



Natural Gas Curtailment Procedures Workgroup Report

In the matter, on the Commission's own motion, to
commence a collaborative to consider issues related to
utility service curtailment procedures.

June 30, 2020

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Statewide Energy Assessment and Workgroup Formation

On February 7, 2019, the Commission issued an order in Case No. U-20464 in response to a request from Governor Gretchen Whitmer for the Commission to review the state's energy supply and preparedness for emergency situations, following a series of energy events that happened during Michigan's January 29 through February 1, 2019 cold weather emergency. On September 11, 2019, the Commission issued a third order in Case No. U-20464 (September 11 order) which includes details from the final SEA report and discusses any comments that resulted in a change to the initial SEA report. The September 11 order also sets forth those jurisdictional recommendations indicated in the final SEA report that the Commission finds should be addressed immediately and those that can be addressed later given prioritization of the resulting workload.

In this regard, and stemming from the September 11 order, the Commission opened this docket, Case No. U-20632, to direct the Staff to establish a collaborative group consisting of Staff experts, representatives from Consumers Energy Company, DTE Energy Company, and the Michigan Electric and Gas Association member utilities, and other interested stakeholders, to review and discuss whether natural gas curtailment procedures should be updated to prioritize natural gas use for residential heating over natural gas use for electric generation when appropriate during energy emergencies. In light of the increase in natural gas usage for electric generation, there is increased competition for natural gas as both a heating source and an electric generation resource. The collaborative group shall review whether natural gas curtailment procedures need to be updated to reflect current regional transmission organization (RTO) market structure, where natural gas-fueled electric generation is dispatched, and the RTO may not consider the impact on local natural gas emergencies. The collaborative group shall determine the adequacy of natural gas and electric curtailment procedures both independently and in conjunction with each other when an emergency or outage affects both energy supplies. The focus of this collaborative group should be to review and study the existing curtailment tariffs, determine if the current prioritization framework remains adequate, and develop recommendations for the Commission regarding possible updates to the tariffs. The Staff shall file a report setting forth initial recommendations in this docket no later than June 30, 2020. The Commission anticipates that proposed gas utility tariff changes will be reviewed in applicable future rate case filings.

Summary of Gas Utility Curtailment Procedures

Each of the regulated gas utilities in Michigan has an approved procedure for curtailing load during a gas supply emergency. Each utility's curtailment rule differs in its details but is similar in overall objectives. There are three fundamental objectives to the curtailment procedures:

1. To provide the utility with a relatively immediate response to a supply emergency, through a significant reduction in customer demand. The goal is to curtail the largest amount of load with the smallest possible number of customer contacts, because the time period associated with an initial response to an emergency is directly related to the number of customer contacts that need to be made. Large volume commercial and industrial customers are classified in the lowest priorities for this purpose.
2. To implement pre-curtailment steps that will reduce the severity of curtailment and that could eliminate the need to curtail high-priority customers. These steps involve public service announcements for voluntary dial-down actions, to seek out emergency gas supply contracts, to curtail excess volumes allowed under customer contracts, and to implement an Operational Flow Order (OFO) to limit transportation customer access to transportation balancing services and gas storage injection or withdrawal services.
3. To provide a rational/equitable allocation of available supply or capacity during the course of an emergency.

It is important to note that most pipeline failures on a utilities system (such as third-party damage to pipeline facilities, fire/explosion involving gas facilities, rupture of a transmission or distribution line) will not result in the implementation of curtailment procedures but only the utility's "Emergency Operations Procedures" required by 49 C.F.R. §192.615¹. Such emergencies would not be considered curtailment events, even though customers might be temporarily without gas service. Typically, when a pipeline facility has to be taken out of service, the utility will isolate a specific portion of its system associated with the damage, by shutting down sectionalized valves. This will allow the utility to perform the necessary repairs. In most cases, curtailment allocation procedures are not used because all customers connected to the isolated portion of the system are lost due to gas flow stoppage and pressure loss.

Introduction

By Commission order, the focus of the collaborative workgroup should be to review and study the existing curtailment tariffs, determine if the current prioritization framework remains adequate, and develop recommendations for the Commission regarding possible updates to the tariffs. The

¹ [Part 192 – Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards; Subpart L - Operations](#)

Staff shall file a report setting forth initial recommendations in this docket no later than June 30th, 2020. The Commission anticipates that proposed gas utility tariff changes will be reviewed in applicable future rate case filings.

Planning Process

In planning the workgroup engagement, Commission Staff created a workgroup webpage² to share data, agendas, and presentations with the workgroup members and the public as well as ask for interested parties to sign up for the e-mail distribution list. Further, Commission Staff presented a workgroup notification to the webpage sharing with all viewers the planned workgroup meetings, purpose of the workgroup, and how to contact Commission Staff with questions. Additionally, Commission Staff communicated with interested parties regarding topics to be discussed within the workgroup.

In addition to Commission Staff, representatives from the following organizations joined as active members of the workgroup: the Association of Businesses Advocating Tariff Equality (ABATE, the office of the Attorney General, Consumers Energy Company (Consumers Energy), DTE Gas Company (DTE Gas), Michigan Gas Utilities Corporation (MGU), the Retail Energy Supply association (RESA), SEMCO Energy Gas Company (SEMCO Energy), Presque Isle Electric & Gas Cooperative, and TC Energy, Energy Michigan.

Prior to the introductory workgroup meeting on December 6th, 2019, MPSC Staff compiled the tariff language of Consumers Energy, DTE Gas, MGU, and SEMCO into a Microsoft Excel spreadsheet. The purpose of the spreadsheet was to make it easier for the workgroup to directly compare the related tariff language between the four natural gas utilities. In addition to the current tariff language for the four utilities, MPSC Staff included the proposed tariff language changes that Consumers Energy had included in their ongoing natural gas rate case, MPSC Case No. U-20650³, for further comparison and review from the workgroup. To review the Preliminary Tariff Comparison Spreadsheet, please see Appendix A.

Workgroup Meetings

Staff hosted three workgroup meetings for the members to discuss current natural gas tariffs for Michigan's natural gas utilities⁴, the current curtailment procedures within the respective tariffs,

² https://www.michigan.gov/mpsc/0,9535,7-395-93307_93312_93320_94834-508468--,00.html

³ <https://mi-psc.force.com/s/case/500t000000NDG6VAAX/in-the-matter-of-the-application-of-consumers-energy-company-for-authority-to-increase-its-rates-for-the-distribution-of-natural-gas-and-for-other-relief>

⁴ https://www.michigan.gov/mpsc/0,9535,7-395-93308_93325_93422_94200-504591--,00.html

the remaining requirements and procedures within the respective tariffs, and recommendations for the Commission.

Three meetings were held in which Commission Staff engaged with stakeholders. All meetings were facilitated by Commission Staff members from the Gas Operations Section of the Energy Operations Division and the Rates & Tariff Section of the Regulated Energy Division.

December 6, 2019, Introductory Meeting

During the December meeting, Commission Staff welcomed participants; explained the origin, purpose, and timing of the workgroup. The first topic of discussion was a review of the Preliminary Tariff Comparison Spreadsheet. During the review, Staff asked each utility to briefly discuss the terms of their respective tariff. The remainder of the introductory meeting was a discussion amongst the workgroup pertaining to the collective tariffs. Workgroup participants had the opportunity to provide comments and ask questions of the other utilities regarding their tariffs.

A key element of discussion included communication with customers and the benefits of an automated system. While a variety of systems and mechanisms were discussed, those attending the workgroup session did agree that an automated system is efficient and particularly helpful in the event of a system-wide curtailment. In addition, the need to periodically review contact information to ensure accurate data is in the system was discussed.

Another important topic of discussion included when each of the utilities had most recently revised their tariffs. The following is a summary of when Consumers Energy, DTE Gas, MGU, and SEMCO had last revised, or proposed to revise, their respective tariff:

- Consumers Energy – Consumers Energy most recently proposed changes to their curtailment tariff in their ongoing natural gas rate case, Case No. U-20650. In testimony, Staff recommended that Consumers Energy defer their curtailment tariff revisions until the conclusion of this workgroup’s initial efforts and the Commission has an opportunity to respond to this report.
- DTE Gas – DTE Gas updated their tariff after the Polar Vortex events of 2014.
- MGU – MGU updated their tariff in 2016, after the Polar Vortex events of 2014 and 2015.
- SEMCO – In 2016, SEMCO updated and simplified its curtailment tariff language in Case No. U-17975. The Company believed the filing was necessary upon reflection of the then recent Polar Vortex events of January 2014 and February 2015 whereby SEMCO concluded that its curtailment rules were too complicated and difficult to execute from an implementation perspective.

January 10, 2020, Penultimate Meeting

During the January meeting, Commission Staff led a discussion regarding the priority levels assigned in curtailment procedures to natural gas-fired generators, as well as the need to coordinate with MISO in the event of a curtailment event. It was noted that there are a number of situations that would require very different solutions, and flexibility will be needed to manage

any curtailment situation effectively. Furthermore, the remainder of the meeting was dedicated to discussing recommendations which should be included in this report and presented before the Commission.

June 3, 2020, Ultimate Meeting

During the June meeting, Commission Staff led a discussion to review and discuss a draft of this report to the Commission. The primary purpose of the June meeting was to determine final recommendation goals, and to set priority levels and deadlines for each recommendation to be included in this report to the Commission. As such, the workgroup discussed each proposed recommendation, discussed in the following sections of this report, and categorized each recommendation as a short-, mid-, or long-term goal for both primary and secondary recommendations. Short-term recommendations are those which the workgroup determined could be concluded by the end of the year 2020; mid-term recommendations are those which were determined could be concluded by the end of the year 2021; and the long-term recommendations are those which have been determined to be recurring into the foreseeable future.

Direct Communication with Regulated Natural Gas Utilities

In addition to the three workgroup meetings, Staff conducted informal meetings with the natural gas utilities prior to the June 3rd workgroup meeting. During these meetings, Staff requested feedback from the utilities on how they believed the workgroup was progressing, how effective the workgroup was towards achieving the Commission's goal, and if there were any other topics that they would like to address which hadn't been brought to light during the prior meetings. The information gathered from the direct communication has helped to develop the following recommendations to the Commission.

Recommendations to the Commission

The workgroup has extensively discussed the current natural gas curtailment procedures in place for Michigan's natural gas utility tariffs. In its discussion, the workgroup has identified various areas in which natural gas curtailment procedures could be strengthened. The primary focus of review was to study the existing curtailment tariffs and determine if the current prioritization framework remains adequate. The secondary objective was to review the curtailment tariffs as a whole and determine if a collective uniformity could be established between Michigan's natural gas utilities. The workgroup has developed a set of recommendations based on both the primary and secondary objectives of the Commission's September 11, 2019 order.

As such, the workgroup recommends the following to the Commission:

Primary Recommendations

Short-term Recommendations to be Completed by Year-End 2020

Terms Defined in Tariffs

The workgroup recommends that the following list of terms, amongst others, should be defined in Michigan's natural gas utilities' tariffs, if not already done so: Electric Power Generation, Essential Services for Public Health and Safety, and Utility. To the extent possible, the definition for these terms should be wholly similar across all of the utilities' tariffs. A standardization in term definitions in the tariffs would provide greater clarity to the natural gas utility customers, especially for those of which who may own buildings and or facilities which extend across multiple utility service territories.

Mid-term Recommendations to be Completed by Year-End 2021

Gas-fired Electric Generation Prioritization

The workgroup recommends that Michigan's natural gas utilities review the priority level of gas-fired electric generation within their curtailment procedures. Specifically, the natural gas utilities should determine and, in conjunction with the Terms Defined in Tariffs recommendation, clarify that all generation will be reviewed at the onset of an event to determine if it is essential for public health and safety, possibly in discussion with other entities such as an RTO. The workgroup notes that there are a number of factors that will need to be taken into consideration that will be unique based on the situation (season of the year, end use of the generation, etc.). The workgroup recommends that electric generation deemed essential for public health and safety be classified as Priority I, the classification for which is the last source of natural gas to be curtailed during an emergency event. With this high-priority classification residential buildings, primary care facilities, and the like will be the last facilities to have natural gas, and electricity produced by natural gas-fired generation, curtailed during an emergency event. The workgroup further recommends that all other uses of electric generation, those not deemed essential for public health and safety, be classified as a lower priority level; and therefore, curtailed before residential buildings, primary care facilities, and the like.

Review of Customer Information & Notice of Curtailment

The workgroup recommends that, for use in the event of a curtailment, Michigan's natural gas utilities explore and implement a process to periodically review the contact information of customers on interruptible rates, demand response programs, and in the priority level that would be curtailed first. A periodic review of contact information will allow the utilities to remain current on the best ways to contact their customers. Maintaining an up-to-date database of customer contact information, in conjunction with the previous recommendation to implement an automated notification process, could greatly expedite the utilities' notification to customers during an emergency event which may require curtailment of natural gas.

Furthermore, the workgroup supports the appropriate, and to the extent possible targeted, use of the statewide emergency notification system for accessing large numbers of customers during

an emergency event involving natural gas curtailment. Such implementation would be similar to the approach taken during the 2019 Polar Vortex. Should another emergency event occur which involves a large number of customers across Michigan's natural gas utilities, and requires the curtailment of natural gas, use of the statewide emergency notification system may be more efficient for providing notification to a large number of customers during an emergency.

Severe Operations Manual Review

The workgroup recommends that MPSC Staff conduct a review of Michigan's natural gas utilities' procedures for natural gas curtailment which are not included in their respective tariffs. As a topic of discussion during the June meeting, MPSC Staff polled the natural gas utilities to determine if they had documentation, separate from their tariffs, which detailed the process for natural gas curtailment. The responses received from the utilities were split between the tariffs being the only document which defines the procedures for natural gas curtailment and the existence of a separate document which further defines the procedures for natural gas curtailment. A review of extra natural gas curtailment documentation separate from the tariffs, for utilities who have them, by MPSC Staff would allow Staff a greater understanding of the implementation and prioritization of the respective natural gas curtailment procedures.

Automated Communication

The workgroup recommends that Michigan's natural gas utilities which currently utilize manual systems to communicate with their customers explore ways and, to the extent possible, implement an automated process to communicate with customers in the event of a curtailment event. An automated process would allow for faster communications with customers during an emergency event. As a result, faster communications with customers could potentially allow for an expedited response time to curtailment requests.

Long-term Recommendations

Maintain a List of Emergency Management Contacts

The workgroup recommends that a list of emergency management or other contacts of utilities who may need to be contacted during a curtailment event be maintained. Specifically, this emergency contact list should be accessible to all of Michigan's natural gas utilities to be utilized in the event of a curtailment event. The contact list shall be maintained as a living document, with frequent updates as personnel and positions are everchanging.

One possible avenue for meeting this recommendation would be to further utilize the MPSC's existing Utility Emergency Contacts directory, prepared by the Energy Security Section. This directory contains the contact information for Michigan's utilities including, but not limited to, electric, natural gas, nuclear, and petroleum. Possible modifications to the current process for maintaining the current directory would be, amongst others, to increase the update frequency for contact information and to create a mailing list or listserv which would include Michigan's natural gas utilities; such a listserv would facilitate quick distribution of directory updates.

Secondary Recommendations

Mid-term Recommendations to be Completed by Year-end 2021

Determine Curtailment Priorities

The workgroup recommends that Michigan's natural gas utilities whose curtailment priorities are based on base period consumption review their respective tariffs to determine if it would be more efficient for their curtailment priorities to alternatively be based on rate class. Currently, for the utilities who use base period consumption to define their curtailment priorities, the base period consumption brackets already closely align with their rate class classifications. Furthermore, utility incident command staff must have swift access to information to assess a situation at hand in order to make prudent decisions. Curtailment priorities based on rate class would be more efficient to determine curtailment priorities and notifications than arbitrary base period consumption.

However, rate class alone should not be the ultimate factor in determining curtailment priorities; there must also be a seasonality factor in the equation. For example, it would not make sense to focus curtailment on a large rate class facility during the summer months if their primary period of natural gas consumption is during the winter months. This seasonality factor is where base period consumption classifications for curtailment priorities excels. The current classifications for base period consumption, however, seem arbitrary. Therefore, a blending of rate class and base period consumption would lend to a classification system that would be more easily understood and implemented during an emergency event. Rate Class would provide a defined prioritization and base period consumption would provide a seasonality factor to the calculation.

Curtailment Standardization

The workgroup recommends that, to the extent possible, Michigan's natural gas utilities' curtailment tariffs be revised and standardized. It is fully understood that a one-size-fits-all approach may not be the best, and that there may be too many unique practices amongst each utility for such broad standardization to be practical. Flexibility is needed to allow each utility to address their unique characteristics. However, a more consistent approach to tariff revisions would allow customers a clearer understanding of curtailment implementation, and a better sense of where their facilities stand in the curtailment queue should they branch across multiple utility service territories.

To the extent that the tariffs cannot be standardized for all of Michigan's natural gas utilities, consideration should be made regarding if utility curtailment parameters should be standardized on the basis of utility size. In other words, a separate tariff standardization template for larger utilities and smaller utilities. This would allow for the uniqueness between the large and small utilities to be addressed without having overly burdensome, or even irrelevant, rules implemented where they are not appropriate. Finally, thought should be given for the unique needs of each utility and how those needs will be tailored into the respective tariffs.

Tariff Revisions

The workgroup recommends that if that revisions need to be performed on Michigan's natural gas utilities' tariffs in accordance with the Commission's directive following review of the recommendations included in this report, a revised tariff shall be submitted to the MPSC for approval. The revisions shall be considered in an official MPSC docket so that interested parties may petition for intervention allowing a greater opportunity for review and input. It is further recommended that these tariff revisions be addressed outside of a utilities' rate case, and instead either addressed in this docket, U-20632, or in a standalone docket.

Maintaining the Safe Operation of Large Volume Customers

The workgroup recommends that Michigan's natural gas utilities review their curtailment procedures for their large volume customers. Many of these large volume customers require some level of higher priority gas supply in order to maintain the safe operation of their facilities. The utilities' curtailment procedures should allow for this to be factored into the determination of the curtailment requirement. Furthermore, the utilities should identify and document the necessary quantity of higher priority gas supply for these large volume customers to maintain safe operations and build that into their curtailment plans.

Long-term Recommendations

Cooperability Between Natural Gas and Electric Utilities During Multi-Utility Emergency Events

The workgroup recommends that there should be greater cooperability and coordination between natural gas and electric utilities in regard to natural gas and electric curtailment events. A key recent example of where this coordination was vitally needed was during the 2019 Polar Vortex. During this event, one of Michigan's natural gas utilities had an emergency event which resulted in the loss of natural gas supply from one of the utility's key storage fields. In conjunction with extreme temperatures, curtailment events were called for both natural gas and electricity. In instances such as this, where there are multi-utility emergency events, it would be highly beneficial for both natural gas and electric utilities to have coordination. Not only would it be beneficial for separate natural gas and electric utility entities to have coordination during multi-utility emergency events, but also for utilities which provide both natural gas and electric services.

Recurring Workgroup Meetings

The workgroup recommends that recurring meetings be held every three years, or as deemed necessary, for this workgroup in the third quarter of the subsequent years. The purpose of the recurring annual meetings shall be to discuss emergent curtailment events and to continually review and update natural gas curtailment procedures between Michigan's natural gas utilities. This will be an opportunity to ensure emergent issues are addressed, evolving information is considered in curtailment procedures, and best practices are shared.

Furthermore, the workgroup recommends that a review be conducted to determine the necessity of including other parties into this workgroup and the recommended annual meetings; such other

parties would include the Midcontinent Independent System Operator (MISO) and PJM Interconnection (PJM). MISO has the majority of jurisdictional authority⁵ for operating the bulk electric system within Michigan, including declaration of Maximum Generation Events, and determines which electric generating facilities are required to operate during such an event. The Electric Reliability Council of Texas has its own regional Emergency Electric Curtailment Plan⁶ to maintain reliability in the event of natural gas curtailments. MISO would be a valuable party to invite to subsequent workgroups to provide further guidance on electric generation and the impacts which would extend to natural gas curtailment events. The currently operating New Covert Generating Facility in Covert, MI is a market participant in PJM. Likewise, the Indeck generating facility scheduled to be operational in 2022 in Niles, MI is also believed to be a market participant in either PJM or MISO. Therefore, PJM would also be a valuable party to invite to subsequent workgroups to provide further guidance related to these two generating facilities and the impacts which would extend to natural gas curtailments. Regardless of whether or not MISO and PJM accept the invitation to join the workgroup, Commission Staff would suggest a recommendation for MISO and PJM to have its own regional Emergency Electric Curtailment Plan to maintain reliability in the event of natural gas curtailments. The Commission Staff is not recommending forcing generators or MISO/PJM to one solution, but instead have a discussion with the generators and the independent system operators to provide generators with a set of options that could encourage them to achieve the best outcome. For example, load serving entities/local distribution companies may not want to curtail power customers first, and an alternative approach could be curtailment based on human need. Planning Coordinators and/or Reliability Coordinators (MISO and PJM) should identify critical gas-fired electric generation to ensure “critical generators” have the ability to mitigate or reduce the risks associated with fuel disruptions and curtailments.

Conclusion

The Commission’s September 11, 2019 order in Case No. U-20632 directed Commission Staff to form collaborative group consisting of Staff experts, representatives from Consumers Energy Company, DTE Energy Company, and the Michigan Electric and Gas Association member utilities, and other interested stakeholders, to review and discuss whether natural gas curtailment procedures should be updated to prioritize natural gas use for residential heating over natural gas use for electric generation when appropriate during energy emergencies. In accordance with the Commission’s directive, the Commission Staff invited participants from, but not limited to, the above listed organizations to form the collaborative workgroup. The workgroup, over the course

⁵ PJM has authority for operating the bulk electric system for the southwest portion of Michigan.

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http://www.ercot.com/content/wcm/key_documents_lists/93632/05b.Texas_Emergency_Management_Plan_-_annex_L.pdf

of three meetings, reviewed and discussed the current curtailment tariffs and processes in place by Michigan's natural gas utilities.

The workgroup has concluded that there are a number of ways in which Michigan's natural gas utilities may update their curtailment tariffs to prioritize natural gas use for residential heating over natural gas use for electric generation, when appropriate, during energy emergencies. Defining key terms within the curtailment tariffs would enable customers to have a clearer understanding of the requirements and when they may be curtailed during an energy emergency. Prioritizing natural gas-fired electric generation deemed as an essential service for public health and safety over electric generation for other means would prioritize electricity to residential dwellings and the like over industrial and commercial facilities. A review of customer information would allow the utilities to have the most up-to-date contact information to use during an energy emergency when it may be necessary to communicate and provide notice of curtailment. Maintaining a list of emergency management contact information would allow all of Michigan's natural gas utilities to have readily available access to a database of key management contacts which may be invaluable to expedite communication during an energy emergency.

Furthermore, the workgroup seized the opportunity to review the curtailment tariffs as a whole and determined additional improvements which should be reviewed by Michigan's natural gas utilities. The utilities should determine if it would be more efficient for their curtailment priorities to utilize rate class categorization rather than base period consumption. To the extent possible, the utilities should strive to standardize their curtailment tariffs to the benefit of the end-use customers. The utilities should review their curtailment processes and determine how to ensure large volume customers, who are the first to be curtailed during an energy emergency, receive enough high priority natural gas supply to maintain safe operations. Should the utilities determine that they have the opportunity to update their curtailment tariffs following the recommendations in this report, and the direction of the Commission, the revisions should be proposed formally before the Commission in a docketed case to allow third parties the opportunity to intervention and participation.

Lastly, in order to remain apprised of continual advancements and procedural changes, the workgroup recommends that it reconvene every three years, or as deemed necessary. The purpose of the recurring meetings shall be, amongst other agenda topics, to discuss procedural changes and lessons learned and best practices from energy emergencies. Additionally, an invitation will be extended to MISO and PJM to join the workgroup so that we may discuss with, and learn from, these two organizations regarding how Maximum Generation Events may affect natural gas curtailment events.

[Appendix](#)

Appendix A: Preliminary Tariff Comparison Spreadsheet

Notice of Curtailment

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>3.2.B(1) The Company shall provide not less than 90 days advance written notice of curtailment to all system supply customers expected to be curtailed, except where actions by foreign, federal, state, or local government or regulatory agencies preclude the giving of such notice.</p> <p>(2) The Company may immediately curtail or interrupt the distribution of system supply gas to non-system supply customers, by oral notice or otherwise, to the extent and for such duration as the Company in its sole judgement shall deem necessary.</p> <p>(3) Notification of curtailment shall specify the starting date, an estimate of the length of time the curtailment is expected to be in effect, and the classification of the priorities to be curtailed. Prior to and during the period of curtailment, all customers in curtailment priorities to be affected shall be given not less than 30 days advance written notice of the authorized volumes to which they will be entitled for the following month.</p>	<p>C3.2.B (1) <i>For purposes of this curtailment section, t</i>The Company shall provide not less than 90 days advance written notice of curtailment to all system supply customers expected to be curtailed, except where actions by foreign, federal, state, or local government or regulatory agencies preclude the giving of such notice.</p> <p>(2) The Company may immediately curtail or interrupt the distribution of system supply gas to <u>Transportation non-system-supply</u> customers, by oral notice or otherwise, to the extent and for such duration as the Company in its sole judgement shall deem necessary.</p> <p>(3) Notification of curtailment shall specify the starting date, an estimate of the length of time the curtailment is expected to be in effect, and the classification of the priorities to be curtailed. Prior to and during the period of curtailment, all customers in curtailment priorities to be affected shall be given not less than 30 days advance written notice of the authorized volumes to which they will be entitled for the following month.</p>	<p>C3.1.B(1) The Company shall provide not less than 90 days advance written notice of curtailment to all system supply customers expected to be curtailed, except where actions by foreign, federal, state, or local government or regulatory agencies preclude the giving of such notice. (2) The Company may immediately curtail or interrupt the distribution of system supply gas to non-system supply customers, by oral notice or otherwise, to the extent and for such duration as the Company in its sole judgment shall deem necessary. (3) Notification of curtailment shall specify the starting date, an estimate of the length of time the curtailment is expected to be in effect, and the classification of the priorities to be curtailed. Prior to and during the period of curtailment, all customers in curtailment priorities to be affected shall be given not less than 30 days advance written notice of the authorized volumes to which they will be entitled for the following month.</p>	<p>C3.2(c)(iv) a) To the extent possible or practical, the Company will notify all potentially affected transportation or storage service customers via telephone, facsimile or email after automated email notifications become technically feasible for the Company as soon as it believes that an OFO may be required. Notice will indicate the period the OFO may be in effect and the anticipated level of restricted daily tolerance or authorized storage injection/withdrawal levels.</p> <p>b) Notification of an OFO If the decision is made to implement an OFO, the Company will notify all affected transportation customers via telephone, facsimile or email after automated email notifications become technically feasible for the Company. It is the customers' responsibility to inform the Company of the correct telephone and facsimile numbers and email addresses and, if appropriate and available, to monitor the Company's electronic communication system for notice of an OFO. A facsimile or email confirmation sheet to the last facsimile number or email address provided by the customer will be conclusive evidence that the Company provided appropriate notice. The Company will issue notice as soon as possible in advance of the deadline for nominations on the upstream pipelines and in advance of the Company's Gas Track Online nomination deadline as specified on Sheet No. E-5.00. Notice will indicate the period the OFO will be in effect, and the need for nomination changes, if necessary, to balance usage with gas deliveries to the Company. OFOs restricting storage service will indicate the authorized injection/withdrawal level. As soon as the Company determines that it is in a position to cancel the OFO, it will notify all affected transportation customers via telephone or facsimile or by email after automated email</p>	<p>C3.2.C. When Curtailment becomes necessary, the Company will attempt to provide notice to the Commission and all affected Customers of the nature, probable duration, and extent of such Curtailment except where actions by foreign, federal, state, or local government or regulatory agencies preclude the giving of such notice. When possible, notice of Curtailment will be given as far in advance as possible if the nature of the event(s) causing Curtailment allows for such advance notice.</p>

(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.

(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.

notifications become technically feasible for the Company as to when the OFO is canceled.

C3.2(d) If a curtailment becomes necessary, the Company shall provide notice to the Commission and all affected customers of the nature, probable duration and extent of such curtailment. Such notice will be given as far in advance as possible. The notice will be provided via telephone or facsimile or by email after automated email notifications become technically feasible for the Company.

Comments

Determination of Need for Curtailment

(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.

(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.2.A(1) If at any time the Company cannot provide continuous service to its system supply customers because of an inability to procure sufficient gas volumes from its interstate pipeline suppliers or other suppliers, and reliable short term supplies are not available at reasonable and prudent prices, the Company has the right to curtail the distribution of system supply gas to its customers in accordance with the provisions of this Rule.</p> <p>(2) In implementing this Rule, however, all sales of system supply gas to other than system supply customers shall be curtailed prior to curtailing, limiting or interrupting the distribution of gas to system supply customers.</p> <p>(3) The Company may separately institute curtailment of its system supply gas in the integrated and non-integrated portions of its total system, consistent with the inability to procure sufficient gas volumes in each respective portion of its system.</p> <p>(4) This Curtailment Rule (C3.2) does not apply to gas owned by parties other than the Company.</p>	<p>None.</p>	<p>C3.1.A(1) If at any time the Company cannot provide continuous service to its system supply customers because of an inability to procure sufficient gas volumes from its interstate pipeline suppliers or other suppliers, and reliable short term supplies are not available at reasonable and prudent prices, the Company has the right to curtail the distribution of system supply gas to its customers in accordance with the provisions of this Rule.</p> <p>(2) In implementing this Rule, however, all sales of system supply gas to other than system supply customers shall be curtailed prior to curtailing, limiting or interrupting the distribution of gas to system supply customers.</p> <p>(3) The Company may separately institute curtailment of its system supply gas in the integrated and non-integrated portions of its total system, consistent with the inability to procure sufficient gas volumes in each respective portion of its system.</p> <p>(4) This Curtailment Rule does not apply to gas owned by parties other than the Company.</p>		

Comments

Method of Curtailment

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.2.C(1) Prior to curtailment, the Company will make a Public Service Announcement for voluntary dial-down actions by system supply customers. (2) Curtailments shall be made in accordance with the curtailment priorities set forth in Section E of this Rule, beginning with the lowest priority category and proceeding to the next highest priority category. The total curtailment shall equal the estimated deficiency of gas brought about by the demands of all customers purchasing system supply gas in the integrated and/or non-integrated portions of the Company's system. (3) Curtailments may be simultaneously instituted in more than one curtailment category provided that gas usage falling within a lower priority category has been completely curtailed. (4) When curtailment of less than 100% of the sales volume in a particular curtailment priority is required, the available volumes shall be allocated to each customer assigned to that priority, on a pro-rata basis, using the customer's base period volumes that correspond to the month being curtailed.</p>	<p>None.</p>	<p>C3.1.C(1) Prior to curtailment, the Company will make a Public Service Announcement for voluntary dial-down actions by system supply customers. (2) Curtailments shall be made in accordance with the curtailment priorities set forth in Section E of this Rule, beginning with the lowest priority category and proceeding to the next highest priority category. The total curtailment shall equal the estimated deficiency of gas brought about by the demands of all customers purchasing system supply gas in the integrated and/or non-integrated portions of the Company's system. (3) Curtailments may be simultaneously instituted in more than one curtailment category provided that gas usage falling within a lower priority category has been completely curtailed. (4) When curtailment of less than 100% of the sales volume in a particular curtailment priority is required, the available volumes shall be allocated to each customer assigned to that priority, on a pro-rata basis, using the customer's base period volumes that correspond to the month being curtailed.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)</p> <p>3.2(d)(i) If a curtailment becomes necessary due to capacity restrictions, the Company shall determine the amount of firm service capacity that is available (residual firm capacity). The residual firm capacity shall be curtailed in accordance with the curtailment priority categories set forth in subparagraph (f) of this Rule, beginning with Curtailment Priority Five and proceeding to the next highest priority category.</p> <p>a) Curtailments may be simultaneously instituted in more than one curtailment priority category provided that gas usage falling within a lower priority category is being completely curtailed.</p> <p>b) If system deliverability permits only partial delivery of gas to a given priority category of use, curtailment will be affected on the basis of a pro rata sharing using the base period deliveries to customers for that priority category. If a customer has entered into an arrangement for voluntary reduction of use and/or increase in deliveries pursuant to Paragraph(b)(v) above, the volumes associated with such voluntary reductions of use or increase in deliveries shall be attributed to that customer's pro rata share.</p> <p>c) Upon notice of a curtailment, the Company shall give customers with multiple locations the option to select which location will be subject to the curtailment, consistent with the practical and physical operational constraints of the Company's system.</p> <p>(ii) If a curtailment becomes necessary due to an emergency situation resulting in a supply deficiency, with no associated capacity deficiency, the Company shall curtail gas service in accordance with Section C3.2(d)(i), subject to the following condition.</p> <p>For transportation customers, negative daily imbalances incurred shall be curtailed pursuant to priorities determined as in Section E - Base Period and any usage in excess of deliveries (flowing pipeline supplies) will be subject to penalty as described in C3.2(j). Usage in balance with deliveries on a daily basis is exempt from curtailment under this paragraph.</p> <p>(iii) If curtailment becomes necessary due to an emergency situation resulting in a capacity deficiency, the Company shall curtail gas service in accordance with Section C3.2(d)(i). Any usage above the curtailed volume shall be considered unauthorized and is subject to penalty as described in C3.2(j).</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)</p> <p>C3.2.D. Method of Curtailment</p> <p>1. Curtailments shall be made in accordance with the Curtailment priorities set forth in Section E of this Rule, beginning with the lowest priority category (Priority 8) and proceeding to the next highest priority category. The total Curtailment shall equal the estimated deficiency of gas brought about by the demands of all Customers purchasing system supply gas on those portions of the Company's pipeline system affected by the Curtailment.</p> <p>2. Curtailments may be simultaneously instituted in more than one Curtailment category.</p> <p>3. For the Company's pipeline system(s) affected by Curtailment, all Gas Transportation Customers and their authorized agents and/or pool managers shall be notified that the affected Gas Transportation Customers will be removed from their respective balancing pools and that all nominations must be made to their physical point of receipt (gate station) into the Company's distribution system(s).</p> <p>4. If Curtailment becomes necessary due to a Capacity Restriction, the Company shall determine the amount of remaining system capacity available to serve its Customers. If the Company determines that residual system capacity (available system capacity above the capacity required to serve its Gas Sales Service Customers and Gas Customer Choice Customers) is available to serve the Company's Gas Transportation Customers, such residual capacity will be allocated proportionally among the Gas Transportation Customers associated with the affected system(s) based on their currently effective MDQ.</p> <p>5. Off System Transportation Service Customers are exempt from Curtailment during a Supply Deficiency situation.</p>

Comments

Base Period

(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.

(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.2.D.(1) Base Period for System Supply Customers (a) For the purpose of determining the customer's volumes within each curtailment priority category, a twelve month base period shall be established. Such base period shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly consumptions ending June of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer's requirements. Base period volumes may be adjusted for equipment added or deleted. (b) In determining monthly consumptions, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priorities One through Five shall apply in the aggregate for all equipment of the same end use rather than on a unit of equipment basis. (c) The monthly consumption so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used. (2) Base Period for Non-System Supply Customers A base period is not established pursuant to this Rule for non-system supply customers. The distribution of system supply gas to non-system supply customers is subject to Curtailment Priority Five whereby the Company has sole discretion in determining the extent and duration of curtailment of such customers.</p>	<p>3.2.D(1) (a)For the purpose of determining the customer's volumes within each curtailment priority category, a twelve month base period shall be established. Such base period shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly consumptions ending June 30th of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer's requirements <u>upon 90 days' notice, prior to September 30th</u> . Base period volumes may be adjusted for <u>known</u> equipment added or deleted. (b) In determining monthly consumptions, <u>as specified by meter</u>, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priorities One through five shall apply in the aggregate for all equipment of the same end use rather than on a unit of equipment basis. (c) The monthly consumption so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used. (2) Base Period for Non-System Supply Customers A base period is not established pursuant to this Rule for non-system supply customers. The distribution of system supply gas to non-system supply customers is subject to Curtailment Priority Five whereby the</p>	<p>C3.1.D(1) Base Period for System Supply Customers (a) For the purpose of determining the customer's volumes within each Curtailment Priority Category, a twelve month base period shall be established. Such base period shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly consumptions ending June of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer's requirements. Base period volumes may be adjusted for equipment added or deleted. (b) In determining monthly consumptions, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priorities One through Five shall apply in the aggregate for all equipment of the same end use rather than on a unit of equipment basis. (c) The monthly consumption so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used. (2) Base Period for Non-System Supply Customers A base period is not established pursuant to this Rule for non-system supply customers. The distribution of system supply gas to non-system supply customers is subject to Curtailment Priority Five whereby the Company has sole discretion in determining the extent and duration of curtailment of such customers.</p>		
	<p>Company has sole discretion in determining the extent and duration of curtailment of such customers.</p>			

Comments

Curtailment Priorities

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.2.E For purposes of curtailment, five categories are established with Priority Five constituting the lowest priority and Priority One the highest. PRIORITY FIVE All non-residential customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all sales of system supply gas to non-system supply customers. PRIORITY FOUR Commercial and industrial gas requirements in excess of 41,667 Mcf per the base period month being curtailed. PRIORITY THREE Commercial and industrial gas requirements of 8,334 Mcf to 41,667 Mcf per the base period month being curtailed. PRIORITY TWO Commercial gas requirements of 1,250 Mcf to 8,334 Mcf per the base period month being curtailed and industrial gas requirements of 8,334 Mcf or less per the base period month being curtailed. PRIORITY ONE Residential gas requirements, commercial gas requirements of 1,250 Mcf or less per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety not covered by an alternate fuel.</p>	<p>C3.2.E For purposes of curtailment, five categories are established with Priority Five constituting the lowest priority and Priority One the highest. PRIORITY FIVE All non-residential customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all sales of system supply gas to non-system supply customers. PRIORITY FOUR Commercial and industrial gas requirements in excess of 41,667 Mcf per the base period month being curtailed. PRIORITY THREE Commercial and industrial gas requirements of 8,334 Mcf to 41,667 Mcf per the base period month being curtailed. PRIORITY TWO Commercial <u>and industrial</u> gas requirements of 1,250 Mcf to 8,334 Mcf per the base period month being curtailed and industrial gas requirements of 8,334 Mcf or less per the base period month being curtailed. PRIORITY ONE Residential gas requirements, commercial <u>and industrial</u> gas requirements of 1,250 Mcf or less per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety not covered by an alternate fuel.</p>	<p>C3.1.E For purposes of curtailment, five categories are established with Priority Five constituting the lowest priority and Priority One the highest. Priority One - Residential gas requirements, commercial gas requirements of 1,250 Mcf or less per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety. Priority Two - Commercial gas requirements of 1,250 Mcf to 8,334 Mcf per the base period month being curtailed and industrial gas requirements of 8,334 Mcf or less per the base period month being curtailed. Priority Three - Commercial and industrial gas requirements of 8,334 Mcf to 41,667 Mcf per the base period month being curtailed. Priority Four - Commercial and industrial gas requirements in excess of 41,667 Mcf per the base period month being curtailed. Priority Five - Non-residential customers having gas requirements in excess of 41,667 Mcf per the base period month being curtailed and having installed alternate fuel capability available on short notice (only the alternate fuel load will be curtailed) and all sales of system supply gas to non-system supply customers.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)</p> <p>C3.2(i)(i) For the purpose of Curtailment, firm end use sales and transportation customers will be treated equally in accordance with the curtailment priority categories set forth. Five categories are established with Priority Five being the first category to be curtailed and Priority One being the last. The Company will implement this curtailment plan throughout its system to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency. Specifically, if curtailment of gas deliveries to a customer does not provide any relief to the Company, then the Company may continue to provide gas service for the customer. PRIORITY FIVE All non-residential customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all sales of system supply gas to non-system supply customers. PRIORITY FOUR Commercial and industrial gas requirements in excess of 20,000 Mcf per the base period month being curtailed. PRIORITY THREE Commercial and industrial gas requirements of 8,334 to 20,000 Mcf per the base period month being curtailed. PRIORITY TWO Non-residential customers having commercial gas requirements of 1,250 Mcf to 8,333 Mcf per the base period month being curtailed and industrial gas requirements of 8,333 Mcf or less per the base period month being curtailed. PRIORITY ONE Residential gas requirements, commercial gas requirements less than 1,250 Mcf per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety not covered by an alternate fuel. (ii) The volumes of gas destined to end users of other local distribution companies (LDC) shall be classified into the same priority categories as the Company's onsystem sales and transportation customers if the LDC provides the Company with the information necessary to make such a classification and an affidavit verifying the accuracy of such information. Such information shall be provided for each priority category in a manner similar to the information regarding the base period volumes of other customers as set forth in Section E above. Any volumes for which the LDC fails to provide such information shall be presumed to be in Priority Five. (iii) During an emergency curtailment of gas service, public utilities that generate and distribute electricity shall be granted Priority One service for that portion of the gas requirements of owned or firm contracted generation necessary to the discharge of the utilities' obligation to provide services. a) Such classification of volumes qualifying for Priority One shall be contingent upon the electric utility exercising due diligence in taking reasonable steps to minimize the use of natural gas during the course of the gas emergency, and consistent with maintenance of electric system integrity. To the extent that certain actions can minimize the use of natural gas, such actions may include, but are not limited to the following: i) Bring on line any non-gas reserve capacity. ii) Switch gas fired dual-fuel generating plants to an alternate fuel. iii) Attempt to procure incremental purchased power iv) Curtail all non-firm off-system electric sales. b) If, after having exhausted all available options to minimize the use of natural gas, conditions are such that curtailment of any portion of the remaining gas service to the electric utility will induce the implementation of the Emergency Electrical Procedures, then Priority One capacity shall be allocated to the electric utility: i) Sufficient to obviate the need to implement short-term Emergency Electrical Procedures during the first week of the gas emergency provided that the company has not invoked curtailment of Priority One customers. If, however, the emergency is of such a severe nature that Priority One customers must be curtailed, then the Company shall provide sufficient gas service to the electric utility to allow it to maintain its system integrity as it implements, to the fullest extent required by the emergency, both its short-term and long-term Emergency Electrical Procedures. ii) Or, if the Company has invoked curtailment priorities to a level no deeper than Priority Two, the Company shall provide the electric utility sufficient Priority One service to enable it to avoid the implementation of short-term Emergency Electrical Procedures during the first week of the gas emergency, and sufficient to avoid implementing long-term Emergency Electrical Procedures requiring public notification. iii) Or, if the company has invoked curtailment priorities to a level no deeper than Priority Three, then the Company shall provide sufficient Priority One service to enable the electric utility to avoid the implementation</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)</p> <p>C3.2.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 8 Firm transportation services to Off System Gas Transportation Customers. Priority 7 Firm daily balancing services provided to 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.</p>

Comments

Rate Adjustments

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEPCO
C3.2.F 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.	None	C3.1.F 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.	C3.2(h) 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.	

Comments

Enforcement

(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.

(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.2.G(1) The Company reserves the right to take special daily meter reads during periods when a curtailment has been instituted pursuant to Part C3.2 of this Rule. The Company reserves the right to inspect the customer's equipment, to install special metering, and to immediately terminate gas service for violations of this Rule. Once gas service is terminated, the Company may withhold such service until it is satisfied that the terms and conditions of this Rule will be observed.</p> <p>(2) There is nothing in this Rule that shall prevent a customer from challenging before the Commission the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission.</p>	<p>None</p>	<p>C3.1.G(1) The Company reserves the right to inspect the customer's equipment, to install special metering, and to immediately terminate gas service for violations of this Rule, as provided by Rule B1, Technical Standards for Gas Service, R 460.2373, Shutoff of Service. Once gas service is terminated, the Company may withhold such service until it is satisfied that the terms and conditions of this Rule will be observed.</p> <p>(2) There is nothing in this Rule that shall prevent a customer from challenging before the Commission the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission.</p>	<p>C3.2(j)(i) The Company reserves the right to take special daily meter reads during periods when a curtailment has been instituted pursuant to Part C3.2 of this Rule. 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 the curtailment until it is satisfied that the terms and conditions of this Rule will be observed.</p> <p>(ii) There is nothing in this Rule that shall prevent a customer from challenging before the Commission the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission.</p>	<p>C3.2.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.</p>

Comments

Penalties for Violation

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.2.H. After the Company has provided actual oral or written notice of curtailment to the affected end use customer, any gas used by such customer in excess of the volumes authorized during the period when a curtailment has been instituted pursuant to Part C3.2 of this Rule will be subject to excess use charges, with such charges being in addition to those normal charges made under the applicable Rate Schedules. The charge for such excess usage shall be the highest price reported for the Mich Con, Michigan Consumers Energy and Chicago LDCs during the period of curtailment as reported by <u>Gas Daily</u> or, in the event that <u>Gas Daily</u> discontinues its reporting of such prices, any comparable reporting services, plus \$10 per Mcf. Failure to pay an excess charge when rendered shall subject the customer to termination of gas service.</p>	<p>C3.2.H. After the Company has provided actual oral or written notice of curtailment to the affected end use customer, any gas used by such customer in excess of the volumes authorized during the period when a curtailment has been instituted pursuant to Part C3.2 of this Rule will be subject to excess use charges, with such charges being in addition to those normal charges made under the applicable Rate Schedules. The charge for such excess usage shall be the highest price reported for the Mich Con, Michigan Consumers Energy and Chicago LDCs during the period of curtailment as reported by <u>Gas Daily</u> or, in the event that <u>Gas Daily</u> discontinues its reporting of such prices, any comparable reporting services, plus \$10 per Mcf. Failure to pay an excess charge when rendered shall subject the customer to termination of gas service <i>if the Company is aware of non-compliance</i>.</p>	<p>C3.1.H. Any gas used by a customer in excess of the volumes authorized during the period when a curtailment has been instituted pursuant to this Rule shall be subject to Unauthorized Gas Use Charges. The charge for such Unauthorized Gas Usage shall be \$1.00 per 100 cubic feet plus the highest price reported in Gas Daily in the midpoint column of the Daily Price Survey for the following locations for the month in which the Unauthorized Gas Use occurred: Dawn, Ontario; ANR, ML7; Chicago city-gates; Consumers city-gate; or MichCon city-gate. Unauthorized Gas Use Charges are in addition to those normal charges made under the applicable Rate Schedules, for all gas taken by Customer in excess of the cumulative volume delivered to Customer (less Gas-in-Kind) on behalf of Customer. In the event Gas Daily discontinues its reporting such prices, the Company will select a comparable reporting service. Failure to pay an excess use charge when rendered shall subject the customer to termination of gas service.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)</p> <p>C3.2(c)(vi) a) Unauthorized Usage (High Flow Constraint Period): After the Company has provided actual notice of implementation of an OFO, any gas usage in excess of the volumes authorized (delivered gas volume) during the period when the OFO has been instituted will be subject to unauthorized usage charges. Such charges shall be in addition to those normal charges made under the applicable rate schedules. The charge for any unauthorized usage shall include both the cost of gas purchased plus \$10 per Mcf, regardless if the Company is assessed any penalties. The cost of gas purchased will be reflected as a sale of gas to the customer and will be the highest Common index price reported for MichCon, Consumers Energy or Chicago LDCs as reported by Gas Daily on the day the unauthorized usage occurred. The highest Common index price will be at the 75th percentile for the day of unauthorized usage.</p> <p>In the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service plus \$10 per Mcf shall apply. In the event that the Company receives a resulting pipeline penalty, the charge for any unauthorized usage by a transportation customer required to operate under the OFO shall be the higher of the penalty assessed by the pipeline (if a customer utilizes multiple pipelines, penalties shall be assessed to the customers utilizing the affected pipeline based upon their portion of the volumes moved on each pipeline) or the index price plus \$10 per Mcf. The Company will make reasonable efforts to avoid or minimize pipeline penalties by attempting to incur the lower of pipeline penalties or the cost of purchasing additional gas. The unauthorized usage penalty charge of \$10 per Mcf will be billed as a separate line item from the cash-out (commodity) purchased. The volume of gas sold to the customer shall be accredited to the customer assessed the unauthorized usage charge.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)</p> <p>C3.2.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.</p> <ol style="list-style-type: none"> 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. 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 Rules and Regulations. 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. 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,
			<p>b) Excess Delivery (Low Flow Constraint Period): Any gas delivered in excess of the metered consumption volumes during the period when the OFO has been instituted will be subject to "Excess Delivery" charges, with such charges being in addition to those normal charges made under the applicable rate schedules. The charge for any excess deliveries shall be \$10 per Mcf, regardless of whether the Company is assessed any penalties. In the event that the Company receives a resulting pipeline penalty, the charge for any excess deliveries by a transportation customer required to operate under the OFO shall be the higher of the penalty assessed by the pipeline (the largest penalty if multiple pipelines are utilized) or \$10 per Mcf. Excess delivery charges will be billed separately from any cash-outs.</p>	<p>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.</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>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.</p>
			<p>Corrective actions on the part of the customer beyond those identified in the Company's Rate Book, Section E, Gas Transportation, will need to be discussed with, scheduled with and pre-approved by the Company's Gas Supply department, subject to seasonal restrictions and operational constraints of the system; such approval shall not be unreasonably withheld.</p> <p>(Note: No c) or d) were included in the Rate Book for this topic)</p>	
			<p>c) Nominations and Waivers: The Company reserves the right to reject any nomination on a particular pipeline that does not meet its operational requirements. Rejecting or confirming nominations by the Company does not release the transportation customer/supplier</p>	
			<p>from its obligations under the tariff. Failure to pay an unauthorized usage or excess delivery charge when due shall subject the customer to termination of gas service.</p>	
			<p>The Company reserves the right to waive, on a non-discriminatory basis, any unauthorized usage charge non-pipeline penalty for violating an OFO if such penalty is the result of actions beyond the customer's control. Penalties collected by the Company will be credited to the Company's booked GCR cost of gas sold.</p>	
			<p>Circumstances in which the Company may elect to waive a non-pipeline penalty for violating an OFO include when a customer violates an OFO due to adjustments made in reliance upon daily volumetric flow data from equipment installed pursuant to Section E5.1 that has been maintained in accordance with manufacturer's recommendations, and such equipment causes the volumetric flow data to be in error.</p>	
			<p>C3.2(j) Penalty for Violation of Curtailment of Gas Service After the Company has provided actual oral or written notice of implementation of a curtailment pursuant to Part C3.2 to the affected end use customer, any gas used by such customer in excess of the volumes authorized pursuant to Part C3.2(d) during the period when a curtailment has been instituted will be subject to unauthorized use charges, with such charges being in addition to those normal charges made under the applicable rate schedules. The charge for such unauthorized usage shall be the highest price reported during the period of curtailment for MichCon, Consumers Energy or Chicago LDCs as reported by Gas</p>	
			<p>Daily plus \$10 per Mcf or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service plus \$10 per Mcf. Gas subject to unauthorized usage charges will be considered a sale of gas. In the event that the Company receives a resulting pipeline penalty because of unauthorized usage, the charge for any unauthorized usage shall be the higher of the penalty assessed by the pipeline (the largest penalty if multiple pipelines) or the index price plus \$10 per Mcf. Failure to pay an unauthorized use charge when due shall subject the customer to termination of gas service. Unauthorized use charges collected by the Company will be credited to the Company's booked GCR cost of gas sold.</p>	

Comments

Company's Right to Curtail

Consumers Energy	Consumers Energy Proposed Revision	DTE	(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.) Michigan Gas Utilities Corporation	(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.) SEMCO
<p>C3.3.A The Company recognizes its primary public service obligation is to maintain gas service to its customers . If, in the event of an emergency arising out of extreme cold weather or other causes referred to as force majeure situations the Company determines that its ability to deliver gas may become inadequate to support continuous service to its customers on its system, the Company shall have the right to partially or completely curtail service to each of its customers in accordance with the order of curtailment set forth below, irrespective of the contracts in force. This plan applies to all gas sales, transportation and storage service provided by the Company except for gas moving on the Company's gathering systems. The Company will implement this curtailment plan throughout its system to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency.</p>	<p>None.</p>	<p>C3.2.A The Company recognizes its primary public service obligation is to maintain gas service to its customers. If, in the event of an emergency arising out of extreme cold weather or other causes referred to as force majeure situations the Company determines that its ability to deliver gas may become inadequate to support continuous service to its customers on its system, the Company shall have the right to partially or completely curtail service to each of its customers in accordance with the order of curtailment set forth below, irrespective of the contracts in force. This plan applies to all gas sales, transportation and storage service provided by the Company except for gas moving on the Company's gathering systems. The Company will implement this curtailment plan throughout its system to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency.</p>	<p>C3.2(a) The Company recognizes its primary public service obligation is to maintain gas service to its customers. If, in the event of an emergency arising, for example, out of extreme cold weather, a pipeline system constraint condition, a supply deficiency, a capacity deficiency, a capacity restriction or other causes referred to as force majeure situations, the Company determines that its ability to deliver gas may become inadequate to support continuous service to its customers on its system, the Company shall have the right to partially or completely curtail service to its customers in accordance with the curtailment procedures set forth below, irrespective of the contracts in force. This plan applies to all gas sales, transportation and storage service provided by the Company. The Company will implement this curtailment plan throughout its system to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency.</p>	<p>C3.2.A 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.</p> <ol style="list-style-type: none"> 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.

Comments

Steps Prior to Curtailment

Consumers Energy	Consumers Energy Proposed Revision	DTE	(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.) Michigan Gas Utilities Corporation	(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.) SEMCO
<p>C3.3.B When there is adequate time during an emergency situation, and if applicable, the following steps will be implemented by the Company prior to the enforcement of the curtailment plan established by this Rule.</p> <p>(1) Interrupt service provided under an "interruptible" rate or contract then in effect;</p> <p>(2) Implement contingency contracts for emergency gas supply purchases established in advance. Seek to purchase additional gas supplies at prices which shall be regarded as reasonable and prudent;</p> <p>(3) Curtail deliveries to any customer in excess of volumes allowed under contracts;</p> <p>(4) Implement an Operational Flow Order (OFO). An OFO invokes daily-balancing upon transportation customers and allows the Company to limit both transportation and storage customers' daily storage withdrawal volumes to that level authorized by the Company. Customers not balancing deliveries to the Company, with use, and authorized storage withdrawal volumes, on any date during an OFO will be subject to C3.3 penalties applied to such excess usage.</p> <p>(5) Make a public service announcement for voluntarily dial-down actions by system supply customers;</p> <p>(6) Ask transportation customers to voluntarily reduce use and/or increase deliveries.</p>	<p>C3.3.B When there is adequate time during an emergency situation, and if applicable, the following steps will be implemented by the Company prior to the enforcement of the curtailment plan established by this Rule.</p> <p>(1) Interrupt service provided under an "interruptible" rate or contract then in effect;</p> <p>(2) Implement contingency contracts. <i>where applicable</i> for emergency gas supply purchases established in advance. Seek to purchase additional gas supplies at prices which shall be regarded as reasonable and prudent;</p> <p>(3) Curtail deliveries to any customer in excess of volumes allowed under contracts, <i>where applicable</i>;</p> <p>(4) implement an Operational Flow Order (OFO). An OFO invokes daily-balancing upon <i>Require</i> transportation customers <i>to deliver their Maximum Daily Quantity (MDQ), each day during curtailment. Transportation customers with seasonal enterprises may be excluded from this requirement by the Company, and allows the Company to limit both transportation and storage customers' daily storage withdrawal volumes to that level authorized by the Company. Customers not <i>delivering their MDQ</i> balancing deliveries to the Company, with use, and authorized storage withdrawal volumes, on any <i>Gas Day date</i> during <i>curtailment, may</i> an OFO will be subject to C3.3 penalties applied to such excess usage.</i></p> <p>(5) Make a public service announcement for voluntarily dial-down actions by system supply customers;</p> <p>(5) Ask transportation <i>and large commercial and industrial</i> customers to voluntarily reduce use and/or increase deliveries.</p> <p><i>(6) May make a public service announcement for voluntary dial down actions by system supply customers.</i></p> <p><i>(7) May request mutual assistance from other Michigan utilities and/or Interstate pipelines</i></p>	<p>C3.2.B When there is adequate time during an emergency situation, and if applicable, the following steps will be implemented by the Company prior to the enforcement of the curtailment plan established by this Rule.</p> <p>(1) Interrupt service provided under an "interruptible" rate or contract then in effect;</p> <p>(2) Implement contingency contracts for emergency gas supply purchases established in advance. Seek to purchase additional gas supplies at prices which shall be regarded as reasonable and prudent;</p> <p>(3) Curtail deliveries to any customer in excess of volumes allowed under contracts;</p> <p>(4) Request that transportation customers balance deliveries with use and authorized storage withdrawal volumes on a daily basis;</p> <p>(5) Make a public service announcement for voluntary dial-down actions by system supply customers;</p> <p>(6) Ask transportation customers to voluntarily reduce use and/or increase deliveries.</p>	<p>C3.2(b) When there is adequate time during an emergency situation, and if applicable, the following steps will be implemented by the Company prior to the enforcement of the curtailment plan established by this Rule.</p> <p>(i) Curtail deliveries to any customer in excess of volumes allowed under contracts;</p> <p>(ii) Implement an Operational Flow Order (OFO) as further described in Section C3.2(c);</p> <p>(iii) Implement contingency contracts for emergency gas supply purchases established in advance. Seek to purchase additional gas supplies at prices which shall be regarded as reasonable and prudent under the conditions then existing;</p> <p>(iv) Make a public service announcement for voluntarily dial-down actions by system supply customers;</p> <p>(v) Ask transportation customers to voluntarily reduce use and/or increase deliveries.</p>	<p>C3.2.B. 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:</p> <p>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.</p> <p>2. Notify Gas Transportation Customers (including their authorized agents or pool managers) taking Deliveries in excess of their maximum daily quantity (MDQ) not to exceed their contracted MDQ. Also notify Gas Transportation Customers that Deliveries exceeding their MDQ 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;</p> <p>4. Seek to purchase additional gas supplies;</p> <p>5. Make a request to Customers to take voluntary dial-down actions.</p>

Comments

Notice of Curtailment

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.C If an OFO or curtailment becomes necessary, the Company shall provide notice to the Commission and all affected customers of the nature, probable duration and extent of such OFO or curtailment. Such notice will be given as far in advance as possible.</p>	<p>C3.3.C If an OFO or curtailment becomes necessary, the Company shall provide notice to the Commission, other Michigan utilities and all affected customers of the nature, probable duration and extent of such OFO or curtailment. Such notice will be given as far in advance as possible.</p>	<p>C3.2.C If a curtailment becomes necessary, Company shall provide notice to the Commission and all affected Customers of the nature, probable duration and extent of such curtailment. Such notice will be given as far in advance as possible.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)</p> <p>3.2(c)(iv) a) Preliminary notification of a possible OFO To the extent possible or practical, the Company will notify all potentially affected transportation or storage service customers via telephone, facsimile or email after automated email notifications become technically feasible for the Company as soon as it believes that an OFO may be required. Notice will indicate the period the OFO may be in effect and the anticipated level of restricted daily tolerance or authorized storage injection/withdrawal levels. b) Notification of an OFO If the decision is made to implement an OFO, the Company will notify all affected transportation customers via telephone, facsimile or email after automated email notifications become technically feasible for the Company. It is the customers' responsibility to inform the Company of the correct telephone and facsimile numbers and email addresses and, if appropriate and available, to monitor the Company's electronic communication system for notice of an OFO. A facsimile or email confirmation sheet to the last facsimile number or email address provided by the customer will be conclusive evidence that the Company provided appropriate notice. The Company will issue notice as soon as possible in advance of the deadline for nominations on the upstream pipelines and in advance of the Company's Gas Track Online nomination deadline as specified on Sheet No. E-5.00. Notice will indicate the period the OFO will be in effect, and the need for nomination changes, if necessary, to balance usage with gas deliveries to the Company. OFOs restricting storage</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)</p> <p>C3.2.C. When Curtailment becomes necessary, the Company will attempt to provide notice to the Commission and all affected Customers of the nature, probable duration, and extent of such Curtailment except where actions by foreign, federal, state, or local government or regulatory agencies preclude the giving of such notice. When possible, notice of Curtailment will be given as far in advance as possible if the nature of the event(s) causing Curtailment allows for such advance notice.</p>
			<p>service will indicate the authorized injection/withdrawal level. As soon as the Company determines that it is in a position to cancel the OFO, it will notify all affected transportation customers via telephone or facsimile or by email after automated email notifications become technically feasible for the Company as to when the OFO is canceled.</p> <p>C3.2(d) If a curtailment becomes necessary, the Company shall provide notice to the Commission and all affected customers of the nature, probable duration and extent of such curtailment. Such notice will be given as far in advance as possible. The notice will be provided via telephone or facsimile or by email after automated email notifications become technically feasible for the Company.</p>	

Comments

Method of Curtailment

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.D(1) If a curtailment becomes necessary due to capacity restrictions, the Company shall determine the amount of firm service capacity that is available (residual firm capacity). The Company shall allocate that residual firm capacity between (i) transportation service provided pursuant to a FERC blanket certificate (Blanket Certificate Customers) and (ii) all other services (Other Customers), such allocation being made pro rata between such two classes of service, based upon the total volumes scheduled for service within each class on the applicable day.</p> <p>(a) The residual firm capacity which is allocated to Blanket Certificate Customers shall be allocated pro rata among the members of that class, based upon volumes scheduled for service by members of that class on the applicable day.</p> <p>(b) The residual firm capacity which is allocated to the Other Customers shall be curtailed in accordance with the curtailment priority categories set forth in Section F of this Rule, beginning with Curtailment Priority Five and proceeding to the next highest priority category.</p> <p>(i) Curtailments may be simultaneously instituted in more than one curtailment priority category provided that gas usage falling within a lower priority category is being completely curtailed.</p> <p>(ii) If system deliverability permits only partial delivery of gas to a given priority category of use, curtailment will be effected on the basis of a pro rata sharing using the base period deliveries to customers for that priority category. If a customer has entered into an arrangement for voluntary reduction of use and/or increase in deliveries pursuant to Paragraph(B)(6) in Steps Prior to Curtailment, the volumes associated with such voluntary reductions of use or increase in deliveries shall be attributed to that customer's pro rata share.</p> <p>(iii) Upon notice of a curtailment, the Company shall give customers with multiple locations, the option to select which location will be subject to the curtailment, consistent with the practical and physical operational constraints of the Company's system.</p> <p>(2) If curtailment becomes necessary due to an emergency situation resulting in a supply deficiency, with no associated capacity deficiency, the Company shall curtail gas service in accordance with Section C3.3D(1)(b), subject to the following conditions.</p> <p>(a) Transportation customers shall have the option of having electronic remote metering installed or of establishing a means acceptable to the Company and the customer of determining daily consumption at the customer's expense. Negative daily imbalances incurred shall be curtailed pursuant to priorities determined as in Section (E) Base Period. Usage in balance with deliveries (flowing pipeline supplies) on a daily basis is exempt from curtailment under this paragraph.</p> <p>(b) Blanket certificate customers are exempt from curtailment.</p> <p>(3) If curtailment becomes necessary due to an emergency situation resulting in a capacity deficiency, the Company shall curtail gas service in accordance with Section C3.3D(1)(b). Blanket certificate customers are exempt from curtailment.</p>	<p>C3.3.D(1) If a curtailment becomes necessary due to capacity restrictions, the Company shall determine the amount of firm service capacity that is available (residual firm capacity). The Company shall allocate that residual firm capacity between (i) transportation service provided pursuant to a FERC blanket certificate (Blanket Certificate Customers) and (ii) all other services (Other Customers), such allocation being made pro rata between such two classes of service, based upon the total volumes scheduled for service within each class on the applicable day.</p> <p>(a) The residual firm capacity which is allocated to Blanket Certificate Customers shall be allocated pro rata among the members of that class, based upon volumes scheduled for service by members of that class on the applicable day.</p> <p>(b) The residual firm capacity which is allocated to the Other Customers shall be curtailed in accordance with the curtailment priority categories set forth in Section F of this Rule, beginning with Curtailment Priority Five and proceeding to the next highest priority category.</p> <p>(a) Curtailments may be simultaneously instituted in more than one curtailment priority category provided that gas usage falling within a lower priority category is being completely curtailed.</p> <p>(b) If system deliverability permits only partial delivery of gas to a given priority category of use, curtailment will be effected on the basis of a pro rata sharing using the base period deliveries to customers for that priority category. If a customer has entered into an arrangement for voluntary reduction of use and/or increase in deliveries pursuant to Paragraph(B)(6) above, the volumes associated with such voluntary reductions of use or increase in deliveries shall be attributed to that customer's pro rata share.</p> <p>(c) Upon notice of a curtailment, the Company may shall give customers with multiple locations, the option to select which location will be subject to the curtailment, consistent with the practical and physical operational constraints of the Company's system.</p> <p>(2) If curtailment becomes necessary due to an emergency situation resulting in a supply deficiency, with no associated capacity deficiency, the Company shall curtail gas service in accordance with Section C3.3D(1)(b), subject to the following conditions.</p> <p>(a) Transportation customers shall have the option of having electronic remote metering installed or of establishing a means acceptable to the Company and the customer of determining daily consumption at the customer's expense. Negative daily imbalances incurred shall be curtailed pursuant to priorities determined as in Section (E) Base Period. Usage in balance with deliveries (flowing pipeline supplies) on a daily basis is exempt from curtailment under this paragraph.</p> <p>(b) Blanket certificate customers are exempt from curtailment.</p> <p>(3) If curtailment becomes necessary due to an emergency situation resulting in a capacity deficiency, the Company shall curtail gas service in accordance with Section C3.3D(1)</p> <p>Blanket certificate customers are exempt from curtailment.</p>	<p>C3.2.D(1) If a curtailment becomes necessary due to capacity restrictions, the Company shall determine the amount of firm service capacity that is available (residual firm capacity). The Company shall allocate that residual firm capacity between (i) transportation service provided pursuant to a FERC blanket certificate (Blanket Certificate Customers) and (ii) all other services (Other Customers), such allocation being made pro rata between such two classes of service, based upon the total volumes scheduled for service within each class on the applicable day.</p> <p>(2) The residual firm capacity which is allocated to Blanket Certificate Customers shall be allocated pro rata among the members of that class, based upon volumes scheduled for service by members of that class on the applicable day.</p> <p>(3) The residual firm capacity which is allocated to the Other Customers shall be curtailed in accordance with the curtailment priority categories set forth in Section F of this Rule, beginning with Curtailment Priority Five and proceeding to the next highest priority category.</p> <p>(a) Curtailments may be simultaneously instituted in more than one curtailment priority category provided that gas usage falling within a lower priority category is being completely curtailed.</p> <p>(b) If system deliverability permits only partial delivery of gas to a given priority category of use, curtailment will be effected on the basis of a pro rata sharing using the base period deliveries to customers for that priority category. If a customer has entered into an arrangement for voluntary reduction of use and/or increase in deliveries pursuant to Paragraph B(6) above, the volumes associated with such voluntary reductions of use or increase in deliveries shall be attributed to that customer's pro rata share.</p> <p>(c) Upon notice of a curtailment, the Company shall give customers with multiple locations, the option to select which location will be subject to the curtailment, consistent with the practical and physical operational constraints of the Company's system.</p> <p>(4) If curtailment becomes necessary due to an emergency situation resulting in a supply deficiency, with no associated capacity deficiency, the Company shall curtail gas service in accordance with Section C3.2D(3)(b), subject to the following conditions.</p> <p>(a) Transportation customers shall have the option of having electronic remote metering installed or of establishing a means acceptable to the Company and the customer of determining daily consumption at the customer's expense. Negative daily imbalances incurred shall be curtailed pursuant to priorities determined as in Section C3.2E, Base Period. Usage in balance with deliveries (flowing pipeline supplies) on a daily basis is exempt from curtailment under this paragraph.</p> <p>(b) Blanket certificate customers are exempt from curtailment.</p> <p>(5) If curtailment becomes necessary due to an emergency situation resulting in a capacity deficiency, the Company shall curtail gas service in accordance with Section C3.2D(3)(b). Blanket certificate customers are exempt from curtailment.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)</p> <p>C3.2(d)(i) If a curtailment becomes necessary due to capacity restrictions, the Company shall determine the amount of firm service capacity that is available (residual firm capacity). The residual firm capacity shall be curtailed in accordance with the curtailment priority categories set forth in subparagraph (f) of this Rule, beginning with Curtailment Priority Five and proceeding to the next highest priority category. a) Curtailments may be simultaneously instituted in more than one curtailment priority category provided that gas usage falling within a lower priority category is being completely curtailed.</p> <p>b) If system deliverability permits only partial delivery of gas to a given priority category of use, curtailment will be affected on the basis of a pro rata sharing using the base period deliveries to customers for that priority category. If a customer has entered into an arrangement for voluntary reduction of use and/or increase in deliveries pursuant to Paragraph(b)(v) above, the volumes associated with such voluntary reductions of use or increase in deliveries shall be attributed to that customer's pro rata share.</p> <p>c) Upon notice of a curtailment, the Company shall give customers with multiple locations the option to select which location will be subject to the curtailment, consistent with the practical and physical operational constraints of the Company's system.</p> <p>(ii) If a curtailment becomes necessary due to an emergency situation resulting in a supply deficiency, with no associated capacity deficiency, the Company shall curtail gas service in accordance with Section C3.2(d)(i), subject to the following condition.</p> <p>For transportation customers, negative daily imbalances incurred shall be curtailed pursuant to priorities determined as in Section E - Base Period and any usage in excess of deliveries (flowing pipeline supplies) will be subject to penalty as described in C3.2(j). Usage in balance with deliveries on a daily basis is exempt from curtailment under this paragraph.</p> <p>(iii) If curtailment becomes necessary due to an emergency situation resulting in a capacity deficiency, the Company shall curtail gas service in accordance with Section C3.2(d)(i).</p> <p>Any usage above the curtailed volume shall be considered unauthorized and is subject to penalty as described in C3.2(j).</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)</p> <p>C3.2.D. 1. Curtailments shall be made in accordance with the Curtailment priorities set forth in Section E of this Rule, beginning with the lowest priority category (Priority 8) and proceeding to the next highest priority category. The total Curtailment shall equal the estimated deficiency of gas brought about by the demands of all Customers purchasing system supply gas on those portions of the Company's pipeline system affected by the Curtailment.</p> <p>2. Curtailments may be simultaneously instituted in more than one Curtailment category.</p> <p>3. For the Company's pipeline system(s) affected by Curtailment, all Gas Transportation Customers and their authorized agents and/or pool managers shall be notified that the affected Gas Transportation Customers will be removed from their respective balancing pools and that all nominations must be made to their physical point of receipt (gate station) into the Company's distribution system(s).</p> <p>4. If Curtailment becomes necessary due to a Capacity Restriction, the Company shall determine the amount of remaining system capacity available to serve its Customers. If the Company determines that residual system capacity (available system capacity above the capacity required to serve its Gas Sales Service Customers and Gas Customer Choice Customers) is available to serve the Company's Gas Transportation Customers, such residual capacity will be allocated proportionally among the Gas Transportation Customers associated with the affected system(s) based on their currently effective MDQ.</p> <p>5. Off System Transportation Service Customers are exempt from Curtailment during a Supply Deficiency situation.</p>

Comments

Bsae Period

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.E(1) For the purpose of determining the customer's volumes within each curtailment priority category, a twelve month base period shall be established. Such base period shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly deliveries ending June of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer's requirements. Base period volumes shall be adjusted for equipment added or deleted and new loads. (2) In determining monthly deliveries, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priority One through Five shall apply in the aggregate for all equipment of the same end use rather than on a unit of equipment basis. (3) The monthly deliveries so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used.</p>	<p>C3.3.E(1) For the purpose of determining the customer's volumes within each curtailment priority category, <u>the Company shall compare the volumes in the month of the curtailment to the volumes in the same month in the previous year. If there was no usage the previous year in that particular month the closest full month of usage will be used to establish the priority category.</u> a twelve-month base period shall be established. Such base period <u>Once established using this method, the category</u> shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly deliveries ending June of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer's requirements. <u>if notice is provided to the Company by year end</u>. Base period volumes shall be adjusted for <u>known</u> equipment added or deleted and new loads. (2) In determining monthly deliveries, <u>as specified by meter</u>, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priority One through Five shall apply in the aggregate for</p>	<p>C3.2.E (1) For the purpose of determining the customer's volumes within each curtailment priority category, a twelve month base period shall be established. Such base period shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly deliveries ending June of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company shall make reasonable adjustments to normalize the customer's requirements. Base period volumes shall be adjusted for equipment added or deleted and new loads. (2) In determining monthly deliveries, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priorities One through Five shall apply in the aggregate for all equipment of the same end use rather than on a unit of equipment basis. (3) The monthly deliveries so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used.</p>	<p>3.2(e)(i) For the purpose of determining the customer's volumes within each curtailment priority category, a twelve month base period shall be established. Such base period shall be fixed for the term of the curtailment. The base period volumes shall consist of the twelve consecutive monthly deliveries ending December of each year. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer's requirements. Base period volumes shall be adjusted for equipment added or deleted and new loads. (ii) In determining monthly deliveries, the Company shall determine the gas used during each month of the period described above for all buildings, parts of buildings, and equipment associated with each customer's gas billing in accordance with the Company's Rules and Regulations. Volumes specified in Curtailment Priority One through Five shall apply in the aggregate for all equipment of the same end-use rather than on a unit of equipment basis. (iii) The monthly deliveries so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used.</p>	
	<p>all equipment of the same end use rather than on a unit of equipment basis. (3) The monthly deliveries so determined, with such adjustments as provided above, shall then be used as the monthly requirement specified in the Curtailment Priority Categories. In determining a customer's Curtailment Priority Category, the applicable monthly requirement in the base period shall be used.</p>			

(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.

(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.

Comments

Curtailment Priorities

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.F(1) For purposes of curtailment, firm end use sales and transportation customers whose service is not provided pursuant to a blanket certificate issued by the FERC will be treated equally in accordance with the curtailment priority categories set forth. Five categories are established with Priority Five being the first category to be curtailed and Priority One being the last. The Company will implement this curtailment plan throughout its system (except for its gathering systems) to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency. Specifically, if curtailment of gas deliveries to a customer does not provide any relief to the Company, then the Company may continue to provide gas service for the customers.</p> <p>PRIORITY FIVE All non-residential customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all sales of system supply gas to non-system supply customers.</p> <p>PRIORITY FOUR Commercial and industrial gas requirements in excess of 41,667 Mcf per the base period month being curtailed.</p> <p>PRIORITY THREE Commercial and industrial gas requirements of 8,334 Mcf to 41,667 Mcf per the base period month being curtailed.</p> <p>PRIORITY TWO Non-residential customers having commercial gas requirements of 1,250 Mcf to 8,334 Mcf per the base period month being curtailed and industrial gas requirements of 8,334 Mcf or less per the base period month being curtailed.</p> <p>PRIORITY ONE Residential gas requirements, commercial gas requirements of 1,250 Mcf or less per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety not covered by an alternate fuel.</p> <p>(1) The volumes of gas destined to end users of other local distribution companies (LDC) shall be classified into the same priority categories as the Company's on-system sales and transportation customers if the LDC provides the Company with the information necessary to make such a classification and an affidavit verifying the accuracy of such information. Such information shall be provided for each priority category in a manner similar to the information regarding the base period other customers as set forth in Paragraph E above. Any volumes for which the LDC fails to provide such information shall be presumed to be in Priority Four.</p> <p>(3) During an emergency curtailment of gas service, public utilities that generate and distribute electricity shall be granted Priority One service for that portion of the gas requirements of owned or firm contracted generation necessary to the discharge of the utilities' obligation to provide essential services and for which no practical alternatives exist.</p> <p>(a) Such classification of volumes qualifying for Priority One shall be contingent upon the electric utility exercising due diligence in taking reasonable steps to minimize the use of natural gas during the course of the gas emergency, and consistent with maintenance of electric system integrity. To the extent that certain actions can minimize the use of natural gas, such actions may include, but are not limited to the following:</p> <p>(i) Bring on line any non-gas reserve capacity.</p> <p>(ii) Switch gas fired dual-fuel generating plants to an alternate fuel.</p> <p>(iii) Attempt to procure incremental purchased power.</p> <p>(iv) Curtail all non-firm off-system electric sales.</p> <p>(b) If, after having exhausted all available options to minimize the use of natural gas, conditions are such that curtailment of any portion of the remaining gas service to the electric utility will induce the implementation of the Emergency Electrical Procedures, then Priority One capacity shall be allocated to the electric utility.</p> <p>(i) Sufficient to obviate the need to implement short-term Emergency Electrical Procedures during the first week of the gas emergency provided that the Company has not invoked curtailment of Priority One customers. If, however, the emergency is of such a severe nature that Priority One customers must be curtailed, then the Company shall provide sufficient gas service to the electric utility to allow it to maintain its system integrity as it implements, to the fullest extent required by the emergency, both its short-term and long-term Emergency Electrical Procedures.</p>	<p>C3.3.F(1) For purposes of curtailment, firm end use sales and transportation customers whose service is not provided pursuant to a blanket certificate issued by the FERC will be treated equally in accordance with the curtailment priority categories set forth. Five categories are established with Priority Five being the first category to be curtailed and Priority One being the last. The Company will implement this curtailment plan throughout its system (except for its gathering systems) to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency. Specifically, if curtailment of gas deliveries to a customer does not provide any relief to the Company, then the Company may continue to provide gas service for the customers.</p> <p>PRIORITY FIVE All non-residential customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all sales of system supply gas to non-system supply customers.</p> <p>PRIORITY FOUR Commercial and industrial gas requirements in excess of 41,667 Mcf per the base period month being curtailed.</p> <p>PRIORITY THREE Commercial and industrial gas requirements of 8,334 Mcf to 41,667 Mcf per the base period month being curtailed.</p> <p>PRIORITY TWO Non-residential customers having commercial and industrial gas requirements of 1,250 Mcf to 8,334 Mcf per the base period month being curtailed.</p> <p>PRIORITY ONE Residential gas requirements, commercial and industrial gas requirements of 1,250 Mcf or less per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety not covered by an alternate fuel.</p> <p>(2) The volumes of gas destined to end users of other local distribution companies (LDC) shall be classified into the same priority categories as the Company's on-system sales and transportation customers if the LDC provides the Company with the information necessary to make such a classification and an affidavit verifying the accuracy of such information. Such information shall be provided for each priority category in a manner similar to the information regarding the base period other customers as set forth in Paragraph E above. Any volumes for which the LDC fails to provide such information shall be presumed to be in Priority Four.</p> <p>(3) During an emergency curtailment of gas service, public utilities that generate and distribute electricity shall be granted Priority One service for that portion of the gas requirements of owned or firm contracted generation necessary to the discharge of the utilities' obligation to provide essential services and for which no practical alternatives exist.</p> <p>(a) Such classification of volumes qualifying for Priority One shall be contingent upon the electric utility exercising due diligence in taking reasonable steps to minimize the use of natural gas during the course of the gas emergency, and consistent with maintenance of electric system integrity. To the extent that certain actions can minimize the use of natural gas, such actions may include, but are not limited to the following:</p> <p>(i) Bring on line any non-gas reserve capacity.</p> <p>(ii) Switch gas fired dual-fuel generating plants to an alternate fuel.</p> <p>(iii) Attempt to procure incremental purchased power.</p> <p>(iv) Curtail all non-firm off-system electric sales.</p> <p>(b) If, after having exhausted all available options to minimize the use of natural gas, conditions are such that curtailment of any portion of the remaining gas service to the electric utility will induce the implementation of the Emergency Electrical Procedures, then Priority Three One capacity shall be allocated to the electric utility.</p> <p>(i) Sufficient to obviate the need to implement short-term Emergency Electrical Procedures during the first week of the gas emergency provided that the Company has not invoked curtailment of Priority Three One customers. If, however, the emergency is of such a severe nature that Priority Three One customers must be curtailed, then the Company shall provide sufficient gas</p>	<p>C3.2.F(1) For purposes of curtailment, firm end use sales and transportation customers (whose service is not provided pursuant to a blanket certificate issued by the FERC) will be treated equally in accordance with the curtailment priority categories set forth. Five categories are established with Priority Five being the first category to be curtailed and Priority One being the last. The Company will implement this curtailment plan throughout its system (except for its gathering systems) to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency. Specifically, if curtailment of gas deliveries to a customer does not provide any relief to DTE Gas, then the Company may continue to provide gas service for the customer.</p> <p>PRIORITY ONE - Residential gas requirements, commercial gas requirements of 1,250 Mcf or less per the base period month being curtailed, requirements for plant protection, and for services essential for public health and safety.</p> <p>PRIORITY Two - Non-residential customers having commercial gas requirements of 1,250 Mcf to 8,334 Mcf per the base period month being curtailed and industrial gas requirements of 8,334 Mcf or less per the base period month being curtailed.</p> <p>PRIORITY Three - Commercial and industrial gas requirements of 8,334 Mcf to 41,667 Mcf per the base period month being curtailed.</p> <p>PRIORITY Four - Commercial and industrial gas requirements in excess of 41,667 Mcf per the base period month being curtailed.</p> <p>PRIORITY Five - Commercial and industrial customers with gas requirements in excess of 41,667 Mcf per the base period month being curtailed and having installed alternate fuel capability available on short notice (only the alternate fuel load will be curtailed) and all sales of system supply gas to non-system supply customers.</p> <p>(2) The gas requirements for district heating systems shall be classified, to the extent practicable, into the same priority categories as the Company's on-system sales and transportation customers if the operator of the district heating system provides the Company</p> <p>with the information necessary to make such a classification and an affidavit verifying the accuracy of such information. Information regarding such use profile shall be provided for each priority category in a manner similar to the information regarding the base period volumes of other customers as set forth in paragraph E above.</p> <p>(3) The volumes of gas destined to end users of other local distribution companies (LDC) shall be classified into the same priority categories as the Company's on-system sales and transportation customers if the LDC provides the Company with the information necessary to make such a classification and an affidavit verifying the accuracy of such information. Such information shall be provided for each priority category in a manner similar to the information regarding the base period volumes of other customers as set forth in paragraph E above. Any volumes for which the LDC fails to provide such information shall be presumed to be in Priority Four.</p> <p>(4) During an emergency curtailment of gas service, public utilities that generate and distribute electricity shall be granted Priority One service for that portion of their gas requirements necessary to the discharge of the utilities' obligation to provide essential services and for which no practical alternatives exist.</p> <p>(a) Such classification of volumes qualifying for Priority One shall be contingent upon the electric utility exercising due diligence in taking reasonable steps to minimize the use of natural gas during the course of the gas emergency, and consistent with maintenance of electric system integrity. To the extent that certain actions can minimize the use of natural gas, such actions may include, but are not limited to the following:</p> <p>(i) Bring on line any non-gas reserve capacity.</p> <p>(ii) Switch gas fired dual-fuel generating plants to an alternate fuel.</p> <p>(iii) Attempt to procure incremental purchased power.</p> <p>(iv) Curtail all non-firm off-system electric sales.</p> <p>(b) If, after having exhausted all available options to minimize the use of natural gas, conditions are such that curtailment of any portion of the remaining gas service to the electric utility will induce the implementation of the Emergency Electrical Procedures, then Priority Three One capacity shall be allocated to the electric utility.</p> <p>(i) Sufficient to obviate the need to implement short-term Emergency Electrical Procedures during the first week of the gas emergency provided that the Company has not invoked curtailment of Priority Three One customers. If, however, the emergency is of such a severe nature that Priority Three One customers must be curtailed, then the Company shall provide sufficient gas</p>	<p>C3.2(F)(1) For the purpose of Curtailment, firm end use sales and transportation customers will be treated equally in accordance with the curtailment priority categories set forth. Five categories are established with Priority Five being the first category to be curtailed and Priority One being the last. The Company will implement this curtailment plan throughout its system to the extent necessary and possible, consistent with its practical operation, considering such factors as system capacity and the extent to which curtailment of customers in a specific portion of the Company's system may remedy the emergency. Specifically, if curtailment of gas deliveries to a customer does not provide any relief to the Company, then the Company may continue to provide gas service for the customer.</p> <p>PRIORITY FIVE All non-residential customers having alternate fuel capability for that portion of their load covered by the alternate fuel and all sales of system supply gas to nonssystem supply customers.</p> <p>PRIORITY FOUR Commercial and industrial gas requirements in excess of 20,000 Mcf per the base period month being curtailed.</p> <p>PRIORITY THREE Commercial and industrial gas requirements of 8,334 to 20,000 Mcf per the base period month being curtailed.</p> <p>PRIORITY TWO Non-residential customers having commercial gas requirements of 1,250 Mcf to 8,333 Mcf per the base period month being curtailed and industrial gas requirements of 8,333 Mcf or less per the base period month being curtailed.</p> <p>PRIORITY ONE Residential gas requirements, commercial gas requirements less than 1,250 Mcf per the base period month being curtailed, requirements for plant protection, and requirements for services essential for public health and safety not covered by an alternate fuel.</p> <p>(i) The volumes of gas destined to end users of other local distribution companies (LDC) shall be classified into the same priority categories as the Company's onsystem sales and transportation customers if the LDC provides the Company with the information necessary to make such a classification and an affidavit verifying the accuracy of such information. Such information shall be provided for each priority category in a manner similar to the information regarding the base period volumes of other customers as set forth in Section E above. Any volumes for which the LDC fails to provide such information shall be presumed to be in Priority Five.</p> <p>(ii) During an emergency curtailment of gas service, public utilities that generate and distribute electricity shall be granted Priority One service for that portion of the gas requirements of owned or firm contracted generation necessary to the discharge of the utilities' obligation to provide services:</p> <p>a) Such classification of volumes qualifying for Priority One shall be contingent upon the electric utility exercising due diligence in taking reasonable steps to minimize the use of natural gas during the course of the gas emergency, and consistent with maintenance of electric system integrity. To the extent that certain actions can minimize the use of natural gas, such actions may include, but are not limited to the following:</p> <p>i) Bring on line any non-gas reserve capacity.</p> <p>ii) Switch gas fired dual-fuel generating plants to an alternate fuel.</p> <p>iii) Attempt to procure incremental purchased power</p> <p>iv) Curtail all non-firm off-system electric sales.</p> <p>b) If, after having exhausted all available options to minimize the use of natural gas, conditions are such that curtailment of any portion of the remaining gas service to the electric utility will induce the implementation of the Emergency Electrical Procedures, then Priority One capacity shall be allocated to the electric utility.</p> <p>i) Sufficient to obviate the need to implement short-term Emergency Electrical Procedures during the first week of the gas emergency provided that the company has not invoked curtailment of Priority One customers. If, however, the emergency is of such a severe nature that Priority One customers must be curtailed, then the Company shall provide sufficient gas service to the electric utility to allow it to maintain its system integrity as it implements, to the fullest extent required by the emergency, both its short-term and long-term Emergency Electrical Procedures.</p>	<p>C3.2.E For purposes of Curtailment, eight categories are established with Priority 8 constituting the lowest priority and Priority 1 being the highest priority.</p> <p>Priority 8 Firm transportation services to Off System Gas Transportation Customers.</p> <p>Priority 7 Firm daily balancing services provided to Gas Transportation Customers.</p> <p>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.</p> <p>Priority 5 Transportation Gas Requirements under rate class TR-3, TR-2, and TR-1.</p> <p>Priority 4 Industrial Gas Requirements and Commercial Gas Requirements under rate class GS-3.</p> <p>Priority 3 Industrial Gas Requirements and Commercial Gas Requirements under rate class GS-2.</p> <p>Priority 2 Industrial Gas Requirements and Commercial Gas Requirements under rate class GS-1.</p> <p>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.</p>

Comments

Diversion of Customer-Owned Gas During Gas Emergencies

(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)

(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.G If the Company determines that its ability to deliver gas is inadequate to support continuous service to its customers on its system and it enforces the curtailment plan established in this Rule, the Company shall give end user transportation customers the option to 1) have their curtailed deliveries injected into storage with the suspension of any penalties and with no other additional charges; or 2) sell to the Company their flowing pipeline supplies that have been curtailed. The price of the purchased gas will be negotiated between the transportation customer and the Company but be limited to the higher of a) the customer's reasonable costs associated with using alternate fuels during the period of diversion, b) the actual cost of the customer's diverted gas, or c) the highest city gate price of gas for the Company's end users contained in the publication "Gas Daily", delivered into the Company's system during the period of diversion. The Company shall not divert gas from transportation customers who do not have title to the gas being transported unless the owner of such gas voluntarily agrees that its gas may be purchased, borrowed or otherwise diverted by the Company pursuant to Option 1 or 2 above. Nothing in these Rules relieves the Company from its obligation, under Act 304, of demonstrating the reasonableness and prudence of its gas purchases.</p>	<p>C3.3G If the Company determines that its ability to deliver gas is inadequate to support continuous service to its customers on its system and it enforces the curtailment plan established in this Rule, the Company shall give end user transportation customers the option to 1) have their curtailed deliveries injected into storage with the suspension of any penalties and with no other additional charges; or 2) <i>within 90 days</i>, sell to the Company their flowing pipeline supplies that have been curtailed. The price of the purchased gas will be negotiated between the transportation customer and the Company but be limited to the higher of a) the customer's reasonable costs associated with using alternate fuels during the period of diversion, b) the actual cost of the customer's diverted gas, or c) the highest city gate price of gas for the Company's end users contained in the publication "Gas Daily", delivered into the Company's system during the period of diversion. The Company shall not divert gas from transportation customers who do not have title to the gas being transported unless the owner of such gas voluntarily agrees that its gas may be purchased, borrowed or otherwise diverted by the Company pursuant to Option 1 or 2 above. Nothing in these Rules relieves the Company from its obligation, under Act 304, of demonstrating the reasonableness and prudence of its gas purchases.</p>	<p>C3.2.G If the Company determines that its ability to deliver gas is inadequate to support continuous service to its customers on its system and it enforces the curtailment plan established in this Rule, the Company shall give end user transportation customers the option to 1) have their curtailed deliveries injected into storage with the suspension of any penalties and with no other additional charges; or 2) sell to the Company their flowing pipeline supplies that have been curtailed. The price of the purchased gas will be negotiated between the transportation customer and the Company but be limited to the higher of a) the customer's reasonable costs associated with using alternate fuels during the period of diversion, b) the actual cost of the customer's diverted gas, or c) the highest city gate price of gas for DTE Gas's end users contained in the publication "Gas Daily", delivered into DTE Gas's system during the period of diversion. The Company shall not divert gas from transportation customers who do not have title to the gas being transported unless the owner of such gas voluntarily agrees that its gas may be purchased, borrowed or otherwise diverted by the Company pursuant to Option 1 or 2 above. Nothing in these Rules relieves the Company from its obligation, under Act 304, of demonstrating the reasonableness and prudence of its gas purchases.</p>	<p>C3.2(g) If the Company determines that its ability to deliver gas is inadequate to support continuous service to its customers on its system and it enforces the curtailment plan established in the Rule, the Company shall give end use transportation customers the option to 1) have their curtailed deliveries injected into storage with the suspension of any penalties and with no other additional charges; or 2) sell to the Company their flowing pipeline supplies that have been curtailed. The price of the purchased gas will be negotiated between the transportation customer and the Company but be limited to the highest of a) the customer's reasonable costs associated with using alternate fuels during the period of diversion, b) the actual cost of the customer's diverted gas, or c) the highest city gate price of gas for the Company's end users contained in the publication "Gas Daily", delivered into the Company's system during the period of diversion. The Company shall not divert gas from transportation customers who do not have title to the gas being transported unless the owner of such gas voluntarily agrees that its gas may be purchased, borrowed or otherwise diverted by the Company pursuant to Option 1 or 2 above. Nothing in these Rules relieves the Company from its obligation, under Act 304, of demonstrating the reasonableness and prudence of its gas purchases.</p>	

Comments

Rate Adjustments

Consumers Energy	Consumers Energy Proposed Revision	DTE	NOTE: There is not separate sections for Emergency vs. Deficiency for MS&C Michigan Gas Utilities Corporation	NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO SEMCO
C3.3.G 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.	None.	C3.2.H 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.	C3.2(h) 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.	C3.2.F 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.

Comments

Enforcement

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.1(1) The Company reserves the right to take special daily meter reads during periods when an Operational Flow Order (OFO) or curtailment has been instituted pursuant to Part C3.3 of this Rule. 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 OFO or period of the curtailment until it is satisfied that the terms and conditions of this Rule will be observed.</p> <p>(2) There is nothing in this Rule that shall prevent a customer from challenging before the Commission the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission.</p>	<p>C3.3.1(1) The Company reserves the right to take special daily meter reads during periods when an Operational Flow Order (OFO) or curtailment has been instituted pursuant to Part C3.3 of this Rule. 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 OFO or period of the 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 the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission.</p>	<p>C3.2.(1) 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, as provided by Rule B1, Technical Standards for Gas Service, R 460.2373, Shutoff of Service. Once gas service is terminated, the Company may withhold such service during the period of the curtailment until it is satisfied that the terms and conditions of this Rule will be observed.</p> <p>(2) There is nothing in this Rule that shall prevent a customer from challenging before the Commission the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission. The Company shall, when acting reasonably and prudently in accordance with these Rules, not be liable for any loss, cost, damage, injury, or expense (incidental or consequential damages) that may be sustained by customer by reason of partial or complete curtailment of gas service.</p>	<p>C3.2(i)(i) The Company reserves the right to take special daily meter reads during periods when a curtailment has been instituted pursuant to Part C3.2 of this Rule. 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 the curtailment until it is satisfied that the terms and conditions of this Rule will be observed.</p> <p>(ii) There is nothing in this Rule that shall prevent a customer from challenging before the Commission the continuation of a curtailment or that shall abridge the customer's right to appeal any such determination to the Commission.</p>	<p>C3.2.G. 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.</p> <p>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.</p>

Comments

Enforcement					
Consumers Energy	Consumers Energy Proposed Revision	DTE	NOTE: There is not separate section for Emergency vs. Deficiency for MSUC Michigan Gas Utilities Corporation	NOTE: There is not separate section for Emergency vs. Deficiency for SEMCO SEMCO	
	C2.3 J Billing The Company shall have up to 6 months to assess adjustments to the customer's bill which may include applicable credits or excess charges.				

Comments

Penalties

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
<p>C3.3.J After the Company has provided actual oral or written notice of implementation of and Operational Flow Order (OFO) or curtailment pursuant to Part C3.3 to the affected end use customer, any gas used by such customer in excess of the volumes authorized during the period when an OFO or curtailment has been instituted pursuant to Part C3.3 of this Rule will be subject to excess use charges, with such charges being in addition to those normal charges made under the applicable Rate Schedules. The charge for such excess usage shall be the highest price reported for the Mich Con, Michigan Consumers Energy and Chicago LDCs during the OFO or period of curtailment as reported by <u>Gas Daily</u> or, in the event that <u>Gas Daily</u> discontinues its reporting of such prices, any comparable reporting service, plus \$10 per Mcf. Failure to pay an excess charge when rendered shall subject the customer to termination of gas service.</p>	<p>C3.3.J. Penalty After the Company has provided actual oral or written notice of implementation of and Operational Flow Order (OFO) on any Gas Day where the Transportation customer has not nominated and delivered their required MDQ to the Company, the volume that falls short of the customer's MDQ requirement shall be subject to an OFO Deficiency Charge, or curtailment pursuant to Part C3.3 to the affected end use customer, any gas used by such customer in excess of the volumes authorized during the period when an OFO or curtailment has been instituted pursuant to Part C3.3 of this Rule will be subject to excess use charges, with such charges being in addition to those normal charges made under the applicable Rate Schedules. The charge for such excess usage and shall be the highest price reported for the Mich Con, Michigan Consumers Energy and Chicago LDCs during the OFO or 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 Mcf. Failure to pay an excess charge when rendered shall subject the customer to termination of gas service if the Company is aware of non-compliance.</p>	<p>C3.2.J Any gas used by an end use customer in excess of the volumes authorized during the period when a curtailment has been instituted pursuant to this Rule shall be subject to Unauthorized Gas Use Charges. The charge for such Unauthorized Gas Usage shall be \$1.00 per 100 cubic feet plus the highest price reported in Gas Daily in the midpoint column of the Daily Price Survey for the following locations for the month in which the Unauthorized Gas Use occurred: Dawn, Ontario; ANR, ML7; Chicago city-gates; Consumers city-gate; or MichCon city-gate. Unauthorized Gas Use Charges are in addition to those normal charges made under the applicable Rate Schedules, for all gas taken by Customer in excess of the cumulative volume delivered to Company (less Gas-in-Kind) on behalf of Customer. In the event Gas Daily discontinues its reporting such prices, the Company will select a comparable reporting service. Failure to pay an excess use charge when rendered shall subject the customer to termination of gas service.</p>	<p>C3.2(c)(v) a) Unauthorized Usage (High Flow Constraint Period): After the Company has provided actual notice of implementation of an OFO, any gas usage in excess of the volumes authorized (delivered gas volume) during the period when the OFO has been instituted will be subject to unauthorized usage charges. Such charges shall be in addition to those normal charges made under the applicable rate schedules. The charge for any unauthorized usage shall include both the cost of gas purchased plus \$10 per Mcf, regardless if the Company is assessed any penalties. The cost of gas purchased will be reflected as a sale of gas to the customer and will be the highest Common index price reported for MichCon, Consumers Energy or Chicago LDCs as reported by Gas Daily on the day the unauthorized usage occurred. The highest Common index price will be at the 75th percentile for the day of unauthorized usage.</p> <p>In the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service plus \$10 per Mcf shall apply. In the event that the Company receives a resulting pipeline penalty, the charge for any unauthorized usage by a transportation customer required to operate under the OFO shall be the higher of the penalty assessed by the pipeline (if a customer utilizes multiple pipelines, penalties shall be assessed to the customers utilizing the effected pipeline based upon their portion of the volumes moved on each pipeline) or the index price plus \$10 per Mcf. The Company will make reasonable efforts to avoid or minimize pipeline penalties by attempting to incur the lower of pipeline penalties or the cost of purchasing additional gas. The unauthorized usage penalty charge of \$10 per Mcf will be billed as a separate line item from the cash-out (commodity) purchased. The volume of gas sold to the customer shall be accredited to the customer assessed the unauthorized usage charge.</p> <p>b) Excess Delivery (Low Flow Constraint Period): Any gas delivered in excess of the metered consumption volumes during the period when the OFO has been instituted will be subject to "Excess Delivery" charges, with such</p>	<p>C3.2.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.</p> <ol style="list-style-type: none"> 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. 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 Rules and Regulations. 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. 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. 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
<p>charges being in addition to those normal charges made under the applicable rate schedules. The charge for any excess deliveries shall be \$10 per Mcf, regardless of whether the Company is assessed any penalties. In the event that the Company receives a resulting pipeline penalty, the charge for any excess deliveries by a transportation customer required to operate under the OFO shall be the higher of the penalty assessed by the pipeline (the largest penalty if multiple pipelines are utilized) or \$10 per Mcf. Excess delivery charges will be billed separately from any cash-outs.</p>				<p>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.</p>
<p>Corrective actions on the part of the customer beyond those identified in the Company's Rate Book, Section E, Gas Transportation, will need to be discussed with, scheduled with and pre-approved by the Company's Gas Supply department, subject to seasonal restrictions and operational constraints of the system; such approval shall not be unreasonably withheld.</p> <p>e) Nominations and Waivers: The Company reserves the right to reject any nomination on a particular pipeline that does not meet its operational requirements. Rejecting or confirming nominations by the Company does not release the transportation customer/supplier from its obligations under the tariff. Failure to pay an unauthorized usage or excess delivery charge when due shall subject the customer to termination of gas service.</p>				
<p>The Company reserves the right to waive, on a non-discriminatory basis, any unauthorized usage charge non-pipeline penalty for violating an OFO if such penalty is the result of actions beyond the customer's control. Penalties collected by the Company will be credited to the Company's booked GCR cost of gas sold.</p>				
<p>Circumstances in which the Company may elect to waive a non-pipeline penalty for violating an OFO include when a customer violates an OFO due to adjustments made in reliance upon daily volumetric flow data from equipment installed pursuant to Section E5.1 that has been maintained in accordance with manufacturer's recommendations, and such equipment causes the volumetric flow data to be in error.</p>				
			<p>C3.2(j) Penalty for Violation of Curtailment of Gas Service After the Company has provided actual oral or written notice of implementation of a curtailment pursuant to Part C3.2 to the affected end use customer, any gas used by such customer in excess of the volumes authorized pursuant to Part C3.2(d) during the period when a curtailment has been instituted will be subject to unauthorized use charges, with such charges being in addition to those normal charges made under the applicable rate schedules. The charge for such unauthorized usage shall be the highest price reported during the period of curtailment for MichCon, Consumers Energy or Chicago LDCs as reported by Gas Daily plus \$10 per Mcf or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service plus \$10 per Mcf. Gas subject to unauthorized usage charges will be considered a sale of gas. In the event that the Company receives a resulting pipeline penalty because of unauthorized usage, the charge for any unauthorized usage shall be the higher of the penalty assessed by the pipeline (the largest penalty if multiple pipelines) or the index price plus \$10 per Mcf. Failure to pay an unauthorized use charge when due shall subject the customer to termination of gas service. Unauthorized use charges collected by the Company will be credited to the Company's booked GCR cost of gas sold.</p>	

Comments

Limitation of Liability

Consumers Energy	Consumers Energy Proposed Revision	DTE	NOTE: There is not separate section for Consumers vs. Deficiency for MDUC, Michigan Gas Utilities Corporation	NOTE: There is not separate section for Consumers vs. Deficiency for SEMCO, SEMCO
	<p>C3.4 The Company shall, when acting reasonably and prudently in accordance with these rules, not be liable for any loss, cost, damage, injury, or expense (incidental or consequential), that may be sustained by customer by reason of partial or complete curtailment of gas service.</p>		<p>C3.3 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.</p>	

Comments

Implementation and Scope of OFO

Consumers Energy	Consumers Energy Proposed Revision	DTE	Michigan Gas Utilities Corporation	SEMCO
None.			<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)</p> <p>C3.2(c) (i) Conditions for Implementation of an OFO An OFO may only be implemented for any gas day during which one or more of the following conditions exist: (ii) Conditions for Implementation of an OFO (Contd) a) The forecast calls for a 65 Corrected Degree Day Deficiency (CDDD) or more. b) One or more of the pipelines serving the Company restricts the availability of authorized overrun service. c) One or more of the pipelines serving the Company curtails interruptible deliveries and/or firm transportation via primary or secondary delivery points. d) One or more of the pipelines serving the Company declares some form of system constraint condition. e) One or more of the pipelines serving the Company issues its own OFO or its equivalent to the Company. f) As a preemptive action on the part of the Company to obviate the need to curtail firm gas deliveries due to an emergency on the Company's system. (iii) Scope of an OFO The OFO will be issued to those customers whose gas usage or nominating activity can be changed in order to minimize a) the potential of a curtailment on all or a portion of the Company's system or b) the potential imposition of penalties upon the Company.</p>	<p>(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)</p>

Comments

OFO Conditions

Consumers Energy	Consumers Energy Proposed Revision	DTE	(NOTE: There is not separate sections for Emergency vs. Deficiency for MGUC.)	(NOTE: There is not separate sections for Emergency vs. Deficiency for SEMCO.)												
			Michigan Gas Utilities Corporation	SEMCO												
	None.		<p>3.2(c)(v) a) High Flow Constraint Period</p> <p>i) A high flow constraint period can be declared when:</p> <p>1) The Company determines that distribution capacity limitations will affect the ability to serve customers in a specific geographic area for a specified period; or</p> <p>2) The Company determines that the expected demand may exceed the expected supply for a specified period.</p> <p>ii) When the Company determines that a high flow constraint condition exists, the Company can declare a "High Flow Constraint Period" and customers must limit their consumption.</p> <p>iii) The customer shall limit its daily consumption of gas to its total daily delivered supply until notified by the Company that the "High Flow Constraint Period" has ended.</p> <p>iv) Any customer consuming more than its daily delivered supply of gas on any given day during a "High Flow Constraint Period" shall be deemed to have "Unauthorized Usage". Unauthorized Usage shall be subject to OFO penalty charges as outlined below. The Unauthorized Usage for gas transportation service shall be determined by using the Company's remote meter reading equipment.</p> <p>v) For Transportation customers utilizing the Aggregation of Accounts option outlined in section E-5.3 of MGUC's Transportation Tariff, for purposes of determining "Unauthorized Usage" during a "High Flow Constraint Period" daily meter reads will be utilized and OFO penalties will be assessed accordingly.</p> <p>vi) For each Third Party Pool and/or Stand-Alone customer, on a daily basis during a High Flow Constraint Period, the undertake difference between the entire pool's and/or customer's Adjusted Scheduled Delivered Quantity and the entire pool's and/or customer's actual usage will be divided into two blocks as defined below. The number of Mcf's in each block will be multiplied by the respective rate for that block in accordance with the following table:</p> <table border="0" data-bbox="1534 698 2026 771"> <tr> <td>Percent Undertake Difference From Adjusted Scheduled Delivered Quantity</td> <td>Rate Per Mcf</td> </tr> <tr> <td>>0.0% up to 10.0%</td> <td>(See Sheet E-13.00 for current effective rates)</td> </tr> <tr> <td>>10.0%</td> <td></td> </tr> </table> <p>b) Low Flow Constraint Period</p> <p>i) A low flow constraint period can be declared when:</p> <p>1) The Company determines that the expected supply delivered to a geographic area may exceed expected demand for a specified period; or</p> <p>2) The capacity to manage excess city gate supply is inadequate to manage the expected excess supply delivered by the Company and/or customers; or the Company's gas supply plan may not accommodate unplanned storage injections.</p> <p>ii). When the Company determines that a low flow constraint condition exists, the Company can declare a "Low Flow Constraint Period" and customers must consume all gas delivered into the Company's system.</p> <p>iii). The Company shall require the customer to consume all gas delivered into the Company's system each day until they are notified by the Company that the "Low Flow Constraint Period" is ended.</p> <p>iv). Any customer consuming less than the amount of gas delivered into the Company's system during a "Low Flow Constraint Period" shall be deemed to have "Excess Deliveries". Excess Deliveries shall be subject to OFO penalty charges as outlined below. The Excess Deliveries for gas transportation service shall be determined using Company remote meter reading equipment.</p> <p>v). For Transportation customers utilizing the Aggregation of Accounts option outlined in section E-5.3 of MGUC's Transportation Tariff, for purposes of determining "Excess Deliveries" during a "Low Flow Constraint Period" daily meter reads will be utilized and OFO penalties will be assessed accordingly.</p> <p>vi). For each Third Party Pool and/or Stand-Alone customer, on a dailybasis during a Low Flow Constraint Period, the overtake difference between the entire pool's and/or customer's Adjusted Scheduled Delivered Quantity and the entire pool's and/or customer's actual usage will be divided into two blocks as defined below. The number of Mcf's in each block will be multiplied by the respective rate for that block in accordance with the following table:</p> <table border="0" data-bbox="1534 1315 2026 1383"> <tr> <td>Percent Overtake Difference From Adjusted Scheduled Delivered Quantity</td> <td>Rate Per Mcf</td> </tr> <tr> <td>>0.0% up to 10.0%</td> <td>(See Sheet E-13.00 for current effective rates)</td> </tr> <tr> <td>>10.0%</td> <td></td> </tr> </table>	Percent Undertake Difference From Adjusted Scheduled Delivered Quantity	Rate Per Mcf	>0.0% up to 10.0%	(See Sheet E-13.00 for current effective rates)	>10.0%		Percent Overtake Difference From Adjusted Scheduled Delivered Quantity	Rate Per Mcf	>0.0% up to 10.0%	(See Sheet E-13.00 for current effective rates)	>10.0%		
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Comments