

AURORA GAS COMPANY
ONAWAY, MICHIGAN

RATE BOOK
OF
AURORA GAS COMPANY

CONTAINING THE RULES, REGULATIONS, RATE
SCHEDULES AND STANDARD FORMS GOVERNING
THE SALE OF NATURAL GAS SERVICE WITHIN THE
TERRITORY SERVED BY THE COMPANY.

ISSUED NOVEMBER 19, 1984
REVISED JULY 28, 2004
BY: JOHN S TIERNEY – PRESIDENT
ONAWAY, MICHIGAN

Michigan Public Service Commission
September 2, 2004
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EFFECTIVE FOR GAS
SERVICE RENDERED
ON OR AFTER
NOVEMBER 21, 2000

**AURORA GAS COMPANY
ONAWAY, MICHIGAN**

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**AURORA GAS COMPANY
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TERRITORY SERVED

The territory served by the Company consists of the following City and Townships:

City of Onaway, Presque Isle County, Michigan
Township of Allis, Presque Isle County, Michigan
Township of North Allis, Presque Isle County, Michigan
Township of Bearinger, Presque Isle County, Michigan
Township of Waverly, Cheboygan County, Michigan
Township of Forest, Cheboygan County, Michigan
Township of Walker, Cheboygan County, Michigan
Township of Koehler, Cheboygan County, Michigan
Township of Grant, Cheboygan County, Michigan
Township of Ellis, Cheboygan County, Michigan
Township of Nunda, Cheboygan County, Michigan
Township of Aloha, Cheboygan County, Michigan

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**AURORA GAS COMPANY
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TECHNICAL TERMS AND ABBREVIATIONS

- A. “British thermal unit” or “BTU” means the average amount of heat required to increase the temperature of one pound of water by one degree Fahrenheit in the temperature range between 32 degrees Fahrenheit and 212 degrees Fahrenheit at 14.70 pounds per square inch absolute pressure.
- B. “Ccf” means 100 cubic feet of gas, measured in accordance with the applicable technical standards of the Michigan Public Service Commission.
- C. “Cfh” means cubic feet per hour.
- D. “Commission” means the Michigan Public Service Commission.
- E. “Company” means Aurora Gas Company.
- F. “Customer” means a purchaser of gas service supplied by the Company, or an applicant for gas service where the context so requires.
- G. “Delinquent”, in the case of a bill rendered to a residential customer, means that the bill remains unpaid five days after the due date of the bill. In the case of a bill rendered to a customer other than a residential customer, “delinquent” means that the bill remains unpaid 21 days after the date of rendition of the bill by the Company to the customer.
- H. “Mcf” means one thousand cubic feet of gas.
- I. “P.S.I.G.” means pounds per square inch gauge.
- J. “Residential customer” means a purchaser of gas service from the Company to an individual household, apartment, flat, or reasonable appurtenant and related to and normally associated with an individual household, for such applications as space heating, cooking, water heating, etc. Service to residential premises which are also part of a place of business are also considered to be residential service when the residential usage represents half or more of the total gas volume.

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**AURORA GAS COMPANY
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General Matters

The rates of the Company within all of the territory served by the Company are governed by franchise.

The franchises of the Company are identified as follows:

<u>Name of Municipality</u>	<u>Date of Ordinance Adoption</u>
City of Onaway, Presque Isle County	February 10, 1984
Township of Allis, Presque Isle County	April 10, 1984
Township of North Allis, Presque Isle County	June 9, 1992
Township of Bearinger, Presque Isle County	July 8, 1992
Township of Forest, Cheboygan County	April 19, 1984
Township of Waverly, Cheboygan County	April 19, 1984
Township of Walker, Cheboygan County	May 24, 1984
Township of Ellis, Cheboygan County	May 4, 1984
Township of Koehler, Cheboygan County	May 17, 1984
Township of Grant, Cheboygan County	June 14, 1994
Township of Nunda, Cheboygan County	May 11, 1999
Township of Aloha, Cheboygan County	October 13, 2003

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AURORA GAS COMPANY
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RULES AND REGULATIONS

1. **Availability of Gas Service:** Subject to and in accordance with the provisions of these Rules and Regulations and supplements thereto and revisions thereof, as from time to time in effect, gas service is available from the Company in the following City and Townships to applicants occupying premises on streets where gas mains are laid and service pipes to and interior pipes within the premises are properly installed:

City of Onaway, Presque Isle County
 Township of Allis, Presque Isle County
 Township of North Allis, Presque Isle County
 Township of Bearinger, Presque Isle County
 Township of Waverly, Cheboygan County
 Township of Forest, Cheboygan County
 Township of Walker, Cheboygan County
 Township of Koehler, Cheboygan County
 Township of Ellis, Cheboygan County
 Township of Grant, Cheboygan County
 Township of Nunda, Cheboygan County
 Township of Aloha, Cheboygan County

2. **Applicability of Rules and Regulations:** These Rules and Regulations and supplements thereto and revisions thereof, as from time to time in effect, are applicable to and made a part of all agreements for gas service furnished by the Company, and shall govern all such service except as specifically and expressly modified by the terms and conditions of a written contract which has been duly authorized and approved.
3. **Availability of Copies of Rules and Regulations:** Copies of the Rules and Regulations of the Company and supplements thereto and revisions thereof, as from time to time in effect, shall be filed in the office of the City Clerk of the City of Onaway, Michigan, and in the office of the Michigan Public Service Commission, Lansing, Michigan, and in other public offices as required by and in accordance with the gas franchises of the Company. Copies of the Company's Rules and Regulations and supplements thereto and revisions thereof, as from time to time in effect, shall be available at the office of the Company.

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Rules and Regulations – continued

- 4. **Character of Service:** Gas supplied by the Company shall be commercially pure gas which is (1) natural gas, or (2) manufactured gas, or (3) liquefied petroleum air gas, or (4) a mixture of any two or all of the foregoing, such gas shall have (except in emergencies when circumstances do not permit) approximately the same heating value and burning characteristics as natural gas. The monthly average heating value of the gas supplied shall be not less than 950 British thermal units per cubic foot (except in an emergency) and not more than 1, 100 British thermal units per cubic foot.
- 5. **Application for Service:** A written application for gas service, on a form provided for the purpose, will be required of each applicant for gas service and is to be filed by the applicant at the office of the Company. The application shall contain the information necessary to determine the type of service desired and the conditions under which service will be rendered.

The application shall not be binding upon the Company until executed on behalf of the Company by a member of management. If the application is accepted and executed on behalf of the Company, the application shall be an agreement between the customer and the Company governing gas service in accordance with and subject to the Rules and Regulations of the Company and supplements thereto and revisions thereof, as from time to time in effect. Such agreement, except as otherwise specifically provided in the applicable rate schedule or in the application or acceptance or in a gas service contract between the customer and the Company, shall continue until cancelled by the customer or the Company upon five days' written notice to the other; provided, however, that cancellation by the Company shall be subject to the requirements of Rule No. 20 in the case of residential customers.

A new application may be required when there is a change in the class of service. Separate applications may be required when service is to be rendered at separate premises.

- 6. **Contracts for Large Loads:** Customers having gas requirements which are large in relation to volumes of gas handled by the Company's system will be required to sign a contract for gas service with a specified term of service and specified limitations as to volume.

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Rules and Regulations – Continued

The Company does not hold itself out as ready to undertake service to customers with large or unusual requirements for gas. The furnishing of such service generally requires special arrangements both by the Company and the customer. The Company reserves the right to make special contractual arrangements as to the provision of necessary service facilities, duration of contract, minimum bills, or other service conditions with respect to customers with large or unusual requirements for gas, or with respect to customers whose service requirements otherwise necessitate unusual investments by the Company in facilities.

The Company reserves the right to decline to furnish gas service to customers with large or unusual requirements for gas whenever, in the judgement of the Company, such service might disturb or impair gas service to existing customers. Also, such service, once undertaken, may be limited or curtailed as provided in these Rules and Regulations.

7. **Rates:** The customer shall pay for all gas furnished by the Company in accordance with the applicable rate schedule.
See sheet 8.1

8. **Initiation of Service:** The acceptance of an application by the Company shall not obligate the Company to initiate gas service to the applicant until any deposit or guarantee which may have been required by the Company pursuant to these Rules and Regulations shall have been delivered to the Company; nor shall the Company be obligated to initiate gas service until after the Company has installed the required service facilities, made the necessary inspections and tests, and had a reasonable opportunity to determine whether the applicant has complied with the provisions of these Rules and Regulations.

9. **Permits:** The Company will make, or cause to be made, application for any necessary street permits for installing its facilities, and shall not be required to proceed with the installation of service facilities until a reasonable time after such permits have been granted. The customer shall obtain, or cause to be obtained by its contractor or representative, and present to the Company for registration, all easements, rights of way, permits (except street permits), consents and certificates necessary to give the Company or its representatives access to the customer's installation and equipment and to enable the Company's service pipe to be connected therewith, and for other purposes in connection with the furnishing of gas service. No application for gas service will be deemed to be complete until all requisite permits (except street permits), easements, rights of way, consents and certificates shall have been obtained by the customer and presented to the Company.

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Rules and Regulations – continued

10. Service lines, Meters and Other Service Facilities:

A. General Provisions- Gas service shall be supplied to each building or premises through a single service pipe; provided, that if a customer requests service through more than one service pipe, such request may be granted and service is provided through more than one service pipe, such service shall be deemed to involve more than one point of sale, which shall require separate billings by the Company.

The Company shall designate the locations and specifications of the service lines and all other service equipment, and shall determine the amount of space which must be left unobstructed for the installation and maintenance thereof.

The service lines, meters and other service equipment shall be installed and maintained by the Company. Applicants will be required to pay for service lines in accordance with the provisions of this rule; nonetheless, all service lines, as well as all meters and other service equipment, shall be and remain the property of the Company.

The Company shall not be liable for damages that may be incurred by the presence of the Company's property on the customer's premises.

The customer shall pay for any permits required by state statute or regulation or local ordinance and any inspection fees required by state statute or local ordinance in connection with the installation of the service lines, meters and other service facilities or the converting or connecting of gas-consuming equipment.

B. Service Lines Less Than 2" in Diameter Which are not Connected to a High Pressure Pipeline-

1) The charge to the prospective customer will be a flat hook-up fee minimum of \$250.00 per applicant. Said minimum hook-up fee will include up to 250' of service line installed. An additional charge of \$1.00 per foot will apply for all footages over the 250' initial footage.

2) An additional fee of \$75.00 shall be charged to Cheboygan County residents. This additional charge is for permit fees required by the Cheboygan County Road commission. Exceptions to this charge are:

- a. Installations connected during initial year of main installation
- b. Installations being served off of State roadways or private roads where the main is already in place in those roadways.
- c. Installations being served off a main line located on private right-of-way which will not involve crossing a county road.

This permit fee is set by the Cheboygan County Road commission and remitted to the road commission.

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Rules and Regulations – continued

3) The charge for multiple meters set on one service line shall be a flat fee of \$200.00 per additional meter set on a multi meter manifold.

For multiple meters set at same service location via split service line refer to Item 1, above.

C. Fuel Lines- Fuel line size will be determined by the contractor of the customer’s choice. We will provide fuel line materials at the current cost to Aurora Gas Company, plus a restocking fee equal to 20% of material cost. Fuel lines will be made to the specifications of the contractor as listed above. Aurora Gas will not install fuel lines, installation will be the responsibility of the contractor or home owner.

D. Service Lines 2” or Larger in Diameter Which are not Connected to High Pressure Pipeline, and Service Lines of any Size Which are Connected to High Pressure Pipeline- The charges to the prospective customer will not exceed the Company’s total cost (including a reasonable allowance for overhead) for all facilities between the prospective customer’s property line and the meter location established by the Company, as well as the estimated cost of a tap on a pipe line operating at a pressure of more than 60 p.s.i.g., and any required upstream regulators, pressure relief and limiting devices, whether installed on public or private property.

Installation of any service line requires a deposit equal to the estimated cost of installation prior to work commencing.

E. Meters – The Company will furnish, install, and maintain such meter or meters as are necessary for metering gas. Gas will be supplied to each building through a single meter, except where for reasons of Company economy, conditions on the Company’s distribution system, improvements of service conditions, or volume of the customer’s requirements, the Company elects to install more than one meter.

The location of the meter (or meters) will be determined by the Company, and shall comply with the Federal and state safety standards regarding placement of meters. Meters will not be allowed under porches, garages, or any type of enclosure; and shall be readily accessible to authorized Company employees. No person, except a duly authorized employee of the Company, shall break the seal or lock on a meter, or alter or change a meter or its connections or location or alter a gas pressure regulator.

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Rules and regulations - continued

- F. Change in Location of Existing Facilities – Any change requested in the location of a meter or service pipe or other service facilities shall, if such change is approved, or requested by the Company, be made by the Company at the expense of the owner or occupant of the premises, who shall deposit with the Company, in advance, the Company’s estimated cost of such change (including a reasonable allowance for overhead).
- G. Ownership of Service Lines, Meters and Other Service Facilities - The service lines, meters and other service facilities placed on the premises shall be and remain the property of the Company and shall be subject to removal only by the Company.
- H. Access to Premises - The Company shall have the right of access to its service lines, meters and other service facilities upon the customer’s premises at all reasonable times for the purposes of reading meters, inspecting and/or repairing lines, meters and other service facilities, removing Company property, or any other proper purpose.
- I. Customer’s Responsibility - The customer shall protect from loss, damage or injury the service lines, meters and other service facilities placed on the customer’s premises and shall reimburse the Company for any damage thereto. A customer shall not disconnect or interfere with, nor permit any unauthorized person to disconnect or interfere with, the Company’s lines, meters or other service facilities, or permit others to do so, the Company shall have the right to correct the condition at the customer’s expense.

11. **Temporary Service:** When service is to be used at construction sites or in other nonpermanent structures where the facilities installed to provide service will not be used for permanent supply, the customer will be required to bear all of the cost of installing, removing and providing equipment or facilities for such temporary service, less the salvage value of any equipment or facilities retained by the Company at the conclusion of the temporary service. The Company may require the customer to advance such amount, prior to installing any service facilities. For purposes of this rule, service will be deemed to be non permanent whenever the anticipated period of supply does not exceed two years.

12. **Customer’s Piping and Equipment:**
 A. Installation and Maintenance – The customer shall furnish and maintain all piping and equipment from the outlet of the meter to the appliances. It is the responsibility of the customer to assure that all such piping and equipment is safe

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Rules and Regulations - continued

and adequate. A customer shall not take, or permit others to take, any action that creates a condition which makes the rendering of gas service at the customer's premises hazardous or potentially hazardous.

- B. Adequacy and Safety of Installation – The Company shall not be required to supply gas service until it is determined that the installation meets adequacy and safety standards. The Company further reserves the right to withhold its service, or discontinue service, whenever the customer's installation or any part thereof is deemed by the Company to be unsafe, inadequate or unsuitable for receiving the Company's service.

- C. Inspection of Installation – The Company will not establish gas service to any customer until a representative of the Company shall have checked for the presence of detectable gas odor and made a test of all supply piping and gas appliances by observing the meter (or meters) when all appliances are shut off and gas pressure is on such piping and appliances, and finds that no gas passes the meter (or meters) under such conditions.
 If all appliances are shut off and gas passes through the meter (or meters), the Company will notify the customer of that fact, and gas service will not be established until such defect shall have been repaired or corrected.
 Nothing in this rule shall be construed to make the Company liable for the installation, maintenance or use of piping or appliances owned by the customer beyond the making of the test above required; nor shall the Company be held liable for any continuing duty of inspection of piping or appliances.

- D. Back Pressure and Suction – When the nature of the customer's utilization equipment is such that it may induce back-pressure or suction in the piping system carrying the Company's gas, suitable protective devices, subject to inspection and approval by the Company, shall be furnished, installed and maintained by the customer to protect the customer and the Company's facilities therefrom.

- E. Measurement of Gas – Gas will be supplied by the Company only on the basis of meter measurement. The number of cubic feet delivered shall be measured by a meter or meters owned by the Company and located at the customer's premises. The quantity of gas passing through a meter, as shown by the register on the index, will be accepted as correct, except when upon testing the meter it is shown that the meter registers more than two percent fast or slow.

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Rules and Regulations – continued

The sales unit of gas furnished by the company shall be 100 cubic feet (Ccf). A single meter shall not measure the consumption of more than one customer.

13. **Security for Gas Bills:** Security deposits or other guarantee of payment may be required of prospective customers in accordance with and subject to the provisions of Rule 20 of these Rules and Regulations. Interest on these deposits will be computed as stipulated with the Consumer Standards and Billing Practices set forth by the Michigan Public Service Commission.

When service is terminated, the deposit with interest due shall be credited against the final account, and the balance, if any, shall be returned to the customer.

When the customer’s credit shall have been satisfactorily established, the deposit and interest due will be returned to the customer, or if other guarantee has been furnished, such guarantee shall be released.

14. **Billing Practices:** The Company renders bills once each month covering in each case as nearly as is reasonably possible a normal monthly period. The Company makes every reasonable effort to read the customer’s meter every month on or about the same day of each month.

For residential customers, a normal billing “month” shall be a utility service consumption period of not less than 26 nor more than 35 days.

Whenever, for any reason, the meter is not read at the end of a given monthly period, the Company may render an estimated interim bill. An estimated bill will, under ordinary conditions, be based upon past service records or other available service data. The Company will not render an estimated billing more frequently than every other month, unless a different frequency is approved by the commission.

Any bill rendered on an estimated basis will be clearly and conspicuously identified as such.

Any customer who does not desire to receive an estimated interim bill will, upon request to the Company, be supplied with forms upon which the reading of the customer’s meter or meters may be recorded. Such readings will, if received in time for normal billing purposes, be used in the computation of the interim bills of such customer.

If the Company is unable to gain access to read a meter, the Company will undertake reasonable alternative measures to obtain an actual reading, including mailing or leaving post-paid preaddressed post cards upon which the customer may note the reading. If the customer fails to comply with such alternative measures, or makes reading of the meter unnecessarily difficult, the Company may render an estimated bill notwithstanding any other provisions of this rule.

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Notwithstanding any other provisions of this rule, the Company may estimate the bill of any customer if extreme weather conditions, emergencies, work stoppages or other circumstances of force majeure prevent actual meter readings. Nothing contained in this rule shall preclude the Company's billing customers in accordance with equal monthly billing programs, at the election of the customer.

15. **Due Date of Bills:** Bills rendered to all classes of customers are due on the date indicated on the bill, which shall be at least 17 days from the date rendered (the date of physical mailing of the bill by the Company). If the last calendar day for remittance falls upon a Sunday, legal holiday or any other day when the office of the Company regularly used for the payment of customer bills is closed, the date payment is due will be extended to the next business day.
16. **Place for Payment of Bills:** Bills are payable at the office of the Company, 7038 Black River Road, Onaway, Michigan; by mail to P.O. Box 721, Onaway, Michigan, 49765; and at such other agencies as may from time to time be specified by the Company.
17. **Returned Checks and On-Premises Collection:** Checks remitted by customers as bill payments and returned because they are not valid will be re-billed to the customer's account. A \$25.00 charge will be assessed to customers for handling checks received and returned by banks for reasons of insufficient funds, bank account closed, no account, and similar situations. This charge will become part of the customer's arrears and will be subject to the same provisions applicable thereto. A charge of \$15.00 will be levied upon a customer where it is necessary for the Company to send an employee to the premises of the customer in order to collect that customer's bill. This charge will become part of the customer's arrears and will be subject to the same provisions applicable thereto. Additional charges will be assessed to the customer's account as applicable for outside collection services and/or court action for collection of arrears when such action is deemed necessary.
18. **Delinquent Bill:** If any bill for gas service to any customer remains unpaid for five days after the due date of the bill, the account will be deemed delinquent and the Company shall have the right to assess a late payment charge and to discontinue service subject to and in accordance with the provisions of Rule No. 20(D).

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19. **Discontinuance of Service:** The Company reserves the right to discontinue service at any time with respect to any customer, without notice, if it shall deem such action necessary for reasons of health or safety or in a state or national emergency. The Company also reserves the right to discontinue service at any time with respect to any customer, without notice, subject however to the provisions of Rule No. 20(D) in the case of residential customers, for any of the following reasons:
- a) to protect the Company against loss, abuse or fraud;
 - b) for violation of any of the Rules and Regulations of the Company or of any other terms and conditions of the agreement between the customer and the Company;
 - c) for customer use of appliances or other gas-burning equipment in such manner as to adversely affect the Company's service to others; or
 - d) for the customer's unauthorized use of service or facilities or for tampering with the Company's service to others.
20. **Consumer and Billing Standards:** As used in this rule "discontinuance of service" means a cessation of utility service not voluntarily requested by a customer; and "termination" means a cessation of utility service voluntarily requested by the customer.
- A. Billing Information:** The Company will render a separate billing for service provided at each residence or location and shall not combine two or more accounts without written authorization of the customer.
- I. Every bill rendered to a customer will state clearly:**
- a. the beginning and ending meter readings of the billing period and the dates thereof
 - b. the due date
 - c. any previous balance
 - d. the amount due for energy usage
 - e. the amount due for state sales tax
 - f. the amount due for other authorized charges
 - g. the total amount due
 - h. the late payment charge if the bill is not paid in full by the due date
 - i. the units of gas consumed during a comparable period the prior year
 - j. the statement that rate schedules, an explanation of rate schedules, and how to calculate the accuracy of the bill are available and will be mailed upon request
 - k. the address and telephone number of the Company designating where the customer may initiate an inquiry or complaint regarding the bill as rendered or the service provided by the Company

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I. that the customer should make any inquiry or complaint about the bill prior to the due date

II. The Company may add a late payment charge of two (2) percent, net of taxes, not compounded, to any bill or portion thereof which is delinquent. No late payment charge shall be assessed against customers participating in the Winter Protection Plan.

III. The Company may include charges for special services together with charges for utility service on the same monthly bill if the charges for special services are designated clearly and separately from the service account. If partial payment is made, the Company will first credit all payments to the balance outstanding for utility service, unless otherwise instructed in writing by the customer.

IV. The Company will provide each customer with the opportunity to read and report energy usage as long as energy usage is reported on a regular and accurate basis and will provide post-paid pre-addressed post cards for this purpose upon request. At least once every twelve months, the Company will obtain an actual meter reading of customer usage. The provisions of this paragraph shall not prevent the Company from reading meters on a regular basis.

V. The Company shall annually make available information to residential customers of the following:

1. Federal and state energy assistance programs and the eligibility requirements of such programs, as provided to the Company by the Commission.
2. The Winter Protection Program described in Rule No. 19(E)
3. The medical emergency provisions of Rule No. 19(D)

The information shall be disseminated by means of an explanation on the customer's bill directing them to information available at the office, unless the Company conducts other mailing for this provision.

VI. The Company shall disseminate any further information regarding energy assistance programs, both federal and state, provided by the Commission, within 60 days of the receipt of such further information from the Commission.

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- VII. Billing error: If the Company overcharges a customer due to a billing error, the Company shall refund or credit the amount of the overcharge which occurred within the three years immediately preceding discovery of the overcharge, unless the customer is able to establish an earlier date for commencement of the error.
- If the Company undercharges a customer, the following provisions apply:
1. In cases that involve meter tampering or fraud, the Company may back-bill the customer for the amount of the undercharge.
 2. In cases that do not involve meter tampering or fraud, the Company may back-bill the customer for the amount of the undercharge during the 12-month period immediately preceding discovery of the error, and the Company shall offer the customer reasonable payment arrangements for the amount of the backbill, taking into account the period of undercharge.

B. Guarantee of Payment; Security Deposit:

- I. New Service-The Company may require a cash deposit as a condition of new service to a prospective residential customer in any of the following situations:
- a. The applicant has outstanding a prior utility service account which is past due with any utility, which accrued within the last six years and at the time of the request for service remains unpaid and not in dispute.
 - b. The applicant is a previous customer who has in an unauthorized manner interfered with the service of the Company situated or delivered on or about the customer’s premises within the last six years if the finding of unauthorized interference or use is made and determined after notice and opportunity for hearing is provided to the customer pursuant to this rule and is not in dispute.
 - c. The applicant misrepresents his or her identity or credit standing or fails to provide positive identification at the time of application for new service, thus avoiding disclosure of pertinent credit information.
 - d. The applicant requests service for a location at which he or she does not reside.
 - e. The applicant was a household member during a period in which all or part of a delinquent service account was incurred by another household member who still resides with the applicant, if, at the time of the request for service, the account remains unpaid and is not in dispute.

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- f. The applicant is unable to provide utility service history information with any regulated or unregulated utility in Michigan or elsewhere during the last 6 years.

II. The Company shall not require a deposit as a condition of providing service to any customer if either of the following provisions apply:

- a. The Family Independence Agency is responsible for making payment to the Company.
- b. The applicant secures a guarantor who is a customer in good standing with the Company.
- c. None of the conditions described in section I. Above or IV. Below apply to the applicant.
- d. The applicant is over 65 years of age and has no negative credit history with any gas or electric provider.

III. 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.

IV. Previous Customer/Continued Service: The Company may require a deposit as a condition of providing or restoring service to a previous customer or continued service to a current customer if the customer has an unsatisfactory credit standing with the Company due to any of the following:

- a. The customer or applicant is responsible for a prior service account which is past due; which accrued within the last six years, except as otherwise provided by statute; and which, at the time of the request for service, remains unpaid and is not in dispute.
- b. The customer or applicant misrepresents his or her identity or credit standing or fails to provide positive identification, if requested, at the time of applying for service, thus avoiding disclosure of pertinent credit information.
- c. The customer or applicant, in an unauthorized manner, used, diverted, or interfered with the service of the Company situated or delivered on or about the customer's or applicant's premises within the last 6 years, if the

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- finding of unauthorized use, diversion, or interference is made after notice and an opportunity for a hearing pursuant to these rules and is not in dispute.
- d. The service of the customer has been discontinued for non-payment of a delinquent account not in dispute.
- e. The Company has had 1 or more checks for the customer's account returned from a bank within the last 12 months for insufficient funds or no account, excluding bank error.
- V. The Company shall not require a deposit or other guarantee as a condition of residential gas service based upon commercial credit standards, income, home ownership, residential location, race, color, creed, sex, age, national origin, or any other criteria not authorized by this rule.
- VI. General Deposit Conditions: A deposit required from a customer pursuant to this rule is subject to the following terms and conditions:
- a. A deposit required as a condition of service due to a prior outstanding account that is not in dispute shall not be more than twice the average peak season monthly bill for the premises or 2 times the Company system average peak season monthly bill for residential service if consumption history for the premises is unavailable (see item # 8 this section). The Company may also require payment of the delinquent account as a condition of providing or continuing service if the prior account is in the customer's or applicant's name, is delinquent and owed to the utility, and accrued within the last 6 years.
- b. A deposit that is required as a condition of providing, restoring, or continuing service due to shutoff for nonpayment shall not be more than 4 times the average peak season monthly bill for the premises or 4 times the Company's system average peak season monthly bill for residential service if consumption history is not available for the premises (see item # 8 this section). The Company may also require payment of the delinquent account as a condition of providing or continuing service if the prior account is in the customer's or applicant's name, is delinquent and owed to the utility, and accrued within the last 6 years.
- c. Unless the applicant misrepresents his or her identity or credit standing or fails to provide positive identification, if requested, at the time of applying for service the Company shall, within 30 days after the applicant applies, decide whether to require a deposit.
- d. The Company shall pay interest at the rate of 9% per annum on all

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deposits. Interest shall be computed semiannually and credited to the account of the customer.

- e. The customer's credit shall be established and the Company shall return the deposit and accrued interest upon satisfactory payment by the customer of all proper charges for gas service for a period of 12 consecutive months.

The Company may retain the deposit required due to unauthorized use, diversion, or interference for a period of 24 months and shall refund the deposit and accrued interest upon satisfactory payment of the final 12 months' charges.

For purposes of this rule, payment is satisfactory if it is made before the issuance of the notice of shutoff of service for nonpayment that is not in dispute or within 3 days after the issuance of the next succeeding monthly bill, whichever is sooner.

- f. Upon termination of service, the deposit, with accrued interest shall be credited to the final bill and the balance, if any, shall be returned promptly to the customer.
- g. The Company shall maintain a detailed record of all deposits received from customers which will include the following:
- i) name of the residential customer
 - ii) address of the premises for which the deposit is retained
 - iii) date the customer made the deposit and the amount paid
 - iv) dates of interest accrual and payment of same
- h. Average Peak Season Monthly Bill – premises' average peak season monthly bill is defined as the highest 5 consecutive month period of consumption at the premises within the previous 12 month period divided by 5, priced at current rates. The Company's system average peak season monthly bill is defined as the average peak season monthly bill computed for all residential premises on the Company's system.
9. The Company shall apply deposit standards uniformly to all customers.
10. Guarantee instead of deposit: Instead of cash deposit as required pursuant to the above rules, the Company will accept written guarantee from a customer in good standing which shall be in effect for not more than 12 months. The written guarantee shall state all of the terms of the guarantee including the maximum amount guaranteed. The Company will not hold the guarantor liable for a greater amount, unless agreed to in a separate written guarantee.

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The Company may withhold the release of a guarantor pending the resolution of a shutoff for nonpayment that is in dispute in accordance with these rules.

C. Utility Procedures:

1. **Applicability-** These procedures shall be applicable to all residential customer inquires and complaints made to the Company regarding residential utility service and charges therefor.
2. **Complaint Procedures-**
 - a. The Company will establish procedures which will insure the prompt, efficient and through receipt, investigation and, where possible, resolution of all residential customer inquires, service requests and complaints regarding residential utility service and charges therefor.
 - b. The Company will obtain Commission approval of any substantive charges in the procedures prior to implementation.
3. **Personnel procedures-** The Company has established personnel procedures which at a minimum insure that:
 - a. Qualified personnel will be available and prepared at all times during normal business hours to receive and respond to all residential customer inquiries, service requests and complaints. The Company will make necessary arrangements to insure that residential customers unable to communicate in the English language receive prompt and effective assistance.
 - b. Qualified personnel responsible for and authorized to enter into written settlement agreements on behalf of the Company will be available at all times during normal business hours to respond to residential customers inquiries and complaints.
 - c. Qualified personnel will be available at all times to receive and initiate response to residential customer contacts regarding any discontinuance of service and emergency conditions occurring within the Company's service area.
 - d. Names, addresses and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the Commission regarding residential customer inquiries, service requests and complaints are current and on file with the Consumer Services Division.

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- 4. Utility Hearing Officers-
 - a. The Company shall employ or contract with competent utility hearing officers who shall be notaries public and qualified to administer oaths and other supporting personnel as necessary to implement this rule.
 - b. Utility hearing officers and Company hearing procedures shall be subject at all times to investigation and review by the Commission to insure the impartiality and integrity of the hearing process.

- 5. The Company will provide such access to its rules regarding residential customer service and residential rates and charges, and will make available to residential customers and prospective residential customers a pamphlet summarizing the rights and responsibilities of residential customers.

D. Physical Discontinuance of Service:

- 1. Time of Discontinuance-
 - a. Subject to the requirements of this rule, the Company may shut off service to a customer on the date specified in the notice of shutoff or at a reasonable time following that date and only between the hours of 8:00 am and 4:00 pm.
 - b. Service will not be discontinued on a day, or a day immediately preceding a day, when the services of the Company are not available to the general public for the purpose of reconnecting discontinued service.
 - c. Service will not be discontinued for an amount that is in dispute while the customer is awaiting the resolution of a complaint with the commission or the Company in accordance with these rules.

- 2. Manner of Discontinuance-
 - a. At least one day preceding shutoff of service the Company shall make not less than 2 attempts to contact the customer by telephone if a telephone number is accessible to the Company to advise the customer of the pending action and what steps the customer must take to avoid shutoff. The Company shall document all attempts to contact the customer.
 - b. Immediately preceding the shutoff of service, an employee of the Company who is designated to perform that function shall identify

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- himself or herself to the customer or another responsible person at the premises and shall announce the purpose of his or her presence.
- c. The employee shall have in his/her possession a copy of the delinquent account of the customer and request any available verification that the outstanding claims have been satisfied or are currently in dispute. Unless the customer presents evidence that reasonably indicates that the claim has been satisfied or is currently in dispute, the employee may shut off service.
 - d. The employee is authorized to accept payment and shall not shut off service if the customer offers payment in full, together with a reasonable charge for sending the employee to the premises as provided in section 17 page 7.9.
 - e. The customer may pay in any reasonable manner, including personal check. Payment by personal check is not reasonable if the customer has paid with a personal check within the last 12 months and the check has been returned for insufficient funds or no account, excluding bank error.
 - f. If the customer or another responsible person is not at the premises and the utility has not made the prior telephone contact provided in sub-rule (a) of this rule, the employee shall leave notice, in a manner that is conspicuous to the customer, that service will be shut off on or after the next business day unless the customer satisfies the outstanding claims. If the customer or another responsible person is not at the premises and the utility has made prior telephone contact with the customer or another responsible person, the employee may shut off service immediately.
 - g. If the customer or another responsible person is not at the premises upon the return of the employee, or upon the first visit if the customer or another responsible person does not respond when it reasonably appears that he or she is at the premises, the employee may shut off service.
 - h. When the employee shuts off service, the employee shall leave a notice in a conspicuous place upon the premises. The notice shall state that service has been shut off, the address and telephone number of the Company where the customer may arrange to have service restored.

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3. Medical Emergency-The Company will postpone the shutoff of service for a reasonable time, but not for more than 21 days, if the customer produces a physician's certification or notice from a public health or social services official stating that the shutoff of service will aggravate an existing medical emergency of the customer, a member of his/her family, or another permanent resident of the premises. The certificate shall identify the medical emergency and specify the period of time during which shutoff will aggravate the emergency. The Company shall extend a total postponement for further periods of not more than 21 days, not to exceed a total postponement of shutoff of service of 63 days, only if the customer produces a physician's certificate. If shutoff of service has occurred without any postponement being obtained, the Company shall restore service for a reasonable time, but not for more than 21 days, and shall continue the restoration for further periods of not more than 21 days, not to exceed a total restoration of service of 63 days, only upon the customer providing a physician's certificate.

4. Restoration of Service-
 - a. After the Company has shut off service, it shall restore service promptly upon the customer's request when the cause has been cured or credit arrangements satisfactory to the utility have been made.
 - b. When the Company shuts off service at the customer's meter, the Company shall make every effort to restore service on the day the customer requests restoration. Except for reasons beyond its control, the Company shall restore service not later than the first working day after the customer's request.
 - c. The Company shall assess the customer a charge for restoring service. Said charge is set at \$40.00.

5. Charges for meter relocation- The Company may assess a meter relocation charge pursuant to Rule No. 20D(4)© in any of the following situations:
 - a. The Company shuts off service by disconnection at the street because they could not gain access to the meter.
 - b. The Company shuts off service for nonpayment on 2 prior occasions.

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- c. The customer or another responsible adult refused to permit the utility access to the meter on 5 separate occasions and all of the following provisions apply:
 - I. the Company can produce documentation of written requests for access
 - II. the Company determines that the account is 3 or more months in arrears and is not in dispute
 - III. the Company has employed reasonable efforts to secure access to the meter
- d. The Company shuts off service due to unauthorized use, diversion, or interference, or the customer acknowledges personal responsibility and the utility bills him/her for unauthorized use, diversion, or interference.

E. Procedures For Discontinuance of Service:

- 1. Discontinuance- Subject to the requirements of this rule, the Company may discontinue service to a residential customer for one or more of the following reasons:
 - a. Non-payment of a delinquent account that accrued within the last 6 years.
 - b. Failure to post a cash security deposit or other form of guarantee as permitted by these rules.
 - c. The customer or others have caused the unauthorized use, diversion, or interference with the utility service situated or delivered on or about the customer’s premises.
 - d. The customer has failed to comply with the terms and conditions of a settlement agreement.
 - e. The customer has refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, or the replacement of equipment that is installed upon the premises.
 - f. The customer has misrepresented his or her identity for the purpose of obtaining utility service.
 - g. The customer has violated any rules of the utility approved by the commission so as to adversely affect the safety of the customer or other persons or the integrity of the utility system.
 - h. A current member of the customer’s household has not paid a delinquent account for service that is not in dispute and that is owed by that person, if the customer lived at the same residence served by the Company at the time that all or part of the debt was incurred by the current member of the customer’s household.

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- i. The customer has requested the termination of service. The Company shall make reasonable efforts to determine that the customer of record has authorized the termination of service.
- F. Discontinuance Prohibited-** The Company shall not shut off service for any of the following reasons:
- a. The customer has not paid for other services that are not an integral part of the utility service that is provided by the utility.
 - b. The customer has not paid for concurrent service received at a separate metering point, residence, or location.
 - c. The customer has not paid for a different class of service received at the same or a different location.
 - d. The customer, such as a landlord, has not paid for service used by another person, such as a tenant. The Company may shut off service, however, in any of the following circumstances:
 - i) If the customer supplies a written statement under oath that the premises are unoccupied.
 - ii) If the premises are occupied and the occupant agrees, in writing, to the shutoff of service.
 - iii) If it is not feasible to provide service to the occupant as a customer without a major revision of existing distribution facilities. Where it is feasible to provide service, the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant refuses, the Company may shut off service pursuant to these rules.
- G. Winter Protection Plan-**
- 1. “Eligible customer” means either an eligible low-income customer or an eligible senior citizen customer.
 - a. “Eligible low-income customer” means a Company customer whose household income does not exceed 150% of the poverty level, as published by the United State department of health and human services, or who receives any of the following:
 - i) Supplemental security income, aid to families with dependent children, or general assistance.
 - ii) Food stamps.
 - iii) Medicaid.

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- b. “Eligible senior citizen customer” means a utility customer who is 65 years of age or older and who advises the Company of his/her eligibility.
2. The Company shall not shut off service to an eligible customer during the space heating season for nonpayment of a delinquent account if the customer is an eligible senior citizen customer or if the customer pays to the Company a monthly amount equal to 7% of the estimated annual bill for the eligible customer and the eligible customer demonstrates, within 14 days of requesting shutoff protection, that he/she has made application for state or federal heating assistance. If an arrearage exists at the time an eligible customer applies for protection from shutoff of service during the space heating season, the Company shall permit the customer to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent space heating season.
3. The Company may shut off service to an eligible low-income customer who does not pay the monthly amounts referred to in sub-rule (2) of this rule after giving notice in the manner required by these rules. The Company is not required to offer a settlement agreement to an eligible low-income customer who fails to make the monthly payments referred to in sub-rule (2) of this rule.
4. If a customer fails to comply with the terms and conditions of this rule, the Company may shut off service after giving the customer a notice, by personal service or first-class mail, that contains all of the following information:
- a) That the customer has defaulted on the winter protection plan.
 - b) The nature of the default
 - c) That unless the customer makes the payments that are past due under this rule within 10 days of the date of mailing, the Company may shut off service.
 - d) The date on or after which the Company may shut off service, unless the customer takes appropriate action.
 - e) That the customer has the right to file a complaint disputing the claim of the Company before the date of the proposed shutoff of service.

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- f) That the customer has the right to request a hearing before a utility hearing officer if the complaint cannot be otherwise resolved and that the customer must pay to the Company that portion of the bill that is not in dispute within 3 days of the date that the customer requests a hearing.
 - g) That the customer has the right to represent himself/herself, to be represented by counsel, or to be assisted by other persons of his/her choice in the complaint process.
 - h) That the Company will not shut off service pending the resolution of a complaint that is filed with the Company in accordance with these rules.
 - i) The telephone number and address of the Company where the customer may make inquiry, enter into a settlement agreement, or file a complaint.
 - j) That the customer should contact a social services agency immediately if the customer believes he/she might be eligible for emergency economic assistance.
 - k) That the Company will postpone shutoff of service if a medical emergency exists at the customer’s residence. *Sec. D page 7.19*
 - l) That the Company may require a deposit and restoration charge if the Company shuts off service for nonpayment of a delinquent account.
5. At the conclusion of the space heating season, the Company shall reconcile the accounts of eligible customers and permit customers to pay any amounts owing in equal monthly installments between April 1 and December 1. The Company may shut off service to eligible customers who fail to make installment payments on a timely basis in the manner required by these rules. At the option of the customer, between April 1 and November 30, the customer may choose to pay 9% of the estimated annual bill each month together with the monthly installment for any pre-enrollment arrearage instead of the amount otherwise owing for actual and reconciled past due amounts. After November 30, the Company shall reconcile the account of any customer who has chosen and fulfilled the obligations of the 9% option by refunding any net over-collection or adding any net under-collection to the customer’s arrearage for the upcoming space heating season. If a customer fails to make all payments that are required pursuant to the 9% option, the Company may immediately reconcile

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his/her account by refunding any net over-collection or by adding any net under-collection to the customer's current bill.

6. The Company shall not require an eligible low-income customer whose utility service has been shut off before applying for protection under this rule to pay a fee for restoring service or a security deposit pursuant to the provisions of rule (2) during the space heating season. The Company will not require an amount greater than one-twelfth of an arrearage owing in order to restore service or initiate participation in the winter protection plan. The 7% payment shall be billed according to normal billing procedures for the Company.

7. An eligible low-income customer may pre-enroll in the winter protection plan between November 15 and November 30 by paying the current usage plus 1/12 of any arrearage and agreeing to the terms of the winter protection plan for the upcoming space heating season. An eligible senior citizen customer may pre-enroll by advising the Company of his/her eligibility. A pre-enrolled customer shall not have his/her service terminated before the commencement of the winter protection plan. A customer who is off service as of November 15 shall be eligible to pre-enroll in the winter protection plan and have service restored immediately after fulfilling the requirements for pre-enrollment. Further, an off service low-income customer who applies during the pre-enrollment period shall be entitled to have all deposits and reconnection fees waived.

H. Notice of Discontinuation of Service:

1. The Company shall not shut off service pursuant to the provisions of (E.1) unless it transmits a notice, by first-class mail, to the customer or personally serves the notice not less than 10 days before the date of the proposed shut off. Notice shall be sent to the account name and address and to the address where service is provided if the service address is different and the transmittal can be delivered to that address. The Company shall maintain a record of the date of transmittal.

2. The Company shall permit a customer to designate a consenting individual or agency to receive a copy of a notice of shutoff.

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3. Not less than 30 days before the proposed shutoff of service to a single-metered dwelling that is used as a residence for five or more families, the Company shall transmit a notice to each dwelling unit that indicates that the customer of record, the landlord, has failed to pay an outstanding bill and is subject to shutoff of service on or after a specified date.
- I. Form of Notice:** A notice of shutoff of service shall contain all of the following information:
- a. The name and address of the customer and, if available, the address at which service is provided, if different
 - b. A clear and concise reason for the proposed shutoff of service
 - c. The date on or after which the Company may shut off service, unless the customer takes appropriate action.
 - d. That the customer has the right to contact the collections department which will assist them in making payment arrangements.
 - e. That the customer has the right to file a complaint disputing the claim of the Company before the proposed date of the shutoff of service.
 - f. That the customer has the right to request a hearing before a utility hearing officer if the complaint cannot be otherwise resolved and that the customer must pay to the utility that portion of the bill that is not in dispute within 3 days of the date that the customer requested a hearing.
 - g. That the customer has the right to represent himself/herself, to be represented by counsel, or to be assisted by other persons of his/her choice in the complaint process.
 - h. That the Company will not shut off service pending the resolution of a complaint that is filed with the Company in accordance with these rules.
 - i. The telephone number and address of the Company where the customer may make inquiry, enter into a settlement agreement, or file a complaint.
 - j. That the customer should contact a social services agency immediately if the customer believes he/she might be eligible for emergency economic assistance.
 - k. That the Company may require a deposit and restoration charge if the utility shuts off service for nonpayment of a delinquent account.
 - l. That the utility will postpone the shutoff of service if a medical emergency exists at the customer's residence.

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- m. That the customer should contact the utility for information about the winter protection plan if the date on or after which shutoff of service may occur is between November 15 and March 31.

J. Disputed Claim

- 1. If a customer advises the Company before the date of the proposed shutoff of service, that all or part of a bill is in dispute, then the Company shall do all of the following:
 - i) Immediately record the date, time, and place the customer made the complaint and transmit verification to the customer
 - ii) Investigate the dispute promptly and completely.
 - iii) Advise the customer of the results of the investigation
 - iv) Attempt to resolve the dispute informally in a manner that is satisfactory to both parties
 - v) Provide the opportunity for the customer to settle the disputed claim or to satisfy any liability that is not in dispute.
- 2. A customer may advise the Company that a claim is in dispute in any reasonable manner, such as by written notice, in person or by a telephone call to the Company
- 3. The Company, in attempting to resolve the dispute in a mutually satisfactory manner, may employ telephone communication, personal meetings, on-site visits or any other technique reasonably conducive to dispute settlement.

K. Hearing. If the parties are unable to resolve the dispute in a mutually satisfactory manner, the Company will afford a customer the opportunity for a hearing before a utility hearing officer. If the customer fails to request a hearing within three days from the date that the opportunity for a hearing is offered or if the customer fails to pay the amount which represents that part of the bill not in dispute within three days of the date that the hearing is requested, the Company may exercise its rights pursuant to these Rules.

L. Payment of amount not in dispute.

- a. If a customer requests a hearing before a utility hearing utility officer, he must pay to the Company an amount equal to that part of the bill not in dispute.

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- b. The amount not in dispute will be mutually determined by the parties. The parties will consider the customer’s prior consumption history, weather variations, the nature of the dispute and any other pertinent factors in determining the amount not in dispute.
- c. If the parties are unable to mutually determine the amount not in dispute, the customer must pay to the Company 50% of the bill in dispute not to exceed \$100.00 per billing period which will represent the amount not in dispute.
- d. The amount not in dispute will be subject to review at the hearing before the utility hearing officer in accordance with Rule No. 20E(10).
- e. Failure of the customer to pay to the Company the amount not in dispute within three days of the date that the hearing as requested shall constitute a waiver of the customer’s right to the hearing, and the Company may then proceed to discontinue service as provided in Rule No 20E.
- f. If the dispute is ultimately resolved in favor of the customer in whole or in part, any excess moneys paid by the customer will be refunded promptly with interest at the rate specified pursuant to the provisions of Rule No. 20B.

M. Notice of Hearing-

- a. The customer and the Company shall be mailed or personally served written notice of the time, date and place of the hearing at least ten days prior to the hearing.
- b. The notice shall describe the hearing procedures as contained in this rule.
- c. Failure of the customer or the Company to attend the hearing without due cause or prior request for adjournment constitutes a waiver of the right of that party to the hearing.

N. Hearing Procedures-

- a. The customer and the Company shall have all of the following rights at the hearing:
 - i) The right to represent themselves, to be represented by counsel, or to be assisted by a person of their choice.
 - ii) The right to examine, not less than two days prior to a scheduled hearing, a list of all witnesses who will testify and all documents, records, files, account data and similar material

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- which may be relevant to the issues to be raised at the hearing.
- iii) The right to present evidence, testimony and oral and written argument.
 - vi) The right to confront, question and cross-examine witnesses appearing on behalf of the other party.
- b. A hearing requested by the customer or his authorized representative shall be held at a time during normal business hours. The Company will take reasonable steps to insure that customers unable to attend hearings due to physical incapacity shall not be denied the right to a hearing.
 - c. Burden of proof will be upon the Company
 - d. All witnesses shall testify under oath.
 - e. All hearings shall be informal and the proceedings need not be recorded or transcribed. All evidence relevant to the dispute shall be received and the formal rules of evidence shall not apply.
 - f. For each hearing, the utility hearing officer shall compile a hearing record which contains all of the following:
 - i) A concise written statement of the position of the Company relative to the dispute
 - ii) A concise written statement of the position of the customer relative to the dispute. If the customer has not reduced, or is unable to reduce, the customer's position to writing, the hearing process shall provide a method for accomplishing this with the opportunity for proper acknowledgement by the customer.
 - iii) Copies of all evidence submitted by the parties.
 - g. At the conclusion of the hearing, the utility hearing officer may orally state his or her findings and the decision will be transmitted within seven days. At the request of the customer, the utility hearing officer shall adjourn the hearing and transmit the decision within seven days. In all cases, the utility hearing officer shall issue a complaint determination in a form that is approved by the Commission. The complaint determination shall contain both of the following:
 - i) A concise summary of the evidence and arguments presented by the parties.
 - ii) The decision, and reasons for the decision, of the utility hearing officer based solely upon evidence received.

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- h. At the conclusion of the hearing and again upon issuance of the complaint determination, the utility hearing officer shall advise the customer and the Company of all of the following:
 - i) That each party has a right to make an informal appeal of the complaint determination.
 - ii) That , if appealed, the decision of the utility hearing officer, including a finding that service may be shut off, cannot be implemented until review by the commission staff.
 - iii) The address and telephone number where the customer or the utility may make an informal appeal to the commission staff.
- i. Before issuance of a complaint determination, the utility hearing officer may propose a settlement to the parties. If both parties accept the settlement, it shall be reduced to writing and signed by both parties.
- j. Within 7 days of the conclusion of the hearing, the utility hearing officer shall serve the parties with all of the following:
 - i) A copy of the complaint determination
 - ii) Appeal information as provided in sub-rule (h) of this rule
 - iii) If applicable, a copy of the signed settlement agreement
- k. The complaint determination and a copy of the signed settlement agreement, if any, shall be made part of the hearing record. The utility hearing officer shall certify the hearing record.
- l. The complaint determination is binding upon the parties unless appealed as provided in these rules.

O. Settlement Agreement.

- 1. If the Company and the customer arrive at a mutually satisfactory settlement of a claim in dispute or if the customer does not dispute liability to the Company, but claims the inability to pay the outstanding bill in full, then the Company shall offer the customer the opportunity to enter into a settlement agreement.
- 2. A settlement agreement shall be in writing and signed by the customer or his or her authorized representative and an authorized representative of the Company. The Company shall confirm, in writing, a settlement reached by telephone and shall transmit the settlement to the customer with instructions to sign a confirming copy and return it in a postage-paid, self-addressed envelope. The Company shall retain the original settlement agreement for 2 years.

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- 3. In negotiating a settlement agreement due to the customer’s inability to pay an outstanding bill in full, the Company shall not require the customer to pay more than a reasonable amount of the outstanding bill upon signing the agreement and not more than reasonable installments until the remaining balance is paid.
- 4. For purposes of determining reasonableness, the parties shall consider all of the following factors:
 - a. The size of the delinquent account
 - b. The customer’s ability to pay
 - c. The time that the debt has been outstanding
 - d. The reasons that the customer has not paid the bill
 - e. The customer’s payment history
 - f. Any other relevant factors concerning the circumstances of the customer
- 5. A settlement agreement that is offered by the Company shall state, immediately preceding the space provided for the customer’s signature and in bold print that is not less than 2 sizes larger than any other print that is used on the form: **“If YOU ARE NOT SATISFIED WITH THIS AGREEMENT, DO NOT SIGN. YOU MAY FILE AN INFORMAL COMPLAINT AND HAVE A HEARING BEFORE A UTILITY HEARING OFFICER BEFORE YOUR SERVICE MAY BE SHUT OFF. IF YOU DO SIGN THIS AGREEMENT, YOU GIVE UP YOUR RIGHT TO AN INFORMAL HEARING BEFORE A UTILITY HEARING OFFICER ON ANY MATTER INVOLVED IN THIS DISPUTE EXCEPT THE UTILITY’S FAILURE OR REFUSAL TO FOLLOW THE TERMS OF THIS AGREEMENT.”**

P. Default of Settlement Agreement

- 1. If a customer fails to comply with the terms and conditions of a settlement agreement, the Company may shut off service after giving the customer a notice, by personal service or first-class mail, that contains all of the following information:
 - a. That the customer is in default of the settlement agreement
 - b. The nature of the default
 - c. That unless the customer pays in full within 10 days of the date of mailing, the Company may shut off service.
 - d. The date on or after which the Company may shut off service

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- e. That the customer has a right to request a hearing before a utility hearing officer only if the customer alleges that the Company has failed or refused to follow the terms of the settlement agreement
- f. The address and telephone number where the customer may file the request for a hearing with the Company
- 2. The Company is not required to enter into a subsequent settlement agreement with a customer until he/she has complied fully with the terms of a previous settlement agreement.
- 3. The Company is not required to enter into a subsequent settlement agreement with a customer who defaulted on the terms and conditions of an agreement within the last 2 years
- 4. If the customer and the Company reach a settlement agreement following a notice of shutoff, the failure of the customer to abide by the terms of the settlement agreement during the first 60 days of the agreement constitutes a waiver of the notice required by sub-rule (A) of this rule.

Q. Same Dispute

The Company may disregard a customer complaint or dispute that involves the same question or issue based upon the same facts, and is not required to comply with these rules more than once before shutoff of service.

R. Emergency Shutoff

Notwithstanding any other provision of these rules, the Company may shut off service temporarily for reasons of health or safety or in a state or national emergency. When the Company shuts off service for reasons of health or safety, the Company shall leave a notice with the customer stating that service was shut off for emergency reasons.

S. Restoration of Service/Transfer Fees

- 1. The fee charged for restoration of service (re-connect) at the meter is \$40.00.
- 2. The fee charged for transfer of service from one customer to another is \$40.00.

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21. Main Extensions:

A. General:

The Company reserves the right to make extension of its gas mains from time to time to serve prospective customers whose gas requirements will not, in the judgement of the Company, disturb or impair gas service to existing customers. Extensions may be made either (1) at the initiative of the Company or (2) in the case of application by a prospective customer or customers, in accordance with and subject to the following provisions of this rule.

B. Main Extensions Pursuant to Customer Application:

1. Upon application or inquiry by a prospective customer or customers for an extension of the Company's mains, the Company will make the requested main extension at Company expense if, in the judgment of the Company, the gas requirements of the prospective customer or customers will not disturb or impair gas service to existing customers and the estimated annual revenues there from reasonable warrant the capital expenditure required.
2. If upon application by a prospective customer or customers for an expansion of the Company's mains, the Company determines that the gas requirements of the prospective customer or customers will not disturb or impair gas service to existing customers, but that the estimated capital expenditure required exceeds three times the estimated annual net revenue (estimated annual gross revenue less cost of gas) there from, the Company may, as a condition of making the requested extensions, require the prospective customer or customers to make a monetary contribution in aid of construction, not to exceed the difference between the estimated cost of the requested extension and three times the estimated annual net revenue.

22. Limitations On Availability Of Service:

- A. During periods in which the total demands for natural gas exceed available supplies, the public interest requires that the sale of gas for new uses be controlled in a manner which will provide the greatest good for the greatest number of people. Gas must not be dissipated by uncontrolled new sales for inferior uses, but rather, must be conserved for sale for the most necessary and desirable purposes. Consequently, gas service under all applicable rate schedules of the Company shall be subject to control and limitation pursuant to the provisions of this rule notwithstanding anything to the contrary that may appear elsewhere in these Rules and Regulations or in the Company's rate schedules.

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The Company may limit or deny firm gas service to new customers and to existing customers requesting additional gas when the Company concludes that it is necessary to do so to conserve the Company’s gas supply for higher priority service. Such limitation or denial will be imposed in a uniform manner in accordance with the end use to be made of the gas, with inferior uses being controlled first. For control purposes, the following categories of use are hereby established, of which Category Six constitutes the lowest priority use and Category One the highest priority use:

CATEGORY ONE

The use of natural gas by any residential or commercial customer for any purpose except space heating or space heating and air conditioning, including, but not limited to , incinerators and gas fired after burners to limit or abate obnoxious odors or air pollution.

CATEGORY TWO

The use of natural gas by any residential customer for space heating or for space heating and air conditioning in addition to the other uses referred to in Category One.

CATEGORY THREE-A

The use of natural gas by any industrial customer for industrial processing together with space heating, or in gas fired after burners to limit or abate obnoxious odors or air pollution, where natural gas is the only feasible form of energy which can be utilized and where failure to obtain adequate supplies of natural gas for such purposes would impair operations by such customers.

CATEGORY THREE-B

The use of natural gas by any existing commercial or industrial customer (excluding steam or electric generation by utilities) for the correction of air or water pollution problems where the Michigan Air Pollution Control Commission or the Michigan Water Resources Commission has notified such customer that it is violating air or water pollution control standards and regulations, and it is established that other fuels are not feasible for use. Upon receipt of such notice from the appropriate commission, a customer desiring gas for such use shall file an application for gas service pursuant to this rule.

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CATEGORY FOUR

The use of natural gas by any customer for central space heating or for space heating and air conditioning in commercial buildings, publicly owned buildings and structures, and facilities operated by educational, charitable and nonprofit institutions for the public good.

CATEGORY FIVE

The use of natural gas for all other purposes except for the generation of steam and electricity by utilities, or for the operation of kilns which can be fired by other fuels.

CATEGORY SIX

The use of natural gas for the generation of steam or electricity by utilities, and the firing of kilns.

Notwithstanding the provisions of the foregoing categories, the Commission shall have jurisdiction to consider gas service for any customer who has a pollution problem which presents an unusual threat to the public health and welfare and the use of natural gas offers the only feasible solution to the problem. The matter of such service will be considered by the Commission pursuant to its Rules and Practice relating to petitions or complaints and, after public notice and hearing, the Commission may, if it shall find that the public interest will be served thereby, assign a priority of use to such customer which is higher than that to which the customer would otherwise be entitled.

Applicants will be attached within each category on a “first come-first served” basis.

Existing firm service customers who wish to connect additional gas burning equipment or new and existing firm service customers seeking service at new locations, except those seeking gas for residential use or for single family space heating use, must make written application for such service on a form to be provided by the Company. All such service shall require prior approval of the Company, which shall be in writing except with respect to service for residential use or for single family space heating use. Such approval shall be entirely within the discretion of the Company, subject to the following limitations.

- a) During a period of curtailment under Rule No. 23, or during a period when Category Two is being curtailed under Rule No. 24, no attachments of additional gas-burning equipment by existing customers or the addition of new customers in any category will be permitted.

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- b) During a period of any curtailment under Rule No 24, no attachment of any additional gas-burning equipment or any new customer classified with in a category then being curtailed will be permitted. If the Company continues to attach new customers during a period of curtailment under Rule No. 24, then it will file with the Commission supply and demand forecasts which support the continued attachment of new customers.

Applications will specify the time within which service must be commenced, and no firm commitment to serve any applicant will be made until the applicant has demonstrated to the satisfaction of the Company that the applicant is ready to proceed, in a timely manner, with the construction and installation of the necessary facilities. In the event that the installation of such facilities is not completed and service commenced by the date specified in the application, said approved application shall be void.

Applications for new or additional gas service which are not initially approved by the Company under this program shall be kept on file by category and date application is received. As the available gas supply permits, applications on file will be approved in accordance with category and date of filing. Any applicant whose application for gas service is thus approved shall notify the Company in writing, within 30 days after the date of notice of approval, of the applicant's intention to accept gas service; otherwise such approved application shall be void.

From time to time the Company may have volumes of gas available to it which, in its judgment. Should not be permanently disposed of for lower priority uses, but should be available for future sale for more essential uses. Such volumes of gas may be sold by the Company for any purpose under contracts limited as to time and volume, thus preserving such volumes for ultimate sale for essential uses.

The Company reserves the right to discontinue service to any customer who violates any of the provisions of this rule.

23. Curtailment of Gas Service for Emergency

If in the event of an emergency such as extreme cold weather, loss or reduction of gas supplies, damage to facilities, or other cause, the Company determines that its supply of gas or its ability to supply gas may diminish to the point where continuous service to its customers is threatened, the Company shall have the right to curtail the distribution of gas to its firm commercial and industrial customers, irrespective of the contracts in force, after initiating interruptions of gas service permitted in accordance with applicable rate schedules.

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The curtailment of service shall apply to all firm commercial and industrial customers consuming annual volumes of firm gas equal to or greater than ten million cubic feet. For purposes of determining those customers subject to curtailment under this rule, the following criteria shall be applied by the Company:

- a) “Commercial customers” shall include all customers which consume gas for use other than those involving manufacturing or electric power generation and are engaged primarily in the furnishing or sale of goods or services, including local, state and federal government agencies and other public or private institutions, but excluding schools and buildings used for permanent or transient residence.
- b) “Industrial customers” shall include all customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
- c) In order to determine the annual volumes of firm gas consumed by its commercial and industrial customers, the Company shall determine the gas used during the preceding calendar year for all buildings, parts of buildings and equipment associated with each customer’s gas billing in accordance with the Rules and Regulations of the Company.

If a curtailment becomes necessary, the Company shall at once notify all such firm commercial and industrial customers of the nature and extent of such curtailment and the amount of gas estimated to be available during the period of the curtailment.

The total curtailment shall equal the deficiency of gas brought about by the demands of all firm customers in the Company’s system during the period of curtailment. Such curtailment shall be prorated, so gas as practicable, on a uniform percentage basis of the normal requirements of each commercial and industrial customer subject to this rule, unless the curtailment of such customer would endanger public health and safety or plant protection as defined in paragraphs I (8) & (9) of Rule No. 24, in which case the Company shall make such adjustments as it may deem appropriate.

The normal requirements of each commercial and industrial customer curtailed shall be considered to refer to the volume of gas taken by the customer in the same month occurring one year prior to the month in which the customer is to be curtailed. In those instances where the customer’s consumption of gas in the same month of he prior year does not fairly represent normal operation of the customer’s facility or facilities, the Company may make reasonable adjustments to normalize the customer’s load.

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Prior to or during the period of curtailment, curtailed customers may make written application to utilize the aggregate of any remaining volumes of natural gas not curtailed, for any end uses at any of their facilities within the Company’s service area, provided that such use is not in violation of any existing contracts and delivery of such volumes is within the capability of the Company’s facilities. If, after filing said application, a customer consumes more gas for a curtailed use than would otherwise be available, the volumes in excess of those otherwise available shall be filled at the rate or rates applicable to the use from which such gas is diverted.

A customer shall not be liable for any part of a monthly service charge provided in a rate schedule if such customer’s consumption under that rate is completely curtailed for the entire billing period. No other rate adjustments will be permitted.

During a period when a curtailment has been instituted pursuant to this rule, any gas used by a customer in excess of the volumes authorized shall be subject to excess use charges, with such charges being in addition to those normal charges made under the applicable rate schedules. Charges for such excess usage shall be equal to five times the applicable rate schedule commodity charge at the time of the excess use violation. Failure to pay an excess use charge when rendered shall subject the customer to termination of gas service.

The Company reserves the right to inspect the customer’s equipment, to install special metering, and to immediately terminate gas service for violations of this rule. Once gas service is terminated, the Company may withhold gas service until it is satisfied that the terms and conditions of this rule will be observed.

The Company shall have discretion subject to review by the Commission to determine whether a reduction in the supply of gas to its system requires a curtailment of gas service for emergency under the provisions of this Rule No. 23 or a curtailment for gas supply deficiency under the provisions of Rule No. 24. Curtailment under Rule No. 23 shall not exceed 18 months duration.

Nothing in this rule shall prevent a customer from challenging the continuation of a curtailment or abridge the customer’s right to appeal any such determination to the Commission.

24. Curtailment of Service for Gas Supply Deficiency:

A. Determination of Need for Curtailment:

When the Company determines (subject to review by the Commission) that its

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supply of gas may diminish to the point where continuous service to its customers its threatened, the Company shall have the right to curtail the distribution of gas to all customers in its system, irrespective of the contracts in force, in accordance with the provisions of this rule.

B. Method of Curtailment

Curtailment of gas service hereunder shall be imposed in a uniform manner in accordance with the end use to be made of the gas, with the lowest priority use being curtailed first. For purposes of curtailment, the following categories of use are hereby established, of which Category Six constitutes the lowest priority use and Category One the highest priority use:

CATEGORY ONE

Residential gas requirements, commercial gas requirements having a maximum day requirement of less than 50 MCF, requirements for services essential for public health and safety, and requirements for plant protection.

CATEGORY TWO

Commercial gas requirements having a maximum day requirement of less than 300 MCF, industrial gas requirements having a maximum day requirement of less than 300 MCF, and industrial gas requirements for feedstock and process needs.

CATEGORY THREE

Commercial and industrial gas requirements not specified in Categories One, Two, Three, Four, Five or Six.

CATEGORY FOUR

Commercial and industrial gas requirements for boiler fuel use having a maximum day requirement of 300 MCF to 1,500 MCF.

CATEGORY FIVE

Commercial and industrial gas requirements for boiler fuel use having a maximum day requirement of 1,500 MCF to 3,000 MCF.

CATEGORY SIX

Commercial and industrial gas requirements for boiler fuel use having a maximum day requirement of 3,000 MCF or more.

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The total curtailment shall equal the estimated deficiency of gas brought about by the demands of all customers in the system of the Company as determined by the Company. Category Six will be curtailed first followed by Categories Five, Four, Three, Two and One. Curtailments may be simultaneously instituted in more than one category; provided, however, that no curtailment shall be made of gas volumes falling within any category during any period in which gas service continues in lower priority categories. When curtailment of less than 100 percent of the volume falling within a category is required, the volume to be curtailed shall be determined by the Company on a pro rata basis between affected customers using total base period volumes within that category.

Prior to or during the period of curtailment, curtailed customers may make written application to utilize the aggregate of any remaining volumes of natural gas not curtailed, for any end uses at any of their facilities within the Company’s service area, provided that such use is not in violation of any existing contracts and delivery of such volumes is within the capability of the Company’s facilities. If, after filing said application, a customer consumes more gas for a curtailed use than would otherwise be available, the volumes in excess of those otherwise available shall be billed at the rate or rates applicable to the use from which such gas is diverted.

C. Determination of Customer Consumption and Requirements:

For the purposes of determining the volume within each curtailment category, a fixed base period will be established as hereinafter set forth. This base period shall be twelve consecutive monthly consumptions selected from the 24 month period ending 18 months prior to the commencement of the first curtailment under this Rule No. 24. In those instances where the customer has encountered strikes, interruption of gas service or unavoidable operational abnormalities, the Company may make reasonable adjustments to normalize the customer’s requirements. Base period volumes shall be adjusted for customer’s or equipment added or deleted.

In determining monthly consumptions, the Company shall determine the gas used during each month of the 24-month period described above for all buildings, parts of buildings and equipment associated with each customer’s gas billing in accordance with the Company’s Rules and Regulations. Volumes specified in the curtailment categories shall apply in the aggregate for all equipment with the same end use rather than on a unit-of-equipment basis.

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The monthly consumptions so determined, with such adjustments as provided above, shall then be divided by the number of billing days in each month to arrive at the various maximum day requirements specified in the curtailment categories. In determining a customer’s curtailment category, the highest maximum daily requirement in the twelve-month period selected shall be used.

D. Certification:

At least 15 months prior to the beginning of the first curtailment under this Rule No. 24, the Company shall provide a form listing the 24 monthly consumptions from which the base period is selected, to each customer having at least one month’s consumption in excess of 300 MCF on a maximum day during this period. Each such customer shall certify on this form its selection of the twelve-consecutive-month base period as described in Section C and the distribution of its monthly volumes by curtailment category as described in Section B. It is the responsibility of such customer to return the certification form to the Company within 60 days.

Upon receipt of the certification, the Company shall verify the accuracy of the response. Customers will be given an opportunity to review inconsistencies before the Company decides the proper curtailment category classification.

Should such customer fail to return the certification within 60 days, the Company shall establish the base period volumes and distribute such volumes by curtailment category in accordance with such information as may be available.

E. Notice of Curtailment:

The Company shall provide twelve months’ advance written notice of curtailment under this rule to all customers to be curtailed, except when actions by governments preclude the giving of such notice. The notice will state the starting date, anticipated duration and expected level of curtailment. Prior to and during the period of curtailment, all customers affected thereby shall be given notice of 30 days setting forth the volumes of gas to which they will be entitled for the following month. In addition, each quarter the Company will provide a forecast to each affected customer of the Company’s supply deficiency for the ensuing twelve-month period.

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F. Rate Adjustments:

A customer shall not be liable for any part of a monthly service charge provided in a rate schedule if such customer’s consumption under that rate is completely curtailed for the entire billing period. No other rate adjustments will be permitted.

G. Enforcement:

The Company reserves the right to inspect the customer’s equipment, to install special metering, and to immediately terminate gas service for violations of this rule. Once gas service is terminated, the Company may withhold such service until it is satisfied that the terms and conditions of this rule will be observed.

H. Penalties for Violation:

Any gas used by a customer in excess of the volumes authorized during the period when a curtailment has been instituted pursuant to this rule shall be subject o excess use charges, with such charges being in addition to those normal charges made under the applicable rate schedules. Charges for such excess usage shall be equal to five times the applicable rate schedule commodity charge at the time of the excess use violation. Failure to pay an excess use charge when rendered shall subject the customer to termination of gas service.

I. Glossary:

The following terms used in this rule shall have the meanings hereinafter set forth:

- a) “Residential gas Requirements” shall include all direct natural gas usage for space heating, cooking, water heating, and other residential uses in a single family dwelling or in an individual flat or apartment; or to two or more households served by a single meter (one customer) in a multiple family dwelling, or a portion thereof. A “multiple family dwelling” includes such living facilities as, for example, cooperatives, condominiums and apartments, provided that each household within such multiple family dwelling has normal household facilities such as bathroom, individual cooking and kitchen sink. A “multiple family dwelling” does not include such living facilities as, for example, penal or corrective institutions, motels, hotels, dormitories, nursing homes, tourist homes, military barracks, hospitals, special care facilities or any other facilities primarily associated with the purchase, sale or supplying (for

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- profit or otherwise) of a commodity, product or service by a public or private person, entity, organization or institution.
- b) “Commercial gas requirements” shall include all service to customers engaged primarily in the furnishing or sale of goods or services, including schools, local, state and federal government agencies, and other public or private institutions for uses other than those involving manufacturing or electric power generation.
 - c) “Industrial gas requirements” shall include all service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
 - d) “Boilers” shall mean all closed vessels in which a liquid is heated or vaporized by the combustion of fuel for the generation of steam or hot liquid. The utilization of gas turbines for the generation of electricity shall be defined as a boiler.
 - e) “Feedstock gas” is natural gas used as a raw material for its chemical properties in creating an end product.
 - f) “Process gas” is natural gas used in appliances capable of burning only a gaseous fuel so as to utilize those combustion characteristics of gaseous fuels such as complete combustion, safe combustion products, flame geometry, ease of temperature control to precise levels, and optimum safety of heat application. Specifically excluded are boilers, gas turbines, space heating equipment (other than direct fired air make-up heaters for process purposes) and indirect air heaters.
 - g) “Alternate fuel capability” means that an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed or the alternate fuel is available; provided, however, that where the use of natural gas is for plant protection and the only alternate fuel is propane or other gaseous fuel, then the customer will be treated as having no alternate fuel capability.
 - h) “Requirements for service essential for public health and safety” shall mean gas purchased for food processing; for use by or in connection with hospitals, convalescent homes, nursing homes, medical centers and clinics; water and sewage treatment and waste disposal facilities; civil defense centers and public utility buildings; newspapers, radio and television stations; fire stations; police stations, jails and penal institutions; and for such other uses of gas as are found qualified by the Commission as requirements for services essential for public health and

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safety; provided, however, that requirements for boilers which have alternate fuel capability shall not qualify as requirements for services essential for public health and safety without the express authorization of the Commission after hearing.

- i) “Requirements for plant protection” shall mean such minimum volumes of gas as required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.

25. Centrally Metered Installations:

A. For purposes of this rule, a centrally metered installation is one that meets all of the following conditions:

- 1)The installation is served by a single meter set assembly. “Meter set assembly” means the piping and fittings which are installed to connect the inlet side of the meter to the gas service line, and to connect the outlet side of the meter to the customer’s fuel line.
- 2)The fuel lines are buried underground from the central meter set assembly to the location at which each fuel line enters each customer’s building or mobile home at its outside wall.
- 3) (i) Where the complex consists of buildings, two or more separate buildings such as apartments, multiple family dwellings, dormitories or similar buildings are supplied with gas and at least two buildings so supplied contained four or more living units, or
(ii) Where the complex consists of mobile homes, four or more mobile homes used as living units are supplied with gas.

B. The Company will not furnish gas service to any centrally metered installation, except to a centrally metered installation that meets all of the following conditions:

- 1) The installation was substantially in place prior to April 29, 1974.
- 2) Title to the fuel lines from the central meter set assembly to the location at which each fuel line enters the building or mobile home is transferred to and vested in the Company.
- 3) Arrangements satisfactory to the Company are made, in suitable written agreements, under which the Company has exclusive maintenance and

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operating responsibility for and is the designated operator of (within the meaning of the Michigan Gas Safety Code), the fuel line from the central meter set assembly to the location at which each fuel line enters the building or mobile home.

26. Testing of Meters:

A. Pre-installation Inspections and Tests:

A meter or associated metering device not included as a part of the meter, or both, shall be inspected and tested before being placed in service, and the error shall not be more than 1.0%. Alternatively, methods of sample testing acceptable to the Commission may be used.

B. As Found Tests:

A meter or associated metering device, or both, shall be tested after it is removed from service. Such tests shall be made before the meter or associated metering device, or both, is adjusted, repaired, or retired.

C. Leak Tests:

A repaired meter or a meter that is removed from service shall be leak-tested before being returned to service. If tested in the field, a meter shall be tested at the actual operating pressure of the system. If tested in the shop, a meter that will operate at normal residential utilization pressure shall be subjected to an internal pressure test of not less than 3 p.s.i.g. and any meter that will operate above normal residential utilization pressure shall be so marked on the meter and shall be subjected to an internal pressure test of not less than the manufacturer's rated operating pressure or any suitable test approved by the Commission. During the pressure test the meter shall be checked for leaks by an immersion test, or by the soap test, or by a pressure-drop test of a type acceptable to the Commission.

D. Requested Tests:

The Company shall test meter accuracy upon request of a customer, if the customer does not request a test more than once every two years, and if the customer agrees to accept the results of the test as the basis for determining the difference claimed. No charge shall be made to the customer for the first test in any five-year period, but if subsequent tests during the same period, for the same customer, show the meter to be within the allowable limits of accuracy, the Company may charge the customer for subsequent tests an

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amount which is uniform and does not exceed the Company's direct cost of the test, plus a reasonable administrative overhead. The customer may be present at the test if the customer makes request for same prior to the test. A report in writing shall be made to the customer by the Company stating the results of the test; and a record of the test shall be kept by the Company.

E. Periodic Tests:

The Company shall make periodic tests of meters, associated devices, and instruments to insure their accuracy, according to the following schedule, unless the Commission shall otherwise authorize:

- (1) Positive displacement diaphragm-type meters with capacities of 500 CFH and under—10 years
- (2) Positive displacement diaphragm-type meters with capacities over 500 CFH—7 years
- (3) Other meter types, such as proportional, rotary, and turbine, which may be tested in place when possible—2 years
- (4) Orifice meters—6 months
- (5) Gas instruments, such as base volume, base pressure, and base temperature correcting devices, shall be removed and checked for calibration at intervals corresponding to the schedule for their associated meters, and shall be checked for calibration in place at intervals of not more than—2 years.
- (6) Test bottles, 1 cubic foot—10 years.
- (7) Dead weight testers—10 years.
- (8) Certified test meter—10 years.
- (9) Meter testing systems shall be calibrated when first installed and following alterations, damages, or repairs, which might affect accuracy. To assure that the accuracy of a meter testing system is maintained on a continuous basis, a daily leakage test shall be made and a weekly accuracy test with a comparison meter of known accuracy shall be made. If the test results differ by more than plus or minus 0.5% from the comparison meter, the cause of the error shall be determined and necessary corrections shall be made prior to re-use of the system. The comparison meter shall be checked at an interval of—1 month.

27. Meter Errors:

A. Billing Adjustments:

If a meter is found to have an average error of more than 2%, an adjustment

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of bills for service for the period of inaccuracy shall be made in the case of over-registration and may be made in the case of under-registration. The amount of the adjustment shall be calculated on the basis that the meter is 100% accurate with respect to the testing equipment used to make the test.

B. Amount of Adjustment:

If the date the error in registration began can be determined, such date shall be the starting point for determination of the amount of adjustment. If the date the error in registration began cannot be determined, it shall be assumed that the error existed since the meter was last installed on the present premises.

Recalculation of bills shall be made on the basis of actual monthly consumption, if possible. Otherwise, an average monthly consumption determined from the most recent 36 months' consumption data shall be used.

C. Refund:

Refunds shall be made to the 2 most recent customers who received service through the meter found to be in error; however, the period shall not exceed 6 months. In the case of a previous customer who is no longer a customer of the Company, a notice of the amount of the refund shall be mailed to such previous customer at the customer's last-known address, and the Company shall, upon demand made within 3 months thereafter, refund the same.

If the recalculation of billing for an existing customer, or for a previous customer no longer a customer of the Company, indicates that the amount of the refund due such existing or previous customer is equal to, or in excess of, an average of 10 cents per month for the recalculated billing period, the full amount of the refund shall be made, except that no refund less than \$1.00 need be made to an existing customer and no refund less than \$2.00 need be made to a previous customer who is no longer a customer of the Company.

D. Re-billing:

If the recalculation of billing indicates that the amount due the Company is equal to, or in excess of, the amounts set forth in paragraph C of this rule as minimum refunds, the Company may bill the customer for the amount due, provided that in no case shall the period covered by the billing exceed 6 months unless otherwise ordered by the Commission. Any re-billing policy adopted by the Company based on minimum amounts in excess of those set forth in paragraph C of this rule shall be uniformly applied to all customers.

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E. Consumption Data Records:

Records of all consumption data and other data necessary for the administration of adjustment of bills shall be maintained for a minimum period of 36 months.

28. Un-metered Gas:

Whenever a meter fails to register, the Company may render an estimated bill based upon past service records or other available service data.

In case of tampering or unauthorized use, probable consumption will be determined by the maximum quantity of gas estimated to have been consumed by the various gas burning equipment of the customer, and a bill will be rendered accordingly for a period encompassing six months prior to the detection of the tampering or unauthorized use.

29. Introduction of Other Gaseous Fuels into Connected Piping:

Except with respect to customers maintaining authorized standby facilities, pursuant to service under an interruptible service rates schedule or other authorization from the Company, the Company shall have right to refuse gas service to customers that use another gaseous fuel, when the piping for such other gaseous fuel is connected, downstream from the meter or a service regulator when a meter is not provided, with the piping supplying natural gas to the customer’s gas appliances.

30. Sub-meter and Re-sale of Gas Prohibited:

No gas supplied by the Company shall be sub-metered or re-sold by the customer.

31. Responsibility of the Customer to Notify the Company of Hazardous or Potentially Hazardous Conditions:

If a customer learns of (a) any gas leak at the customer’s premises, or (b) any interruption in the supply of gas to the customer’s premises, or (c) any other condition which makes the rendering of gas service at the customer’s premises hazardous or potentially hazardous, the customer shall immediately notify the Company.

32. Other Notices to be Given by the Customer:

The customer shall give the Company reasonable advance written notice of any intention to materially increase the customer’s gas requirements or to change the character of the customer’s service or use of gas.

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Immediately upon sale, lease or any other change in occupancy of the premises or any portion thereof supplied with gas service by the Company, the customer shall give written notice to the Company of such change.

33. Stoppage of Supply and Company Liability:

The Company will endeavor, but does not guarantee, to furnish a continuous supply of gas, as uniform as is reasonably practicable, except where rate schedules provide otherwise.

The Company may interrupt gas service for the purpose of making alterations and repairs, for such time as may be reasonable or appropriate. Except in case of emergency, the Company shall endeavor to give the affected customers reasonable notice of its intention to do so, and shall endeavor to arrange such interruptions so as to inconvenience the customers as little as possible. Such interruptions shall not constitute a breach of contract and shall not render the Company liable for damages suffered thereby or excuse the customer from fulfillment of the customer’s obligations.

The Company may interrupt or limit gas service when it deems that an interruption or limitation in service is warranted for reasons of health or safety or accident or other emergency. Such interruption or limitation shall not constitute a breach of contract and shall not render the Company liable for damages suffered thereby or excuse the customer from fulfillment of the customer’s obligations.

In any case of stoppage of the flow of gas to customers, whether caused by accident, repairs, force majeure, or other cause, the Company shall not be liable for any damage that may arise there from or for damages of any kind that may be caused by severe cold weather.

34. Customer’s Piping and Appliances, Use of Gas, and Company Liability:

The Company shall not be liable to the customer or to third parties for any loss, injury or damage resulting from the use of the customer’s piping or appliances equipment or from the use of gas furnished by the Company or from the connection of the Company’s facilities with the customer’s piping and appliances.

35. Force Majeure:

Neither the Company nor the customer shall have any liability for breach of any obligations provided for in these Rules and Regulations if such breach is caused in any part by acts of God, the elements, strikes, lockouts, fires, acts of the public

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enemy, wars, riots, blockades, insurrections, epidemics, landslides, lightning, earthquakes, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests or restraint of rulers or peoples, temporary interruptions of supply, civil disturbances, explosions, breakage or repair of pipelines and machinery, line freeze-ups, failure of suppliers to deliver, shortages of material or labor, governmental authorities to act, or other causes or contingencies not within the control of the party who is claimed to have breached its obligations. (A failure to settle or prevent any strike or other controversy with employees shall not be considered to be a matter within the control of the party claiming suspension.)

Such causes or contingencies shall not, however, relieve the Company or the customer of the liability in the event of failure to use reasonable diligence to remedy the situation and remove the causes or contingencies in an adequate manner and with all reasonable dispatch.

36. Modification by Agents:

No agent of the Company, except a duly authorized officer of the Company, shall have the power to amend, modify, alter or waive any of the conditions of these Rules and Regulations or of any gas service contract, or to bind the Company by making any promise or representation contrary to or inconsistent with these Rules and Regulations or the provisions of any gas service contract.

37. Amendments:

The Company reserves the right to alter or amend these Rules and Regulations from time to time, and to add such further and other Rules and Regulations as experience may suggest.

The Company reserves the right to change its system and its method of operations, from time to time, as in its judgment may be necessary or advisable for economical and proper operation of the Company and service to the public.

Supplements to and revisions of these Rules and Regulations, and changed in the Company's system and method of operations, shall be subject to the lawful requirements of governmental agencies having jurisdiction and to the requirements of the Company's franchises.

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Rate Schedule

1. Terms and Definitions:

A. "Residential Customer"- means a purchaser of gas service from the Company to an individual household, apartment, flat, or reasonable appurtenant and related to and normally associated with an individual household, for such applications as space heating, cooking, water heating, etc. Service to residential premises which are also part of a place of business are also considered to be residential service when the residential usage represents half or more of the total gas volume.

B. "General Service Customer"- (also referred to as commercial customer) a purchaser of gas service from the Company to a building used for public meetings, place of business, small industry, warehousing, or such facilities associated primarily with the purchase, sale, or supplying (for profit or otherwise) of a commodity, product, or service by any entity. Also includes penal institutions, motels, hotels, nursing homes, hospitals and military barracks.

C. "Service Charge"- A monthly charge, regardless of gas usage, applied to the customer's billing for active service. This basic charge helps to offset the cost of maintenance, inspections, testing, customer services, and billing as associated with providing continuous service.

D. "Commodity Charge"- The charge per Ccf of gas usage, determined by adding the distribution charge and the actual cost of gas.

2. Customer Service Charge:

A. General Service-the monthly customer service charge for general service customers shall be \$14.00 per month.

B. Residential Service-the monthly customer service charge for residential service customers shall be \$8.25 per month.

C. School Service- the monthly customer service charge for school rate customers shall be \$14.00 per month.

3. Commodity Charge:

The commodity charge for all classes of customers (per Ordinance amendment dated 5/15/00) for gas delivered from time to time shall include the following:

- a.) Monthly distribution charge per Ccf of \$.328
- b.) The cost of gas per Ccf. The Company shall be allowed to recover its

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actual cost of gas which shall include in addition to the cost of gas itself, (i) any transportation charges, (ii) any fuel costs, and (iii) any balancing charges the Company incurs in order to obtain the gas for its customers. The Company shall in all instances use its best effort to obtain a reliable supply of gas at the lowest price.

In as much as the cost of gas may fluctuate from month to month and, therefore, the cost amounts may not always be known to the Company sufficiently gas in advance to enable the Company to quote rates and prepare customer billings on a timely basis of its estimates of the approximate or average cost of gas it reasonably expects to incur. In the case where the Company shall, at its option either

- a.) Recalculate its customer’s billing period, and make such supplemental billings to its customers or issue such credits to the customer’s bills, no later than the next billing period as are necessary to reflect any difference between the estimated cost of gas and the actual cost of gas.
- b.) Compare the amount of revenues received for the Company’s cost of gas pursuant to billings based on its estimates with the amount of revenues the company would have received if its billings had been made on the basis of the actual cost of gas the Company incurred, and on the basis of this comparison calculate and implement a reconciliation factor in cents per Ccf or cents per therm to be added to or subtracted from the cost of gas for gas delivered by the Company during a succeeding period, in accordance with reconciliation procedures to be filed by the Company with the City of Onaway.
- c.) the Company shall only recover its actual cost of gas.

4. Territory Served:

This rate schedule is applicable for all classes of customers in the territory served by the Company as set forth in Rule No. 1 of the Rules and Regulations of the Company

5. Character of Service:

Continuous, twenty-four hours per day; except as limited by the Rules and Regulations of the Company.

6. Customer Contract:

Each applicant, regardless of class of service, shall file at the office of the Company a written application for gas service on a form provided by the Company for that purpose. Each applicant is subject to approval by the Company, upon approval and execution of the application it shall constitute an agreement between the customer and the Company governing gas service in accordance with and subject to the Rules

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and Regulations of the Company from time to time in effect.

7. Taxes:

Applicable Michigan State Sales tax shall be added to bills. Specific tax, special tax, excise tax or other such taxes applicable to the operations of the Company or sale of gas by the Company which are set by the municipalities or governing body of specific service areas shall be added to bills as applicable.

8. Late Payment Charge and Due Date:

Bills shall be due 17 days following the date of mailing by the Company. A late payment charge of two percent of the bill, net taxes, not compounded, may be added to any bill which is delinquent. A late payment charge will not be assessed against customers participating in the Winter Protection Program described in Rule 20G of the Rules and Regulations of the Company.

9. Rules Applicable:

Service under all classes shall be subject to the Rules and Regulations of the Company.

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