

STANDARD RULES AND REGULATIONS

SECTION VI - COMMERCIAL AND INDUSTRIAL STANDARDS AND BILLING PRACTICES

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STANDARD RULES AND REGULATIONS

SECTION VI - COMMERCIAL AND INDUSTRIAL STANDARDS AND BILLING PRACTICES

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SECTION VI - COMMERCIAL AND INDUSTRIAL STANDARDS AND BILLING PRACTICES

A. CUSTOMER DEPOSITS

1. **NEW CUSTOMERS** - Both of the following provisions apply to new customer deposits:
 - a. Except as provided in subdivision b of this subrule, the Company shall not require a deposit from a new customer as a condition of receiving service. The Company may, with proper notification, require a deposit from a new customer if the customer exhibits an unsatisfactory record of bill payment within the first six (6) months after service has commenced. Payment of bills on or before the due date shall constitute a satisfactory record of bill payment.
 - b. The Company may require a deposit for a new customer (*including an existing customer who was previously receiving Generation Service from an Alternative Electric Supplier*) under any of the following conditions:
 - (1) Service is for short periods or special occasions.
 - (2) The new customer has an existing bad debt with *an Alternative Electric Supplier or with* any Company regulated by the Michigan Public Service Commission.
 - (3) Other business accounts with the customer are experiencing collection activity.
 - (4) The customer has no established credit rating or an unfavorable credit rating with a credit-reporting agency.
2. **EXISTING CUSTOMERS** - An existing customer shall be classified as one who has received service for more than a 6-month period. A deposit may be required under any of the following conditions:
 - a. If a shut off notice has been issued on 2 or more occasions within the most recent 12-month period.
 - b. Service has been shut off for nonpayment.
 - c. The customer has tampered with the meter or converted Company electricity to the customer's use.
3. **DEPOSIT AMOUNT** - A deposit of not more than 3 times an average monthly billing may be required from customers who are subject to deposit provisions. The Company shall provide reasonable terms for

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STANDARD RULES AND REGULATIONS

SECTION VI,A,3 (Continued)

the payment of the deposit. *If the applicant has sought any form of relief under the federal bankruptcy laws or is brought within the jurisdiction of the bankruptcy court for any reason, or if a receiver is appointed in a state court proceeding, the Company may assess a deposit as allowed by federal bankruptcy law or state law.*

4. **DEPOSIT PERIOD** - A deposit may be retained by the Company until the customer compiles a record of **up to** 18 continuous months of bill payment on or before the due date.
5. **INTEREST** - *The Company shall pay simple interest to each customer who is required to make a deposit for the time the deposit is held by the Company. The interest rate shall be the rate paid on United States savings bonds, series EE, as of the first business day of the calendar year.* Interest need not be paid unless the deposit is held for more than 12 months. Payment of the interest to the customer shall be made annually if requested by the customer. If payment of the interest is not requested, the interest shall be paid at the time the deposit is returned. Interest shall be accrued annually. The deposit shall cease to draw interest on the date the deposit is returned, on the date service is terminated, or on the date that notice that the deposit is no longer required is sent to the customer's last known address.
6. **SERVICE TERMINATED** - *If service is terminated or shut off, the Company may apply the deposit, plus accrued interest, to the customer's unpaid balance. If the deposit, plus accrued interest, is more than the unpaid balance, the excess shall be returned to the Customer.*
7. **DEPOSIT RECORDS** - The Company shall keep records *that* show all of the following information:
 - a. The name and address of each depositor.
 - b. The amount and date of the deposit.
 - c. Each transaction concerning the deposit.
8. **DEPOSIT RECEIPTS** - The Company shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means *by which* a depositor may establish a claim if *the* receipt is lost.

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9. **UNCLAIMED DEPOSIT RECORDS** - A record of each unclaimed deposit shall be maintained for not less than three (3) years, during which time the Company shall make a reasonable effort to return the deposit.
10. **UNCLAIMED DEPOSITS** - Unclaimed deposits, together with accrued interest, shall be credited to an appropriate account and shall be disposed of pursuant to Michigan statutes.
11. **RESIDENTIAL DEPOSITS** - Deposits for residential customers are governed by *the provisions of* Section V of these Standard Rules and Regulations.

B. CUSTOMER BILL FORMS FOR COMMERCIAL AND INDUSTRIAL CUSTOMERS

1. The Company shall bill each customer as promptly as possible after the reading *the meter or meters*. The bill shall show all of the following information:
 - a. The reading *or readings* of *each* meter at the beginning and end of the period for which the bill is rendered.
 - b. The dates on which the meter was read at the beginning and end of the billing period.
 - c. The number and kind of units metered.
 - d. The applicable rate schedule or identification of the applicable rate schedule. If the actual rates are not shown, the bill shall carry a statement to the effect that the applicable rate schedule will be furnished on request.
 - e. The gross amount or net amount of the bill, or both, including any applicable tax shown separately *from* the net amount.
 - f. The date by which the customer must pay the bill to benefit from any discount or to avoid any penalty.
 - g. A distinct marking to identify an estimated bill.
 - h. Any conversions from meter reading units to billing units, any calculations to determine billing units from recording or other devices, or any other factors, such as *power supply cost recovery* adjustments, used in determining the bill.

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SECTION VI, B, 2

2. In place of *the billing* information *specified in subrule 1h of this rule*, a statement *may* appear on the bill advising the customer that *the* information can be obtained by contacting the Company's principal office. *Any* multiplier used to determine billing units shall be shown when used.
3. *If the billing period differs from the meter reading cycle and the reading data is calculated from actual metered data, the actual meter reading shall be shown on the bill.*
4. Bill forms for residential customers are governed by Section V.

C. DENIAL OR SHUTOFF OF SERVICE TO COMMERCIAL AND INDUSTRIAL CUSTOMERS

1. REASONS FOR DENIAL OR SHUTOFF - Service to commercial and industrial customers may be denied or *shut off* for any of the following reasons:
 - a. Without notice, if a condition on the customer's premises is determined by the Company or a governmental agency to be hazardous.
 - b. Without notice, if a customer uses equipment in a manner which adversely affects the Company's equipment or the Company's service to others.
 - c. Without notice, if the customer tampers with the equipment furnished and owned by the Company.
 - d. Without notice, if unauthorized use of equipment furnished and owned by the Company occurs, including obtaining use of equipment by submitting a falsified application.
 - e. For violation of, or noncompliance with, these Standard Rules and Regulations.
 - f. For failure of the customer to fulfill his contractual obligations for service or facilities *that* are subject to regulation by the Michigan Public Service Commission.
 - g. For failure of the customer to permit the Company reasonable access to its equipment.
 - h. For nonpayment of a bill if the Company has made a reasonable attempt to *obtain payment*.

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STANDARD RULES AND REGULATIONS

SECTION VI,C,1,i

- i. For failure of the customer to provide the Company with a deposit as authorized by Section VI, A.
 2. **NOTICE REQUIRED** - Except as provided in subrule 1,a; 1,b; 1,c; and 1,d of this rule, the Company shall give a customer written notice that **if the customer does not settle the account** or comply with the Standard Rules and Regulations of the Company **within 10 days of issuance of the notice to the customer, the Company may deny or shut off service.**
 3. **DATE OF SHUTOFF** - At least 1 day before scheduled field action for **shutoff**, an attempt shall be made to contact the customer by telephone or in person. If contact is **not** made within 24 hours before **the scheduled shutoff**, a notice shall be left at the premises in a conspicuous location indicating that service may be **shut off** the next business day if the bill is not paid.
 4. **MAILING OF SHUTOFF NOTICES** - **If the customer's premises are not occupied for residential purposes, the Company may give the notice required in subrule 3 of this rule by mailing the notice to the customer. The notice shall indicate the date on which service may be shut off, which shall not be less than 4 calendar days after the postmark date.**
 5. **SHUTOFF DATE LIMITATIONS** - Service shall not be **shut off** on the day preceding a day or days on which the Company does not provide for receiving payments and restoring service, except as provided in subrule 1,a; 1,b; 1,c; and 1,d of this rule.
- D. DENIAL OR SHUTOFF OF SERVICE TO COMMERCIAL AND INDUSTRIAL CUSTOMERS; INSUFFICIENT CAUSE**
1. The following reasons do not constitute sufficient cause for denial or **shutoff** of service to a prospective or **present commercial or industrial** customer:
 - a. Delinquency in payment for service by a previous occupant of the premises to be served.
 - b. Failure to pay for **items, such as merchandise or appliances, or services that are not approved by the Michigan Public Service**

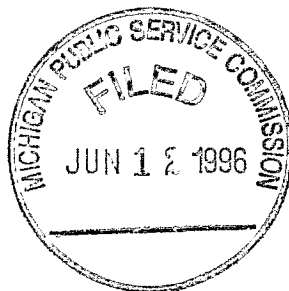
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STANDARD RULES AND REGULATIONS

SECTION VI,D,1,b (Continued)

Commission as an integral part of the electric service provided by the Company.

- c. Failure to pay for a different type or class of public utility service.*
 - d. Failure to pay the bill of another customer as guarantor.*
2. The Company shall not **shut off** service during a reasonable time period given to a customer to pay the amount of a backbilling as provided in Rules **C,12** and **D,3** of Section IV.
- E. DISCOUNTS AND LATE PAYMENT CHARGES** - Where provided for in an approved rate schedule **for commercial and industrial customers**, the Company may grant a discount for prompt payment of a bill for service or may make a **late** payment charge for failure to make prompt payment. A **late** payment charge **may** be applied to the unpaid balance if the bill is not paid in full on or before the **due** date.
 - F. DELIVERY AND PAYMENT OF BILLS** - A bill shall be mailed or delivered to the customer not less than 21 days before the due date, **unless otherwise approved by the Michigan Public Service Commission**. Failure to receive a bill properly rendered by the Company does not extend the net bill period. If the date on which the net bill is due falls on Saturday, Sunday, or a **nationally recognized** holiday, the bill shall be due on the next business day. Customers who mail remittances before midnight of the last day of the net bill period shall receive the benefit of the net bill -- the date of mailing to be determined as 2 days before its receipt by the Company.
 - G. TRANSFER OF UNPAID BALANCES** - *In the event of shutoff or termination of service to a nonresidential customer, the Company may transfer an unpaid balance to any other nonresidential account of the customer.*
 - H. NOTICE OF SHUTOFF** - *Not less than 10 days before the proposed shutoff of service to a commercial or industrial facility that is occupied by more than 5 business entities that are not responsible for payment of the bill, the Company shall make a reasonable attempt to notify each occupant that service may be subject to shutoff after a specific date.*
 - I. TEMPORARY SERVICE** - Non-residential customers desiring temporary service,

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STANDARD RULES AND REGULATIONS

SECTION VI, I (Continued)

such as for construction jobs, traveling shows, outdoor or indoor entertainments or exhibitions, etc., shall pay the monthly charges provided in the applicable General Service or Standard Power rates. In addition, such customer shall pay installation and removal charges as follows:

1. Where 120/240 volt single-phase service is desired and such service is available at the site, the applicant for service shall pay the cost of furnishing, installing, and removing such temporary service equipment in excess of any salvage realized.
2. Where 120/240 volt single-phase service is not available at the site, or if other than 120/240 volt single-phase service is desired, the charge for installation and removal shall be based on the cost **thereof.**

The customer will be required to pay the Company in advance an amount to cover the cost of installing and removing these temporary facilities and may be required to deposit, in advance, the estimated cost of service under the terms of the rates set forth above. Meters may be read daily and the deposit modified as the energy used may justify such modifications.

- J. ESTIMATED BILLING** - For commercial and industrial customers the Company shall follow the provisions of Section V, B, 2, concerning estimated billing.

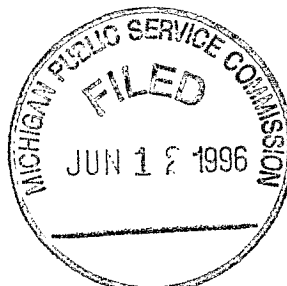
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SECTION VII - CONSTRUCTION POLICY

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STANDARD RULES AND REGULATIONS

SECTION VII - CONSTRUCTION POLICY

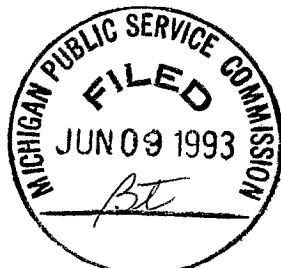
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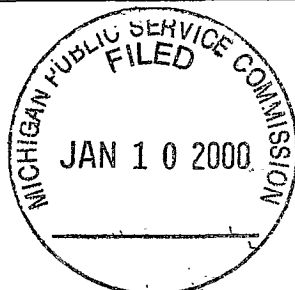
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SECTION VII - CONSTRUCTION POLICY

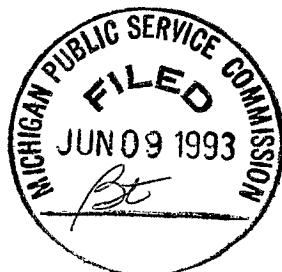
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SECTION VII - CONSTRUCTION POLICY

This section of the Standard Rules and Regulations sets forth the terms and conditions under which the Company shall construct and extend its facilities to serve new loads and to replace, relocate or otherwise modify its existing facilities.

Upon application for new or increased service, the Company will make extensions or alterations of its electric supply facilities under the following conditions, provided that the service applied for will not disturb or impair the service to existing customers.

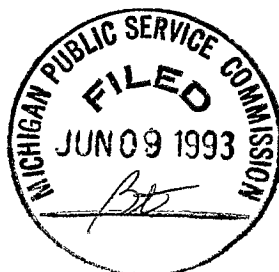
A. GENERAL

1. **EXTENSIONS ARE DISTINCT** - Each distribution line extension shall be a separate, distinct unit and any further extension therefrom shall have no effect upon any agreement under which previous extensions were constructed.
2. **NORMAL TYPE OF EXTENSION** - The Company normally provides overhead construction for its electric supply lines. Underground construction will be provided, at the option of the Company, for its own convenience, where necessary for public safety, or where overhead construction is impractical.
3. **UNDERGROUND INSTALLATIONS FOR COMPANY'S CONVENIENCE** - Where the Company, for its own convenience, installs its facilities underground, the differential between estimated overhead construction costs and underground costs of such installation will be borne by the Company. All other costs will be governed by the Company's Overhead Extension Policy. (See Rule B of this section.)
4. **SPECIAL CONTRACTS** - The Company reserves the right to make special contractual arrangements as the provision of necessary service facilities, duration of contract, customer advances for construction, contributions in aid of construction, deposits, amounts of refunds, minimum bills, service charges or other service conditions. This applies to existing customers and prospective customers whose load requirements exceed the capacity of the available distribution system in the area, or whose load characteristics or special service needs require unusual or additional investments by the Company. (See Section II, C, 3.)
5. **LINE EXTENSION POLICY BASED ON OVERHEAD EXTENSIONS** - Except where specifically stated otherwise, line extension policy is based on

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SECTION VII, A, 5 (Continued)

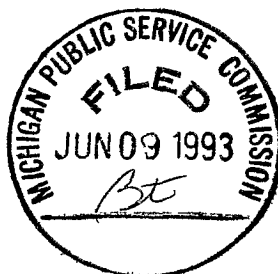
overhead construction and any financial participation by the applicant for underground facilities shall be in addition to charges provided for in these rules for overhead facilities.

6. **ADVANCES AND CONTRIBUTIONS** - Prior to commencement of construction, the applicant shall make any refundable construction advance required by the Company's overhead extension policy (Rule B of this section), plus any non-refundable contribution in aid of construction required by the underground extension policy (Rule C of this section). Refunds, where applicable, will be based on the overhead extension refund policy. Refunds shall not exceed the refundable construction advance, which shall not bear interest.
7. **UNDERGROUND EXTENSIONS ON ADJACENT LANDS** - When a line extension to serve an applicant or group of applicants must cross adjacent land on which underground construction is required by the property owner (such as on State or Federal lands) the applicant(s) shall make a non-refundable contribution in aid of construction equal to the estimated difference in cost between the underground and equivalent overhead facilities. The Company may establish a per foot charge to be considered the difference in cost. Such charge shall be adjusted from time to time to reflect the Company's actual construction cost experience.
8. **EASEMENTS AND PERMITS**
 - a. **NEW RESIDENTIAL SUBDIVISIONS** - The developer of a new residential subdivision shall cause to be recorded with the plat of the subdivision a public utility easement approved by the Company for the entire plat. Such easement shall include a legal description of areas within the plat which are dedicated for utility purposes, and also other restrictions as shall be determined by the Company for construction, operation, maintenance and protection of its facilities.
 - b. **OTHER EASEMENTS AND PERMITS** - Where suitable easements do not exist, the Company will provide the necessary easement forms, and solicit their execution. The applicant shall furnish without cost to the Company, all necessary rights-of-way and line clearance permits in a form satisfactory to the Company for his premises. The applicant(s), as a condition of service, will be ultimately responsible for obtaining all easements and permits (including railroad crossing permits) required by the Company,

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SECTION VII, A, 8, b (Continued)

for construction, maintenance, operation and protection of the facilities to be constructed. Where State or Federal lands or railroads are to be crossed to extend service to an applicant or group of applicants, the additional costs incurred by the Company for rights-of-way and permit fees shall be borne by the applicant(s).

If the applicant is unable to secure satisfactory easements and/or permits, the Company shall extend its facilities along an alternate route selected by the Company. The applicant shall be required to make a non-refundable contribution in aid of construction for all additional costs thereby incurred.

If an applicant is not able to obtain the necessary line clearance permits to allow standard overhead line brushing and trimming but is able to obtain the necessary line clearance permits to allow the reduced brushing and trimming required by hendrix cable, the Company shall extend its facilities using hendrix cable in the appropriate area. The applicant shall be required to make a non-refundable contribution in aid of construction for all additional costs thereby incurred.

9. **ABILITY TO PERFORM CONSTRUCTION** - The Company will construct electrical distribution facilities and extensions only in the event that it is able to obtain or use the necessary materials, equipment and supplies. Subject to review by the Michigan Public Service Commission, the Company reserves the right to allocate the use of such materials, equipment and supplies as it may have on hand from time to time among the various customers and prospective customers.
10. **CONSTRUCTION SCHEDULING** - Scheduling of construction shall be done on a basis mutually agreeable to the Company and applicant. The Company reserves the right not to begin construction until the applicant has demonstrated to the Company's satisfaction his intent to proceed in good faith with installation of his facilities by acquiring property ownership, obtaining all necessary permits, starting construction, installing driveway or access road, and/or, in the case of mobile homes, meeting the Company's requirements for permanency.
11. **DESIGN OF FACILITIES** - The Company reserves the right to make the final determination of selection, application, location, routing and design of its facilities. Where additional construction costs are

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SECTION VII,A,11 (Continued)

incurred by the Company at the request of the applicant, the applicant shall be required to make a non-refundable contribution in aid of construction to the Company for such excess costs.

12. **BILLING** - When an applicant fails to take service within two months after an extension has been completed to the premises or within two months after the time period requested by the applicant, whichever is later, the Company shall have the right, after said period, to commence billing the applicant under the Company's applicable rates and rules for the type of service requested by the applicant.

- B. **OVERHEAD EXTENSION POLICY** - Application for electric service which requires the construction of an extension to the Company's overhead distribution line system shall be granted under the following conditions:

1. **RESIDENTIAL SERVICE**

- a. **STANDARD ALLOWANCE** - For each permanent, year-round dwelling, the Company shall provide a single-phase line extension, excluding service drop, at no additional charge for a distance of 600 feet, of which no more than 200 feet is a lateral extension on the customer's private property. For each permanent, seasonal type dwelling, the Company shall provide at no extra charge a 200 foot extension from a main line distribution feeder.

For each permanent, year-round or seasonal type dwelling, the Company shall provide a service drop, at no additional charge for a distance of no more than 100 feet.

- b. **CHARGES** - Single-phase overhead line extensions or service drops in excess of the above footage shall require a refundable construction advance of \$3.50 per lineal foot for all such excess footage.
- c. **MEASUREMENT** - The length of any main line distribution feeder extension shall be measured along the route of the extension from the Company's nearest facilities from which the extension can be made to the customer's property line. The length of any lateral extension on the customer's property shall be measured from the

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SECTION VII, B, 1, c (Continued)

customer's property line to the service pole. The length of any service drop shall be measured from the service pole to the point of attachment above the meter. Should the Company for its own reasons choose a longer route, the customer shall not be charged for the additional distance. However, if the customer requests special routing of the line, the customer shall be required to pay a non-refundable contribution in aid of construction for the extra cost resulting from the special routing.

- d. **REFUNDS** - During the five (5) year period immediately following the date of payment, the Company shall make refunds of the refundable construction advance paid for a financed extension under provisions of Paragraph b above. The amount of any such refund shall be \$500 for each permanent electric service subsequently connected directly to the facilities financed by the original customer. Directly connected customers are those which do not require the construction of more than 300 feet of single-phase distribution line. Such refunds shall be made only to the original customer and shall not include any amount of non-refundable contribution in aid of construction for underground service made under the provisions of the Company's underground service policy, as set forth in this section. The total refund shall not exceed the refundable portion of the construction advance. The refundable construction advance shall not bear interest.
- e. **CLEARING OF LAND** - Applicants shall be responsible for clearing all trees and brush along the route of a prospective line extension on their property, at no cost to the Company, prior to construction of the line extension. The Company shall provide to the applicant specific instructions as to the amount of clearing and trimming required.
- f. **THREE-PHASE OVERHEAD LINE EXTENSIONS** - All three-phase overhead line extensions will be made on the same basis as Commercial and Industrial Service overhead line extensions.

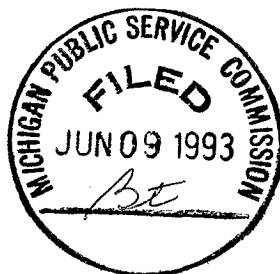
2. COMMERCIAL OR INDUSTRIAL SERVICE

- a. **STANDARD ALLOWANCE** - Except for non-refundable contributions in aid of construction for underground service made under the provisions of Rule C of this section, the Company shall finance the construction cost necessary to extend its overhead facilities to

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SECTION VII, B, 2, a (Continued)

serve commercial or industrial customers when such investment does not exceed two (2) times the estimated annual **distribution charge** revenue anticipated to be collected from customers initially served by the extension. This standard allowance does not apply to owners or developers of mobile home parks.

- b. **CHARGES** - When the estimated cost of construction of such facilities exceeds the Company's maximum initial investment as defined in Paragraph a, the applicant shall be required to make a refundable construction advance for the entire amount of such excess construction costs. Owners or developers of mobile home parks shall be required to make a refundable construction advance for the entire amount of the estimated cost of construction. These refundable construction advances are subject to the refund provisions of Paragraph c.
- c. **REFUNDS** - During the five (5) year period immediately following the date the line extension is completed, the Company shall make refunds of the refundable construction advance paid for a financed line extension. The total refund shall not exceed the total refundable construction advance. The refundable construction advance shall not bear interest. Such refunds shall be computed as follows:

- (1) **ORIGINAL CUSTOMER** - At the end of the first complete 12-month billing period immediately following the date of completion of the line extension, the Company shall compute a revised initial investment based on two (2) times the actual **distribution charge** revenue provided by the original customer in the 12-month billing period. Any amount by which twice the actual annual **distribution charge** revenue exceeds the Company's initial investment, as defined in Paragraph a, shall be made available for refund to the original customer.
- (2) **ADDITIONAL NEW CUSTOMERS** - Refunds for additional new customers directly connected to the financed extension during the refund period shall be made as follows:

The amount of any such refund shall be equal to two (2) times the estimated annual **distribution charge** revenue or \$500 (whichever is greater) for each standard allowance customer subsequently connected directly to the facilities financed by the original customer.

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SECTION VII,B,2,c,(2) (Continued)

Directly connected residential customers are those that do not require the construction of more than 600 feet of single-phase line extension of which no more than 200 feet is a lateral extension on private property. Directly connected commercial and industrial customers are those which do not require payment of a refundable construction advance. Refunds shall not be made under this subparagraph until the original customer's estimated annual **distribution charge** revenues are exceeded by the sum of the actual annual **distribution charge** revenues of the original customer plus the estimated annual **distribution charge** revenues of any additional new customers.

3. **SERVICE EXTENSIONS TO LOADS OF QUESTIONABLE PERMANENCE** - When service is requested for loads of questionable permanence, such as, but not limited to, saw mills, mixer plants, gravel pits, oil wells, oil facilities, etc., the Company will install, own, operate and maintain all distribution facilities up to the point of attachment to the customer's service equipment subject to the following:
- a. **CHARGES** - Prior to commencement of construction, the customer shall make a refundable construction advance with the Company in the amount of the Company's estimated construction and removal costs less estimated cost of salvage. Such estimates shall include the cost of extending the Company's distribution facilities and of increasing capacity of its existing facilities to serve the customer's load.
 - b. **REFUNDS** - During the five year period immediately following the date the line extension is completed, the Company shall make refunds of the refundable construction advance. The total refund shall not exceed the total refundable construction advance. The refundable construction advance shall not bear interest. Such refunds shall be computed as follows:
 - (1) At the end of each billing year for the first four years the lesser of 20% of the original refundable construction advance or 20% of the annual **distribution charge** revenue shall be refunded.
 - (2) At the end of the five year refund period the refund shall be computed as follows:

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- (a) If at the end of the five year refund period, the total **distribution charge** revenue for the five year period is equal to or greater than five times the original refundable construction advance, the balance of the original refundable construction advance shall be refunded.
- (b) If (a) is not applicable, the refund for the fifth year shall be calculated in accordance with Subparagraph (1) above.

C. UNDERGROUND SERVICE POLICY

1. **GENERAL** - This portion of the rules provides for the extension and/or replacement of underground electric distribution facilities.

- a. **GENERAL POLICY** - The general policy of the Company is that real estate developers, property owners or other applicants for underground service shall make a non-refundable contribution in aid of construction to the Company in an amount equal to the estimated difference in cost between underground and equivalent overhead facilities. Methods for determining this cost differential for specific classifications of service are provided herein. In cases where the nature of service or the construction conditions are such that these provisions are not applicable, the general policy stated above shall apply.
- b. **CONTRIBUTION** - Prior to commencement of construction, the applicant shall make a non-refundable contribution in aid of construction as required by these underground service rules plus a refundable construction advance based on the Company's overhead extension policy. Refunds shall be based on the overhead extension refund policy and shall apply only to the refundable construction advance.
- c. **UNDERGROUND SERVICE REQUIRED** - Existing rules issued by the Michigan Public Service Commission require that distribution facilities in all new residential subdivision and existing residential subdivisions in which electric distribution facilities have not already been constructed shall be placed underground, except that a lot facing a previously existing street or county road and having an existing overhead distribution line on its side of the street or county road shall be served with an

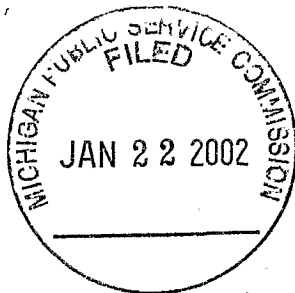
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underground service from the overhead line and shall be considered part of the underground service area. Additionally, commercial distribution facilities in the vicinity of or on the customer's property and constructed solely to serve a customer or a group of adjacent customers shall be placed underground. Commercial distribution specifically includes, but is not limited to, apartment houses, motels and shopping centers.

An exception to the foregoing mandatory requirement for undergrounding may be made, where, in the Company's judgment, any of the following conditions exist:

- (1) Physical site conditions, such as, but not limited to, bedrock located along the majority of the proposed route, are such that underground service would place an unreasonable economic burden on the customer; or
- (2) Such facilities would serve Commercial or Industrial customers having loads of temporary duration; or
- (3) Such facilities would serve Commercial or Industrial customers in areas where little aesthetic improvement would be realized if such facilities were placed underground; or
- (4) Such facilities would serve Commercial or Industrial customers in areas where it is impractical to design and place such facilities underground because of uncertainty of the size and character of the loads to be ultimately served therefrom.

The Commercial and Industrial customers referred to in (2) above would include in all instances, but are not limited to, those who operate carnivals or portable asphalt plants or who are engaged in construction or oil exploration activities. The Commercial and Industrial customers referred to in (3) above would include in many instances, but are not limited to, those who operate gravel pits, junkyards, railroad yards, steel mills or foundries. The Commercial and Industrial customers referred to in (4) above would include in many instances, but are not limited to, those located in industrial parks which are under development.

- d. **SIGNED AGREEMENT** - The Company, at the request of the developer, will install an underground electric distribution system for all

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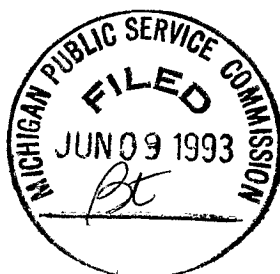
new residential subdivisions, mobile home parks, multiple occupancy building complexes, and commercial subdivisions, in cooperation with the developer or owner, evidenced by a signed agreement, and in compliance with the specific conditions in this rule.

- e. **EASEMENTS AND RIGHTS-OF-WAY** - The developer or owner must provide for recorded easements or rights-of-way acceptable to the Company. The easements are to be coordinated with other utilities and shall include easements for street lighting cable.
- f. **GRADING AND CLEARING** - The developer or owner must provide for grading the easement to finished grade and for clearing the easement of trees, large stumps and other obstructions sufficiently to allow trenching equipment to operate. Survey stakes indicating easements, lot lines and grade must be in place. The developer or owner must certify to the Company that the easements are graded within four (4) inches of final grade before the underground distribution facilities are installed.
- g. **SWITCHING CABINETS AND MANHOLES** - The developer or owner must make a non-refundable contribution in aid of construction to the Company for any primary switching cabinets and/or manholes that are required. When a switching cabinet and/or manhole is required exclusively for one customer, that customer shall contribute the actual installed cost of the switching cabinet and/or manhole. When more than one customer is served from the switching cabinet and/or manhole, each customer's non-refundable contribution in aid of construction shall be the prorated total installed cost of the switching cabinet and/or manhole based on the number of positions required for each customer.
- h. **RELOCATING UNDERGROUND FACILITIES** - The developer or owner shall be responsible for any costs of relocating Company facilities to accommodate changes in grade or other changes after the underground equipment is installed, and shall also be responsible for any damage to Company facilities caused by his operations or the operations of his contractors. An amount equal to the total costs involved, including overheads, is required for relocation or rearrangement of facilities whether specifically requested by the developer or owner, or due to the facilities becoming endangered by a change in grade, or other changes.

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SECTION VII,C,1,i

- i. **OBSTACLES TO CONSTRUCTION** - Where unusual construction costs are incurred by the Company due to physical obstacles such as, but not limited to: rock, surface water, frost, other utility facilities, heavy concentration of tree roots, patios, swimming pools, roadway crossings, or other paved areas, the applicant shall make a non-refundable contribution in aid of construction, ***before the line is energized***, equal to the estimated difference in cost of the underground installation and that of equivalent overhead facilities. In no case shall this contribution be less than the per foot charges in this rule for the type of service involved. The Company reserves the right to refuse to place its facilities under road or railroad rights-of-way or waterways in cases where, in the Company's judgment, such construction is impractical.
- j. **WINTER CONSTRUCTION** - An additional non-refundable contribution in aid of construction of **\$3.00** per trench foot shall be added to trenching charges for practical difficulties associated with winter construction in the period from December 1 to March 31 inclusive. This charge will not apply to jobs ***that*** are ready for construction and for which ***both*** the on-site construction planning meeting has been held with the applicant prior to October 15 ***and all applicable construction charges due from the customer have been paid by November 1.***
- k. **COMPANY'S REFUSAL RIGHT** - ***Consistent with Michigan law and Michigan Public Service Commission rules***, the Company reserves the right to refuse to install its facilities underground in cases where, in the Company's opinion, such construction would be impractical or present a potential detriment to the service of other customers.
- l. **REPLACEMENT OF OVERHEAD FACILITIES** - Existing overhead electric distribution service lines shall, at the request of a customer(s), be replaced with underground facilities where, in the opinion of the Company, such replacement will not be detrimental to the electric service of other customers.

Before construction is started the customer(s) shall be required to pay the Company the depreciated cost (net cost) of the existing overhead facilities plus cost of removal less the value of materials salvaged and also make a non-refundable contribution in aid of construction toward installation of the underground facilities in an amount equal to the estimated difference in cost between the new underground facilities and equivalent new overhead facilities, including, but not limited to, the costs of breaking and repairing streets, walks, parking lots and

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driveways, and of repairing lawns and replacing grass, shrubs and flowers.

- m. **OWNERSHIP OF UNDERGROUND FACILITIES** - The Company will furnish, install, own and maintain the entire underground electric distribution system including the pre-meter portion of the service lateral cable. Generally, the trenches will be occupied jointly by facilities of the Company and other utilities where satisfactory agreement for reimbursement exists between the Company and the other utilities.
- n. **ABOVE GRADE EQUIPMENT** - Certain related equipment, such as pad-mounted transformers, switching equipment and service pedestals may be above grade. The area must be suitable for the direct burial of cable. Property owners shall not place trees, shrubs or bushes within six feet of the pad mounted transformers or switching cabinets.
- o. **LOCAL ORDINANCES** - The Company reserves the right, where local ordinance requirements are more stringent than these rules, to apply to the Michigan Public Service Commission for such relief as may be necessary.

2. RESIDENTIAL SERVICE

a. GENERAL

- (1) **RESIDENTIAL SERVICE DEFINED** - For the provisions of this rule, all one-family and two-family permanent dwellings on individual lots are residential. Mobile homes shall be considered permanent dwellings when meeting the Company's requirements for permanent installations (see Section II, C, 7). Additionally, see Section VII, C, 3 for the rule pertaining to mobile home parks.
- (2) **SERVICE CHARACTERISTICS** - The service normally available from the distribution system shall be at secondary voltage, single-phase, three wire, 60 Hz. Three-phase service shall be made available for schools, pumping stations, and other special installations only under terms of a separate agreement.
- (3) **MEASUREMENT LOCATION NOT CONTROLLING** - The use of the lot front-foot measurements in these rules shall not be construed to require that the underground electric distribution system

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be placed at the front of the lot.

(4) **SEWER AND WATER LINES** - Where sewer and/or water lines will parallel Company cables, taps must be extended into each lot for a distance of one foot beyond the public utility easement prior to installation of the cables.

(5) **CHANGES IN GRADE** - The property owner shall not make any changes in established grade in or near the easement that will interfere with utility facilities already installed. In the event that the property owner requests relocation of facilities, or such facilities are endangered by change in grade, the property owner shall pay the actual cost of relocation or rearrangement of the facilities.

b. **NEW PLATTED SUBDIVISIONS** - In accordance with Section VII, C, 1, c distribution facilities in all new residential subdivisions and existing residential subdivisions in which electric distribution facilities have not been constructed shall be placed underground.

(1) **DISTRIBUTION SYSTEM** - The Company shall install an underground distribution system, including primary and secondary cable and all associated equipment, to provide service to the lot line of each lot in the subdivision.

(a) **CHARGES** - The charges in this paragraph are in addition to those set forth in Section VII, B, 1, b. Prior to commencement of construction, the owner or developer shall pay to the Company an amount equal to the estimated cost of construction of the distribution system, but not less than the non-refundable contribution in aid of construction as set forth below.

The payment shall consist of a non-refundable contribution in aid of construction to cover the estimated difference in the cost of underground construction and the equivalent overhead facilities and a refundable construction advance.

The amount of the non-refundable contribution in aid of construction shall be determined by multiplying the sum of the lot front footage for all lots in the subdivision

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by \$3.50, except for those lots served by an underground service from an overhead distribution line under the provision of Section VII, C, 1, c. Where underground extensions are necessary in unplatted portions of the property, an amount equal to \$8.00 per trench foot located in such unplatted property shall be added to the non-refundable contribution in aid of construction. The amount of the refundable construction advance shall be the difference, if any, between the required payment and the non-refundable contribution in aid of construction.

- (b) REFUNDS** - The refundable construction advance shall be made available to the developer or owner on the following basis:

Following completion of its construction work order covering construction of the distribution system, the Company shall refund any amount by which its original estimate exceeded the actual construction costs. During the five year period immediately following completion of the distribution construction, the Company will refund \$500 for each permanent residential customer connected within the subdivision. Such refunds shall be made only to the original developer or owner and in total shall not exceed the refundable construction advance. The refundable construction advance shall bear no interest.

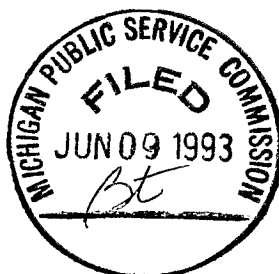
- (c) MEASUREMENT** - The front foot measurement of each lot to be served by a residential underground distribution system shall be made along the contour of the front lot line. The front lot line is that line which usually borders on or is adjacent to a street. However, when streets border on more than one side of a lot, the shortest distance shall be used. In case of a curved lot line which borders on a street or streets and represents at least two sides of the lot, the front foot measurement shall be considered as one-half the total measurement of the curved lot line.

- (2) SERVICE LATERALS** - The Company shall install, own, operate and maintain an underground service lateral from termination of its facilities at the property line to a metering point on each new residence in the subdivision.

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- (a) **CONTRIBUTION** - The developer or owner shall be required to make a non-refundable contribution in aid of construction to the Company, to cover the additional cost resulting from the installation of an underground service connection. For standard installations such contribution shall be computed on the basis of \$4.50 per trench foot.
- (b) **MEASUREMENT** - The "trench feet" shall be determined by measuring from the termination of the Company's facilities at the property line along the route of the trench to a point directly below the electric meter. Where special routing of the service lateral is required by the customer, the \$4.50 per trench foot charge will apply to the route of the line as installed.

c. **EXTENSION OF EXISTING DISTRIBUTION SYSTEMS IN SUBDIVISIONS PLATTED PRIOR TO 1971**

- (1) **GENERAL** - At the option of the applicant(s) the Company shall provide underground facilities from existing overhead facilities in subdivisions where overhead electric distribution facilities have been installed.

The Company may designate portions of existing subdivisions as "underground service areas" where, in the Company's opinion, such designation would be desirable for aesthetic or technical reasons. All future applicants for service in areas so designated shall be provided with underground service subject to the applicable provisions of these rules.

Any extensions made under this subrule shall be considered a distinct, separate unit, and any subsequent extensions therefrom shall be treated separately.

- (2) **CHARGES** - The charges in this paragraph are in addition to those set forth in Section VII, B, 1, b. Prior to commencement of construction the applicant shall make a non-refundable contribution in aid of construction in an amount equal to \$3.50 per lot front foot for the total front footage of all lots which can be directly served in the future from the distribution system installed to serve the initial applicant. ***When the new distribution system is connected to existing overhead facilities, the non-refundable contribution in aid of construction shall also include a \$150 riser fee.*** All subsequent applicant(s) for service on these lots shall be required to make a non-refundable contribution in aid of

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construction in the amount of \$3.50 per lot front foot for all lots owned by the subsequent applicant(s) which can be directly served from the original distribution extension.

(3) **REFUNDS** - The Company shall make available for refund to the original applicant the amounts contributed in aid of construction by subsequent applicants as provided in Paragraph (2) above the amount included in the original contribution in aid of construction to cover the front footage of the lot(s) owned by the subsequent applicant(s). The total amount refunded shall not exceed the amount of the original non-refundable contribution in aid of construction, and shall be made only to the original applicant. The Company shall endeavor to maintain records for such purposes but the original applicant is ultimately responsible to duly notify the Company of refunds due; any refunds not claimed within five years after the date of completion of distribution construction shall be forfeited. Refunds made under the provisions of this paragraph shall be in addition to refunds made under the Company's overhead extension policy.

(4) **MEASUREMENT** - The lot front footage used in computing charges and contributions in Paragraph 2) above shall be measured the same as for new subdivisions as set forth in Section VII, C, 2, b, (1), (c).

The front footage used in determining the amount of the original non-refundable contribution in aid of construction or any refunds of subsequent contributions shall include only the front footage of lots directly served by the distribution system extension covered by the original non-refundable contribution in aid of construction.

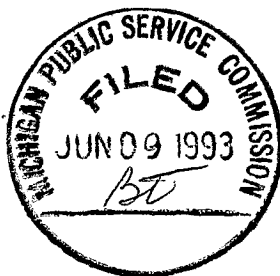
d. DISTRIBUTION SYSTEMS IN UNPLATTED AREAS

(1) **GENERAL** - At the option of the applicant the Company shall extend its primary or secondary distribution system from existing overhead or underground facilities. When any such extension is made from an existing overhead system the property owner may be required to provide an easement(s) for extension of the overhead system to a pole on his property where transition from overhead to underground can be made.

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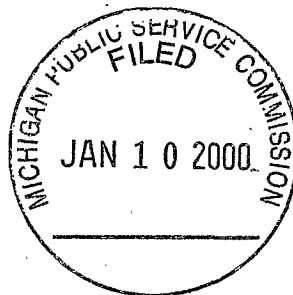
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- (2) **CONTRIBUTION** - Prior to commencement of construction, the applicant shall make a non-refundable contribution in aid of construction equal to the difference between the estimated overhead construction costs and the underground construction costs, plus a refundable construction advance based on the Company's overhead extension policy. Refunds shall be based on the overhead extension refund policy and shall apply only to the refundable construction advance.
- e. **SERVICE LATERALS** - This paragraph applies to all new residential underground service laterals except for those for which Section VII, C, 2, b, (2) applies. The Company shall install, own, operate and maintain an underground service lateral from the termination of its primary or secondary system to a metering point on each new residence to be served. Such underground service laterals may be served either from an underground or overhead system.
- (1) **CONTRIBUTION** - When a service lateral is connected to an underground system the applicant shall be required to make a non-refundable contribution in aid of construction to the Company, to cover the additional cost resulting from the installation of an underground service lateral. For standard installations such contribution amount shall be equal to the product of the trench feet multiplied by \$4.50. When the service lateral is connected to existing overhead facilities, the non-refundable contribution in aid of construction shall include a **\$150** riser fee in addition to \$4.50 per trench foot.
- (2) **MEASUREMENT** - The "trench feet" shall be determined by measuring from the pole or underground secondary terminal to which the service lateral is connected along the route of the trench to a point directly below the electric meter. Where special routing of the service lateral is required by the customer, the \$4.50 per trench foot charge will apply to the route of the line as installed.
3. **MOBILE HOME PARKS**
- a. **GENERAL** - For purposes of this rule, the definition of a mobile home park is a parcel or tract of land under the control of a person(s) upon which three or more mobile homes are located on a continual non-recreational basis not intended for use as a temporary trailer park.

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Distribution facilities in new mobile home parks shall be placed underground. Extension from existing overhead systems in mobile home parks shall be placed underground at the option of the park owner.

This service is limited to mobile home parks in which the service is metered by the Company at secondary voltage. The service for tenant loads normally available from the system shall be at secondary voltage, single phase, 120/240 volt, three wire, 60 Hz. Three-phase service shall be made available for pumps and service installations only under terms of a separate agreement.

Company cables shall be separated by at least five feet from paralleling underground facilities which do not share the same trench. The park owner's cable systems, such as community antenna systems, should be in separate trenches, if possible. Subject to an agreement with the Company, these cable systems may occupy the same trench. The park owner must agree to pay a share of the trenching cost plus the extra cost of the additional back-fill, if required, and agree to notify the other using utilities when maintenance of his cables requires digging in the easement.

The park owner must provide for each mobile home lot a meter pedestal of a design acceptable to the Company.

- b. **CONTRIBUTION** - Prior to the commencement of construction, the park owner or developer shall be required to make a non-refundable contribution in aid of construction to cover the estimated difference in cost between overhead and underground facilities. Such contribution shall be computed on the basis of \$8.00 per foot of trench required for the underground distribution system, plus \$6.50 per foot of trench required for the service lateral. *When the new distribution system is connected to existing overhead facilities, the non-refundable contribution in aid of construction shall also include a \$150 riser fee.*
- c. **MEASUREMENT** - The length of the trench required shall be measured in the same manner as provided for the measurement of trench length for commercial installations (see Section VII, C, 4, c).

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STANDARD RULES AND REGULATIONS

SECTION VII,C,4

4. COMMERCIAL AND INDUSTRIAL SERVICE

- a. **GENERAL** - The Company shall install underground service connections to commercial and industrial customers within designated underground districts in cooperation with the developer or owner, evidenced by a separate signed agreement, subject to the following specific conditions:
- (1) Where overhead lines are allowed by Michigan Public Service Commission Rules for a specific installation and are objected to by a person or municipality, the Company, where feasible, shall honor a request or directive that such lines be constructed underground. The objecting party shall be responsible for the payment of the additional cost of the underground facilities.
 - (2) Distribution facilities in the vicinity of new industrial loads and built solely to serve such loads will be placed underground at the option of the applicant. This includes service to all buildings used primarily for the assembly, processing or manufacturing of goods.
- b. **CONTRIBUTION** - Prior to the commencement of construction, the owner or developer shall be required to make a non-refundable contribution in aid of construction to cover the estimated difference in cost between overhead and underground facilities. For standard installations such contribution shall be computed on the basis of \$8.00 per foot of trench required for the underground distribution system, plus \$6.50 per foot of trench required for the service lateral. ***When the new distribution facilities are connected to existing overhead facilities, the non-refundable contribution in aid of construction shall also include a \$150 riser fee.***
- c. **MEASUREMENT** - The length of the trench required shall be determined by measuring along the centerline of the trench as follows:
- (1) **PRIMARY EXTENSIONS** - Shall be measured along the route of the primary cable from the transition pole to each transformer or other primary termination.
 - (2) **SECONDARY EXTENSIONS** - Shall be measured from each transformer or other secondary supply terminal along the route of the secondary cable to each secondary pedestal or termination. No charge shall be made for secondary cable laid in

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SECTION VII, C, 4, c, (2) (Continued)

the same trench with primary cable.

- (3) **SERVICE LATERALS** - Shall be measured from the pole or underground secondary terminal to which the service lateral is connected along the route of the lateral trench to the point of connection to the customer's facilities. No charge shall be made for service laterals laid in the same trench with primary or secondary cable.

Where special routing is required by the applicant, the per trench foot charges above shall apply to the actual installed route of the facilities.

- D. MISCELLANEOUS GENERAL CONSTRUCTION POLICIES** - Except where specifically designated as overhead or underground policies, the following general policies will be applied to either overhead or underground construction:

1. **TEMPORARY SERVICE** - Customers desiring temporary service for a short time only, such as for construction jobs, traveling shows, outdoor or indoor entertainment or exhibitions, etc., shall be required to deposit, prior to commencement of construction, with the Company an amount equal to the estimated cost of electric service to be rendered calculated under the terms of applicable rate schedules. Meters may be read daily and the deposit modified if the energy actually used justifies such modifications. The deposit shall not bear interest.

In addition, prior to commencement of construction the applicant for the service shall make a non-refundable payment to cover the cost of installation and removal (net of salvage) of the temporary service calculated as follows:

- a. When 120/240 volt single-phase service is requested and when such service can be provided at the site without exceeding 100 feet of new overhead or 10 feet of new underground at the time temporary service is desired, the charge for installation and removal (net of any salvage) of temporary single-phase, three wire, 120/240 volt service shall be:

- | | |
|---|----------|
| (1) For temporary overhead service | \$200.00 |
| (2) For temporary underground service, during the period from April 1 through November 30 | \$250.00 |

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(3) For temporary underground service, during the period from December 1 through March 31 actual cost

b. If paragraph a. above is not applicable, the non-refundable payment shall be the actual cost of installation and removal (net of salvage) of the temporary service.

If a temporary service extends for a period in excess of six consecutive months, the customer may qualify for other of the Company's available rates, provided he meets all of the applicable provisions of the filed tariffs.

2. MOVING OF BUILDINGS OR EQUIPMENT - When the Company is requested to assist in the moving of buildings or equipment through, under or over the Company's lines, the Company shall require the mover to pay, in advance of providing such assistance, the estimated costs to be incurred by the Company, including direct costs and applicable overhead costs. The amount of the contribution required shall be based on the Company's estimate of the probable cost, but in no event shall the required contribution be less than \$150. Upon completion of the moving assistance, the Company shall determine actual costs and shall bill or credit the mover according to the difference between actual costs and the contribution, except that the minimum actual cost shall not be less than \$150. In the event that the move is canceled, or changed to require a re-study, twenty percent (20%) of the contribution shall be retained by the Company as a non-refundable amount to cover preparing for and planning the move. If the building mover proceeds with the move without a Company escort, the total charge will be retained by the Company as a non-refundable amount to cover preparing for and planning the move plus a post move patrol of the route to identify any damages to the system caused by the mover. The building mover is also responsible to make payment for all work required to repair damages resulting from the move. Actual costs shall be determined in accordance with the following:

a. Within regular working hours:

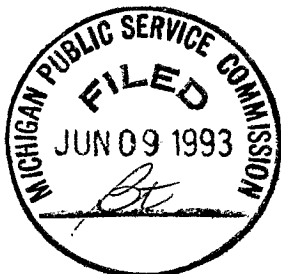
(1) Actual individual wage rate applicable to employee(s) involved.

(2) Actual material used.

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(3) Actual charges for vehicles involved based on the Company's transportation clearing rates.

(4) Appropriate overhead charges.

b. Outside regular working hours:

(1) Actual overtime wage rate applicable to employee(s) involved.

(2) Actual material used.

(3) Actual charges for vehicles involved based on the Company's transportation clearing rates.

(4) Appropriate overhead charges.

3. RELOCATION OF FACILITIES

a. **ROAD IMPROVEMENTS** - The Company shall cooperate with political subdivisions in the construction, improvement or rehabilitation of public streets and highways. It is expected that the Company will receive reasonable notice so that any required relocation work can be properly scheduled.

If the Company's overhead or underground facilities are located within the confines of the public right-of-way, the Company shall make the necessary relocation at its own expense with the following exceptions:

(1) The facilities were originally installed within the confines of the public right-of-way at the request of the political entity.

(2) Existing facilities are within the confines of a new public right-of-way obtained after construction of the Company's facilities.

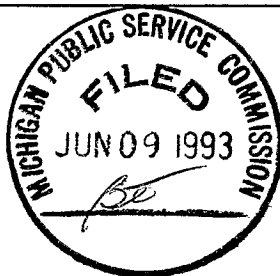
(3) The facilities provide public services such as lighting, traffic signals, etc.

When the exceptions above apply or if the Company's overhead or underground facilities are located on private property, the political subdivision must agree in advance to reimburse the

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SECTION VII,D,3,a (Continued)

Company for any expenses involved in relocating its facilities.

- b. **OTHER RELOCATIONS** - When the Company is requested to relocate its facilities for reasons other than public road improvements, any expense involved shall be paid for by the firm, person, or persons requesting the relocation, unless one or more of the following conditions are met:

- (1) The relocation is made for the convenience of the Company.
- (2) The relocation is associated with other regularly scheduled conversion or construction work at the same location and can be done at the same time.

Before actual relocation work is performed, the Company shall estimate the cost of moving the facilities and an advance deposit in the amount of the estimate must be received from the firm, person, or persons requesting such relocation. Upon completion of the relocation work, the Company shall determine the actual cost of the relocation, and the firm, person, or persons requesting the relocation shall be billed or credited for the difference between the advance deposit and the actual cost.

When the Company is requested to relocate a residential service lateral because of a new garage, swimming pool, addition to the house or similar reason that creates a clearance problem or physically interferes with the location of the existing service lateral and/or pole, there shall be a non-refundable payment of \$200.00 made by the customer prior to the start of the relocation work. This charge is in lieu of the payment described in the preceding paragraph. This charge is not applicable to relocation of primary facilities.

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STANDARD RULES AND REGULATIONS

SECTION VIII - METER REQUIREMENTS AND METERING EQUIPMENT INSPECTIONS AND TESTS

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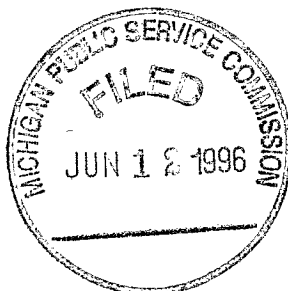
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STANDARD RULES AND REGULATIONS

SECTION VIII - METER REQUIREMENTS AND METERING EQUIPMENT INSPECTIONS AND TESTS

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STANDARD RULES AND REGULATIONS

SECTION VIII - METER REQUIREMENTS AND METERING EQUIPMENT INSPECTIONS AND TESTS

A. **METERED MEASUREMENT OF ELECTRICITY REQUIRED; EXCEPTIONS**

1. All electricity that is sold by the Company shall be on the basis of meter measurement, except *where* the consumption *can* be readily computed or except as provided for in the Company's filed rates.
2. Where practicable, the consumption of electricity within the Company or by administrative units associated with the Company shall be metered.
3. *Meters shall be in compliance with this Section VIII.*

B. **RESCINDED.**

C. **METER READING DATA** - The meter reading *data* shall *include* all of the following information:

1. *A suitable designation identifying the customer.*
2. Identifying number or description of the meter, or both.
3. Meter readings *or, if a reading was not taken, an indication that a reading was not taken.*
4. Any applicable multiplier or constant.

D. **METER DATA COLLECTION SYSTEM** - A meter data collection system *that takes data* from recording meters shall *indicate all of the following:*

1. *The date of the record.*
2. *The equipment numbers.*
3. *A suitable designation identifying the customer.*
4. *The appropriate multipliers.*

E. **METER MULTIPLIER** - If it is necessary to apply a multiplier to the meter *registration, then* the multiplier shall be *displayed* on the face of the meter.

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SECTION VIII, F

F. METER READING INTERVAL

1. For *nonresidential* customers, the Company shall schedule meters to be read monthly, except that authority may be obtained from the Michigan Public Service Commission for reading the meters at other than monthly intervals. To the extent practicable, the Company shall not send 2 successive estimated bills to a *nonresidential customer*. For *nonresidential seasonal customers*, the Company shall schedule meters to be read monthly for the established billing periods. The Company may permit a *nonresidential* customer to supply the meter readings on a form established by the Company if the Company takes a reading from the meter at least once each 12 months.
2. For residential customers, the Company shall comply with the requirements set forth in Section V.

G. *STANDARDS OF GOOD PRACTICE; ADOPTION BY REFERENCE* - In the absence of specific rules of the Commission, the Company shall apply the provisions of the publications set forth in this rule as standards of accepted good practice. The following publications are adopted by reference in these rules and are available, at the specified costs as of the time of adoption of these rules, from the American National Standards Institute, Attn: Customer Service, 11 West 42nd Street, New York, NY 10036, (212) 642-4900, or from the Michigan Public Service Commission, 6545 Mercantile Way, P.O. Box 30221, Lansing Michigan 48909:

1. American National Standard Code for Electricity Meters (ANSI C12.1), 1982 edition, at a cost of \$17.95, plus a handling charge.
2. American National Standard Requirements, Terminology and Test Code for Instrument Transformers (ANSI C57.13), 1978 edition, at a cost of \$35.00, plus a handling charge.
3. American National Standard Conformance Test Procedures for Instrument Transformers (ANSI/IEEE C57.13.2), 1986 edition, at a cost of \$30.00, plus a handling charge.

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STANDARD RULES AND REGULATIONS

SECTION VIII, H

H. METER TESTING - All testing of metering equipment will be performed by qualified personnel, either Company employees or, at the option of the Company, by independent agents meeting the requirements of both the Company and the Michigan Public Service Commission. The Company may, at its option, either conduct field tests on the customer's premises, or remove metering equipment for shop testing.

I. CUSTOMER-REQUESTED METER TESTS

1. Upon request by a customer to the Company, and after payment of the meter test charge described in Section II, F, the Company shall make a test of the meter serving the customer. However, the Company need not make more than 1 test in any 12-month period. The test will consist of a test for accuracy, a check of the register, and a check of the meter connections on the customer's premises. If such tests reveals meter registration of more than 102% of that of the test equipment, the meter test charge will be refunded and a billing adjustment made. If meter accuracy is found to be within the plus or minus two percent (2%) accuracy range, the meter test charge will not be refunded and a billing adjustment will not be required. When it appears to the Company that there may be sufficient reason to question meter accuracy (for example, a marked increase in metered consumption without a corresponding change in the customer's living or working patterns or in number and kind of appliances or equipment in

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SECTION VIII, I, 1 (Continued)

use on the customer's premises), the Company may waive the meter test charge.

2. The customer, or his or her representative, may be present when his or her meter is tested.
 3. A report of the results of the test shall be made to the customer within a reasonable time after the completion of the test, and a record of the report, together with a complete record of each test, shall be kept on file at the office of the Company.
- J. CERTIFICATION OF ACCURACY OF NEW METERS AND ASSOCIATED DEVICES** - Every meter and associated device shall be inspected and tested in the meter shop of the Company before being placed in service. The accuracy of each meter shall be certified to be within the tolerances permitted by these rules, except that the Company may rely on the certification of accuracy by the manufacturer on all new self-contained, single-phase meters.
- K. POST-INSTALLATION INSPECTION OF METERS WITH TRANSFORMERS** - Meters with associated instrument transformers and phase shifting transformers shall be inspected to determine proper operation and wiring connections. Inspections shall be made within 60 days after installation by a qualified person who, when possible, should be someone other than the original installer. All self-contained, socket-type meters are excluded from post-installation inspections, except that the original installation shall be inspected when the meter is installed.
- L. METERS AND ASSOCIATED DEVICES; REMOVAL TESTS** - All meters and associated devices shall be tested after they are *removed* from service *unless they are retired because of obsolescence*.
- M. METERING ELECTRICAL QUANTITIES**
1. All electrical quantities that are to be metered as provided in Rule A of this section shall be metered by commercially acceptable instruments which are owned and maintained by the Company.
 2. Every reasonable effort shall be made to measure at a single point all the electrical quantities necessary for billing a customer under a given rate.
 3. Metering facilities, located at any point where energy may flow in either direction and where the quantities measured are used for billing purposes, shall consist of meters equipped with ratchets or other

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STANDARD RULES AND REGULATIONS

SECTION VIII, M, 3 (Continued)

devices to prevent reverse registration and shall be so connected as to separately meter the energy flow in each direction.

4. Reactive metering shall not be employed for determining the average power factor for billing purposes where energy may flow in either direction or where the customer may generate an appreciable amount of his or her energy requirements at any time, unless suitable directional relays and ratchets are installed to obtain correct registration under all conditions of operation.
5. All electrical service of the same type rendered under the same rate schedule shall be metered with instruments having like characteristics, except that the Michigan Public Service Commission may be requested to approve the use of instruments of different types if their use does not result in unreasonable discrimination. Either all of the reactive meters which may run backwards or none of the reactive meters used for measuring reactive power under a single rate schedule shall be ratcheted.

N. NONDIRECT READING METERS AND METERS OPERATING FROM INSTRUMENT TRANSFORMERS

1. Meters that are not direct reading and meters operating from instrument transformers shall have the multiplier plainly marked on the dial of the instrument or otherwise suitably marked. All charts and magnetic tapes taken from recording meters shall be marked with the date of the record, the meter number, customer, and chart multiplier, except as provided in Rule D of this section.
2. The register ratio shall be marked on all meter registers.
3. The watthour constant for the meter itself shall be shown on all watthour meters.

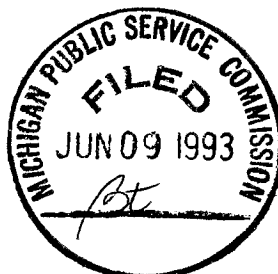
O. WATTHOUR METER REQUIREMENTS

1. Watthour meters that are used for measuring electrical quantities supplied shall meet all of the following requirements:
 - a. Be of proper design for the circuit on which the meter is used; be in good mechanical and electrical condition; and have adequate insulation, correct internal connections, and correct register.
 - b. Not creep at "no load" with all load wires disconnected at a rate

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SECTION VIII, O, 1, b (Continued)

of one complete revolution of the moving element in 10 minutes when potential is impressed.

- c. Be accurate to within plus or minus 1.0%, referred to the portable standard watthour meter as a base, at two unity power factor loads: light load and heavy load. Light load test current for self-contained meters is equal to 10% of the rated test amperes of the meter. Heavy load test current for self-contained meters is between 75% and 100% of the rated test amperes of the meter. Heavy load test current for transformer rated meters is between 75% and 200% of the rated test amperes of the meter. Light load test current for transformer rated meters is between 5% and 10% of the rated test amperes of the meter.
 - d. Be accurate to within plus or minus 2.0%, referred to the portable standard watthour meter as a base, at inductive load, approximately 50% lagging power factor. Inductive load test current is approximately equal to heavy load test current.
2. Polyphase meters shall have their elements in balance within 2.0% at rated test amperes at unity power factor and at approximately 50% lagging power factor.
 3. Meters that are used with instrument transformers shall be adjusted so that the overall accuracy of the metering installation meets the requirements of this rule.
 4. Meters and associated devices shall be adjusted as close as practical to zero error within the accuracy limits specified in subrule 1,c of this rule.
- P. REQUIREMENTS FOR DEMAND METERS, REGISTERS AND ATTACHMENTS** - A demand meter, demand register, or demand attachment that is used to measure a customer's service shall meet all of the following requirements:
1. Be in good mechanical and electrical condition.
 2. Have proper constants, indicating scale, contact device, recording tape or chart, and resetting device.
 3. Not register at no load.

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SECTION VIII, P, 4

4. Be accurate to the following degrees:

- a. Curve-drawing meters that record quantity-time curves and integrated-demand meters shall be accurate to within plus or minus 2.0% of full scale throughout their working range. Timing elements measuring specific demand intervals shall be accurate to within plus or minus 2.0%, and the timing element which serves to provide record of the time of day when the demand occurs shall be accurate to within plus or minus 4 minutes in 24 hours.
- b. Lagged-demand meters shall be accurate to within plus or minus 4.0% of full scale at final indication.

Q. REQUIREMENTS FOR INSTRUMENT TRANSFORMERS

1. Instrument transformers used in conjunction with metering equipment to measure a customer's service shall meet both of the following requirements:

- a. Be in proper mechanical condition and have satisfactory electrical insulation for the service on which used.
- b. Have characteristics such that the combined inaccuracies of all transformers supplying one or more meters in a given installation will not exceed the percentages listed in the following chart:

<u>100% Power Factor</u>		<u>50% Power Factor</u>	
10%	100%	10%	100%
<u>Current</u>	<u>Current</u>	<u>Current</u>	<u>Current</u>
1%	.75%	3%	2%

- 2. Meters that are used in conjunction with instrument transformers shall be adjusted so that the overall accuracies will come within the limits specified in subrule 1,b of this rule.
- 3. Instrument transformers shall be tested with the meter with which they are associated by making an overall test or may be checked separately. If the transformers are tested separately, the meters shall also be checked to see that the overall accuracy of the installation

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STANDARD RULES AND REGULATIONS

SECTION VIII, Q, 3 (Continued)

is within the prescribed accuracy requirements. (See Rule U, 6 of this section.)

4. The results of tests of instrument transformers shall be kept on record and shall be available for use.
5. Phase shifting transformers shall have secondary voltages under balanced line voltage conditions within plus or minus 1.0% of the voltage impressed on the primary side of the transformer.

R. ACCURACY OF PORTABLE INDICATING VOLTMETERS - All portable indicating voltmeters that are used for determining the quality of service voltage to customers shall be checked against a suitable secondary reference standard at least once every 6 months. The accuracy of these voltmeters shall be rated so that the error of indication is not more than plus or minus 1% of full scale. If the portable indicating voltmeter is found to be in error by more than the rated accuracy at commonly used scale deflections, it shall be adjusted.

S. METER TESTING EQUIPMENT; AVAILABILITY; PROVISION AND USE OF PRIMARY STANDARDS

1. The Company shall maintain sufficient laboratories, meter testing shops, secondary standards, instruments, and facilities to determine the accuracy of all types of meters and measuring devices used by the Company. The Company may, if necessary, have all or part of the required tests made, or its portable testing equipment checked, by another utility or agency *which is* approved by the Michigan Public Service Commission and *which* has adequate and sufficient testing equipment to comply with these rules.
2. At a minimum, the Company shall keep all of the following testing equipment available:
 - a. One or more portable standard watthour meters *that has* a capacity and voltage range *which is* adequate to test all watthour meters used by the Company.
 - b. Portable indicating instruments that are necessary to determine the accuracy of all instruments used by the Company.
 - c. One or more secondary standards to check each of the various types of portable standard watthour meters used for testing

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SECTION VIII, S, 2, c (Continued)

watthour meters. Each secondary standard shall consist of an approved portable standard watthour meter **which is** kept permanently at one point and **which is** not used for fieldwork. Standards shall be **well-compensated** for both classes of temperature errors, shall be practically free from errors due to ordinary voltage variations, and shall be free from erratic registration due to any cause.

- d. Suitable standards, which are not used for fieldwork, to check portable instruments used in testing.
3. The Company shall provide and use primary standards **that have** accuracies **which are** traceable to the United States National **Institute** of Standards **and Technology (NIST)**.

T. TEST STANDARDS; ACCURACY

1. The accuracies of all primary reference standards shall be certified as traceable to the National **Institute** of Standards **and Technology (NIST)**, either directly or through other recognized standards laboratories. These standards shall have their accuracy certified at the time of purchase. Standard cells shall be intercompared regularly and at least one **standard cell shall be** checked by a standardizing laboratory at intervals of not more than two years. Reference standards of resistance, potentiometers, and volt boxes shall be checked at intervals of not more than three years.
2. Secondary watthour meter standards shall not be in error by more than plus or minus 0.3% at loads and voltages at which they are to be used, and shall not be used to check or calibrate working standards, unless the secondary standard has been checked and adjusted, if necessary, within the preceding six months. Each secondary standard watthour meter shall have calibration data available and shall have a history card.
3. Secondary standards indicating instruments shall not be in error by more than plus or minus 0.5% of indication at commonly used scale deflection and shall not be used to check or calibrate portable indicating instruments, unless the secondary standard has been checked and adjusted, if necessary, within the preceding 12 months. A calibration record shall be maintained for each standard.
4. Regularly used working portable standard watthour meters shall be

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compared with a secondary standard at least once a month. Infrequently used working standards shall be compared with a secondary standard before they are used.

5. Working portable standard watthour meters shall be adjusted so that their percent registration is within 99.7% and 100.3% at 100% power factor and within 99.5% and 100.5% at 50% lagging power factor at all voltages and loads at which the standards may be used. A history and calibration record shall be kept for each working standard.
6. The meter accuracies required in this rule for all primary, secondary, and working standards shall be referred to 100%. Service measuring equipment shall be adjusted to within the accuracies required assuming the portable test equipment to be 100% accurate with the calibration correction taken into consideration.

U. METERING EQUIPMENT TESTING REQUIREMENTS

1. **GENERAL REQUIREMENTS** - The testing of any unit of metering equipment shall consist of a comparison of its accuracy with a standard of known accuracy. Units which are not properly connected or which do not meet the accuracy or other requirements of the rules of Section VIII at the time of testing shall be reconnected **or** rebuilt to meet such requirements and shall be adjusted to within the required accuracy and as close to zero error as practicable or else their use shall be discontinued.
2. **SELF-CONTAINED SINGLE-PHASE METERS** - Self-contained, single-phase meters, except **for** combination meters (meters **that** include demand devices or control devices), shall **be in compliance with** all of the following requirements:
 - a. Be checked for accuracy at unity power factor at the point where a meter is installed, at a central testing point, or in a mobile testing laboratory within a period of from 12 months before, to 60 days after, a meter is placed in service, except as provided for in Rule J of this section, and not later than six months after 192 months of service for a surge-resistant meter and not later than 6 months after 96 months of service for a non-surge-resistant meter.
 - b. Notwithstanding **the provisions of** subdivision a of this subrule, upon application to the Michigan Public Service Commission and

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upon receipt of an order granting approval, the testing of self-contained, single-phase meters in service shall be governed by a quality control plan as follows:

(1) Meters shall be divided into homogeneous groups by manufacturers' types, except as follows:

(a) Certain manufacturers' types shall be further subdivided into separate groups by manufacturers' serial numbers as follows:

- (1) General Electric type I-30 shall be divided at serial number 20,241,829.
- (2) Westinghouse type C shall be divided at serial number 16,350,000.
- (3) Duncan type MF shall be divided at serial number 2,650,000
- (4) Sangamo type J meters shall be divided starting with serial number 10,000,000.

(b) Non-surge-resistant meters that are installed in non-urban areas shall be treated as separate groups by manufacturers' type.

(2) The meters in each homogeneous group shall then be further subdivided *into* lots of not less than 301, *and not* more than 10,000, meters each, except that meters of the most recent *design* may be combined into lots regardless of manufacturers' type, except that where the number of meters of a single type is 8,001 or more, *that* number of meters shall be segregated by types for the formation of lots.

(3) From each assembled lot, a sample of the size specified in Table A-2, *ANSI/ASQC Z1.9-1980*, shall be drawn annually. The sample shall be drawn at random.

(4) The meters in each sample shall be tested for accuracy pursuant to the provisions of these rules.

(5) The test criteria for acceptance or rejection of each lot shall be based on the test at heavy load only and shall be that designated for *double specification limits* and *an*

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acceptable quality level (AQL) that is not higher than 2.50 (normal inspection) as shown in Table B-3, ANSI/ASQC Z1.9-1980.

- (6) The necessary calculations shall be made pursuant to **Example B-3 of ANSI/ASQC Z1.9-1980**. The upper and lower specification limits, U and L, shall be 102% and 98%, respectively.
- (7) A lot shall be rejected if the **total estimated percent defective (p)**, exceeds the appropriate **maximum allowable percent defective (M)** as determined from Table B-3 as specified in paragraph (5) of this subdivision.
- (8) All meters in a rejected lot shall be tested within a maximum period of 48 months and shall be adjusted pursuant to **the provisions of Rule O** of this section or shall be replaced with meters **that are in compliance with the requirements** of Rule O of this section.
- (9) During each **calendar** year, new meter samples shall be drawn as specified in this subdivision from all meters in service, with the exception that lots that have been rejected shall be excluded from the sampling procedure until all meters included in the rejected lots have been tested.
- (10) The Company may elect to **adopt a mixed variables-attributes sampling plan as outlined in Section A9 of ANSI/ASQC Z1.9-1980, in which case, a lot that is not in compliance with the acceptability criteria of the variables sampling plan shall be resampled the following year using an attributes sampling plan. If the acceptability criteria of the attributes sampling plan are met, the lot shall be considered acceptable and shall be returned to the variables sampling plan the following year. If the acceptability criteria of the attributes sampling plan are not met, then that lot shall be rejected and all meters in the lot shall be tested and adjusted or replaced within a maximum period of 36 months after the second rejection.**
- (11) **The plan specified in paragraph (10) of this subdivision does not alter the rules under which customers may request**

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special tests of meters.

- c. Be checked for accuracy in all of the following situations:
 - (1) When a meter is suspected of being inaccurate or damaged.
 - (2) When the accuracy of the meter is questioned by a customer. (See Rule I of this section.)
 - (3) Before use if a meter has been inactive for more than a year after having been in service.
 - (4) When a meter has been removed from service and has not been tested within the previous 48 months.
- d. Be inspected for mechanical and electrical faults when the accuracy of the device is checked.
- e. Have the register and the internal connections checked before the meter is first placed in service and when the meter is repaired.
- f. Have the connections to the customer's circuits checked when the meter is tested on the premises or when removed for testing.
- g. Be checked for accuracy at 50% power factor when purchased and after rebuilding.
- h. A meter need not be tested or checked for any reason, except *when a complaint is received*, if the device was tested, checked, and adjusted, if necessary, within the previous 12 months.

3. **OTHER SINGLE-PHASE METERS** - All single-phase meters that are not included in subrule 2 of this rule, together with associated equipment, such as demand devices, control devices, and instrument transformer rated meters, shall **be in compliance with** all of the following requirements:

- a. Be checked for accuracy at unity power factor at the point where a meter is installed, at a central testing point, or in a mobile testing laboratory as follows:
 - (1) Within a period of from 12 months before, to 60 days after, a meter is placed in service, except as provided **for** in Rule J

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SECTION VIII,U,3,a,(1) (Continued)

of this section.

- (2) Not later than 6 months after 144 months of service for a surge-**resistant** meter and not later than 6 months after 96 months of service for a non-surge-**resistant** meter.
 - (3) When a meter is suspected of being inaccurate or damaged.
 - (4) When the accuracy of a meter is questioned by a customer.
(See Rule I of this section.)
 - (5) Before use when a meter has been inactive for more than one year after having been in service.
 - (6) When a meter is removed from service and has not been tested within a period equal to $1/2$ of the normal test schedule.
- b. Be inspected for mechanical and electrical faults when the accuracy of the device is checked.
 - c. Have the register and the internal connections checked before the meter is first placed in service and when the meter is repaired.
 - d. Have the connections to the customer's circuits checked when the meter is tested on the premises or when removed for testing.
 - e. Be checked for accuracy at 50% power factor when purchased and after rebuilding.
 - f. A meter need not be tested or checked for any reason, except **when a complaint is received**, if the device was tested, checked, and adjusted, if necessary, within the previous 12 months.
4. **SELF-CONTAINED THREE-PHASE METERS** - All self-contained three-phase meters and associated equipment shall **be in compliance with** all of the following requirements:
- a. Be tested for accuracy at unity and 50% power factor as follows:
 - (1) Before being placed in service.
 - (2) Not later than six months after 120 months of service.

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- (3) When a meter is suspected of being inaccurate or damaged.
 - (4) When the accuracy of a meter is questioned by a customer.
(See Rule I of this section.)
 - (5) When a meter is removed from service.
- b. Be inspected for mechanical and electrical faults when the accuracy is checked.
- c. Have the register and internal connections checked before the meter is first installed, when repaired, and when the register is changed.
- d. Have the connections to the customer's circuits and multipliers checked when the equipment is tested for accuracy on the customer's premises.
5. **TRANSFORMER-RATED THREE-PHASE METERS** - All transformer-rated, three-phase meters and associated equipment shall **be in compliance with** all of the following requirements:
- a. Be checked for accuracy at unity and 50% power factor as follows:
 - (1) Before being placed in service.
 - (2) On the customer's premises within 60 days after installation, unless the transformers **are in compliance** with the specifications outlined in the American National Standards Institute's Standard ANSI C-57.13-1978 (R1987), which is adopted by reference **in these rules** and **which** is available from the Michigan Public Service Commission. P.O. Box 30221, Lansing, Michigan 48909, at a cost **as of the time of adoption of this rule of five cents per page, plus \$13.07 per hour of copying** or from the American National Standards Institute, 1430 Broadway, New York, NY 10018, at a cost **as of the time of adoption of this rule of \$25.00, unless the transformers** are of the 0.3 accuracy class, and unless the meter adjustment limits do not exceed plus or minus 1.5% at 50% power factor.
 - (3) Not later than six months after 72 months of service.

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- (4) When a meter is suspected of being inaccurate or damaged.
 - (5) When the accuracy is questioned by a customer. (See Rule I of this section.)
 - (6) When a meter is removed from service.
- b. Be inspected for mechanical and electrical faults when the accuracy is checked.
 - c. Have the register and internal connections checked before the meter is first placed in service and when the meter is repaired.
 - d. Have the connections to the customer's circuits and multipliers checked when the equipment is tested for accuracy on the premises or when removed for testing and when instrument transformers are changed.
 - e. Be checked for accuracy at 50% power factor when purchased and after rebuilding.
- 6. INSTRUMENT TRANSFORMERS** - Instrument transformers shall be tested in all of the following situations:
- a. When first received, unless a transformer is accompanied by a certified test report from the manufacturer.
 - b. When removed from service.
 - c. Upon complaint.
 - d. When there is evidence of damage.
 - e. When an approved check, such as the variable burden method in the case of current transformers, *that is* made when the meter is tested indicates that a quantitative test is required.
- 7. DEMAND METERS** - Demand meters shall *shall be in compliance with* both of the following requirements:
- a. Be tested for accuracy in all of the following situations:
 - (1) Before a meter is placed in service.

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- (2) When an associated meter is tested and the demand meter is a block interval non-recording type or a thermal type.
 - (3) After two years of service if the meter is of the recording type, but **testing** is not required if the meter is of the pulse-operated type and the demand reading is checked with the kilowatthour reading each billing cycle.
 - (4) When a meter is suspected of being inaccurate or damaged.
 - (5) When the accuracy is questioned by a customer. (See Rule I of this section.)
 - (6) When a meter is removed from service.
- b. Be inspected for mechanical and electrical faults when a meter is tested in the field or in the meter shop.
8. **ANSI/ASQC Z1.9-1980 - ANSI/ASQC Z1.9-1980** is adopted by reference *in these rules* and is available from the Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909, at cost *as of the time of adoption of this rule of five cents per page, plus \$13.07 per hour of copying* or from the *American National Standards Institute, 1430 Broadway, New York, NY 10018, at a cost as of the time of adoption of this rule of \$25.00.*

V. STANDARDS CHECK BY THE MICHIGAN PUBLIC SERVICE COMMISSION

1. Upon request of the Michigan Public Service Commission, the Company shall submit one of its portable standard wathour meters and one portable indicating voltmeter, ammeter, and wattmeter to a Michigan Public Service Commission approved standards laboratory for checking of their accuracy.
2. The Company shall normally check its own working portable standard wathour meters or instruments against primary or secondary standards and shall calibrate these working standards or instruments before they are submitted with a record of such calibration attached to each of the working standards or instruments.

W. METERING EQUIPMENT RECORDS

1. A complete record of the most recent test of all metering equipment shall be maintained. The record shall show all of the following

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information:

- a. Identification and location of unit.
 - b. Equipment with which the device is associated.
 - c. The date of the test.
 - d. Reason for the test.
 - e. Readings before and after the test.
 - f. A statement as to whether or not the meter creeps and, in case of creeping, the rate.
 - g. A statement of meter accuracies before and after adjustment sufficiently complete to permit checking of the calculations employed.
 - h. Indications showing that all required checks have been made.
 - i. A statement of repairs made, if any.
 - j. Identification of the testing standard and the person making the test.
2. The Company shall also keep a record for each unit of metering equipment which shows all of the following information:
- a. When the unit was purchased.
 - b. The unit's cost.
 - c. The Company's identification.
 - d. Associated equipment.
 - e. Essential nameplate data.
 - f. The date of the last test.

The record shall also show either the present service location with the date of installation or, if removed from service, the service location from which the unit was removed with the date of removal.

X. DETERMINATION OF AVERAGE ERROR - If a metering installation is found upon any test to be in error by more than 2% at any test load, the average error shall be determined in one of the following ways:

1. If the metering installation is used to measure a load which has practically constant characteristics, such as a streetlighting load, the meter shall be tested under similar conditions of load and the accuracy of the meter "as found" shall be considered as the average accuracy.
2. If a single-phase metering installation is used on a varying load, the average error shall be the weighted algebraic average of the error at light load and the error at heavy load, the latter being

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given a weighting of 4 times the former.

3. If a polyphase metering installation is used on a varying load, the average error shall be the weighted algebraic average of its error at light load given a weighting of 1, its error at heavy load and 100% power factor given a weighting of 4, and at heavy load and 50% lagging power factor given a weighting of 2.
4. If a load, other than the light, heavy and low power factor load specified for routine testing, is more representative of the customary use of the metering equipment, its error at that load shall also be determined. In this case, the average error shall be computed by giving the error at such load and power factor a weighting of 3 and each of the errors at the other loads (light, heavy, and 50% lagging power factor) a weighting of 1. Each error will be assigned its proper sign.

Y. REPORTS TO BE FILED WITH THE MICHIGAN PUBLIC SERVICE COMMISSION

1. The Company shall file, with the Michigan Public Service Commission, within 30 days after the first day of January of each year, **an officer-certified** statement that the Company has complied with all of the requirements set forth in these rules relating to meter standardizing equipment.
2. For all meters that are not included in **the provisions of** Rule U, 2, b of this section, the Company shall file, with the Michigan Public Service Commission, on or before the first day of April of each year, its annual tabulation of all its prior-to-adjustment meter test results covering the 12-month period ending December 31. The Company shall summarize, by meter type, all individual meters and overall light and heavy load prior-to-adjustment test results at the power factors required by these rules. The summary shall be divided into heavy load 100% power factor, light load 100% power factor, and heavy load 50% power factor test results and shall also be divided according to the length of meter test period and types of single-phase and polyphase meters. The summary shall show the number of meters or overall tests found within each of the following accuracy classifications:
 - a. No recording.
 - b. Creeping.
 - c. Equal to or less than 94.0%.
 - d. 94.1 to 96.0%.

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- e. 96.1 to 97.0%.
 - f. 97.1 to 98.0%.
 - g. 98.1 to 99.0%.
 - h. 99.1 to 100.0%.
 - i. 100.1 to 101.0%.
 - j. 101.1 to 102.0%.
 - k. 102.1 to 103.0%.
 - l. 103.1 to 104.0%.
 - m. 104.1 to 106.0%.
 - n. Over 106.0%.
3. For all meters that are included in **the provisions of** Rule U, 2, b of this section, the Company shall file, with the Michigan Public Service Commission, on or before the first day of April, all of the following **information**:
- a. A summary of all samples of meter lots that pass the **acceptability criteria** as set forth in **ANSI/ASQC Z1.9-1980**, including complete data on **all of the following**:
 - (1) **The** type of meter.
 - (2) **The** number of meters in lot.
 - (3) **The** size of sample.
 - (4) **The** average months in service since last test.
 - (5) **The** computed p (**total estimated percent defective in lot**).
 - (6) **The** corresponding M (**maximum allowable percent defective**) as determined from Table B-3 in **ANSI/ASQC Z1.9-1980**.
 - b. The necessary calculations made pursuant to **Example B-3 of ANSI/ASQC Z1.9-1980** shall be retained for each sample **or resample** drawn. In addition to the actual computation, the data **shall** include **all of the following**:
 - (1) **The** type of meter.
 - (2) **The** number of meters in lot.
 - (3) **The** meter numbers of sample meters.
 - (4) **The** actual prior-to-adjustment test data of each meter tested.
 - (5) **The number of** months since **the** last test for each meter in **the** sample.

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A sample of the calculations and data for a lot that passes the **acceptability criteria** shall be included in the report to the Michigan Public Service Commission.

- c. A copy of the complete data, as outlined in this subrule, shall be included for each meter lot that **is not in compliance with the acceptability criteria of the sampling plan employed as set forth in ANSI/ASQC Z1.9-1980.**
- d. A report summarizing the testing of all meters in rejected lots **that are to be returned to service.** The heavy load **preadjustment** tests only shall be recorded, and the accuracy classifications as established in subrule 2 of this rule shall be used. Each rejected lot shall be reported separately and shall be separated into groups by the number of months since the last test as follows:
 - (1) 0 to 48 months.
 - (2) 49 to 72 months.
 - (3) 73 to 96 months.
 - (4) **More than** 96 months.

Z. GENERATING AND INTERCHANGE STATION METER TESTS

1. Generating and interchange station and watthour meters shall be tested in conjunction with their associated equipment as follows:
 - a. At least once every 24 months for generating station meters.
 - b. At least once every 12 months for interchange meters.
2. The accuracy limits for any particular device shall not be greater than the accuracy limits required elsewhere in these rules.

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SECTION IX - TARIFF CONDITIONS

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SECTION IX - TARIFF CONDITIONS

A. GENERAL TERMS AND CONDITIONS OF THE RATE SCHEDULES

1. **SALES TAX** - Bills for electric service are subject to Michigan State Sales Tax. Customers may file a request with the Company for partial or total exemption from the application of sales tax in accordance with the laws of the State of Michigan and the rules of the Michigan State Department of Treasury.

2. **TAX ADJUSTMENTS**

a. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Company's property, or its operation, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local increases.

b. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the Company's generation or sale of electrical energy.

B. POWER SUPPLY COST RECOVERY CLAUSE - This clause permits the monthly adjustment of rates for power supply to allow recovery of the booked costs of purchased power incurred under reasonable and prudent policies and practices.

1. **DEFINITIONS** - For purposes of this clause, the following definitions apply:

a. "Power Supply Cost Recovery Factor" means that element of the rates to be charged for electric service to reflect power supply costs incurred and made pursuant to a power supply cost recovery clause incorporated in the rates or rate schedule.

b. "Power Supply Cost Recovery Plan" means a filing made annually describing the expected sources of electric power supply and changes over a future 12 month period specified by the Commission and requesting for each of those 12 months a specified power supply cost recovery factor.

c. "Power Supply Costs" means those elements of the costs of purchased power as determined by the Commission to be included in the calculation of the power supply cost recovery factor.

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2. PSCR FACTOR - All rates for metered electric service shall include an amount up to the Power Supply Cost Recovery Factor (PSCR Factor) for the specified billing period as set below. For the period ending June 12, 2007, the PSCR Factor consisted of an increase or decrease of 0.0106 mills per kWh for each full 0.01 mill increase or decrease in the projected annual power supply costs above or below a base cost of **35.85** mills per kWh, rounded to the nearest one-hundredth of a mill per kWh. Beginning June 13, 2007 the PSCR factor shall consist of an increase or decrease of 0.010625 mills per kWh for each full 0.01 mill per kWh increase or decrease in the projected annual power supply costs above or below a base cost of 50.41 mills per kWh, rounded to the nearest one-hundredth of a mill per kWh. The projected power supply costs per kWh shall equal the total projected annual net power cost divided by the projected annual net system energy requirements. Net system energy requirements shall be the sum of net generation and net purchased and interchange power.

Should the Company apply lesser factors than those shown below or if the factors are later revised pursuant to Commission orders or 1982 PA 304, the Company will notify the Commission if necessary and file a revision.

3. MONTHLY REPORTS - Not more than 45 days following the last day of each billing month in which a PSCR factor has been applied to customers' bills, the Company shall file with the Commission a detailed statement for that month of the revenues recorded pursuant to the PSCR factor and the allowance for cost of power included in the base rates established in the latest Commission Order for the Company, and the cost of power supply.

4. ANNUAL RECONCILIATION - All power supply revenues received by the Company, whether included in base rates or collected pursuant to a PSCR clause, shall be subject to annual reconciliation with the cost of power supply. Such annual reconciliations shall be conducted in accordance with the reconciliation procedures described in section 6j(12) to (18) of 1939 PA 3, as amended, including the provisions for refunds, additional charges, deferral and recovery, and shall include consideration by the Commission of the reasonableness and prudence of expenditures charged pursuant to any PSCR clause in existence during the period being reconciled.

Michigan Public Service
Commission

September 25, 2007

Filed _____



Issued: September 25, 2007

By: Steven K. Mitchell
Executive Vice President

Alpena, Michigan

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STANDARD RULES AND REGULATIONS

SECTION IX, B, 5

POWER SUPPLY COST RECOVERY FACTORS

Billing Month	Maximum Authorized 2008 PSCR Factor (\$/kWh)	Actual Factor Billed (\$/kWh)
Jan-08	0.00474	0.00474
Feb-08	0.00474	0.00474
Mar-08	0.00474	0.00400
Apr-08	0.00474	0.00400
May-08	0.00474	0.00474
Jun-08	0.00474	0.00474
Jul-08	0.00474	0.00474
Aug-08	0.00474	
Sep-08	0.00474	
Oct-08	0.00474	
Nov-08	0.00474	
Dec-08	0.00474	

The Company will file a revised Sheet No. 14.03 monthly to reflect the actual factor to be billed the following month.

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Executive Vice President

Alpena, Michigan

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STANDARD RULES AND REGULATIONS

SECTION IX, B, 5

POWER SUPPLY COST RECOVERY FACTORS

<u>Billing Month</u>	<u>Maximum Authorized 2007 PSCR Factor (\$/kWh)</u>	<u>Actual Factor Billed (\$/kWh)</u>
<i>Jan-07</i>	<i>0.01494</i>	<i>0.01494</i>
<i>Feb-07</i>	<i>0.01494</i>	<i>0.01494</i>
<i>Mar-07</i>	<i>0.01508</i>	<i>0.01508</i>
<i>Apr-07</i>	<i>0.01508</i>	<i>0.01508</i>
<i>May-07</i>	<i>0.01508</i>	<i>0.01508</i>
<i>6/1/07-6/12/07</i>	<i>0.01508</i>	<i>0.01508</i>
<i>6/13/07-6/30/07</i>	<i>0.00000</i>	<i>0.00000</i>
<i>Jul-07</i>	<i>0.00000</i>	<i>0.00000</i>
<i>Aug-07</i>	<i>0.00000</i>	<i>0.00000</i>
<i>Sep-07</i>	<i>0.00000</i>	<i>0.00000</i>
<i>Oct-07</i>	<i>0.00000</i>	<i>0.00000</i>
<i>Nov-07</i>	<i>0.00000</i>	<i>0.00000</i>
<i>Dec-07</i>	<i>0.00000</i>	<i>0.00000</i>

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Alpena, Michigan

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