2025)	11/1/2028	\$59.71
2464	BOND ST (1402-1426)	10/1/2026	\$44.74
2465	STATELINE RD 33588	11/1/2023	\$56.28
2467	KESTREL DR 71441 NIL	10/1/2023	\$60.46
2468	CENTER DR BUCHANAN	11/1/2023	\$64.44
2475	MCKINLEY ST	11/1/2023	\$65.17
2477	ARCHAMBEAU RD	11/1/2023	\$105.86
2478	EPIDOTE ST 409	10/1/2023	\$26.23
2482	OAK VIEW DR	11/1/2023	\$120.49

Continued On Sheet No. C-34.12

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
2491	54TH ST-53RD MANLIUS	10/1/2027	\$110.62
2492	DURFEE 160TH BLAIR+	9/1/2027	\$138.55
2493	POLK ST (5780-6518)	10/1/2027	\$96.91
2494	LAKE SHORE AVE 5800	11/1/2026	\$380.14
2495	TYLER ST 72ND AVE	11/1/2023	\$97.72
2496	72ND 9824-9970	9/1/2026	\$88.76
2497	FILLMORE ST ALLENDAL	11/1/2027	\$75.29
2499	WILDERNESS LN	10/1/2026	\$59.53
2500	QUINCY ST HUDSONVILL	11/1/2027	\$98.78
2502	104TH AVE FILLMORE94	11/1/2026	\$66.94
2503	SILVER LAKE DR	11/1/2026	\$64.02
2504	BLAIR ST BTWN 96&104	11/1/2026	\$61.31
2506	128TH AVE TYLER-6977	11/1/2027	\$98.38
2508	POLK ST 12345	11/1/2023	\$210.99
2509	RUSTIC LN	11/1/2027	\$66.66
2510	BALDWIN 5416	11/1/2028	\$53.85
2536	MAPLE LEAF LN	11/1/2025	\$112.34
3001	BIG HAND & ALLINGTON	11/1/2019	\$122.86
3002	FOX RIDGE LN	12/1/2019	\$128.73
3003	PHILLIPS RD 7148	10/1/2019	\$127.32
3005	HESSEN AND ARNOLD	11/1/2019	\$118.40
3006	ST CLAIR HWY & MAYER	12/1/2019	\$123.52
3007	HAGEN RD 26641-27085	12/1/2019	\$138.56
3008	DOVE RD 5210 & 5200	10/1/2019	\$63.12
3009	SCHOENHERR RD	12/1/2019	\$92.24
3010	PUTTYGUT 9542-9610	12/1/2019	\$115.07
3011	L DR N 27179	10/1/2020	\$411.69
3012	MATTSON RD	11/1/2019	\$148.24
3013	COOPER LK RD	11/1/2019	\$57.45
3014	CENTENNIAL HEIGHTS	12/1/2019	\$81.94

Continued On Sheet No. C-34.13

	<u>Cap Area</u>	<u>Surcharge Expires</u>	<u>Per Month</u>
3015	MAPLE WOODS LN	12/1/2019	\$226.08
3016	WINTERGREEN TRL	12/1/2024	\$70.16
3017	1/4 MILE RD - 8162	1/1/2020	\$100.27
3018	OAK VIEW DR	11/1/2019	\$126.76
3019	NEWBERRY WATER & LIG	10/1/2020	\$1,466.84
3020	NORTH RD 202-213	10/1/2020	\$121.33
3022	NORTH RD 214 TO 237	9/1/2025	\$116.25
3023	BUMBLETOWN HILL	11/1/2025	\$81.51
3024	SERMON RD	11/1/2020	\$76.45
3025	6TH ST - 624	11/1/2020	\$36.91
3026	NUMBER 2 RD - 19821	12/1/2020	\$56.70
3027	LAKESHORE DR - 19972	5/1/2021	\$136.47
3028	N STEEL ST - 514	3/1/2021	\$36.16
3029	6TH ST - 625 & 626	12/1/2020	\$7.85
3030	HALF MOON BEACH RD	12/1/2020	\$125.86
3032	31 MILE E OF MT VERN	2/1/2020	\$111.05
3033	E AITKEN RD 235	12/1/2019	\$231.11
3034	KANIE RD 2 HOMES	12/1/2019	\$113.38
3035	64170 CAMPGROUND	12/1/2019	\$24.11
3036	31 MI RD E OF NORTH	2/1/2020	\$152.85
3037	FOSS RD	5/1/2020	\$122.14
3038	ARNOLD RD	5/6/2020	\$59.13
3039	MCKINLEY RD 4520-476	5/1/2020	\$132.25
3040	HAYNES CT	12/1/2019	\$8.29

RIDER MRP
MAIN REPLACEMENT PROGRAM RIDER

1. The MRP Rider is limited to the recovery of the removal and replacement of cast iron, unprotected steel and vintage plastic (pre 1978) service lines and mains only. Unless required for the replacement of unprotected metallic main, the costs associated with the removal and replacement or abandonment of protected steel, copper or (post 1977) plastic mains or service lines should be excluded from the MRP recovery mechanisms.
2. The revenue distribution and the accounting provisions produced from this MRP rider shall have no precedential value in the company's next rate case.
3. The Company will set up special accounts for the removal and replacement of the cast iron, unprotected steel and vintage plastic (pre 1978) service lines mains in Account 376.00: Distribution Mains, and Account 380.00: Services. (Sub accounts 376.69 and 380.69.)
4. Plant additions will be replacements of existing plant items and/or additions required to support these replacements in only Account 376.69 and Account 380.69. Such replacements are installed to replace cast iron, unprotected steel and vintage plastic (pre 1978) service lines, mains, ancillary infrastructure and such replacements were not included in the calculation of the rate base in the Company's last rate case (Case No. U-20479).
5. The Company's proposed recovery is based upon an annual revenue requirement calculation by rate schedule with the main allocation factor of average and peak and the corresponding number of customers as approved by the Commission in the applicant's last rate case.
6. The Company's calculation is based upon the following:
 - a. Original Cost and Accumulated Reserve for Post 12/31/2019
 1. Used and useful on 1/1/2020
 2. Capital expenditures is limited to new plant under this rider
 3. Adjustments for the retirement of existing assets
 - b. Calculation of post in - service carrying charges on net plant additions and related deferred taxes
 1. Calculated from the date that the applicable assets are used and useful, January 1 of the year following installation.
 2. Based on the Company's embedded interest cost and recorded at the gross rate for recovery on deferred taxes that lessens amount for recovery.
 - c. Calculation of deferred taxes on depreciation
 - d. Proper annual depreciation expense
 - e. Operation and maintenance expense savings resulting from the MRP
 - f. Incremental property taxes associated with net plant additions
 - g. Expenses associated with the cost of meter relocations, removals and all customer owned service lines.

Continued on Sheet No. C-36.00

RIDER MRP

MAIN REPLACEMENT PROGRAM RIDER

APPLICABILITY

Applicable to all customers receiving service under the Company’s sales and transportation rate schedules and Special Contract Customers.

MAIN REPLACEMENT PROGRAM (MRP)

This MRP Rider as approved by the MPSC recovers the cost of the MRP not included in SEMCO’s base rates. These projects included pipeline replacements and related costs. By having this surcharge in place, SEMCO recovers over time the costs associated with these replacement projects, which should reduce the frequency of expensive general rate cases in the future.

All customers receiving service under Rate Schedules Residential, GS-1, GS-2, GS-3, TR-1, TR-2, TR-3 and Special Contract shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate which will enable the Company to begin and complete their cast iron/unprotected steel/ vintage plastic (pre 1978) MRP.

The company can bill this surcharge to all of its customers monthly. The program will be reviewed annually, in order to reflect the impact on the Company’s revenue requirements of net plant additions as offset by the operation and maintenance expense reductions during the most recent twelve months ended December 31 of each calendar year. This Rider surcharge will become effective with the first billing cycle of January 2021, and reflects the allocation of the required revenue increase needed based upon the main allocation factor of average and peak and the number of customers per rate group as defined and approved in the Company’s last rate proceeding.

The Rider MRP charge will be implemented on a bill rendered basis beginning in January 2021 and will continue as approved in U-20479 until new rates are established in a future contested case addressing the MRP. The charge for the specific Rate Schedule is:

	Customer Class	Per Customer Meter
	Residential	\$0.09/month
GS-1	General Service	\$0.22/month
GS-2	General Service	\$1.12/month
GS-3	General Service	\$6.77/month
TR-1	Small Volume Transportation	\$19.77/month
TR-2	Large Volume Transportation	\$99.85/month
TR-3	Extra Large Volume Transportation	\$499.05/month
	Special Contract	\$499.05/month

Rider MRP surcharges will continue until the earlier of either: (i) base rates are established in a future contested case addressing the MRP through self-implementation or Commission Order, or (ii) December 31, 2025.

M.P.S.C. No. 1 – Gas
SEMCO Energy Gas Company

Sheet No. D-1.00

SECTION D
GAS SALES SERVICE
General Terms and Conditions:

A. Terms of Payment:

All bills are due and payable on or before the due date shown thereon.

B. Special Taxes:

1. In municipalities which levy special taxes, license fees, or street rentals against the Company, and which levy has been successfully maintained, customer's bills 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.

2. 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.

C. Rules Applicable:

Service under all Rate Schedules shall be subject to the Rules and Regulations of the Company as approved by the Michigan Public Service Commission. A customer that commences service under any of the Company's Rate Schedules thereby agrees to abide by all of the applicable Rules and Regulations.

D. Controlled Service:

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

E. Territory Served:

All Rates apply in the territory served by the Company, comprising the cities, villages and townships in all Districts in the applicable Rules and Regulations of the Company except where specifically noted.

Infrastructure Reliability Improvement Program (“IRIP”)

The IRIP program consists of projects that will specifically target and mitigate system vulnerabilities reducing the potential impact to customers of an unexpected weather event or isolated damage impeding supply. The customer surcharges identified below will be in effect beginning January 2021 and will continue as approved in U-20479 until new rates are established in a future contested case addressing the IRIP.

**Infrastructure Reliability Improvement Program
(Surcharge)**

Rate Class	Amount	Order No.
Residential	\$0.10 per Month	U-20479
GS-1	\$0.25 per Month	U-20479
GS-2	\$1.33 per Month	U-20479
GS-3	\$8.00 per Month	U-20479

RESIDENTIAL SERVICE RATE

Availability:

Subject to restrictions contained in the Rules and Regulations of the Company, service is available under this Rate Schedule to any customer in the Company's Service Territory to meet residential gas requirements, as defined in Rule C2.7.

Characteristics of Service:

Continuous service, except as may be limited by the effective Rules and Regulations of the Company.

Residential Income Assistance (RIA) Service Provision

When service is supplied to a residential customer for a primary residence, where the total household income does not exceed 150% of the Federal Poverty level, verified by confirmation of an authorized State or Federal agency, a credit shall be applied during all billing months.

The monthly credit for the RIA Service Provision shall be applied as follows:
Income Assistance Credit: \$12.25 per customer per month

Low-Income Assistance Credit (LIAC)

Company selected residential customers may receive the LIAC. This credit is available for up to 2,000 qualifying residential customers. LIAC customer selection will be based on the following criteria:

1. Customers whose total household income is at or below 150% Federal Poverty Level as confirmed by an authorized State, Federal, or community agency; or
2. Customers who have received a Home Heating Credit in the previous 12 months; or
3. Customers that receive any of the following state assistance programs:
 - a. Assistance from a state emergency relief program
 - b. Food Assistance Program
 - c. Medicaid

The monthly credit for LIAC shall be applied as follows: \$30.00 per customer per month. If a credit balance occurs, the credit shall apply to the customer's future gas utility charges.

Non-Gas Charges:

Customer Charge per meter:	\$12.25 per month
Distribution Charge	\$2.2451 per Dth

Gas Cost Recovery Charges:

This rate is subject to the Gas Cost Recovery charges set forth on Sheet No. D-3.00.

Surcharges and Credits:

Gas service under this rate may be subject to surcharges and/or credits as indicated on Sheet Nos. D-2.00 and D-2.01.

Continued on Sheet D-8.00

Continued from Sheet No. E-7.00

Main Replacement Program Rider

This rate is subject to the Main Replacement Program Rider charges set forth on Sheet No. C-37.00.

Terms of Payment:

A late payment charge of two percent (2%) of the delinquent balance shall be added to any bill which is not paid on or before the due date shown thereon. The late payment charge is not applicable to customers participating in the Winter Protection Plan set forth in Order U-4240.

GENERAL SERVICE (GS) RATE

Availability:

Subject to restrictions contained in the Rules and Regulations of the Company, service is available under this Rate Schedule to any commercial or industrial customer in the Company's Service Territory, for any purpose, including multiple family dwellings.

Characteristics of Service:

Continuous service, except as may be limited by the effective Rules and Regulations of the Company.

Non-Gas Charges:

Service Category	Customer Charge Per Meter	Distribution Charge
GS-1	\$15.00 per month	\$1.9556 per Dth
GS-2	\$38.80 per month	\$1.5226 per Dth
GS-3	\$116.20 per month	\$1.1966 per Dth

Customers may choose the Service Category under which they take service, consistent with the restrictions of Rule C4.1. When customers are selecting their initial service category, the Company must advise them that the economic break-even point between GS-1 and GS-2 is 660 Dth per year, and the economic break-even point between GS-2 and GS-3 is 2,849 Dth per year. After the initial selection has been made, then it is the customer's responsibility to determine when it is appropriate to switch rates, as permitted by Rule C4.1.

Gas Cost Recovery Charges

This rate is subject to the Gas Cost Recovery charges set forth on Sheet No. D-3.00.

Surcharges and Credits:

Gas service under this rate may be subject to surcharges and/or credits as indicated on Sheet Nos. D-2.00 and D-2.01.

Main Replacement Program Rider

This rate is subject to the Main Replacement Program Rider charges set forth on Sheet No. C-37.00.

Continued on Sheet No. D-8.01

Continued from Sheet No. D-8.00

Unmetered Service:

When service is rendered under a contract with the Company, where the entire gas usage is a fixed hourly volume such that no meter is required, such service shall be treated as a GS-1 Service Category for billing purposes, except that no Customer Charge shall be applied.

Terms of Payment:

A late payment charge of three percent (3%) of the delinquent balance shall be added to any bill which is not paid on or before the due date shown thereon.

SECTION E**TRANSPORTATION SERVICE****SURCHARGES**

Energy Waste Reduction Program Clause – This clause permits, pursuant to Section 89(2) of 2008 PA 295, recovery of the actual costs of implementing its approved energy waste reduction plan. This charge is to be on a volumetric basis for all customers. Special contract customers will be billed in the sales and transportation rate class most appropriate to their volumetric throughput.

Energy Waste Reduction
Surcharge

Rate Class	Amount		Order No.
	<u>Up to 2500 Dth per Month</u>	<u>Remaining Dth per Month</u>	
TR-1	\$0.1416 per Dth	\$0.0001 per Dth	U-20370
TR-2	\$0.1416 per Dth	\$0.0001 per Dth	U-20370
TR-3	\$0.1416 per Dth	\$0.0001 per Dth	U-20370

Upstream Pipeline Facility Improvement Charge

All gas transported for TR-1, TR-2, TR-3, or special contract through the facilities specifically listed below is subject to the Improvement Charge as indicated.

Order Number	Gate Station(s)	Per Dth	Final Charge Month
U-16125	Houghton TBS #1	\$0.2020	December, 2020

Facility Improvement Demand Surcharge

All gas transported for rates under classes TR-1, TR-2, TR-3, or by special contract are subject to the Facility Improvement Demand Surcharge as indicated.

Order Number	Description	Rate Per Dth	Final Month
U-20479	Interstate Pipeline Interconnections	\$0.0328	December, 2024

Continued From Sheet No. E-1.00

Infrastructure Reliability Improvement Program (“IRIP”)

The IRIP program consists of projects that will specifically target and mitigate system vulnerabilities reducing the potential impact to customers of an unexpected weather event or isolated damage impeding supply. The customer surcharges identified below will be in effect beginning January 2021 and will continue as approved in U-20479 until new rates are established in a future contested case addressing the IRIP.

**Infrastructure Reliability Improvement Program
 (Surcharge)**

Rate Class	Amount	Order No.
TR-1	\$23.35 per Month	U-20479
TR-2	\$117.98 per Month	U-20479
TR-3	\$589.65 per Month	U-20479

TRANSPORTATION SERVICE - (TR-1, TR-2, and TR-3)

Availability

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the transportation of gas within the Company's Service Territory, when:

A. Shipper desires Transportation Service; and

B. Shipper has met the conditions specified in Section E of the Company's Rules and Regulations for Transportation Service; and

C. Shipper has agreed to provide a dedicated active analog telephone line, adequate electric power at the meter site and such other facilities as may be required for the specialized metering equipment needed to be installed by the Company. The shipper is required to pay for all necessary equipment needed to be installed by the Company. Failure to maintain the telephone line, electrical outlet and other facilities may result in discontinuation of transportation service, or the Company may dispatch service personnel to obtain physical meter reads at the Shipper's expense, for each occurrence.

D. Shipper has also agreed to provide 24 hour per day access to the specialized metering equipment located on the Shipper's premises, and Shipper has agreed, at all times, to allow the Company to perform the work required to maintain the specialized metering equipment. Failure to provide such access may result in discontinuation of transport service. Upon request, the Company will make available to the Shipper the daily volumetric data collected from the specialized metering equipment within two hours following the end of the Gas Day.

E. Shipper and Company have executed a Transportation Service Agreement for service under this Rate Schedule. Shipper must contract for delivery of Gas to a specific Point(s) of Receipt where Shipper's Transporter will deliver Shipper's Gas to the Company and a specific Point(s) of Delivery where the Gas will be consumed. Gas delivered under the terms of this rate may not be resold.

Continued On Sheet No. E-10.00

Aggregation of Accounts Option

A customer receiving gas service at multiple facilities under common ownership may elect to aggregate the quantities of gas supplied to such facilities if the following conditions are met:

A. The customer must designate one of the facilities as the master account. The master account must be a Transportation Service account (TR-1, TR-2 or TR-3).

B. Only the subsidiary accounts will be eligible for aggregation with the master account. To qualify as a subsidiary account a facility must be served under the General Service Rate (GS-1, GS-2, or GS-3). The customer, or the customer's agent, must specify which of the other facilities will be designated as the subsidiary account(s). The customer may designate some or all of its other facilities as subsidiary accounts.

C. The facility designated as the master account shall be subject to and billed the provisions of its transportation tariff. The FBT for the aggregation shall be based on fourteen percent (14%) of the master account normalized average daily usage. Facilities designated as subsidiary accounts shall be subject to all the terms and conditions of the master account tariff, including remote metering, except that the subsidiary accounts will pay the customer charge and distribution charge in effect for its designated sales rate rather than the customer charge and transportation charge in effect for the master account.

Rates

Subject to such modifications as may be imposed and/or authorized by the Michigan Public Service Commission (MPSC), each Month Shipper shall, where applicable, pay the Company the following amounts:

	<u>TR-1</u>	Service Category <u>TR-2</u>	<u>TR-3</u>
Customer Charge	\$350.00	\$ 1089.15	\$ 10,831.50
Remote Meter Charge	\$ 75.00 per meter	\$ 75.00 per meter	\$ 75.00 per meter
Transportation Rates:	\$1.0334 per Dth	\$0.8563 per Dth	\$0.4669 per Dth

Continued On Sheet No. E-18.00

Service Category

- TR-1 Usage between 0 and 50,103 Dth annually
- TR-2 Usage between 50,103 and 300,175 Dth annually
- TR-3 Usage greater than 300,175 Dth annually

Customers may choose the Service Category under which they take service, consistent with the restrictions of Rule C4.1. When Customers are selecting their initial Service Category, the Company must advise them that the economic breakeven point between TR-1 and TR-2 is 50,103 Dth per year and the economic breakeven point between TR-2 and TR-3 is 300,175 Dth per year. After the initial selection has been made, then it is the customer's responsibility to determine when it is appropriate to switch rates, as permitted by Rule C4.1.

Customer Charge and Remote Meter Charge

Shipper shall pay the designated Customer Charge and Remote Meter Charge per Month for each meter through which Shipper's deliveries of Gas are designated as a Point(s) of Delivery on Shipper's Transportation Service Agreement, regardless of whether Gas was delivered through such meter during the Month, except as provided for in Rule C3.2 of the Company's Rules and Regulations.

Transportation Rate

If the Gas to be transported is an incremental load which will be used to displace coal or coal derived fuels and will be delivered during a time when the Company has sufficient capacity, then the Transportation Rate for such incremental load shall be a rate, as negotiated between the Company and the Shipper, between a floor of \$0.05 per Dth and a ceiling of \$1.00 per Dth. The Shipper shall also pay all applicable surcharges for all gas delivered and all applicable BRCs for all Dth of Daily Imbalance created by the Shipper. The minimum charge for such coal displacement service shall be the monthly Customer Charge, the Energy Optimization Charge and Remote Meter Charge. All coal displacement volumes are interruptible by the Company. Coal displacement volumes are excluded for purposes of determining a Shipper's MDQ and FBT.

Gas in Kind

The Company shall retain 0.346% of all gas received at the Point(s) of Receipt to compensate for Company use and lost and unaccounted for gas on the Company's system. This volume shall not be included in the quantity available for delivery to the Shipper.

Balancing Charges**Firm Balancing Charge**

All Shippers, for whom the Company has an available FBT, shall pay \$ 0.03440 per Dth of Gas delivered by the Company to the Shipper during the month.

Interruptible Balancing Charge

Shippers shall pay an Interruptible Balancing Charge of \$ 0.1000 per Dth of Daily Imbalance Gas that is greater than the FBT but within the DBT.

Continued On Sheet No. E-19.00

E9. OFF-SYSTEM TRANSPORTATION SERVICE - (OSTS)

A. Availability

1. This Rate Schedule is available to all entities (hereinafter referred to as "OSTS Shipper") desiring to Transport gas through the Company's utility pipeline system to an Off-System location, when:
 - a. OSTS Shipper and Company have executed an Off-System Transportation Service Agreement for service under this Rate Schedule indicating, among other terms and conditions, the specific Point of Receipt where OSTS Shipper shall cause gas to enter the Company's utility pipeline system and the specific Point of Delivery where the OSTS Shipper will cause gas to exit the Company's utility pipeline system; and
 - b. OSTS Shipper has agreed to provide an adequate electric power at the meter site (Point of Receipt) and such other facilities as may be required for the specialized metering equipment needed to be installed by the Company. The Company may utilize wireless technology for remotely communicating with Company's specialized metering equipment. Where service for wireless communications technology is unavailable or in locations where wireless communications technology will not operate reliably, the OSTS Shipper will provide a dedicated compatible telephone line at the Point of Receipt and at OSTS Shipper's expense. The Shipper shall not be eligible for OSTS in the absence of a method for the Company to remotely communicate with its specialized metering equipment from the Company's administrative offices. The OSTS Shipper is required to pay for all necessary equipment needed to be installed by the Company to facilitate daily meter reading. Failure of OSTS Shipper to maintain a clear signal path for the Company's wireless communications equipment at OSTS Shipper's meter site or failure to maintain an analog telephone line, electrical power supply, or other facilities necessary for accurate measurement of gas may result in discontinuation of Transportation Service, or the Company may dispatch service personnel to obtain physical meter reads at the OSTS Shipper's expense, for each occurrence; and
 - c. OSTS Shipper has also agreed to provide continuous and unlimited access to the Company's specialized metering equipment at OSTS Shipper's Point of Receipt, and OSTS Shipper has agreed, at all times, to allow the Company to perform the work required to maintain the specialized metering equipment. Failure to provide such access may result in discontinuation of Transport Service. Upon request, the Company will make available to the OSTS Shipper the daily volumetric data collected from the specialized metering equipment within two hours following the end of the Gas Day.
2. When Shipper's Point of Receipt and Point of Delivery are both SEMCO interconnection points with interstate or intrastate pipelines for which daily meter reads are available, the matters specified in b. and c. above may not be necessary whereby the requirements for such will be determined by the Company on a case by case basis.

B. Definitions

1. As used in this Rate Schedule:
 - a. "Confirmed Quantity" means the quantity of gas received from the OSTS Shipper at the Point of Receipt less Gas-in-Kind withheld by Company for loss and use. The Scheduled Quantity is the amount of gas available for Off System Transportation to the OSTS Shipper's Point of Delivery.
 - b. "Off-System" means gas which is Transported from a Point of Receipt into the Company's utility pipeline system to a Point of Delivery which is interconnected to an interstate or intrastate pipeline or other local gas distribution company.

Continued On Sheet E-25.00

- c. "Operational Districts" shall mean those service territories located in segmented geographical areas of the Company's utility pipeline system as stated on Sheets A-11.00 through A-14.00 of the Company's Rate Book for Natural Gas Service.
- d. Defined terms used in this Rate Schedule and not defined above have the same meaning as set forth in Rule E1 or as described in the Off-System Transportation Service Agreement.

C. Characteristics of Service

1. Under this Rate Schedule, Company will perform Off-System Transportation of gas quantities on a firm basis, for OSTS Shipper, utilizing the Company's utility pipeline system, subject to the Company's Curtailment of Gas Service provisions (Rule C3), up to OST Shipper's MDQ on any Day.
2. The Company, in its sole judgment, shall have the right to determine if capacity, including adequate pressure differentials at the desired Point of Receipt and Point of Delivery, is available for OSTs under this Rate Schedule.

D. Off-System Transportation Service

1. The Company shall receive gas from OSTs Shipper, or for the account of OSTs Shipper, at the Point of Receipt and redeliver Equivalent Quantities to the OSTs Shipper, or for the account of OSTs Shipper at the Point of Delivery;
2. Any rates, terms and conditions not covered by the Company's Rate Book for Natural Gas Service shall be as contained in the Company's Off-System Transportation Agreement.

E. Gas Quality

1. All gas received from an OSTs Shipper and delivered to the Company's system shall be merchantable and conform to the gas quality specifications as described in Rule E.3.

F. Gas Balancing

1. The Company and OSTs Shipper shall endeavor to keep receipts and deliveries of gas flow in balance at all times (hourly and daily). If at any time, the quantities of gas received by Company at the Point of Receipt is greater or lesser than the gas consumed at the Point of Delivery, Company may refuse, increase or decrease deliveries to correct the imbalances.
2. An Operational Balancing Agreement ("OBA") shall be required for all OSTs Shippers. The OBA shall be based on the Company's ability to provide balancing services to the OSTs Shipper and shall describe the terms of balancing, balancing charges, and penalty charges.
3. If, upon termination of an OSTs Shipper's Off-System Transportation Service Agreement, the Company has not received a quantity of gas from OSTs Shipper equal to those taken at the Point of Delivery, plus GIK, or the OSTs Shipper has not received at the Point of Delivery the quantity of gas from the Company equal to the quantity received at the Point of Receipt, less GIK, the Imbalance shall be resolved through the OBA.

A. Maximum Daily Quantity (MDQ)

Continued On Sheet No. E-26.00

1. An OSTS Shipper's MDQ shall be specified in the Off System Transportation Service Agreement between the OSTS Shipper and the Company. The MDQ is the greatest quantity of gas that the Company agrees to receive for Transportation and is obligated to redeliver on any given Day.
2. The Company must have adequate System Capacity to accommodate OSTS Shipper's MDQ. The availability of System Capacity for Off-System Transportation Service shall be secondary to the System Capacity requirements necessary to serve the Company's Residential and General Service class customers.
3. An OSTS Shipper may request an adjustment of its contractual MDQ. However, if the Company does not have adequate System Capacity to deliver quantities greater than Shipper's current MDQ, the Company may deny such adjustment until the Company determines adequate facility capacity is available to meet the increased demand.
4. The Company will determine MDQs in a non-discriminatory manner.

B. Nominations

In accordance with the Company's Nominations, Accounting, and Control provisions (Rule E.2), and the Company's Nominating procedures, OSTS Shipper, shall provide the Company with daily gas Nominations via the Company's electronic gas Nominating system for gas that OSTS Shipper shall cause to be delivered to Company for Off-System gas Transportation. Specific information to be included in the Nomination is posted on Company's electronic gas Nominating system.

C. Gas in Kind

The Company shall retain 0.346% of all gas received at the Point of Receipt to compensate the Company for use and loss of gas on the Company's system. This volume shall not be included in the quantity available for delivery to the OSTS Shipper.

D. Rates

1. If applicable, an OSTS Shipper shall pay to the Company a fee comprised of the sum of the following:

Charge Type	Charge Range
Customer Charge (per Month)	Up to \$10,831.50
Transportation Charge (per Dth)	Up to \$1.0334

2. The Transportation Charge may be a demand rate or a volumetric rate and shall be negotiated between the OSTS Shipper and the Company and stated in the Off System Transportation Agreement entered into between the OSTS Shipper and the Company.
3. For OSTS Shippers with large or non-typical facility requirements the Company may require the Shipper to make special contractual arrangements for cost recovery of construction, operations, and maintenance for such facilities.

Continued on Sheet No. E-27.00

K. Late Payment Charge and Due Date

A bill shall be mailed or delivered to the OSTs Shipper not less than 21 days before the due date. A late payment charge of three percent (3%) of the delinquent balance outstanding shall be applied to any bill which is not paid in full on or before the due date shown thereon. If such failure to pay continues for thirty (30) days after full payment is due, then, in addition to any other remedy it may have, the Company may suspend further receipt and/or delivery of gas until such amount is paid, provided however, that the Company provides at least ten (10) days' notice before service is suspended for nonpayment.

L. Penalty Charges

Company is authorized to charge OSTs Shippers for unauthorized use of gas under the Company's Unauthorized Use Charge provisions (Rule C3) if an OSTs Shipper delivers gas at the Point of Receipt in excess of OSTs Shipper's MDQ or receives gas at the Point of Delivery in excess of OSTs Shipper's MDQ without the Company's prior consent. Failure to pay an Unauthorized Use Charge when rendered shall subject the OSTs Shipper to termination of its Off-System Transportation Service Agreement.

M.P.S.C. No. 1 – Gas
SEMCO Energy Gas Company

Sheet No. F-1.00

**SECTION F
RULES AND REGULATIONS
FOR 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 receive a license from the Commission, 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.

DEFINITIONS:

Alternative Gas Supplier (AGS) or Supplier means a marketer, broker, producer, or other entity that has received a license from the Commission and executed an Authorized Gas Supplier Agreement with the Company to deliver gas supplies to customers under Rate CC.

Customer:

Residential means a purchaser (account holder) of natural gas that is supplied or distributed by a utility for residential purposes.

Small Commercial means a non-residential customer (business name) with aggregate usage of 500 Dth of natural gas or less per year.

Large Commercial means a non-residential customer (business name) with aggregate usage above 500 Dth of natural gas per year that is supplied or distributed by a utility for non-residential purposes

Legally authorized Person means a person that has legal documentation or legal authority to enroll a residential or commercial customer into a binding contract. A legally authorized person includes, but is not limited to, an individual with power of attorney or a corporate agent authorized to enter into contracts on a corporation's behalf.

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

The terms **signature** or **signed** include electronic signatures as defined in the Michigan Uniform Electronic Transactions Act.

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

If a Customer is in arrears with the company, the customer is not eligible to participate in this customer choice program until arrearages have been paid in full to the company.

F1.2 Term Compliance. 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.

Continued On Sheet No. F-2.00

Continued From Sheet No. F-1.00

F1.3 Supplier Selection. 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 Supplier Deposit or Surety Requirements. 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 Dth for 10/365ths of the Company-estimated total annual load for those customers selecting that Supplier. The cash deposit shall be adjusted if the Company-estimated total annual load for those customers changes. As an alternative to a cash deposit, the Supplier may provide an irrevocable letter of credit from a financial institution, a surety bond, or a parental guarantee satisfactory to the Company in not less than the amount of the cash deposit. Any such letter of credit, surety bond or parental guarantee shall be in a form acceptable to the Company. The amount of cash deposit, letter of credit, surety bond or parental guarantee shall be applied against any unpaid charges and/or fees, as well as any price reconciliation liabilities, or liabilities associated with Supplier default. Cash deposit amounts not so applied shall be refunded to the Supplier if the Supplier ceases to serve customers under the Program.

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

F1.5 Supplier Pools. A Supplier may have as many pricing pools as desired. Pricing pools that have remained inactive for longer than six months may be closed by the Company. Each month, all customers within a pricing pool shall be billed the same price, as designated by the Supplier. A Supplier shall pay a monthly Administrative Fee of \$100.00 per Supplier-designated pricing category. The Company reserves the right to require additional pools to meet operational requirements.

Continued On Sheet No. F-3.00

Continued From Sheet No. F-2.00

F1.6 Daily Delivery Obligation. 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 schedule will indicate the quantity the Supplier is required to deliver each day on an aggregate basis for all accounts served by the Supplier, i.e. all Supplier-designated pricing categories will be combined. The Company will issue a Daily Delivery Obligation (DDO) monthly, prior to the closing bid day of futures trading for the month. The DDO will establish the anticipated daily quantity of gas to be delivered to the Company at the Point(s) of Receipt designated by the DDO. The DDO will generally be based upon the pooled customers' historical use for the prior year, adjusted for the prior year's weather. The schedule may be updated by the Company on a monthly basis. The DDO is subject to intra-month changes as conditions dictate. If the Company requires an increase or decrease in flow requirements within any month, the Company shall issue a DDO Change Notice to the Supplier as soon as possible, but no later than twenty-four (24) hours prior to the start of the Gas Day. The Company shall issue such notices in a non-discriminatory manner. Scheduled daily volumes for Gas Customer Choice customers for electric peakers, greenhouses, grain dryers, asphalt plants and large loads without consistent or historical load information may be determined by the Company on a different basis than set forth above.

If the Supplier fails to deliver the required DDO quantity on any day, the Supplier shall pay a per MMBtu Failure Fee for the difference between the required DDO and the actual amount delivered. The Failure Fee shall be \$6/MMBtu (\$10.00/MMBtu during periods of Company declared supply emergency in accordance with Rule C3, Curtailment of Gas Service) plus the higher of (a) the cost of gas billed to sales customers pursuant to the Company's Rule C7 or (b) the Unauthorized Use Charge in accordance with Rule C3.2 In addition, the Company may assess upstream penalties to the Supplier to the extent that the Company has identified the Supplier as the cause of the penalty.

A Supplier who fails to deliver gas on successive days such that its Failure Fee liability exceeds its cash deposit, letter of credit or surety bond, shall be subject to having its Authorized Supplier status revoked.

F1.7 Supplier Nomination. Each Supplier shall notify the Company of the daily quantity of gas (in MMBtu) that the Supplier is nominating for delivery, Such nominations shall be submitted by **2:00 PM ECT** prior to the effective day of the proposed delivery.

F1.8 Customer Billing. 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 Dth to be billed to each Supplier-designated Pricing Category on its behalf, or the most recently supplied price will be used.

F1.9 Supply Remittance. 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, multiplied by the lesser of the average actual price per Mcf converted to MMBtu, billed to the Supplier's customers that month or 110% of the cost of gas billed to sales customers pursuant to the Company's Rule C7, Gas Cost Recovery Clause and Standard Refund Procedures. The average actual price per Mcf billed to the Supplier's customers is the total amount billed to the Supplier's customers for that billing month divided by the total quantity, in Mcf, billed to the Supplier's customers for the same month. The amount to be remitted shall be reduced for any applicable Administrative Fees, Billing Fees, Failure Fees, and/or amounts owed to the Company pursuant to the Company's tariff.

Continued On Sheet No. F-4.00

Continued From Sheet No. F-3.00

F1.10 Reconciliation. Within 60 working days after (i) the end of the March billing cycle, or (ii) revocation of a Supplier's Authorized Supplier status, or (iii) withdrawal by Supplier from participation in the Gas Customer Choice Program, the Company will reconcile the cost per MMBtu remitted to the Supplier per F1.9, before reductions for Administrative Fees, Billing Fees, Failure Fees, and any other authorized credits or charges. These costs will be compared with the commodity price per Dth billed to customers over the course of the program year on the Supplier's behalf. Any cost difference per Dth, multiplied by the smaller of the program year's Supplier delivered Dth or the billed customer Dth, will be reflected in an adjustment on the next monthly remittance to the Supplier.

As an exception to the above, in those instances where both (i) the price per Dth billed to customers during the program year on the Supplier's behalf is higher than the commodity cost of gas billed to sales customers by the Company, and (ii) the Supplier delivered Dth exceeds the billed customer Dth, then the following procedure will be used: (i) 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 actual customer consumption 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.

The annual reconciliation load requirements, delivery schedules, and delivery shortfall Failure Fees shall apply on an aggregate basis for all accounts served by the Supplier, i.e., all Supplier –designated pricing categories will be combined.

F1.11 Compliance. If the Commission or its Staff determines that a Supplier has not complied with the terms and conditions of the Program, the Commission or its Staff shall direct a utility or utilities to suspend the Supplier's Authorized status until the Commission or its Staff determines that necessary changes have been made to comply with the requirements. Failure to make the necessary changes or further non-compliance with the requirements of the terms and conditions of the Program may result in the Supplier's termination from the Program. If a Supplier is terminated, subject to Rule C2, Controlled Service, its customers shall become sales rate customers of the Company.

F1.12 Month Defined. 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.

F1.13 Gas Rate Disclosure. The Company may disclose, at such times as requested by the Commission or its Staff, the gas rates charged to Rate CC customers.

F1.14 Curtailment The Company shall have the authority to implement its Curtailment Plan in accordance with Rule C.3, s, 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.

F1.15 Supplier of Last Resort. The Company will act as Supplier of last resort under the Program.

Continued On Sheet No. F-5.00

Continued From Sheet No. F-4.00

- F1.16 Contract Language.** 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 the complaint is unresolved, the customer should involve the Commission by contacting the Commission Staff. Should the customer choose to involve the Company in a complaint, the Company shall forward the complaint information to the Commission Staff and the Supplier for resolution. The Company shall have no responsibility for resolving disputes between customers and Suppliers but shall provide information if requested by the customer or Commission Staff.
- F1.17 Transportation Standards of Conduct.** The Transportation Standards of Conduct, E5 and E6, shall apply to the GCC program.

Continued On Sheet No. F-6.00

Continued From Sheet No. F-5.00

F2. CUSTOMER PROTECTIONS

These provisions shall be monitored and enforced solely by the Commission or its Staff.

F2.1 Residential and Small Commercial Customer Protections. A Supplier must provide residential and small commercial customers with a 30-day unconditional right to cancel the contract without termination fees following the date the customer signs the contract. The first day of the 30-day period is the day after the contract is entered into by the customer. The exercise of this unconditional right by the customer may occur through a verbal or written communication with the Supplier. 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.

Continued On Sheet No. F-7.00

Continued From Sheet No. F-6.00

F2.2 A customer has the right to terminate participation with a Supplier at any time after the unconditional cancellation period, through verbal or written communication with the Supplier. The customer may switch Suppliers or cancel their contract at anytime with a Supplier, however the customer shall be made aware of the existence and amount of any early termination fee by the Supplier. The Supplier shall execute a customer's request for cancellation without delay, irrespective of whether an early termination fee or other penalty is paid to the Supplier. The Supplier shall promptly submit a de-enrollment file to the Company within three (3) business days after receiving notice that a customer has cancelled the contract in order to return to the Company sales rate. The Supplier shall not submit a de-enrollment file to the Company if the customer is transferring to another AGS.

F2.3 Solicitation Requirements. A Supplier's sales representatives, agents, or employees must not represent itself in any manner as an employee, affiliate, subcontractor, or agent of the Company. A Supplier's sales representatives, agents, or employees 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. Suppliers must comply with all local ordinances before their sales representatives, agents, or employees begin door-to-door marketing. Door-to-door marketing and telephone marketing must be performed between 9:00 A.M. & 8:00 P.M.

F2.4 Contract Requirements. All contracts offered by the Supplier and signed by the customer must be clearly labeled at the top of the contract as "Gas Customer Choice Contract" with the Supplier's name, the type of contract being offered and in a font size of at least 16 point and bold.

- A. A Supplier must use a font size of at least 12 point for its contract with residential and or small commercial customers.
- B. All terms and conditions of the contract are considered part of the contract and must be included in the contract document and provided to the customer as one document at the time of signing the contract. The signature can appear on a separate or easily separable document from the terms and conditions as long as the signature page also includes an identifier that is the same as that which appears on the terms and conditions and also includes the customer's name, account number and the language contained in F2.8J.

Continued On Sheet No. F-8.00

Continued From Sheet No. F-7.00

- C. Customers enrolling through verbal means shall have the entire contract including the rate, terms and conditions included in the contract provided to them in writing via U.S. mail or verifiable electronic mail. This correspondence shall be postmarked within seven (7) days of the customer's verbal enrollment.
 - D. Customers enrolling through electronic means shall have the entire contract including the rate, terms and conditions included in the contract provided to them in writing via U.S. mail and by verifiable electronic mail. These correspondences shall be postmarked within seven (7) days of the customer's electronic enrollment with the Supplier.
- F2.5** The maximum early termination fee for residential contracts of one year or less shall not exceed \$50. The maximum early termination fee for residential contracts of longer than one year shall not exceed \$100.
- The maximum early termination fee for small commercial contracts of one year or less shall not exceed \$150. The maximum early termination fee for small commercial contracts of longer than one year shall not exceed \$250.
- F2.6** Contracts may continue after initial term expiration on a month-to-month basis, cancelable at anytime without penalty.
- F2.7** Any contract that is not signed by the customer or legally authorized person shall be considered null and void. Only the customer account holder or legally authorized person shall be permitted to sign a contract. A Supplier and its agent shall make reasonable inquiries to confirm that the individual signing the contract is a legally authorized person.
- F2.8** The following information must be included in all residential and commercial Supplier's contracts with a customer.
- A. The Supplier's name.
 - B. The Supplier's address.
 - C. The Supplier's toll-free telephone number.
 - D. Cancellation rights. All residential and small commercial customers have a 30-day unconditional right to cancel the contract without termination fees following the date the customer signs the contract.

All large commercial customers have a 14-day unconditional right to cancel the contract without termination fees following the date the customer signs the contract. This class of customer may waive this right of cancellation by affirmatively agreeing to waive this right on the contract. This customer protection waiver should be prominent in the contract language.
 - 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.

Continued On Sheet No. F-9.00

Continued From Sheet No. F-8.00

- H. If the Supplier does not offer a fixed price, the contract and all related marketing materials must contain a clear explanation of the pricing factors used to determine the price and an example of how the pricing factors would be implemented.
- I. Provision for a 60-day advance notice to the customer of any price change at the expiration of a fixed price contract.
- J. Contracts must include:

(i) Residential: In bold 14 point type above the place for the customer's signature, the following statement: I acknowledge that I am the account holder or legally authorized person to execute a contract on behalf 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 SEMCO Energy 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).

(ii) Small Commercial: In bold 12 point type above the place for the legally authorized customer's signature and company business title, the following statement: I acknowledge that I am the account holder or legally authorized person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to (new Supplier name). I understand that gas purchased for this commercial account by (new Supplier name) will be delivered through SEMCO Energy Gas Company's delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 30-days after today to cancel this contract for any reason through written or verbal notification to (new Supplier name).

(iii) Large Commercial: In bold 12 point type above the place for the legally authorized customer's signature and company business title, the following statement: I acknowledge that I am the account holder or legally authorized person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to (new Supplier name). I understand that gas purchased for this commercial account by (new Supplier name) will be delivered through SEMCO Energy Gas Company's delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 14-days after today to cancel this contract for any reason through written or verbal notification to (new Supplier name). I may waive this right of cancellation by affirmatively agreeing to this waiver on the contract. If you terminated your contract today, and if the unconditional cancellation period did not apply, based on current gas prices and your historical usage, a good-faith estimate of your termination fee would be (AGS places its fee here). This termination fee is subject to change as your usage and the market price of gas fluctuate.

Continued On Sheet No. F-10.00

Continued From Sheet No. F-9.00

- F2.9** A Supplier must allow the Commission Staff an opportunity to review and comment on its residential and small commercial contract(s), marketing materials and scripts at least five business days before the Supplier intends to use the contract(s) and marketing materials in the marketplace.
- F2.10** A Supplier that does not comply with the requirements of Section F of this tariff will have its participation in the Program suspended until the Commission or its Staff 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 Commission or its Staff determines do not meet all of the requirements of Section F of this tariff may result in the Supplier's termination from the Program.
- F2.11** A Supplier must distribute a confirmation letter to residential customers by U.S. mail. The confirmation letter must be postmarked within seven (7) days of the customer or legally authorized person signing a contract with the Supplier. The confirmation letter must include the date the letter was sent, the date the contract was signed, the term of the contract with end date, the fixed or variable rate charged, the unconditional cancellation period, any early termination fee, the Supplier's toll-free number, the Commission's toll-free number and any safety-related messages required by the Company. The confirmation letter may be sent with the contract in cases where a contract must be sent. The Company is not required to distribute letters to customers confirming a customer's choice of an alternative Supplier.

A Supplier must distribute a confirmation letter to all commercial customers by certified U.S. mail, verifiable facsimile or verifiable electronic mail within seven (7) days of the customer or legally authorized person signing a contract with the Supplier. The Supplier shall be responsible for maintaining records that verify delivery and receipt of the confirmation letter, facsimile or E-mail. The confirmation letter must be sent to the business's principal office. The confirmation letter must include the date the letter was sent, the date the contract was signed, the term of the contract with end date, fixed or variable rate charged, the unconditional cancellation period, if any, any early termination fee, the Supplier's toll-free number, the Commission's toll-free number and any safety-related messages required by the Company. Suppliers must include a good-faith estimate of the Large Commercial customer's early termination fee, identifying the applicable pricing factors and an example of how the fee is calculated.

Continued On Sheet No. F-11.00

Continued From Sheet No. F-10.00

F3. SOLICITATION REQUIREMENTS

These provisions shall be monitored and enforced solely by the Commission or its Staff.

- F3.1** It is the Supplier's responsibility to have a current valid contract with the customer at all times. The Commission or its Staff 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. 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 from the customer or legally authorized person.
 - B. Independent third party verification with an audio recording of the entire verification call.
 - C. An e-mail address if signed up through the Internet.
- F3.2** Suppliers and agents who are soliciting customers must comply with the following requirements:
- A. The Supplier and its agents must clearly identify the AGS on whose behalf they are soliciting.
 - B. The Supplier and its agents must not represent themselves as employees or agents of the Company.
 - C. The Supplier and its agents must affirmatively indicate if they are a marketing affiliate of the Company, that the affiliate is a separate entity and that the affiliate is not regulated by the Commission.
 - D. The Supplier and its agents must submit residential and small commercial contract(s), marketing materials and scripts to the Commission Staff for review at least five (5) business days prior to using the materials in the marketplace.
 - E. The Supplier and its agents cannot remove the original of the customer's bill from the residence or small commercial office.
 - F. The Supplier and its agents must comply with truth in advertising in all verbal, written, or electronic statements to the customer.
 - G. A Supplier who is actively marketing and/or enrolling customers in the Company's territory will post to the Commission's gas rate comparison website at MI.gov/CompareMIGas its generally available offers for residential and small commercial customers per the Terms and Conditions of the AGS licensing application.
- 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.

Continued On Sheet No. F-12.00

Continued From Sheet No. F-10.00

F4. SUPPLIER LICENSING AND CODE OF CONDUCT

These provisions shall be monitored and enforced solely by the Commission or its Staff.

F4.1 A Supplier is required to be licensed by the Commission and provide the following information prior to any solicitation:

- A. The name of the Supplier's company/corporation and type of organization.
- B. The Supplier's mailing address.
- C. The Supplier's principal place of business address.
- D. The Supplier's Michigan office address and toll-free phone number during normal business hours for customer inquires and concerns.
- E. The Supplier and its agents must submit residential and small commercial contract(s), marketing materials and scripts to the Commission Staff for review at least five (5) business days prior to using the materials in the marketplace.
- F. Name, address, phone number, and email address of person designated to receive and respond to requests from the Commission or its Staff with respect to inquiries, complaints and regulatory matters.

F4.2 As a condition of licensing as a Supplier, a Supplier must agree to abide by a code of conduct that provides:

- A. The Supplier will issue accurate and understandable contract(s) and marketing materials.
 - i. The Supplier and its agents will not engage in communications or practices that are fraudulent, deceptive or misleading.
 - ii. The Supplier and its agents 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.
 - iii. The Supplier will provide this documentation to the Commission or its Staff upon request.
 - iv. Marketing materials must contain the price per Dth, 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.
 - v. If the Supplier does not offer a fixed price, the marketing materials must contain a clear explanation of the pricing factors used to determine the price and an example of how the pricing factors would be implemented over a relevant time period and for relevant usages. Marketing materials shall 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.

Continued On Sheet No. F-13.00

Continued From Sheet No. F-12.00

- 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 must comply with Commission rules relating to response to customer complaints, formal complaints and customer service.
- E. The Supplier will provide accurate and sufficient customer service information. The Supplier will advise customers of their 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 maintain 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.
- F. The Supplier must inform a customer of the amount of its early termination fee prior to de-enrollment or transfer to another AGS. A customer is responsible to know if early termination fees apply in their contract. If after the Supplier discloses the early termination fee amount and the customer returns to the Company sales rate or switches to another AGS, the customer may be responsible for early termination fees or other penalties owed to the Supplier. The Supplier shall execute a customer's request for cancellation without delay, irrespective of whether an early termination fee or other penalty is paid to the Supplier.
- G. 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 shall maintain verification records for as long as the customer's contract is valid, plus an additional three (3) more 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.
- H. 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, courteous, 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 to the customer's satisfaction. If the complaint cannot be resolved, the Supplier will refer the customer to the Commission or its Staff. The Supplier will appoint at least one employee to be a contact person between the Supplier and the Commission or its Staff. The Supplier will provide complete reports of the complaint investigation and resolution to the Commission or its Staff within ten (10) business days for the resolution of customer complaints. The Supplier will cooperate with the Commission or its Staff 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.
- I. The Supplier will retain pipeline capacity sufficient to meet its customer requirements.
- J. A Supplier who is actively marketing and/or enrolling customers in the Company's territory will post to the Commission's gas rate comparison website at MI.gov/CompareMIGas its generally available offers for residential and small commercial customers per the Terms and Conditions of the AGS licensing application.

Continued On Sheet No. F-14.00

Continued From Sheet No. F-13.00

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 attempt to 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:

SEMCO Energy Gas Company Headquarters
1411 Third Street, Suite A
Port Huron, MI 48060
Attention: Executive Customer Assistance Center

- 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.

Continued On Sheet No. F-15.00

Continued From Sheet No. F-14.00

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. 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.

If a Customer is in arrears with the company, the customer is not eligible to participate in this customer choice program until arrearages have been paid in full to the company.

Minimum Term

A customer who has elected to take service under Rate CC may switch or cancel Suppliers at any time. A customer who has elected to take service under Rate CC may return to the Company sales rate at any time, but must remain on the sales rate for 12 months.

A customer may also 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.

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.

Continued On Sheet No. F-16.00

Continued From Sheet No. F-15.00

Monthly Rate

Non-Gas Charges:

Customer Charge

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

Distribution Charge

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

Main Replacement Program Rider

This rate is subject to the Main Replacement Program Rider charges set forth on Sheet No. C-37.00.

Surcharges and Credits:

Gas service under this rate may be subject to surcharges and/or credits as indicated on Sheet No. D-2.00.

Gas Charges:

Balancing and Demand Charge

As shown on Sheet D-3.00 or D-6.10.

Gas Commodity Charge

The customer's cost of gas will be as communicated to the Company each month by the customer's Authorized Supplier. This charge is determined by contract between the customer and Marketer.

If a participating customer wishes to obtain gas supply from the Company after 12 months or more on a choice tariff, the customer shall be subject to the GCR rate. 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 Company sales supply prior to the end of the 12 months period, subject to Rule C2, Controlled Service, the customer shall become subject to the higher of a market-based rate or the GCR rate for a period of up to three months.

The market-based rate shall consist of either the average (most recent 30 days that are available) of the MichCon city gate price or the average (most recent 30 days that are available) of the Consumers Energy city gate price as published in the Platts Gas Daily.

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 sum of the customer charge included in the rate and the Energy Optimization Surcharge.

Continued On Sheet No. F-17.00

Continued From Sheet No. F-16.00

Due Date and Late Payment Charge

The due date of a residential customer's bill shall be 21 days from the date of transmittal. The due date of a nonresidential customer's bill shall be 21 days from the date of mailing. A 2% residential or 3% nonresidential late payment charge, 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.

Continued On Sheet No. F-18.00

Continued From Sheet No. F-17.00

This Sheet has been cancelled and
is reserved for future use.

Michigan Public Service Commission
SEMCO ENERGY Gas Compan
MRP Surcharge Calculation

Revenue Requirement	2021	2022	2023	2024	2025	Allocator ¹	Customer Count
	\$	\$	\$	\$	\$		
Total	622,680	2,166,928	3,701,816	5,228,485	6,750,978		
Residential	290,915	1,012,384	1,729,480	2,442,737	3,154,042	0.46719776	282593
GS-1	57,583	200,387	342,327	483,506	624,299	0.09247534	22294
GS-2	44,803	155,913	266,350	376,196	485,741	0.07195123	3324
GS-3	67,453	234,737	401,007	566,386	731,314	0.10832705	830
TR-1	27,752	96,577	164,986	233,028	300,883	0.04456884	117
TR-2	68,300	237,684	406,041	573,497	740,494	0.10968699	57
TR-3	65,875	229,245	391,625	553,136	714,205	0.10579279	11

Annual Cost per Cust

Residential	1.03	3.58	6.12	8.64	11.16
GS-1	2.58	8.99	15.36	21.69	28.00
GS-2	13.48	46.91	80.13	113.18	146.13
GS-3	81.27	282.82	483.14	682.39	881.10
TR-1	237.20	825.45	1,410.13	1,991.69	2,571.65
TR-2	1,198.24	4,169.89	7,123.53	10,061.35	12,991.13
TR-3	5,988.64	20,840.48	35,602.32	50,285.10	64,927.71

Month Surcharge per Cust

Residential	0.09	0.30	0.51	0.72	0.93
GS-1	0.22	0.75	1.28	1.81	2.33
GS-2	1.12	3.91	6.68	9.43	12.18
GS-3	6.77	23.57	40.26	56.87	73.43
TR-1	19.77	68.79	117.51	165.97	214.30
TR-2	99.85	347.49	593.63	838.45	1,082.59
TR-3	499.05	1,736.71	2,966.86	4,190.42	5,410.64

Note

¹ Equal to the average of the Average & Peak main allocators in the Compan 's filed COSS

Main Replacement Program

Line

1	(a)	(b)	(c)	(d)
2	Main		MRP	
3	To be		Replacement	
4	Replaced		Cost	
5	Year	(Miles)	Cost per	
6	Proposed Program			
7	2021	26.00	\$ 432,027	\$ 11,232,712
8	2022	26.00	\$ 444,988	\$ 11,569,694
9	2023	26.00	\$ 458,338	\$ 11,916,785
10	2024	26.00	\$ 472,088	\$ 12,274,288
11	2025	26.00	\$ 486,251	\$ 12,642,517
12	Total	130.00		\$ 59,635,996

13

14

15 **Assumptions**

16 Average Actual Cost per Mile (2017-2018) \$ 395,366

17 Inflation Rate 3.0%

Michigan Public Service Commission
SEMCO ENERGY Gas Compan
IRIP Surcharge Calculation

Revenue Requirement	2021	2022	2023	2024	2025	Allocator ¹	Customer Count
	\$	\$	\$	\$	\$		
Total	735,724	2,187,495	3,682,872	5,751,364	6,931,771		
Residential	343,729	1,021,993	1,720,630	2,687,025	3,238,508	0.46719776	282593
GS-1	68,036	202,289	340,575	531,859	641,018	0.09247534	22294
GS-2	52,936	157,393	264,987	413,818	498,749	0.07195123	3324
GS-3	79,699	236,965	398,955	623,028	750,898	0.10832705	830
TR-1	32,790	97,494	164,141	256,332	308,941	0.04456884	117
TR-2	80,699	239,940	403,963	630,850	760,325	0.10968699	57
TR-3	77,834	231,421	389,621	608,453	733,331	0.10579279	11

Annual Cost per Cust

Residential	1.22	3.62	6.09	9.51	11.46
GS-1	3.05	9.07	15.28	23.86	28.75
GS-2	15.93	47.35	79.72	124.49	150.04
GS-3	96.02	285.50	480.67	750.64	904.70
TR-1	280.26	833.28	1,402.92	2,190.87	2,640.52
TR-2	1,415.78	4,209.47	7,087.07	11,067.54	13,339.04
TR-3	7,075.85	21,038.29	35,420.12	55,313.90	66,666.49

Month Surcharge per Cust

Residential	0.10	0.30	0.51	0.79	0.95
GS-1	0.25	0.76	1.27	1.99	2.40
GS-2	1.33	3.95	6.64	10.37	12.50
GS-3	8.00	23.79	40.06	62.55	75.39
TR-1	23.35	69.44	116.91	182.57	220.04
TR-2	117.98	350.79	590.59	922.30	1,111.59
TR-3	589.65	1,753.19	2,951.68	4,609.49	5,555.54

Note

¹ Equal to the Average and Peak mains allocator as filed in the Compan 's COSS.

Infrastructure Reliability Improvement Program Projects

<u>Line</u>	(a) Proposed Construction Year	(b) Project Name	(c) Description	(d) Total Project Cost
1				
2				
3				
4				
5	2021	143rd Pipeline to Bluestar Lateral - (8" Steel)	12" pipeline and associated regulation station that feeds the southern portion of Holland, MI. Failure of this pipeline or regulating station would result in a significant customer outage.	\$ 7,440,000
6	2021, 2022	Michigan Rd. DRS / 10" - 250# Outlet Pipeline	A large portion of SEMCO's eastern district is supplied by a single 10" pipeline. A failure on this pipeline or district regulator station feeding it would result in significant customer outage.	\$ 11,055,000
7	2022	Greenwood Tie-in	A failure at the Brandon Road DRS would result in a loss of approximately 9,500 customers.	\$ 1,845,000
8	2023, 2024	Almont Gate - GLGC interconnect Romeo reinforcement - Pipeline from Almont Gate to Romeo area	SEMCO's franchise area in western Macomb County is fed from a single gate station and associated high pressure main. A break on the pipeline or a failure at the gate station feeding it would result in a loss of approximately 13,300 customers.	\$ 31,277,000
9	2025	24 Mile Rd & Gratiot DRS to back up Chesterfield DRS	The Chesterfield DRS feeds a large portion of the southeast side of Michigan. A loss of this station or a break in the pipeline feeding it would result in a loss of approximately 13,300 customers.	\$ 2,901,000
10				\$ 54,518,000

Assumptions

14 Inflation Rate 3.0%

SECTION E

RULES AND REGULATIONS FOR TRANSPORTATION SERVICE

E1. GENERAL PROVISIONS AND DEFINITIONS

A. Definitions

1. "Authorized Agent" shall mean the person or entity for whom a Shipper has authorized to send or receive all necessary communications between the Company and Shipper and whom the Shipper has authorized to take actions and make decisions on Shipper's behalf with regard to gas Transportation service.
2. "Authorized Positive Imbalance" shall mean the portion of a Shipper's daily Positive Imbalance that is less than or equal to the Daily Balancing Tolerance in effect on the Day.
3. "Authorized Negative Imbalance" shall mean the portion of a Shipper's daily Negative Imbalance that is less than or equal to the Daily Balancing Tolerance in effect on the Day.
4. "Balancing Costs" shall be defined as all costs associated with the billing of Balancing Recovery Charges, Daily Cash-Out charges, pipeline penalty pass-through costs, and Unauthorized Use Charges which are billed as a result of the daily balancing provisions as provided for under these Rules and Regulations for Transportation Service.
5. "Balancing Recovery Charge" shall mean the charge for the Company's allocated pipeline and storage demand costs associated with daily balancing of supply and demand. The Balancing Recovery Charge shall be applicable to a Shipper's Consumed Quantity of gas during a billing period as provided for under the balancing provisions of these Rules and Regulations for Transportation Service.
6. "British Thermal Unit" (BTU) shall mean the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at sixty degrees Fahrenheit.
7. "BTU Factor" shall mean the factor applied to a Shipper's volumetric consumption in Mcf units to determine the Shipper's energy consumption in Dth unites or applied to a Shipper's volumetric consumption in Ccf units, to determine the Shipper's energy consumption in units of Therms.
8. "Ccf" shall mean one hundred cubic feet of gas at 14.65 psia.
9. "Company" shall mean SEMCO ENERGY Inc., d/b/a SEMCO ENERGY Gas Company
10. "Confirmed Quantity" means the quantity of gas received from the Shipper at the Point(s) of Receipt, less Gas-in-Kind retained by Company for loss and use. The Confirmed Quantity is the amount of gas available for Transportation to the Shipper's Point(s) of Delivery.
11. "Consumed Quantity" shall mean the amount of gas consumed by a Shipper at the Point of Delivery on a Day.
12. "Customer" shall mean the end user of the gas.
13. "Day" or "Gas Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. ECT as defined by the North American Energy Standards Board (NAESB).
14. "Daily Balancing Restriction" shall mean a reduction of the Daily Balancing Tolerance percent during any period of time in which the Company's ability to accommodate Daily Imbalances is restricted or impaired.

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15. "Daily Balancing Restriction Notice" (DBR Notice) shall mean a directive issued by the Company to Shippers restricting the Shippers' Daily Balancing Tolerance percent to a level deemed necessary by the Company when the Company's ability to accommodate Daily Imbalances is restricted or impaired due to capacity constraints. Capacity constraints shall be considered valid for reasons of limited capacity or supply due to actions or circumstances beyond the Company's control including, but not limited to, Gate Station Constraints, limitations of on-system gas storage assets and services, curtailment, and utility pipeline system restrictions.
16. "Daily Balancing Service" shall mean the Company's managing of a Shipper's natural gas supply to enable the matching of a Shipper's Daily Consumed Quantity of gas with the Shipper's Daily Confirmed Quantity of gas received from third-party natural gas supplies.
17. "Daily Balancing Tolerance" shall mean the maximum Daily Imbalance on a percent basis for which a Shipper will not be cashed-out for an Unauthorized Negative Imbalance or Unauthorized Positive Imbalance of gas. The maximum Daily Balancing Tolerance shall be ten (10) % of a Shipper's daily Confirmed Quantity of gas. When a Daily Balancing Restriction has been issued, the Company may reduce the Daily Balancing Tolerance separately for positive and negative gas imbalances.
18. "Daily Cash-Out" shall mean the monetary daily settlement of Daily Imbalances as a purchase or sale of gas between the Company and a Shipper as provided for under the Daily Cash-Out provisions of these Rules and Regulations for Transportation Service.
19. "Daily Imbalances" shall mean the difference between a Shipper's Confirmed Quantity of gas and Shipper's Consumed Quantity gas on a Day.
20. "Dth" (Dekatherm) shall mean the quantity of heat energy which is equivalent to one million BTU and whereby 1 Dth is equal to 10 Therms.
21. "ECT" shall mean Eastern clock time.
22. "Gate Station Constraint" shall mean a capacity or other constraint upstream of the Company's utility pipeline system including, but not limited to, a Supply Deficiency, Capacity Deficiency, Capacity Restriction, Gas Quality Deficiency, Force Majeure, limitations of off-system gas storage assets and services including curtailment or operational flow order, or limitations of interstate or intrastate pipeline transportation assets and services including curtailment or operational flow order.
23. "Gas-in-Kind" shall mean the amount of gas the Company shall retain of gas received at a Point of Receipt to compensate for Company loss and on the Company's utility pipeline system. This volume shall not be included in the quantity available for delivery to a Shipper.
24. "Marketer" shall mean the seller or supplier of natural gas to a Shipper.
25. "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity of gas that the Company agrees to accept for Transportation and that the Company is obligated to deliver to a Shipper on any given Day as indicated in the Shipper's Transportation Service Agreement. The MDQ shall be based on the Shipper's historical peak daily volume over the annual period ending each March 31st and adjusted for known or expected changes.
26. "Mcf" shall mean one thousand cubic feet of gas at 14.65 psia.

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27. "Month" shall mean the period beginning on the first Day of a calendar month and ending at the same hour on the first Day of the next succeeding calendar month, or at such time as may be mutually agreed upon.
28. "Negative Imbalance" shall mean when a Shipper's Daily Imbalance is negative (when a Shipper's Consumed Quantity of gas is greater than the Confirmed Quantity of gas on a Day).
29. "Nomination" shall mean the daily quantity of gas requested to be scheduled by a Shipper or Shipper's Authorized Agent, including Gas-in-Kind, at the Point-of-Receipt under terms of the Shipper's Transportation Service Agreement.
30. "Nominating" shall mean the process by which the Shipper or Shipper's Authorized Agent notifies the Company of the daily quantity of gas requested to be scheduled by a Shipper, including Gas-in-Kind, at the Point of Receipt under terms of the Shipper's Transportation Service Agreement.
31. "Operational Districts" shall mean those service territories located in segmented geographical areas of the Company's utility pipeline system as stated on Sheets A-11.00 through A-14.00 of the Company's Rate Book for Natural Gas Service.
32. "Point of Delivery" shall mean any point on the Company's utility pipeline system at which an interconnection exists with a Shipper's end-use facility to enable the Company to measure and deliver gas to a Shipper.
33. "Point of Receipt" shall mean any point on the Company's utility pipeline system at which an interconnection exists with Shipper's Transporter to enable the Company to measure and receive Shipper's gas for redelivery to the Shipper.
34. "Pool" or "Pooling" shall mean the grouping together of Transportation Service Shippers for the purpose of netting daily imbalances.
35. "Pooling Agent" shall mean the person or entity that a Shipper (or Shipper's Authorized Agent) has authorized to take actions and make decisions on Shipper's (or Shipper's Authorized Agent's) behalf with regard to operation of a Pool.
36. "Positive Imbalance" shall mean when a Shipper's Daily Imbalance is positive (when a Shipper's Consumed Quantity of gas is less than the Confirmed Quantity of gas on a Day).
37. "Rate Schedule" shall mean the particular schedule listing applicable rates for service found in the Company's Rate Book for Natural Gas Service.
38. "Service Territory" or "Territory Served" shall mean the geographical area defined in the Company's Rate Book for Natural Gas Service in which the Company is responsible for Gas service.
39. "Shipper" shall mean any person, corporation, partnership or any other party requesting Transportation Service from the Company. The Shipper may also be referred to as the "Customer."
40. "Shipper's Transporter" shall mean the entity such as an upstream intrastate pipeline, interstate pipeline, or local distribution company that's engaged by the Shipper or Shipper's Authorized Agent or Pooling Agent to transport gas to Shipper's Points of Receipt.

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41. "System Capacity" shall mean physical volumetric or energy capacity of the Company's utility pipeline system facilities, service line facilities, Points of Delivery, and Points of Receipt.
42. "Therm" shall mean the quantity of heat energy which is equivalent to 100,000 BTU.
43. "Transportation" shall mean the movement of gas from the Point(s) of Receipt to the Point(s) of Delivery. "Transportation" in a more generic form can also mean the movement of gas within the interconnected systems of interstate pipelines, intrastate pipelines and local distribution companies.
44. "Transportation Service" shall mean the Transportation of gas within the Company's utility pipeline system under these Rules and Regulations for Transportation Service and under the terms and conditions described in a Shipper's Transportation Service Agreement.
45. "Transportation Service Agreement" shall mean all written contracts executed by the Shipper and Company and any exhibits, attachments and/or amendments thereto for Transportation Service.
46. "Unauthorized Positive Imbalance" shall mean the portion of a Shipper's Positive Imbalance that is greater than the Daily Balancing Tolerance in effect on the Day.
47. "Unauthorized Negative Imbalance" shall mean the portion of a Shipper's Negative Imbalance that is greater than the Daily Balancing Tolerance in effect on the Day.

B. Application of Rules

Unless otherwise provided for under this Section E (Rules and Regulations for Transportation Services) or as otherwise provided for under a Transportation Service Agreement, Transportation Service Customers are subject to the Company's Rate Book for Natural Gas Services. Customers taking Transportation Services shall be considered utility service Customers of the Company.

C. Contract Form and Term

Transportation Service under this Section E will require the Shipper and the Company to execute a Transportation Service Agreement for a term of at least one (1) year. The Company may require that a Shipper, who is eligible to return to sales service, file a written application giving a minimum of 12 Months-notice of intent to return to sales service. The Company reserves the right to approve an application for the return to sales service subject to the Company's Controlled Sales Service provision (Rule C2).

D. Possession of Gas

1. Shipper's Up-stream Capacity

Shipper shall be responsible for making all necessary arrangements for the delivery of gas to their Point of Receipt including securing all necessary upstream interstate or intrastate pipeline capacity.

2. Responsibility for Gas

The Company and Shipper shall each be responsible for their own equipment, facilities and gas on their own side of a Point of Delivery. The Company and Shipper shall each have good title or good right to make such a delivery and further, shall warrant for itself, its personal representatives, successors and assigns that such gas shall be free and clear of all liens, encumbrances and claims whatsoever. With respect to

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any such adverse claim that may arise to said gas or to royalties, taxes, license fees or charges thereon, the party delivering, redelivering, causing the delivery, or causing the redelivery of the gas shall indemnify and save the receiving party harmless from all suits, actions, debt, accounts, damages, costs, losses and expenses arising from or out of same, provided that the receiving party gives the other prompt notice of any such adverse claim.

3. Limitations of Liability

The Company shall not be deemed to be in control and possession of the Shipper's gas until such gas has been delivered to the Company by the Shipper's Transporter at the Point of Receipt. Thereafter, the Company shall be deemed to be in control or possession of the gas until the gas has been consumed by the Shipper at the Shipper's Point(s) of Delivery, after which the Shipper shall be deemed to be in control and possession thereof. Gas shall be and remain the property of the Shipper while in the possession of the Company. The Shipper shall be responsible for maintaining all insurance deemed necessary to protect any property interests in such gas, during and after receipt by the Company.

4. Indemnification of the Company

In the absence of negligence, recklessness or willful misconduct on the part of the Company or the Company's directors, officers, employees or agents, the Shipper waives any and all claims against the Company, its officers, its employees or its agents, arising out of or in any way connected with: (a) the quality, use, or condition of the gas after redelivery from the Company's utility pipeline system for the account of the customer; (b) any interruption or curtailment of gas service, (c) any losses or shrinkage of gas during or resulting from Transportation; and (d) all other claims and demands arising out of the performance of the duties of the Company, its directors, its officers, its employees, or its agents.

5. 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, or it will otherwise have the right to deliver such gas, 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.

6. 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 under the Company's Rate Book for Natural Gas Service or under 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.

7. 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 of the Company's Rate Book for Natural Gas Service 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. 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.

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8. Assignment

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

9. Default

Company reserves the right to suspend Transportation Services, or to terminate any contract between Customer and Company, at any time in the case of an emergency, force majeure, curtailment, or as a result of violation of the Transportation Service Agreement or Company's Rate Book for Natural Gas Service.

10. Bankruptcy

Shipper shall immediately notify the Company by telephone and in writing via overnight first class mail or by electronic means of any filing of any form of bankruptcy. Failure to notify the Company in a timely manner may result in termination of Shipper's Transportation Service Agreement.

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E2. RECORDS, ACCOUNTING, AND CONTROL

A. Transmittal of Notices, Bills and Payments

All notices, bills and payments required or permitted to be given in connection with this service shall be transmitted as specified in the Shipper's Transportation Service Agreement and shall be valid and sufficient if delivered in person, by mail, or electronically.

B. Nominations, Accounting, and Control

1. Shipper may designate a third party as an Authorized Agent for purposes of Nominating gas, and for giving and receiving notices related to gas Nominations. Shipper shall provide the 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 Shipper.
2. Shipper or its Authorized Agent, shall provide the Company with the daily Nominations of gas via the Company's electronic gas Nominating system. Specific information to be included in the Nomination is posted on Company's electronic gas Nominating system.
3. Gas Nominations shall be submitted by **2:00 p.m. ECT** prior to the effective Gas Day. Nominations made after the 2:00 p.m. deadline shall be accepted at the sole discretion of the Company. The Company shall have the right, in its sole discretion, to reject or change any Nomination that (1) does not match the corresponding interstate or intrastate pipeline scheduled quantity, (2) is in excess of the Shipper's MDQ, or (3) conflicts with a Daily Balancing Restriction or curtailment issued by the Company.
4. If Shipper fails to provide a Nomination for any Gas Day, the daily Nomination is assumed to be zero.
5. The Company will communicate important operational notices that may affect Nominations via the Company's electronic gas Nominating system. If the Company's electronic gas Nominating system is unavailable, Nominations shall be accepted by the Company electronically via email or facsimile.

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E.3 GAS QUALITY

A. Quality

1. All natural gas received from Shipper, when sourced from an interstate or intrastate pipeline, and delivered to the Company's system shall be merchantable and conform to the following specifications:
 - a. Gas shall be commercially free from objectionable odors, solid or liquid matter, bacteria, dust, gum or gum-forming constituents, or any component which might interfere with its merchantability or cause injury to or interference with proper operation of the Company's lines, regulators, meters or other appliances through which it flows;
 - b. Gas shall not contain an oxygen content in excess of five ten thousandths percent (0.0005 %) or five parts per million (5 ppm) by volume;
 - c. Gas shall not contain a carbon dioxide content in excess of two percent (2%) by volume;
 - d. Gas shall not contain more than three twenty-five hundredths of a grain (0.25 grains) of hydrogen sulphide per 100 cubic feet;
 - e. Gas shall not contain more than five (5) grains of total sulfur (including hydrogen sulfide and mercaptan sulfur) per 100 cubic feet;
 - f. Gas shall not contain an amount of moisture which at any time exceeds five (5) pounds per million cubic feet;
 - g. The hydrocarbon dew point of the gas shall not exceed 0°F at 500 psig;
 - h. The temperature of the gas shall not exceed a maximum of one hundred (100) degrees Fahrenheit;
 - i. Gas shall be fully interchangeable in accordance with the provisions of AGA Research Bulletin No. 36 and any subsequent modifications and amendments thereof.
2. All natural gas received from Shipper, when sourced directly from an underground production reservoir, landfill, or other gas production facility and delivered to the Company's system, shall be merchantable and conform to the gas quality specifications as described in an operation and maintenance agreement between the Company and the producer thereof. At the sole discretion of the Company, the producer shall allow the Company to periodically sample and analyze gas while such gas is being produced and delivered to Company's system. The Company shall have the unequivocal right to immediately cease deliveries of gas that does not conform to the gas quality specifications described in the applicable operations and maintenance agreement.

B. Heating Value

All natural gas delivered to the Company by Shipper, local gas producer, landfill gas producer, or other producer shall have a total dry heating value per cubic foot of not less than nine hundred-fifty (950) BTU nor more than eleven hundred (1,100) BTU per cubic foot.

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E4. SERVICE REQUIREMENTS

A. Quantities

1. The Shipper may deliver, or cause to be delivered, and the Company shall, subject to other provisions under the Company's Rate Book for Natural Gas Service, accept quantities of gas up to the MDQ specified in the Transportation Service Agreement. If deliveries to the Company exceed the agreed upon quantities, the Company may refuse deliveries or terminate the Shipper's Transportation Service Agreement upon 30 days written notice to the Shipper.
2. Deliveries to the Company may be made by or on behalf of the Shipper at an existing Point of Receipt between an interstate or intrastate pipeline system and the Company's utility pipeline system. The Point of Receipt shall be that which is identified in the Shipper's Transportation Service Agreement. The Company, at its discretion and subject to the other provisions hereof, shall allow an alternate Point of Receipt when operationally feasible given its utility pipeline system constraints or given constraints applicable to an upstream interstate or intrastate pipeline system. Any restriction in Point of Receipt shall be issued in a non-discriminatory manner.
3. Shippers taking Transportation Service are expected to consume the gas received by the Company on their behalf on the Day it is received. It is recognized that Shippers may be unable to consume exactly the quantities of Gas received by the Company hereunder on any Day, and that the actual quantities received by the Company on the Shipper's behalf may vary above or below the actual quantities consumed on any given Day. Such variations shall be considered Daily Imbalances and shall be kept to the minimum and within the Company's allowed Daily Balancing Tolerance.
4. The Company will retain 0.346% percent of all gas received at the Point of Receipt from Shippers being billed for distribution service at the Transportation Service Rate to compensate the Company for loss and use of gas on the Company's system ("Gas-in-Kind"). Gas received from Shippers being billed for distribution services on the General Service Rate shall not be subject to this provision.
5. The Company, subject to other provisions of this Rate Book for Natural Gas Service, shall deliver to the Shipper its Confirmed Quantity of gas each Day to the Point(s) of Delivery up to the MDQ agreed to in the Transportation Service Agreement with Shipper.
6. The Company shall have the unqualified right to commingle gas Transported hereunder with gas from other sources. It is recognized that gas consumed by a Shipper may not be the same molecules or quality as those received on behalf of a Shipper at the Point of Receipt.
7. Gas delivered to the Company shall be thermally evaluated on a daily basis at all points of receipt into the Company's system to determine an overall system weighted average BTU factor. The Shipper's daily metered volume will be converted to an energy based quantity by applying the Company's overall system weighted average BTU factor from the prior Day.

B. Pressure

The Company shall not be required to alter its prevailing line pressure at the Point of Receipt into its utility pipeline system or at the Point(s) of Delivery to Shipper.

C. Discontinuation of Service

1. The Company shall not be required to perform service under a Transportation Service Agreement on

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- behalf of any Shipper failing to comply with any and all terms of the Transportation Service Agreement, Transportation Service Schedules and/or the Company's Rules and Regulations for Transportation Service, including failure to render full payment of an invoice.
2. In addition to the other provisions of this tariff, if a Shipper, balancing as an individual Shipper, consumes gas but fails to provide gas supply to Shipper's Point of Receipt for Transportation to Shipper's Point(s) of Delivery, the Company may attempt to contact the Shipper by telephone, electronically, or in person. If contact attempts are unsuccessful, a notice shall be left at the premises in a conspicuous location indicating that Transportation service may be discontinued after one (1) Day if Shipper fails to arrange for gas supply or contact the Company to make alternative arrangements.
 3. If a Marketer or Pooling Agent wishes to discontinue delivery of supply to a Shipper, balancing as member of a Pool, the Marketer or Pooling Agent must notify the Company, in writing, at least 10 business days prior to the date deliveries will cease. The Company will notify Pooling Agent of the date the Shipper may be removed from the Pool. If the Shipper fails to arrange for supply of gas, the Company may attempt to contact the Shipper by telephone, electronically, or in person to notify the Shipper that service may be discontinued within one (1) business Day. If contact attempts are unsuccessful, a notice shall be left at the premises in a conspicuous location. Until such time that Shipper is removed from the Pooling Agent's balancing Pool, the Pooling Agent shall continue to be responsible for all Balancing Costs as well as Unauthorized Use Charges under the Company's Curtailment of Gas Service provisions (Rule C3.2). If during the 10-day period the Marketer or Pooling Agent wishes to reinstate the Shipper to the Pool, the Marketer or Pooling Agent shall inform the Company, in writing, of such request and the Company may grant such request. Once a Shipper has been reinstated to the balancing Pool, another full 10-day notification period may be required to remove the Shipper from the Pool.
 4. Shippers under this Rate Schedule who request a turn-off and turn-on of gas service at the same premises within a twelve-Month period shall be subject to a \$75.00 turn-on charge, and the associated Monthly charges under this Rate Schedule for the period during which gas service was turned off.

D. Gas Measurement

All gas consumed by the Shipper shall be measured by the Company. The accuracy of meters used for gas measurement shall be evaluated and maintained in accordance with the Michigan Public Service Commission's Technical Standards for Gas Service (Technical Standards).

E. Billing, Records, Accounting, Payment, Guarantee

1. The Company shall follow the provisions of Rule B2, Consumer Standards and Billing Practices for Electric and Gas Residential Service as referenced in the Company's Rate Book for Natural Gas Service.
2. Issuance, Payment and Inquiry of Billings
 - a. The Company shall furnish, or cause to be furnished, to Shipper, on or before the fifteenth (15th) Day of each Month, a billing of charges for Transportation Service during the prior Month.
 - b. Charges for Transportation Service may be based on estimated quantities if actual quantities are unavailable in time to prepare the billing. In that event, the Company shall provide, in the succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities.

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- c. The Company will issue a separate billing for service under each of Shipper's Service Agreements.
 - d. Each party to a Transportation Service Agreement shall have the right at all reasonable times to examine the books, records and charges of the other party, to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any provision of the Agreement.
3. Mailing of Notices, Bills and Payments

All notices, bills and payments required or permitted to be given in connection with Transportation Service shall be sent to the address specified in the Transportation Service Agreement unless otherwise indicated therein, shall be in writing and shall be valid and sufficient if delivered in person, by mail, or by electronic means provided by the Company.

4. Due Date and Late Payment Charge

- a. A bill shall be mailed or delivered to the Shipper not less than 21 days before the due date.
- b. A late payment charge of three percent (3%) of the delinquent balance outstanding shall be applied to any bill which is not paid in full on or before the due date shown thereon. If such failure to pay continues for thirty (30) days after full payment is due, then, in addition to any other remedy it may have, the Company may suspend further receipt and/or delivery of gas until such amount is paid, provided however, that the Company provides at least ten (10) Days' notice before service is suspended for nonpayment.
- c. A charge of \$18.00 will be levied upon a Shipper for each unprocessed payment due to non-sufficient funds, a closed account, or other reasons, on behalf of the financial institution upon which the unprocessed payment is drawn. This charge will become part of the Shipper's arrears and will be subject to the same requirements applicable thereto. If the unprocessed payment was attempted to avoid shutoff, the Company may shutoff after one final contact is attempted.

5. Guarantee, Deposit, and Credit

The Company may require, as a guarantee of payment of current bills, a reasonable cash deposit from a Shipper or prospective Shipper in accordance with the Company's Billing Standards. The Company may waive this requirement with respect to any Shipper whose credit is established as being satisfactory to the Company. Any deposit will be handled under the Company's Consumer Standards and Billing Practices for Electric and Gas Residential Service (Rule B2).

F. Aggregation of Accounts Option

1. A Shipper may elect to aggregate accounts if the following conditions are met:
 - a. The Shipper must designate one of the accounts as the principle account. The principle account must be a Transportation Service account (rate class TR-1, TR-2, or TR-3).
 - b. The Shipper may designate some or all of its other accounts as subsidiary accounts. To qualify as a subsidiary account, an account must be served under the General Service Rate (GS-1, GS-2, or GS-3). The Shipper, or the Shipper's Authorized Agent, must specify which of the other account(s) will be designated as the subsidiary account(s).

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- c. The facility designated as the principle account shall be subject to and billed the provisions of its Transportation Service. Accounts designated as subsidiary accounts shall be subject to all the terms and conditions of this Section E of the principle account, including remote metering, except that the subsidiary accounts will pay the customer charge, distribution charge, and other charges in effect for its designated sales rate rather than the customer charge and transportation charge in effect for the principle account.

G. Issuance of Penalties

The Company may, at its option, waive enforcement of provisions which carry penalty charges, so long as such waiver is done in a non-discriminatory manner. The Company may, at its option, reduce all or a portion of the amount of a penalty as long as such reduction is warranted and is done in a non-discriminatory manner. Any such waiver of penalty enforcement by the Company, in any particular instance or circumstance, shall not prevent the Company's enforcement in subsequent instances or circumstances, whether similar in nature or different. A waiver of penalty enforcement by the Company shall not include waiver of Balancing Costs, unless such waiver of penalty is due to a malfunction of metering equipment.

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E5. TRANSPORTATION STANDARDS OF CONDUCT

- A. This rule is intended to promote fair competition and a level playing field among all participants involved in Transportation within the Company's regulated Gas Service Territory. The Company will conduct its business to conform to the following Transportation Standards of Conduct:
1. The Company will apply any tariff provision relating to Transportation Service in the same manner without discrimination to all similarly situated persons.
 2. The 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 plan or price discounts.
 3. The 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 the 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.
 4. The Company will process all similar requests for Transportation Service in the same manner and within the same time period.
 5. The 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, the Company will provide a list of all Marketers operating on its system, including its affiliate, but will not promote its affiliate.
 6. 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 the Company until revoked by the customer. To the extent the 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 the 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.
 7. The Company will not condition or tie its agreement to release interstate pipeline capacity to any agreement by a Marketer, customer, Supplier or pipeline transporter relating to any service in which its marketing affiliate is involved.
 8. The 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.
 9. The 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.
 10. The Company will keep separate books of accounts and records from those of its marketing affiliate.

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E6. TRANSPORTATION STANDARDS OF CONDUCT COMPLAINT PROCEDURES

- A. If the Company receives a verbal complaint related to its Rules and Regulations for Transportation Service, Section E5, Transportation Standards of Conduct, the Company will attempt to resolve the complaint on an informal basis.
- B. In case of a formal complaint, the procedures outlined below will be followed:
1. Complainant will route all formal complaints in writing to:

SEMCO ENERGY Gas Company
1411 Third Street, Suite A
Port Huron, MI 48060
Attention: Executive Customer Assistance Center
 2. The Company will acknowledge the receipt of the formal written complaint, in writing, within five (5) working days of receipt by the Company.
 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.
 4. The Company will prepare a written statement communicating to the complainant the results of the Company's preliminary investigation within 30 days of the initial receipt of the complaint by the Company with a description of the action taken or proposed to be taken.
 5. 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.
 6. If the complainant is not satisfied with the Company's response, then the complainant may address the complaint to the Michigan Public Service Commission.

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E.7 TRANSPORTATION SERVICE

A. Availability

1. This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of gas within the Company's Service Territory, when:
 - a. Shipper desires Transportation Service; and
 - b. Shipper has met the conditions specified in Section E of the Company's Rules and Regulations for Transportation Service; and
 - c. Shipper has agreed to provide an adequate electric power at the meter site (Point of Delivery) and such other facilities as may be required for the specialized metering equipment needed to be installed by the Company. The Company may utilize wireless technology for remotely communicating with Company's specialized metering equipment. Where service for wireless communications technology or an alternative and compatible communications technology is unavailable or will not operate reliably, the Shipper shall not be eligible for Transportation Service. The Shipper is required to pay for all necessary equipment needed to be installed by the Company to facilitate daily meter reading. Failure of Shipper to maintain a clear signal path for the Company's wireless communications equipment at Shipper's Point(s) of Delivery or failure to maintain an electrical power supply, or other facilities necessary for accurate measurement of gas may result in discontinuation of Transportation Service, or the Company may dispatch service personnel to obtain physical meter reads at the Shipper's expense, for each occurrence; and
 - d. Shipper has agreed to provide continuous and unlimited access to the Company's specialized metering equipment at Shipper's Point(s) of Delivery, and Shipper has agreed, at all times, to allow the Company to perform the work required to maintain the specialized metering equipment. Failure to provide such access may result in discontinuation of Transportation Service. The Company will make available to the Shipper the daily volumetric data collected from the specialized metering equipment within two hours following the end of the Gas Day; and
 - e. Shipper and Company have executed a Transportation Service Agreement for service under this Rate Schedule. The Transportation Service Agreement shall indicate a specific Point of Receipt where Shipper's Transporter will deliver Shipper's gas to the Company and a specific Point(s) of Delivery where the gas will be consumed by the Shipper. Shipper's Point of Receipt must be located within the same Operational District where the Shippers Point(s) of Delivery is located. The specific Point of Receipt must also physically serve the Company's utility pipeline system to which the Shipper's Point of Delivery is physically connected.

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- f. Gas received by the Company on behalf of the Shipper or consumed by the Shipper under the terms of this rate may not be resold.
2. The Company shall not have the obligation to provide GCR sales service until at least 30 days after notification of the Shipper's intention to become a sales customer. GCR sales service will begin with the first day of the applicable billing cycle for the customer; and
3. The Company makes no guarantee against, and assumes no liability for curtailment or interruption of gas.

B. Characteristics of Service

1. This Rate Schedule shall apply to all Transportation Service rendered by the Company for Shipper pursuant to the executed Transportation Service Agreement for service under this Rate Schedule.
2. Service under this Rate Schedule shall consist of:
 - a. The receipt of gas on behalf of Shipper at the Point of Receipt specified in the executed Transportation Service Agreement; and
 - b. The Transportation of Confirmed Quantities of gas through the Company's utility pipeline system; and
 - c. The delivery of gas by the Company to Shipper at the Point(s) of Delivery specified in the executed Transportation Service Agreement; and
 - d. All gas received by the Company at its Point of Receipt on behalf of Shipper, less Gas-in-Kind, shall be Transported to Shipper on a firm basis, subject to Curtailment, up to Shipper's MDQ on any Day.

C. Maximum Daily Quantity (MDQ)

1. A Shipper's MDQ shall be specified in the Transportation Service Agreement between the Shipper and the Company and shall be based on the Shipper's historical peak daily volume over each annual period ending March 31st and adjusted for known or expected changes. If actual historical peak day volumes cannot be determined, the Company will estimate the MDQ based on the Shipper's facilities and the Company's available System Capacity. The MDQ is the greatest quantity of gas that the Company agrees to accept for Transportation and is obligated to deliver to a Shipper on any given Day.
2. The Company must have adequate System Capacity to accommodate Shipper's MDQ. The availability of System Capacity for Transportation Service shall be secondary to the System Capacity requirements necessary to serve the Company's Residential and General Service class customers.
3. A Shipper may request an adjustment of its contractual MDQ. However, if the Company does not have adequate System Capacity to deliver quantities greater than Shipper's current MDQ, the Company may deny such adjustment until the Company determines adequate System Capacity is available to meet the increased demand.
4. The Company will determine MDQs in a non-discriminatory manner.

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D. Shipper's Up-Stream Capacity

1. Shipper taking Transportation Service is responsible for arranging for its own upstream interstate or intrastate transportation of gas to the Company.
2. From time to time the Company may have unused upstream interstate pipeline capacity available for release on a recallable basis, but does not guarantee such availability. The Company may release any such available capacity through an interstate pipeline service provider's transportation capacity release process.

E. Pooling Option

1. Pooling permits a Shipper's Pooling Agent to combine the consumption of a group of Transportation Service Shippers for the purpose of netting the imbalances of the members of the Pool on a daily basis.
 - a. An individual Pool must be comprised of a group of Transportation Service Shippers which share a common Operational District and a common upstream interstate or intrastate transporter.
 - b. An individual shipper's specific Point of Receipt must physically serve the Company's utility pipeline system to which the Shipper's Point of Delivery is physically connected.
 - c. Where an interstate or intrastate transporter segments portions of the Company's Operational Districts into separate balancing groups, separate pipeline segments, or zones, an individual Pool may only group Shippers common to that specific balancing group, pipeline segment, or zone unless the Company otherwise allows alternate grouping of Shippers.
 - d. Individual Pools may have multiple suppliers so long as those suppliers deliver gas to the Pool's common upstream interstate or intrastate transporter.
2. A Shipper is entitled to one Pool per account or Aggregation for any given Month.
3. To create a Pool, a Pooling Agents shall perform the following at least thirty (30) Days prior to the first Day of the Month in which the new Pool will become active:
 - a. Provide the Company with an executed Pooling Agreement. The Company's pro forma Pooling Agreement describes the terms, conditions, and rules under which the Pool will operate. The Pooling Agent may assess or allocate charges to Shippers who are members of the Pool in accordance with the terms of the Pool member's individual agreements with Pooling Agent.
 - b. Provide the Company with Pooling Agent's selection for the Pool's common Operational District and selection of the Pool's common upstream interstate or intrastate transportation provider (Attachment 1 of the Pooling Agreement).
 - c. Provide the Company with executed Informed Customer Consent Forms for each Shipper who has agreed to become a member of the Pool (Attachment 2 of the Pooling Agreement)

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4. When the membership in a Pool changes:
 - a. A Shipper who desires to switch Pools, or become a new Pool member, shall provide the Pooling Agent and the Company with an executed Shipper's Pooling Agent Consent Form at least fifteen (15) Days prior to the first Day of the Month in which Shipper's Pool membership will become effective.
 - b. Submission of Shipper's Pooling Agent Consent Form may be achieved by an electronic means that is acceptable to the Company.
 - c. A Shipper who desires to leave a Pool and become an individual Shipper shall provide the Company with written notice by fax or other electronic means at least fifteen (15) Days prior to the first Day of the Month in which Shipper's individual status will become effective.
5. A new Shipper, or Shipper's Authorized Agent acting on the Shipper's behalf, must notify the Company in writing at least sixty (60) Days prior to the first Day of the Month of the effective Transportation Service date to allow sufficient time for installation of specialized metering equipment. Transportation Service shall not begin until all specialized metering equipment is installed and operational.
6. When Shippers have joined in a Pool, the Pooling Agent shall become responsible for all Daily Cash-Out charges, as allocable to the Pool or an individual Shipper within the Pool. The Company shall determine the Daily Imbalance of the Pool, apply the appropriate charges (based on conditions in effect for the Pool on that Day) and render a bill for such charges to the Pooling Agent. The Pooling Agent may assess or allocate charges to members of the Pool in accordance with any terms of the Pooling Agreement. The Company will not assess individual Shippers within a Pool any charges that are assessed to their Pooling Agent except in cases of nonpayment by the Shipper's Pooling Agent. The Company shall continue to render Monthly billings to the individual Shippers in a Pool for services rendered excluding the items billed to the Pooling Agent.
7. A Pooling Agent shall be subject to the Company's Customer Responsibilities provisions (Rule C5) for payment and charges allocated to the Pool. In the event of nonpayment by a Pooling Agent, Shippers in the Agent's pool may be held responsible for payments in lieu of suspending service, and the Pooling Agent may be immediately suspended from Pooling on the Company's system. All Shippers will be pro-rated the Pool Agent's incurred charges less late fees based on each Shipper's individual usage for each Month during the applicable time period(s) for which the Pool Agent has defaulted on payment(s).
8. The Company and each of its directors, officers, affiliates, and employees that disclose Customer Information, Consumption Data, Personal Data, Anonymized Data or Aggregated Data to Shipper, Shipper's Authorized Agent, Shipper's Pooling Agent, or other Third-party as provided under these rules, shall not be liable or responsible for any claims for loss or damages resulting from such disclosure.
9. Shipper's Authorized Agent, Shipper's Pooling Agent, or other Third-party requesting Customer Information is required to verify to the Company that they have received Informed Customer Consent prior to submitting the request. The Third-party is responsible for validating the consent. The Third-party will be required to assume responsibility for and indemnify and hold the Company, its officers, agents and employees harmless from and against all losses, liabilities, claims, injuries, demands, payments, actions, legal proceedings, recoveries, costs, expenses, fines, attorney fees, settlements, judgments, orders and decrees of every nature and description brought or recovered against, or incurred by the Company resulting from the misuse of data supplied or as a result of the failure to obtain and validate Informed Customer Consent.

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10. A Pool may consist of no less than two Shippers. A Shipper who is not a member of a Pool, will be considered as belonging to a Pool comprised of a single Shipper.
11. Shippers may change Pools each Month if the Company is provided with fifteen (15) days' notice. The Pooling Agent may request, and the Company may grant, a waiver of the 15-day notice requirement for good reason including, but not limited to, situations of bankruptcy. The Company will verify the reported bankruptcy of the Shipper prior to granting a waiver. If such waiver is granted, Pooling Agent must then provide seven (7) days' notice to remove a Shipper from the Pool. The Pooling Agent will be held responsible for all applicable Balancing Costs for the Shipper until the Shipper is removed from the balancing Pool.

F. Daily Balancing Requirements

All Shippers taking service under this Rate Schedule must subscribe to the Company's Daily Balancing Service.

1. A Shipper who is not a member of a Pool will be daily balanced on an individual basis.
2. Shippers are expected to consume the applicable daily Confirmed Quantity of gas. It is recognized that Shippers may be unable to control exactly the quantities of gas received by the Company and consumed by the Shipper hereunder on any Day, and that the actual quantities Transported by the Company to Shipper may vary above or below the actual quantities received by the Company on behalf of Shipper on any given Day. Such variations shall be considered Daily Imbalances and shall be kept to a minimum and within the Company's allowed Daily Balancing Tolerance.
3. All Shippers are subject to Balancing Recovery Charges and Daily Cash-Out.
4. During Periods in which the Company applies its Curtailment priorities under rule C5.13, Shippers affected by the Curtailment may be removed from their respective balancing pool and may be required to balance as an individual Shipper. Shippers affected by a Gate Station Constraint will be notified of their removal from the balancing pool 24 hours prior to the Gas Day for which the Gate Station Constraint is in effect. The notice will be posted on the Company's electronic gas Nominating system.
5. An Operational Balancing Agreement may be required for Shippers whose operations require specific balancing treatment due to unique circumstances. The necessity of an Operational Balancing Agreement shall be at the sole discretion of the Company and shall be based on the Company's ability to provide Daily Balancing Services to the Shipper.

G. Measurement/Communication Malfunction

1. A Shipper, balancing as an individual, will be assumed to have taken delivery of the last valid Day's consumption for each Day that the Company's metering equipment, located at the Shipper's Point of Delivery, has malfunctioned and when such daily consumption data is unavailable. Following (1) corrective action to malfunctioning metering equipment or upon Company's receipt of actual meter readings, (2) the Company's determination of Shipper's adjusted consumption, and (3) the Company's determination of the Daily Imbalance that occurred during the malfunction period, the resulting Daily Imbalance will be updated and immediately resolved using the Daily Cash-out provision set forth in these rules for each Day that the metering equipment was malfunctioning. Balancing Recovery Charges will be assessed during the malfunction period using the last known actual Consumed Quantity of gas.

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2. A Shipper, as a member of a Pool, will be assumed to have taken delivery of the last valid Day's consumption for each Day that the Company's metering equipment, located at the Shipper's Point of Delivery, has malfunctioned and when such actual daily consumption data is unavailable. Following (1) corrective action to the malfunctioning metering equipment or upon Company's receipt of actual meter readings, (2) the Company's determination of shipper's adjusted usage, and (3) the Company's determination of the Daily Imbalance of the Pool that occurred during the malfunction period, the resulting Daily Imbalance will be updated and immediately resolved using the Daily Cash-out provision set forth in these rules for each Day that the metering equipment was malfunctioning. Balancing Recovery Charges will be assessed during the malfunction period using the last known actual Consumed Quantity of gas. If during the time for which the meter adjustment is applicable and where Shipper was a member of different balancing Pools, the Daily Cash-Out shall be applied separately among each applicable balancing Pool.

H. Daily Balancing Restriction Notice (DBR Notice)

1. During any period in which the Company's ability to accommodate Daily Imbalances is restricted or impaired, the Company may issue a DBR Notice to restrict a Shipper's Daily Balancing Tolerance. The Company shall issue a DBR Notice by gate station (Point-of-Receipt) or combination of gate stations, Operational District, utility pipeline system(s), or system wide as conditions dictate.
2. The Company may issue a DBR Notice by notifying affected Shipper's or Shipper's Authorized Agent by the Company's electronic gas Nominating system as soon as possible, but no later than two (2) hours before Nominations are due to Shipper's Transporter for the Day(s) during which the DBR Notice will be in effect. The Company will issue a DBR Notice in a nondiscriminatory manner.
3. When issued, each DBR Notice will indicate:
 - a. The Company's Point(s) of Receipt, Operational District(s), or utility pipeline system(s), affected,
 - b. The DBR Notice's Daily Balancing Tolerance as a percent, and
 - c. The initial time period when the DBR Notice is in effect. The period may be extended if deemed necessary by the Company.
4. All quantities of a Shipper's Daily Imbalance that exceeds the Daily Balancing Tolerance, for each Day that the DBR Notice is in effect, is subject to an Unauthorized Positive Imbalance cash-out or an Unauthorized Negative Imbalance cash-out.
5. All Balancing Recovery Charges will be credited to the Cost of Gas Sold under the Company's Booked Cost of Gas Sold provisions Rule C7.2.

I. Pipeline Penalties

1. Where an up-stream (up-stream to the Company's utility pipeline system) provider of interstate or intrastate pipeline transportation, storage, or other service assesses charges or penalties to the Company for actions attributable to one or more Shippers, the Company may directly assess those charges or penalties to the Shipper(s).
2. Shippers affected by the Gate Station Constraint will be notified of the assessment of pipeline charges or penalties by a notice posted on the Company's electronic Nominating system.

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E8. TRANSPORTATION SERVICE RATES AND CHARGES

A. Service Category

1. Shippers may choose the Service Category under which they take service, consistent with the restrictions of Rule C4.1. When Shippers are selecting their initial Service Category, the Company must advise them of the following economic break-even points:
 - a. TR-1, usage between 0 and 50,103 Dth annually
 - b. TR-2, usage between 50,103 and 300,175 Dth annually
 - c. TR-3, usage greater than 300,175 Dth annually.
2. After the initial selection has been made, the Shipper shall be responsible for all future decisions to determine when it is appropriate to switch rates, as permitted by Rule C4.1.

B. Transportation Service Rates and Charges Summary

1. Subject to such modifications as may be imposed and/or authorized by the Michigan Public Service Commission (MPSC), the following rates and Monthly charges shall be applicable to all Transportation Service Shippers:

Charge Type	Service Category		
	TR-1	TR-2	TR-3
Customer Charge	\$350.00	\$1,089.15	\$10,831.50
Remote Meter Charge	\$75.00	\$75.00	\$75.00
Transportation Rates	\$1.0334 per Dth	\$0.8563 per Dth	\$0.4669 per Dth
Balancing Recovery Rate (per Dth)	\$0.0344	\$0.0344	\$0.0344

C. Customer Charge and Remote Meter Charge

All Shippers will pay the designated Customer Charge and Remote Meter Charge per Month for each meter through which Shipper's deliveries of gas are designated as a Point(s) of Delivery on Shipper's Transportation Service Agreement, regardless of whether gas was consumed through such meter during the Month, except as provided for under the Company's Curtailment of Gas Service provisions (Rule C3.2).

D. Transportation Charges

- a. The Transportation Rate will be applied to a Shipper's the Monthly Consumed Quantities of gas over the April through October billing periods.
1. Coal Displacement Transportation Rate Option
 - a. For individual coal displacement rate Shippers, the Company may, at its sole discretion, negotiate a Transportation Rate. The negotiated Coal Displacement Transportation Rate shall not be less than \$0.05 per Dth or greater than \$1.00 per Dth.

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- b. The Shipper shall also pay all applicable volumetric and per meter surcharges for all gas consumed and all applicable Balancing Recovery Charges for all Dth of Daily Imbalance created by the Shipper.

E. Balancing Costs

1. Balancing Recovery Charge

- a. The Balancing Recovery Charge will be determined by applying the Balancing Recovery Rate to a Shipper's total Consumed Quantity of gas over the effective Monthly billing period.

2. Daily Cash-Out

- a. Daily Imbalances incurred by Shippers will be cashed-out on a daily basis.

b. Negative Imbalance Daily Cash-Out

- (1) On Days when a Shipper incurs a Negative Imbalance of gas, the Shipper shall purchase the Negative Imbalance of gas from the Company.

(a) Authorized Negative Imbalance - whether or not DBR is declared:

The price for an Authorized Negative Imbalance for gas, purchased by the Shipper, will be the greater of: a) the Company's currently effective commodity GCR rate, or b) the Daily Index Price on the Day of the sale.

(b) Unauthorized Negative Imbalance - when Negative DBR is not declared:

The price for an Unauthorized Negative Imbalance of gas, purchased by the Shipper, will be the greater of: a) the Company's currently effective commodity GCR rate, or b) the Daily Index Price on the Day of the sale + \$1.00 on the day of the sale.

(c) Unauthorized Negative Imbalance - when Negative DBR is declared:

The price for an Unauthorized Negative Imbalance of gas, purchased by the Shipper, will be the greater of: a) the Company's currently effective commodity GCR rate, or b) the Daily Index Price on the Day of the sale + \$10.00 on the day of the sale. In the event that both a DBR and a curtailment are called, the Company will only assess the Unauthorized Negative Imbalance Daily Cash-Out rate to the Pooling Agent.

c. Positive Imbalance Daily Cash-Out

- (1) On Days when a Shipper incurs a Positive Imbalance of gas, the Company shall purchase the Positive Imbalance of gas from the Shipper.

(a) Authorized Positive Imbalance – whether or not DBR is declared:

The price for an Authorized Positive Imbalance of gas, purchased by the Company, will be the lesser of: a) the Company's currently effective commodity GCR rate, or b) the Daily Index Price on the Day of the sale.

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(b) Unauthorized Positive Imbalance - weather or not a DBR is declared:

The price for an Unauthorized Positive Imbalance of gas, purchased by the Company, will be the lesser of: a) 80% of the Daily Index Price on the Day of the sale, or b) the Company's currently effective Commodity GCR rate on the Day of the sale.

- d. The Daily Index Price will be the daily average of the MichCon city-gate midpoint price and the Consumers city-gate midpoint price as published in Platts Gas Daily. If Platts Gas Daily discontinues reporting of one or both of these prices, the Company may substitute a comparable reporting service and/or city-gate pricing index.
 - e. Daily Cash-Outs will be netted together by Shipper over the effective Monthly billing period.
 - f. Daily Cash-Outs for a Pool will be billed directly to the Pool's Agent.
3. Payment of any Balancing Costs or penalties by Shippers, Authorized Agents or Pooling Agents does not (a) eliminate an imbalance, (b) constitute a sale of gas, (c) entitle Shipper or Shipper's Authorized Agent(s) to maintain an imbalance, or (d) allow Shipper or Shipper's Authorized Agent(s) to store gas on the Company's system. Imbalances are resolved on a daily basis under the Daily Cash-Out provision. It shall be the responsibility of the Shipper or Shipper's Authorized Agent(s) to adjust receipts of gas to and deliveries of gas from the Company to balance their accounts on a daily basis.
4. All Balancing Recovery Costs will be credited to the Cost of Gas Sold under the Company's Booked Cost of Gas Sold provisions (Rule C7.2).

F. Surcharges and Credits

Gas service under this rate may be subject to surcharges and/or credits as shown below:

1. Energy Waste Reduction

- a. Energy Waste Reduction Program Clause – This clause permits, pursuant to Section 89(2) of 2008 PA 295, recovery of the actual costs of implementing its approved energy waste reduction plan. This charge is to be on a volumetric basis for all customers. Special contract customers will be billed in the sales and transportation rate class most appropriate to their volumetric throughput.
- b. Energy Waste Reduction Surcharge

Rate Class	Up to 2500 Dth/Month	Remaining Dth/Month	MPSC Order Number
TR-1	\$0.1416 per Dth	\$0.0001 per Dth	U-20370
TR-2	\$0.1416 per Dth	\$0.0001 per Dth	U-20370
TR-3	\$0.1416 per Dth	\$0.0001 per Dth	U-20370

2. Upstream Pipeline Facility Improvement Surcharge (UPFI Surcharge)

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All gas Transported under rate under classes TR-1, TR-2, TR-3, or by special contract are subject to the UPFI Surcharge as indicated.

MPSC Order Number	Description	Rate Per Dth	Final Month
U-16125	Houghton TBS #1	\$0.2020	December, 2020

3. Facility Improvement Demand Surcharge

All gas transported for rates under classes TR-1, TR-2, TR-3, or by special contract are subject to the Facility Improvement Demand Surcharge as indicated.

MPSC Order Number	Description	Rate Per Dth	Final Month
U-20479	Interstate Pipeline Interconnections	\$0.0328	December, 2024

G. Infrastructure Reliability Improvement Program (“IRIP”)

The IRIP program consists of projects that will specifically target and mitigate system vulnerabilities reducing the potential impact to customers of an unexpected weather event or isolated damage impeding supply. The customer surcharges identified below will be in effect beginning January 2021 as approved in U-20479 until new rates are established in a future contested case addressing the IRIP.

Rate Class	Amount	MPSC Order Number
TR-1	\$23.35 per Month	U-20479
TR-2	\$117.98 per Month	U-20479
TR-3	\$589.65 per Month	U-20479

E9. OFF-SYSTEM TRANSPORTATION SERVICE - (OSTS)

A. Availability

1. This Rate Schedule is available to all entities (hereinafter referred to as "OSTS Shipper") desiring to Transport gas through the Company's utility pipeline system to an Off-System location, when:
 - a. OSTs Shipper and Company have executed an Off-System Transportation Service Agreement for service under this Rate Schedule indicating, among other terms and conditions, the specific Point of Receipt where OSTs Shipper shall cause gas to enter the Company’s utility pipeline system and the specific Point of Delivery where the OSTs Shipper will cause gas to exit the Company's utility pipeline system; and

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- b. OSTS Shipper has agreed to provide an adequate electric power at the meter site (Point of Receipt) and such other facilities as may be required for the specialized metering equipment needed to be installed by the Company. The Company may utilize wireless technology for remotely communicating with Company's specialized metering equipment. Where service for wireless communications or where service for an alternative and compatible communications technology is unavailable or will not operate reliably, the OSTS Shipper shall not be eligible for OSTS. The OSTS Shipper is required to pay for all necessary equipment needed to be installed by the Company to facilitate daily meter reading. Failure of OSTS Shipper to maintain a clear signal path for the Company's wireless communications equipment at OSTS Shipper's meter site or failure to maintain an electrical power supply, or other facilities necessary for accurate measurement of gas may result in discontinuation of OSTS or the Company may dispatch service personnel to obtain physical meter reads at the OSTS Shipper's expense, for each occurrence; and
 - c. OSTS Shipper has also agreed to provide continuous and unlimited access to the Company's specialized metering equipment at OSTS Shipper's Point of Receipt, and OSTS Shipper has agreed, at all times, to allow the Company to perform the work required to maintain the specialized metering equipment. Failure to provide such access may result in discontinuation of Transport Service. Upon request, the Company will make available to the OSTS Shipper the daily volumetric data collected from the specialized metering equipment within two hours following the end of the Gas Day.
2. When Shipper's Point of Receipt and Point of Delivery are both SEMCO interconnection points with interstate or intrastate pipelines for which daily meter reads are available, the matters specified in b. and c. above may not be necessary whereby the requirements for such will be determined by the Company on a case by case basis.

B. Definitions

1. As used in this Rate Schedule:
 - a. "Confirmed Quantity" means the quantity of gas received from the OSTS Shipper at the Point of Receipt less Gas-in-Kind withheld by Company for loss and use. The Scheduled Quantity is the amount of gas available for Off System Transportation to the OSTS Shipper's Point of Delivery.
 - b. "Off-System" means gas which is Transported from a Point of Receipt into the Company's utility pipeline system to a Point of Delivery which is interconnected to an interstate or intrastate pipeline or other local gas distribution company.
 - c. "Operational Districts" shall mean those service territories located in segmented geographical areas of the Company's utility pipeline system as stated on Sheets A-11.00 through A-14.00 of the Company's Rate Book for Natural Gas Service.
 - d. Defined terms used in this Rate Schedule and not defined above have the same meaning as set forth in Rule E1 or as described in the Off-System Transportation Service Agreement.

Continued On Sheet No. E-25.00

Continued From Sheet No. E-24.00

C. Characteristics of Service

1. Under this Rate Schedule, Company will perform Off-System Transportation of gas quantities on a firm basis, for OSTS Shipper, utilizing the Company's utility pipeline system, subject to the Company's Curtailment of Gas Service provisions (Rule C3), up to OST Shipper's MDQ on any Day.
2. The Company, in its sole judgment, shall have the right to determine if capacity, including adequate pressure differentials at the desired Point of Receipt and Point of Delivery, is available for OSTs under this Rate Schedule.

D. Off-System Transportation Service

1. The Company shall receive gas from OSTs Shipper, or for the account of OSTs Shipper, at the Point of Receipt and redeliver Equivalent Quantities to the OSTs Shipper, or for the account of OSTs Shipper at the Point of Delivery;
2. Any rates, terms and conditions not covered by the Company's Rate Book for Natural Gas Service shall be as contained in the Company's Off-System Transportation Agreement.

E. Gas Quality

1. All gas received from an OSTs Shipper and delivered to the Company's system shall be merchantable and conform to the gas quality specifications as described in Rule E.3.

F. Gas Balancing

1. The Company and OSTs Shipper shall endeavor to keep receipts and deliveries of gas flow in balance at all times (hourly and daily). If at any time, the quantities of gas received by Company at the Point of Receipt is greater or lesser than the gas consumed at the Point of Delivery, Company may refuse, increase or decrease deliveries to correct the imbalances.
2. An Operational Balancing Agreement ("OBA") shall be required for all OSTs Shippers. The OBA shall be based on the Company's ability to provide balancing services to the OSTs Shipper and shall describe the terms of balancing, balancing charges, and penalty charges.
3. If, upon termination of an OSTs Shipper's Off-System Transportation Service Agreement, the Company has not received a quantity of gas from OSTs Shipper equal to those taken at the Point of Delivery, plus GIK, or the OSTs Shipper has not received at the Point of Delivery the quantity of gas from the Company equal to the quantity received at the Point of Receipt, less GIK, the Imbalance shall be resolved through the OBA.

G. Maximum Daily Quantity (MDQ)

1. An OSTs Shipper's MDQ shall be specified in the Off System Transportation Service Agreement between the OSTs Shipper and the Company. The MDQ is the greatest quantity of gas that the Company agrees to receive for Transportation and is obligated to redeliver on any given Day.
2. The Company must have adequate System Capacity to accommodate OSTs Shipper's MDQ. The availability of System Capacity for Off-System Transportation Service shall be secondary to the System Capacity requirements necessary to serve the Company's Residential and General Service class customers.

Continued On Sheet No. E-26.00

3. An OSTS Shipper may request an adjustment of its contractual MDQ. However, if the Company does not have adequate System Capacity to deliver quantities greater than Shipper's current MDQ, the Company may deny such adjustment until the Company determines adequate facility capacity is available to meet the increased demand.
4. The Company will determine MDQs in a non-discriminatory manner.

H. Nominations

In accordance with the Company's Nominations, Accounting, and Control provisions (Rule E.2), and the Company's Nominating procedures, OSTS Shipper, shall provide the Company with daily gas Nominations via the Company's electronic gas Nominating system for gas that OSTS Shipper shall cause to be delivered to Company for Off-System gas Transportation. Specific information to be included in the Nomination is posted on Company's electronic gas Nominating system.

I. Gas in Kind

The Company shall retain 0.346% of all gas received at the Point of Receipt to compensate the Company for use and loss of gas on the Company's system. This volume shall not be included in the quantity available for delivery to the OSTS Shipper.

J. Rates

1. If applicable, an OSTS Shipper shall pay to the Company a Monthly fee comprised of the sum of the following:

Charge Type	Charge Range
Customer Charge (per Month)	Up to \$10,381.50
Transportation Charge (per Dth)	Up to \$1.0334

2. The Transportation Charge may be a demand rate or a volumetric rate and shall be negotiated between the OSTS Shipper and the Company and stated in the Off System Transportation Agreement entered into between the OSTS Shipper and the Company.
3. For OSTS Shippers with large or non-typical facility requirements the Company may require the Shipper to make special contractual arrangements for cost recovery of construction, operations, and maintenance for such facilities.

Continued On Sheet No. E-27.00

Continued From Sheet No. E-26.00

K. Late Payment Charge and Due Date

A bill shall be mailed or delivered to the OSTs Shipper not less than 21 days before the due date. A late payment charge of three percent (3%) of the delinquent balance outstanding shall be applied to any bill which is not paid in full on or before the due date shown thereon. If such failure to pay continues for thirty (30) days after full payment is due, then, in addition to any other remedy it may have, the Company may suspend further receipt and/or delivery of gas until such amount is paid, provided however, that the Company provides at least ten (10) days' notice before service is suspended for nonpayment.

L. Penalty Charges

Company is authorized to charge OSTs Shippers for unauthorized use of gas under the Company's Unauthorized Use Charge provisions (Rule C3) if an OSTs Shipper delivers gas at the Point of Receipt in excess of OSTs Shipper's MDQ or receives gas at the Point of Delivery in excess of OSTs Shipper's MDQ without the Company's prior consent. Failure to pay an Unauthorized Use Charge when rendered shall subject the OSTs Shipper to termination of its Off-System Transportation Service Agreement.

Continued From Sheet No. C-10.00

C3.2 Curtailment of Gas Service

A. Company's Rights to Curtail

The Company will use reasonable diligence in its operations to render continuous service to all its Customers other than those Customers served under contracts or tariff provisions contained herein that expressly permit Interruption or Curtailment of service. If, in the event of a Supply Deficiency, Capacity Deficiency, Capacity Restriction, Gas Quality Deficiency, or other events of Force Majeure whereby the Company, in its sole discretion, has determined that its ability to receive, transport, and/or deliver gas may or has become insufficient to support service to its Customers, the Company shall have the right to partially or completely Curtail service to each of its Customers in accordance with the Curtailment Plan set forth below, irrespective of any contracts which may be in force.

1. This right to Curtail applies to all services provided under the Company's Tariff to Gas Sales Services Customers, Gas Customer Choice Customers, and Gas Transportation Customers.
2. The Company will implement Curtailment of gas service by taking into account the extent to which Curtailment of Customers in a specific portion of the Company's pipeline system may or may not remedy the events of Curtailment. Thus, Curtailment may be limited, at the Company's discretion to certain portions of the Company's system.

B. Steps Prior to Curtailment

When there is adequate time, and if applicable to the nature of the event(s) which require the implementation of a Curtailment, the Company may take the following steps in order to attempt to mitigate the extent of a Curtailment:

1. Interrupt service provided under interruptible contracts and interruptible provisions of the Company's Rate Book for Natural Gas Service;
 - a. Notification deadlines incorporated into interruptible tariffs or interruptible contracts are suspended pursuant to Curtailment of Gas Service;
 - b. Notice will be given to such interruptible Customers as far in advance as possible.
2. Notify Gas Transportation Customers (including their authorized agents or pool managers) taking Deliveries not to exceed their Confirmed Quantity. Also notify Gas Transportation Customers that Deliveries exceeding their Confirmed Quantity are subject to the unauthorized use charge as described in Section G of this rule;
3. Ask Gas Transportation Customers and their authorized agents or pool managers to voluntarily reduce and/or increase Deliveries to match daily consumption;

Continued On Sheet No. C-12.00

Continued From Sheet C-12.00

E. Curtailment Priorities

For purposes of Curtailment, eight categories are established with Priority 8 constituting the lowest priority and Priority 1 being the highest priority.

Priority 7	Firm transportation services to Off System Gas Transportation Customers.
Priority 6	All non-residential Customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all emergency sales of system supply gas to Gas Transportation Customers.
Priority 5	Transportation Gas Requirements under rate class TR-3, TR-2, and TR-1.
Priority 4	Industrial Gas Requirements and Commercial Gas Requirements under rate class GS-3.
Priority 3	Industrial Gas Requirements and Commercial Gas Requirements under rate class GS-2.
Priority 2	Industrial Gas Requirements and Commercial Gas Requirements under rate class GS-1.
Priority 1	Residential Gas Requirements under the Residential Service Rates, Requirements For Plant Protection, and Requirements For Services Essential For Public Health And Safety not supplied by an alternate fuel.

F. Rate Adjustments

A Customer shall not be liable for any part of a monthly service charge provided in a rate schedule if such Customer's consumption under that rate is completely Curtailed for the entire billing period. No other rate adjustments will be permitted unless otherwise provided by contract.

G. Enforcement

1. The Company reserves the right to take special daily or hourly meter reads during periods when a Curtailment has been instituted pursuant to this Section C. The Company reserves the right to inspect the Customer's equipment, to install special metering, and to immediately physically interrupt gas service for violations of this Rule. Once gas service is terminated, the Company may withhold such service during the period of Curtailment until it is satisfied that the terms and conditions of this Rule will be observed.
2. There is nothing in this Rule that shall prevent a Customer from challenging before the Commission Curtailment or continuation of a Curtailment or that shall abridge the Customer's right to appeal any such determination to the Commission.

Continued On Sheet No. C-14.00

PROOF OF SERVICE

STATE OF MICHIGAN)

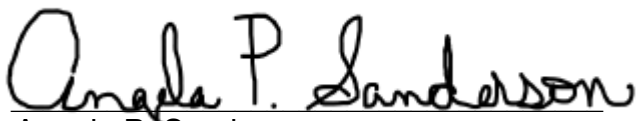
Case No. U-20479

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on December 6, 2019 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 6th day of December 2019.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-20479

Name	Email Address
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