

**RIDER NMS
(Net Metering Service)**

Availability of Service

Available for Net Metering Service to customers with qualifying renewable energy source generation facilities designed to operate in parallel with the Company's system. Customers served under this rider must also take service from the Company under the otherwise applicable standard service tariff.

The total rated generating capacity of all net metering customers served under this rider shall be limited to one tenth of one percent (0.1%) of the Company's previous year's peak demand in kW. Service under this rider shall be available to customers on a first come, first served basis.

Conditions of Service

- (1) For purposes of this rider, a qualifying net metering facility is an electrical generating facility that complies with all of the following requirements:
 - (a) Is fueled by solar, wind, geothermal, biomass, including waste-to-energy and landfill gas, or hydroelectric.
 - (b) Has a total rated capacity of less than 30 kW.
 - (c) Is located on the customer's premises.
 - (d) Is intended primarily to offset all or part of the customer's own electrical load requirements.
 - (e) Is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel.

Biomass systems are allowed to blend up to 25% fossil fuel as needed to ensure safe, environmentally sound operation of the renewable energy system. A customer using biomass blended with fossil fuel as their renewable energy source must submit proof to the Company substantiating the percentage of fossil fuel blend either by (1) separately metering the fossil fuel or (2) providing other documentation that will allow the Company to correctly apply a generation credit to the output associated with the customer's renewable fuel only.

- (2) Non-dispatchable generation systems shall be sized not to exceed the customer's annual energy needs, measured in kilowatt-hours. Dispatchable systems shall be sized not to exceed the customer's capacity needs, measured in kilowatts.
- (3) A customer seeking to interconnect an eligible net metering facility to the Company's system must submit to the Company's designated personnel a completed Interconnection Application. The Company will provide copies of all applicable forms upon request.

(Continued on Sheet No. 55. 1)

**ISSUED AUGUST 16, 2005
BY MARSHA P. RYAN
PRESIDENT
FORT WAYNE, INDIANA**

Michigan Public Service Commission
August 25, 2005
Filed <i>J.K.B.</i>

**COMMENCING WITH THE FIRST BILLING
CYCLE IN THE MONTH OF
SEPTEMBER 2005**

**ISSUED UNDER AUTHORITY OF THE
MICHIGAN PUBLIC SERVICE COMMISSION
DATED MARCH 29, 2005
IN CASE NO. U-14346**

**RIDER NMS
(Net Metering Service)**

(Continued From Sheet No. 55)

- (4) An interconnection agreement between the Company and the eligible net metering customer must be executed before the net metering facility may be interconnected with the Company's system.
- (5) Customer generator equipment and installations must comply with the Company's Interconnection Procedures For Power Projects as approved by the Michigan Public Service Commission. The Company will provide a copy of its Interconnection Procedures For Power Projects to customers upon request.

Metering

Net energy metering shall be accomplished using a standard kilowatt-hour meter or meters capable of measuring and recording the flow of electricity in each direction. If the existing electrical meter installed at the customer's facility is not capable of separately measuring and recording the flow of electricity in both directions, the customer shall be responsible for all expenses for the purchase and installation of an appropriate meter or meters with such capability.

The Company may, at its own expense, install one or more additional meters to monitor the flow of electricity.

Monthly Charges

Monthly transmission and distribution charges for energy, and demand where applicable, to serve the customer shall be determined according to the Company's standard service tariff under which the customer would otherwise be served, absent the customer's electric generating facility. Such charges shall be computed based on the energy delivered by the Company to the customer without reduction for the energy, if any, delivered by the customer to the Company.

Monthly generation charges shall be determined under the customer's standard service tariff and shall be based on the net energy delivered by the Company to the customer, calculated by subtracting the energy, if any, delivered by the customer to the Company from the energy delivered by the Company to the customer.

If the customer's net monthly generation charge billing under the standard service tariff is negative during the billing period, the negative net generation billing shall not be used to reduce the customer's current monthly bill for transmission and distribution service. Instead, the negative net generation billing shall be allowed to accumulate as a credit to offset generation billing in the next billing period. Such excess generation credits, if any, will be carried over from month to month, limited to a twelve billing month cycle. At the end of each twelve billing month cycle, cumulative credits, if any, will be retained by the Company (to offset costs associated with the Company's net metering program) and the customer's credit balance will be reset to zero.

(Continued on Sheet No. 55.2)

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Special Terms and Conditions

This rider is subject to the Company's Terms and Conditions of Service and all provisions of the standard service tariff under which the customer takes service. This rider is also subject to provisions of the Company's Interconnection Procedures For Power Projects.

The Company's net metering program shall be open for customer enrollments for a period of at least five years from the original effective date of this rider. Customers enrolled in this program shall be eligible to continue their participation in the program for a period of at least ten years. A participating customer may terminate their participation in this program at any time.

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