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**TERMS AND CONDITIONS OF SERVICE**  
(Continued from Sheet No. C-7.00)

- d. Have electrical wiring that meets the requirements of the regulatory electrical codes governing the area within which the service has been requested.

For permanent house trailers, vans, or buses used as dwelling units, the Company will make service connections at an appropriate structure adjacent to the house trailer, van, or bus without special charges, except as specified in the Company's Construction Policy starting on Sheet No. C-21.00.

If the above conditions are not met, such installations and service facilities shall be considered to be Temporary Service as described on Sheet No. C-40.00, Section D.

**8. AUXILIARY OR STANDBY SERVICE** - (These provisions shall not apply to customers served under auxiliary provisions of Residential Service or General Service Rates.)

"Auxiliary" service is defined as that electric service which supplements another source of power supply, there being throw-over arrangements, either electrical or mechanical, which enables either or both sources of supply to be utilized for all or any part of the customer's total requirements.

"Standby" service is defined as that electric service which is capable of being used in place of the generally used source of power supply, there being no actual use of the "standby" service except in emergency.

Customers who purchase all or practically all of their energy requirements from the Company, but who install generating equipment for use only in case of failure of the Company's service, or who use a relatively small amount of energy generated as a by-product of testing or manufacturing processes, will not be considered to be using the Company's service for either auxiliary or standby purposes.

Where a customer desires to use the Company's facilities as an auxiliary or standby to primary or secondary service supplied or capable of being supplied from another source, the Company only offers its Large Power and Standard Power Service rates for such service.

The application of the above rates to auxiliary or standby service shall be subject to the following special conditions:

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Issued July 7, 2008, by  
Ann K. Burton, President  
Alpena, MI 49707



Effective for service rendered on  
and after October 10, 2007

Issued under authority of the  
Michigan Public Service Commission  
dated October 9, 2007,  
in Case No. U-15152

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**TERMS AND CONDITIONS OF SERVICE**  
(Continued from Sheet No. C-8.00)

- a. Contracts for such service shall be executed on a special contract form.
- b. A "contract demand" shall be initially established by mutual agreement between the Company and the customer and stated in the service contract. The Company shall not be required to supply power to the customer in excess of the contract demand; however, the Company will at the written request of the customer made at least thirty days in advance, permit an increase in the contract demand provided the Company has power available.
- c. No customer shall be permitted to effect a reduction in his contract demand by recontracting for the same service, unless a bona fide reduction in load has occurred.
- d. The billing demand provisions in the Standard Power Service Rate shall be modified to provide that the billing demand shall not be less than 50% of the highest billing demand of the preceding 11 months, or 50% of the contract demand. In no case will billing demand be less than 15 kW.

When the billing demand is determined by any of the modifications stated above, the capacity charge credit based on average power factor shall not apply.

- e. For the protection of the Company's facilities, the customer may be required to furnish, install and maintain a load limiting device approved by and under the sole control of the Company.
- D. NATURE AND QUALITY OF SERVICE** - The Company will endeavor to, but does not guarantee to, furnish a continuous supply of electric energy and to maintain voltage and frequency within reasonable limits. (See subrule 3 of this rule for voltage regulations.)

**1. INTERRUPTIONS OF SERVICE; RECORDS; PLANNED INTERRUPTION; NOTICE TO THE MICHIGAN PUBLIC SERVICE COMMISSION**

- a. The Company shall make a reasonable effort to avoid interruptions of service. When interruptions occur, service shall be reestablished within the shortest time practicable, consistent with safety.
- b. The Company shall keep records of interruptions of service on its primary distribution system and shall make an analysis of the records for the purpose of determining steps to

(continued on Sheet No. C-10.00)

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Issued July 7, 2008, by  
Ann K. Burton, President  
Alpena, MI 49707



Effective for service rendered on  
and after October 10, 2007

Issued under authority of the  
Michigan Public Service Commission  
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in Case No. U-15152

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**COGENERATION AND SMALL POWER PRODUCTION PURCHASE RATE "1"**

**Availability:**

Available to any generating installation with a capacity of 100 kW or less which employs cogeneration or other small power production technology utilizing biomass, waste, renewable resources or geothermal energy as fuel and which meets the Federal Energy Regulatory Commission's criteria for a Qualifying Facility. Purchases shall be covered by contract.

The terms and conditions applicable under this schedule are controlled by the Michigan Public Service Commission's order in Case U-6798 dated August 27, 1982 and by the Code of Federal Regulations, Title 18, Part 292.

**Nature of Service:**

Except for billing meters for the sale of energy under any other of the Company's rate schedules, the operator shall be responsible for furnishing, installing and maintaining at his expense, all necessary controlling and protective equipment for connecting the generating facility to the Company's electric system. Such equipment and its installation shall be in accordance with specifications and standards of the Company. The Company shall not be liable for damage to the operator's equipment caused by the interconnection. The Company shall own, operate and maintain all metering devices; however, the operator shall be required to pay for the cost of such equipment. No refund shall be made for any operator contribution required under this rate schedule.

Domestic or commercial customers desiring electric service as an auxiliary source of power for wind- or solar-powered generating equipment and who elect to sell energy back to the Company under the "Auxiliary Power Provision" of the applicable rate shall pay the charge set forth in the "Auxiliary Power Provision" of the applicable rate.

Energy delivered to the Company shall be alternating current, 60 hertz, single or three-phase, the particular voltage in each case to be determined by the Company.

The Company may discontinue purchases during system emergencies and other operational circumstances such as light load conditions.

(continued on Sheet No. D-36.00)

Issued July 7, 2008, by  
Ann K. Burton, President  
Alpena, MI 49707



Effective for service rendered on  
and after October 10, 2007

Issued under authority of the  
Michigan Public Service Commission  
dated October 9, 2007,  
in Case No. U-15152

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**COGENERATION AND SMALL POWER PRODUCTION PURCHASE RATE "1"**

(Continued from Sheet No. D-35.00)

**Monthly Purchase Price:**

The operator may elect to sell energy to the Company under one of the following options:

1. The "Auxiliary Power Provision" of the rate schedule under which energy is being purchased or,
2. The average avoided energy cost (requires the operator to have installed a ratcheted watt-hour meter) or,
3. The operator may enter into a contract for at least four years providing for the sale of both capacity and energy. The rate for on-peak hours shall consist of both a capacity component and an energy component. The rate for off-peak hours shall consist of an energy component only. The energy component shall be the Company's average avoided energy cost. The capacity component is determined by dividing the avoided capacity cost per kW in the Company's latest wholesale for resale contract with Consumers Energy Company by 320 hours. (Requires the operator to have installed a ratcheted time-of-day meter.)

**Administrative Cost Charge:**

0.10 cents per kWh purchased except for those operators electing to sell energy under the "Auxiliary Power Provision".

**Average Avoided Energy Cost:**

Average Avoided Energy Cost is the average cost of Supplemental Energy, including both energy and capacity charges, billed to the Company by Consumers Energy Company, based on the rolling average of the six consecutive months ending on the last day of the second month prior to the month that purchases are made by the Company (e.g., the August billing month cost will be calculated using the avoided energy costs for the six months ending in June).

The power supply bills used to determine avoided costs will be kept on file at the Company's office. Personnel shall be available, during normal business hours, to explain how this methodology is applied to these bills to obtain the avoided energy costs for any particular month.

(continued on Sheet No. D-37.00)

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Issued July 7, 2008, by  
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Effective for service rendered on  
and after October 10, 2007

Issued under authority of the  
Michigan Public Service Commission  
dated October 9, 2007,  
in Case No. U-15152

**COGENERATION AND SMALL POWER PRODUCTION PURCHASE RATE "1"**

(Continued from Sheet No. D-36.00)

**Schedule of On-Peak and Off-Peak Hours:**

The on-peak hours shall be 7:00 a.m. to 10:00 p.m. of each weekday excluding the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. All other times shall be considered off-peak.

**Standby Power:**

The operator may contract for standby power for equipment failure or maintenance in accordance with (Sheet No. C-8.00, Section 8), Auxiliary or Standby Service.

**Optional Standby Rate:**

An operator who otherwise would qualify under terms defined in (Sheet No. C-8.00, Section 8), Auxiliary or Standby Service, may at the time the purchase contract is entered into, agree to a payment of \$0.60 per kW per day for the highest on-peak demand occurring each day in which standby service is utilized. The operator shall pay a monthly maximum demand charge of \$1.42 per kW of maximum demand. A maximum demand in kilowatts shall be initially established by mutual agreement for electrical capacity sufficient to meet the maximum standby requirements which the Company is expected to supply. Whenever the standby capacity so established is exceeded by the creation of a greater actual maximum demand then such greater demand becomes the new standby capacity. Energy costs shall be the average avoided energy cost. The on-peak demand shall be the highest 15-minute demand during the on-peak hours included in the above Schedule of On-Peak and Off-Peak Hours.

An operator who has agreed to this Optional Standby Rate shall also be eligible to receive supplemental power and/or maintenance power under the following provisions:

1. Supplemental Power:

An operator may contract to purchase power from the Company to supplement his generation. The Company only offers its Standard Power Service as modified below, for such service and for a minimum term of one year. A "contract demand" shall be established for such service by mutual agreement between the Company and the operator. The billing demand shall be the highest demand during the month but shall not be less than 60% of the "contract demand" and shall in no case be less than 30 kW. Any billing demand above the "contract demand" shall be considered as standby service and priced according to the above Optional Standby Rate.

(continued on Sheet No. D-38.00)

Issued July 7, 2008, by  
Ann K. Burton, President  
Alpena, MI 49707



Effective for service rendered on  
and after October 10, 2007

Issued under authority of the  
Michigan Public Service Commission  
dated October 9, 2007,  
in Case No. U-15152



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**COGENERATION AND SMALL POWER PRODUCTION PURCHASE RATE "2"**

**Availability:**

Available to any generating installation with a capacity of over 100 kW which employs cogeneration or other small power production technology utilizing biomass, waste, renewable resources or geothermal energy as fuel and which meets the Federal Energy Regulatory Commission's criteria for a Qualifying Facility. Purchases shall be covered by contract.

The terms and conditions applicable under this schedule are controlled by the Michigan Public Service Commission's order in Case U-6798 dated August 27, 1982 and by the Code of Federal Regulations, Title 18, Part 292.

**Nature of Service:**

Except for billing meters for the sale of energy under any other of the Company's rate schedules, the operator shall be responsible for furnishing, installing and maintaining at his expense, all necessary controlling and protective equipment for connecting the generating facility to the Company's electric system. Such equipment and its installation shall be in accordance with specifications and standards of the Company. The Company shall not be liable for damage to the operator's equipment caused by the interconnection. The Company shall own, operate and maintain all metering devices; however, the operator shall be required to pay for the cost of such equipment. No refund shall be made for any operator contribution required under this rate schedule.

Energy delivered to the Company shall be alternating current, 60 hertz, single or three-phase, the particular voltage in each case to be determined by the Company.

The Company may discontinue purchases during system emergencies and other operational circumstances such as light load conditions.

**Monthly Purchase Price:**

As negotiated.

**Schedule of On-Peak and Off-Peak Hours:**

The on-peak hours shall be 7:00 a.m. to 10:00 p.m. of each weekday excluding the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. All other times shall be considered off-peak.

(continued on Sheet No. D-40.00)

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Issued July 7, 2008, by  
Ann K. Burton, President  
Alpena, MI 49707

Effective for service rendered on  
and after October 10, 2007



Issued under authority of the  
Michigan Public Service Commission  
dated October 9, 2007,  
in Case No. U-15152

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**COGENERATION AND SMALL POWER PRODUCTION PURCHASE RATE "2"**

(Continued from Sheet No. D-39.00)

**Standby Power:**

The operator may contract for standby power for equipment failure or maintenance in accordance with (Sheet No. C-8.00, Section 8), Auxiliary or Standby Service.

**Optional Standby Rate:**

An operator who otherwise would qualify under the terms starting at (Sheet No. C-8.00), Auxiliary or Standby Service, may at the time the purchase contract is entered into, agree to a payment of \$0.60 per kW per day for the highest on-peak demand occurring each day in which standby service is utilized. The operator shall pay a monthly maximum demand charge of \$1.42 per kW of maximum demand. A maximum demand in kilowatts shall be initially established by mutual agreement for electrical capacity sufficient to meet the maximum standby requirements which the Company is expected to supply. Whenever the standby capacity so established is exceeded by the creation of a greater actual maximum demand, then such greater demand becomes the new standby capacity. Energy costs shall be the average avoided energy cost as determined in Rate "1". The on-peak demand shall be the highest 15-minute demand during the on-peak hours included in the above Schedule of On-Peak and Off-Peak Hours.

An operator who has agreed to this Optional Standby Rate shall also be eligible to receive supplemental power and/or maintenance power under the following provisions:

1. Supplemental Power:

An operator may contract to purchase power from the Company to supplement his generation. The Company only offers its Standard Power Service as modified below, or its Large Industrial Service for such service. A "contract demand" shall be established for such service by mutual agreement between the Company and the operator. The on-peak billing demand shall be the highest demand during the on-peak hours included in the above Schedule of On-Peak and Off-Peak Hours but shall not be less than 60% of the "contract demand" and shall in no case be less than 30 kW. Any on-peak billing demand above the "contract demand" shall be considered as standby service and priced according to the above Optional Standby Rate.

(continued on Sheet No. D-41.00)

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Issued July 7, 2008, by  
Ann K. Burton, President  
Alpena, MI 49707



Effective for service rendered on  
and after October 10, 2007

Issued under authority of the  
Michigan Public Service Commission  
dated October 9, 2007,  
in Case No. U-15152

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**COGENERATION AND SMALL POWER PRODUCTION PURCHASE RATE "2"**

(Continued from Sheet No. D-40.00)

**Optional Standby Rate (Continued):**

2. Maintenance Power:

Standby power for maintenance shall be available to an operator for a maximum of 30 consecutive days once per calendar year upon 90 days' written request by the operator and agreement by the Company as to when the maintenance power will be supplied within that calendar year. At least 60 days prior to the commencement date of the requested period of maintenance power, the Company shall notify the operator as to whether it is in agreement with the period of maintenance power. During the period of maintenance, the charge of \$0.60 per kW per day under the Optional Standby Power Rate shall be waived. The operator shall continue to pay the monthly maximum demand charge provided for in the first paragraph of the above Optional Standby Rate. Energy charges for the period of maintenance power shall be the average avoided energy cost plus 25 percent.

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