

## Retired Electric Utility Rate Book

The entire rate book entitled Thumb Electric Cooperative – MPSC No. 3, with approved rate schedules, rules, regulations, and standard forms, was retired April 3, 2008, in compliance with the Commission's Order in Case No. U-15152 issued on October 9, 2007.

SCHEDULE OF RATES, RULES AND REGULATIONS  
GOVERNING THE SALE OF ELECTRIC SERVICE

THUMB ELECTRIC COOPERATIVE  
2231 MAIN STREET  
UBLY, MICHIGAN

FILED WITH: MICHIGAN PUBLIC SERVICE COMMISSION, LANSING, MICHIGAN

Issued: July 23, 1981 by  
Michael P. Krause, General Manager  
Uby, Michigan 48475



Effective for electric service  
on and after July 19, 1981  
Issued under authority of the  
M.P.S.C. dated July 14, 1981  
in Case No. U-6741

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Issued: **October 8, 2004**  
By Michael P. Krause  
General Manager  
Uby, Michigan

Michigan Public Service Commission
December 20, 2004
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Issued under the Authority of the  
M.P.S.C. Order dated **February 9, 2000**  
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<b>Ninth</b> Revised Sheet No. 18:00	<b>July 5, 2007</b>
Tenth Revised Sheet No. 19:00	October 11, 2001
Sixth Revised Sheet No. 19:01	October 11, 2001
First Revised Sheet No. 19:02	October 30, 1984
Fifth Revised Sheet No. 20:00	October 11, 2001
<b>Sheet No. 20:01</b>	
<b>Sheet No. 20:02</b>	
Original Sheet No. 20:03	February 27, 2007
First Revised Sheet No. 21:00	April 1, 1997
<b>Seventh</b> Revised Sheet No. 22:00	<b>July 5, 2007</b>
First Revised Sheet No. 22:01	December 5, 2005
Second Revised Sheet No. 22:02	July 11, 1997
Fifth Revised Sheet No. 23:00	October 11, 2001
Fourth Revised Sheet No. 23:01	October 11, 2001

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
<b>July 31, 2007</b>
Filed _____ 

Effective for electric bills rendered  
On and after **July 5, 2007**  
Issued under the Authority of M.P.S.C. order  
Dated **7-05-07** in Case No. **U-14714-R**

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Original Sheet No. 28:01	October 2005 billing month
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<b>First Revised</b> Sheet No. 29:00	<b>July 5, 2007</b>
Original Sheet No. 29:01	December 5, 2005
Original Sheet No. 29:02	December 5, 2005

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TOWNSHIPS SERVED

HURON COUNTY

Bingham	Grant	Port Austin
Bloomfield	Hume	Rubicon
Brookfield	Huron	Sand Beach
Caseville	Lake	Sebewaing
Chandler	Lincoln	Sheridan
Colfax	McKinley	Sherman
Dwight	Meade	Sigel
Fair Haven	Oliver	Verona
Gore	Paris	Winsor

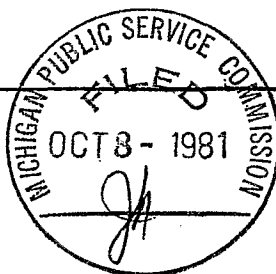
SANILAC COUNTY

Argyle	Elmer	Minden
Austin	Evergreen	Moore
Bridgehampton	Forester	Sanilac
Buel	Greenleaf	Speaker
Custer	Lamotte	Washington
Delaware	Lexington	Watertown
Elk	Marion	Wheatland
	Marlette	

TUSCOLA COUNTY

Almer	Fairgrove	Lower Akron
Arbela	Fremont	Millington
Columbia	Indianfields	Novesta
Dayton	Juniata	Upper Akron
Elkland	Kingston	Vassar
Ellington	Koylton	Watertown
Elmwood		Wells

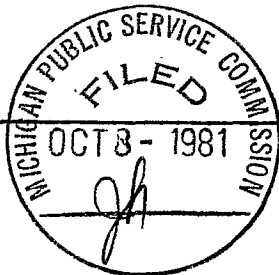
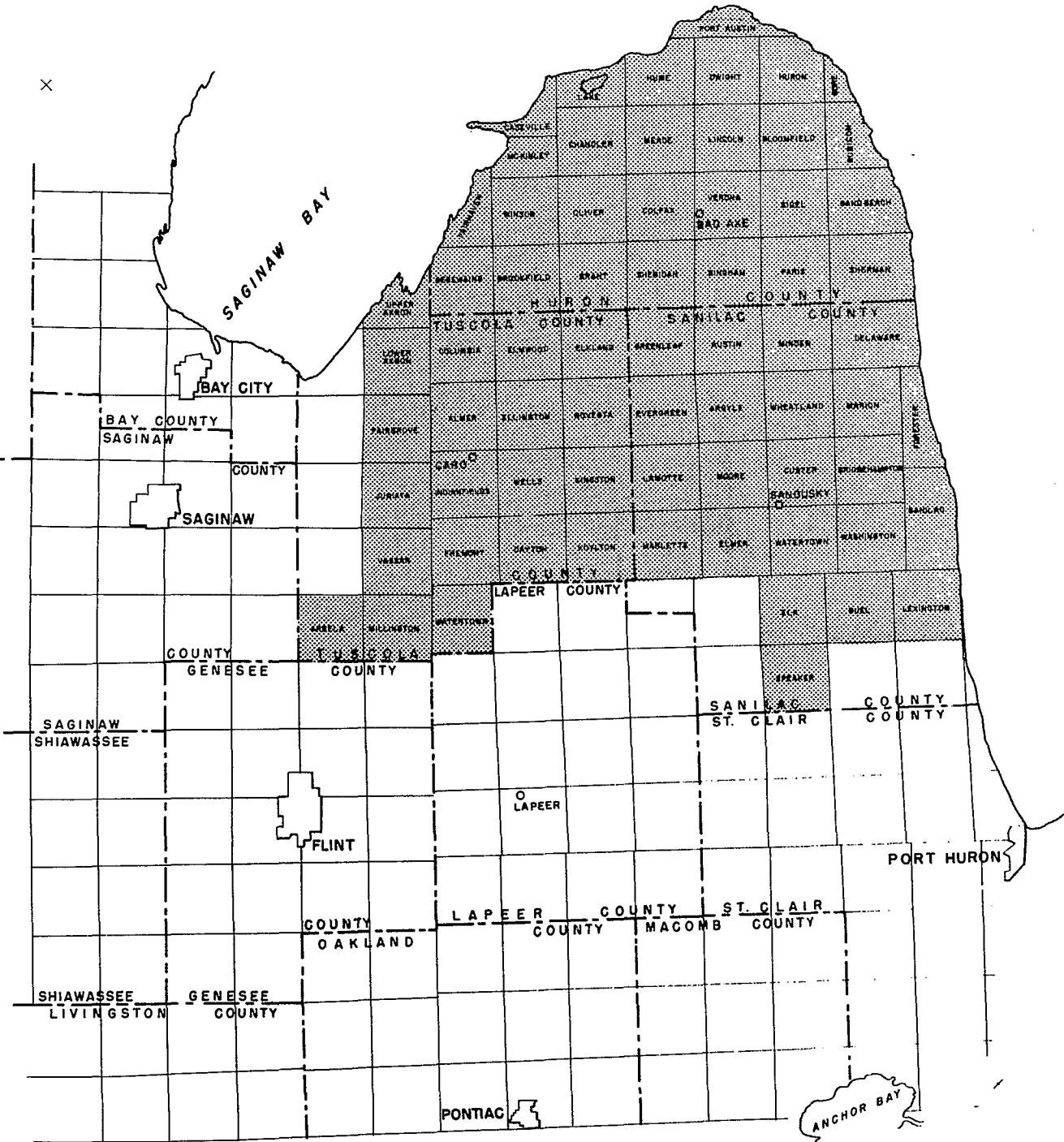
Issued: July 23, 1981 by  
Michael P. Krause, General Manager  
Ubly, Michigan 48475



Effective for electric service  
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MAP OF SERVICE AREA



Issued: July 23, 1981 by  
Michael P. Krause, General Manager  
Uby, Michigan 48475

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on and after July 19, 1981  
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in Case No. U-6741

DEFINITIONS, TECHNICAL TERMS & ABBREVIATIONS

General Definitions

Commission - The Michigan Public Service Commission.

Company - The Thumb Electric Cooperative, Inc., a Michigan non-profit membership corporation engaged in the generation, transmission, distribution and sale of electric energy.

Customer - Any person, firm, corporation or other entity receiving electric service from the Company. Generally, customers will be members of the corporation in accordance with the Company's bylaws. Prospective customers may be referred to as "Applicants, Developers, or Property Owners".

Permanent - This term will designate **regularly occupied homes or businesses** which are installed on a permanent, rather than on a temporary basis. Buildings (including mobile homes) will not be considered permanent unless having an approved water supply and septic system. **Sheds or similar services shall not be considered as permanent unless within 200' of the shed owners permanent residence or business and on the same parcel of land.**

Year-Around - Service to customer at the address shown on customer's driver's license, voter's registration card or to customers occupying the premises which are considered to be Homestead Property according to Michigan Property Tax Law.

Seasonal - Service to customers other than year around.

Technical Terms & Abbreviations

Ampere (A) - Unit of electrical quantity or current.

Billing Demand - The peak or highest power consumption rate during the billing period, usually measured in kilowatts.

Billing Period - This term shall refer to the time period between two successive, scheduled meter readings.

Distribution Facilities - All wires, cables, poles, towers, fixtures, apparatus and other equipment installed in the Company's electric distribution system.

Primary - This term designates the voltage level of the Company's distribution facilities on the supply side of the service transformer. Primary voltages will usually be at 7.2/12.5 KV or 14.4/24.9 KV, but never less than 2.4 KV.

Secondary - This term will designate the voltage level of the Company's distribution facilities on the load side of the service transformer. Secondary voltages will usually, but not necessarily always, be 120, 208, 240, 277, or 480 volts.

Hertz (Hz) - Alternating current frequency in cycles per second.

Horsepower (hp) - Unit of mechanical power equivalent to .746 kw of electrical power.

Kilo (k) - Prefix meaning one thousand.

Kilovolt (kv) - One thousand volts.

Kilovolt Ampere (kva) - Unit of apparent electrical power equivalent to one kilowatt at 100% power factor.

Kilowatt (kw) - Unit of electrical power representing energy usage rate, equivalent to about 1.34 horsepower.

(Continued on Sheet No. 5:01)

Issued: **December 8, 2005**  
By Michael P. Krause  
General Manager  
Uby, Michigan



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DEFINITIONS, TECHNICAL TERMS & ABBREVIATIONS  
(Continued from Sheet No. 5:00)

Kilowatt hour (kwh)	-	Unit of electrical energy equivalent to the use of one kilowatt for one hour.
Power Factor (pf)	-	Ratio of kilowatt power to kilovolt ampere power.
Volt (V)	-	Unit of electrical pressure or force.

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Ubly, Michigan 48475



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in Case No. U-6741

STANDARD RULES AND REGULATIONS

SECTION I - INTRODUCTION

- A. These rules and regulations set forth the terms and conditions under which electric service will be provided by the Company. They shall apply to all classes of service and shall govern the terms of all contracts for such service except that the Company reserves the right to enter into special contracts subject to the general regulations of the Michigan Public Service Commission. Failure of the Company to enforce any of the terms of these rules and regulations shall not be deemed as a waiver of the right to do so.
- B. Any promises or agreements made by agents or employees of the Company which are not in conformance with these rules and regulations, nor with the terms of special contracts executed by authorized representatives of the Company shall not have binding effect on the Company.
- C. No ownership rights in any facilities provided by the Company shall pass to any person as a result of any contribution or deposit made under these rules. No deposits or contributions made by customers shall be refundable unless expressly so provided in these rules.
- D. Copies of the Company's Rules and Regulations and Rate Schedules for electric service, as filed with the Michigan Public Service Commission, are open to public inspection at the Company's offices and are available upon request.

SECTION II - TERMS AND CONDITIONS OF SERVICE

A. Membership and Electric Service

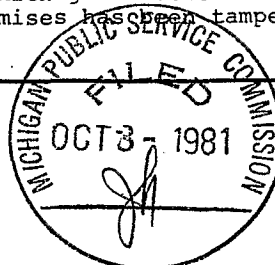
Each Applicant for electric service may be required to sign the Company's "Application for Membership and For Electric Service." Acceptance of service, with or without a signed application, shall be subject to compliance with the terms of the Standard Rules and Regulations and Rate Schedules as filed with the Commission.

B. Ownership and Responsibility

1. Company Owned Facilities - The Company will normally install, own, operate and maintain all distribution facilities on the supply side of the point of attachment as shown on the Company's Standard Drawings, including metering equipment. All service entrance conductor wiring from a point of connection to the Company's service line at a location satisfactory to the Company shall be the responsibility of the customer. If building modifications hinder access to metering facilities, create a hazardous condition, or cause a violation of code, the customer will be responsible for all costs incurred by the Company to correct these conditions.
  - a. Access to Premises - The customer shall provide at no expense to the Company suitable space with provisions for installation and maintenance of the Company's facilities on the customer's premises. Authorized agents of the Company shall have access to the premises at all reasonable times for construction, operation, maintenance, removal or inspection of the Company's facilities, or to inspect the customer's facilities or measure the customer's load. Authorized employees and agents shall carry identification furnished by the Company and shall display it upon request. Failure to provide access for any of the above reasons may result in termination of service.
  - b. Use of Facilities - The Company will not allow use of its poles or other facilities by others for installations or attachments of any kind without written authorization from the Company. This includes, but is not limited to, electrical or communication equipment, lights, signs and fences. The Company assumes no liability for property owned by others attached to its facilities. Unauthorized attachments to Company facilities may be removed by the Company.
  - c. Protection - The customer shall use reasonable diligence to protect the Company's facilities located on the customer's premises, and to prevent tampering or interference with such facilities. The Company may discontinue service in accordance with any applicable rules of the Michigan Public Service Commission, in case the meter or wiring on the customer's premises has been tampered with or altered in any manner to

(Continued on Sheet No. 6:01)

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Uby, Michigan 48475



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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:00)

allow unmetered or improperly metered energy to be used. In case of such unauthorized use of service, the Company will continue service only after the customer has agreed to pay for the unmetered energy used, discovery, and make provisions and pay charges for an outdoor meter installation or other metering changes as may be required by the Company. Failure to enter into such an agreement or failure to comply with the terms of such an agreement shall be cause to discontinue service in accordance with any applicable rules of the Company or Commission. Restoration of service will be made upon receipt of reasonable assurance of the customer's compliance with the Company's approved Standard Rules and Regulations.

2. Customer Owned Facilities - The Company reserves the right to deny or terminate service to any customer whose wiring or equipment shall constitute a hazard to the Company's equipment or its service to others. However, it disclaims any responsibility to inspect the customer's wiring, equipment or any subsequent wiring changes or modifications and shall not be held liable for any injury or damage or billing errors resulting from the condition thereof.
  - a. The customer shall be responsible for inadequate performance of such facilities. Before purchasing equipment or installing wiring, it shall be the customer's responsibility to check with the Company as to the characteristics of the service available. Any changes required to bring customer's service into compliance with code will be paid for by customer. The Company reserves the right to make reasonable service charges for work performed by Company personnel resulting from malfunction of the customer's facilities.
  - b. The customer shall be responsible for notifying the Company of any additions to or changes in the customer's equipment which might exceed the capacity of the Company's facilities, or otherwise affect the quality of service. The customer shall also be responsible for the installation of auxiliary or standby equipment and of alarms and protective devices as required to provide reasonable protection in the event of disturbance or interruption of electrical service. The customer shall install and maintain the necessary devices to protect his equipment against service interruptions and other disturbances on the Company's system, as well as the necessary devices to protect the Company's facilities against overload caused by the customer's equipment. Characteristics and installation of all such equipment or devices shall meet the approval of the Company.

C. Use of Service

Each customer shall, as soon as electric service becomes available, purchase from the Company practically all electric energy used on the premise, and shall become liable for all charges incurred in the purchase of said electrical energy from the Company. Standby and/or supplemental on-site generation may be utilized only if approved by the Company and properly connected so as to prevent parallel operations with the Company's system.

1. Notice of Intent

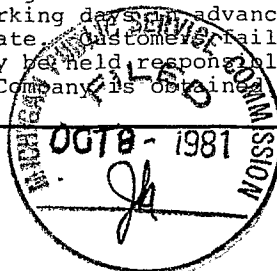
- a. Application - Prior to use of electric service, each customer shall make proper application to the Company, and shall furnish all reasonable information required by the Company. Failure to comply with this requirement may result in refusal by the Company to provide service.

Any customer using service without first notifying and enabling the Company to establish a beginning meter reading may be held responsible for any amounts due for service supplied to the premises from time of last reading reported immediately preceding his occupancy.

- b. Termination - Any customer desiring termination of service shall so notify the Company a minimum of five (5) working days in advance so the service may be discontinued on a mutually agreeable date. Customer failing to give proper notice of intent to vacate the premises may be held responsible for use of service until a meter reading acceptable to the Company is obtained.

(Continued on Sheet No. 6:02)

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Uby, Michigan 48475



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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:01)

2. Conditions of Use

The customer shall not use the service in any way that causes a safety hazard, endangers the Company's facilities, or disturbs service to other customers. Failure to comply with this provision may result in discontinuance of the customer's service.

Customer shall install only such motors or other apparatus or appliances as are suitable for operation with the character of the service supplied by Company, and electric energy must not be used in such a manner as to cause detrimental voltage fluctuations or disturbances in Company's distribution system.

3. Nonstandard Service

Customers shall be liable for the cost of any special installation necessary to meet particular requirements for service at other than standard voltages or for the supply of closer voltage regulation than required by standard practice.

The usual supply of electric service shall be subject to the provision of MPSC rules, but where special service-supply conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its supply terms to meet the peculiar requirements of such case.

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 whose establishments are remote from the Company's existing suitable facilities, or whose service requirements exceeds the capabilities of the Company system in the area, or otherwise necessitate unusual investments by the Company in service facilities or where the permanence of the service is questionable.

4. Resale of Electric Energy

Customers shall not resell to, or share with others, any electric service furnished by the Company under the terms of its filed rate schedules not applicable to such resale of energy, unless otherwise authorized by the Michigan Public Service Commission.

5. Service to Single Metering Points

Where resale of electric service exists, the Company will be under no obligation to furnish or maintain meters or other facilities for the resale of service by the reselling customer to the ultimate user.

Electric service will no longer be granted where connection is made to a single metering point for the purpose of resale to the reselling customer's ultimate user. Each user will be metered as an individual unit. For the purposes of this rule, resale will also include sales where the electric service is included in the rent.

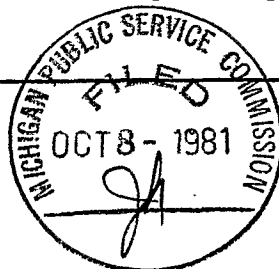
6. Point of Attachment

Where suitable service is available, the Company will install service connections from its distribution lines to a suitable point of attachment on the customer's premises designated by the Company. Where the customer requests a point of attachment other than that specified by the Company, and such alternative point of attachment is approved by the Company, the cost of installing additional intermediate supports, wires or fixtures necessary to reach the point of attachment requested by the customer, shall be borne by the customer.

Should it become necessary for any cause beyond the Company's control to change the location of the point of attachment of service connections, the entire cost of any changes in the customer's wiring made necessary thereby shall be borne by the customer.

(Continued on Sheet No. 6:03)

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Michael P. Krause, General Manager  
Ubly, Michigan 48475



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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:02)

A service connection will not be made unless the customer has installed his service entrance facilities in compliance with code requirements and specifications set forth by the Company.

The customer may be required to provide at no expense to the Company space for Company facilities on the customer's premises.

For overhead service, the location of the point of attachment must be such that the Company's service conductors can be installed without attachment to the building in any other locations.

For underground service, the point of attachment may be on the building, meter pedestal, or other agreed point.

Service will be provided to meter poles for farm service or other service where more than one structure is to be supplied from a single meter. The customer shall be required to install a fused disconnect switch on the pole at his own expense in accordance with Company specifications.

7. Service to House Trailers, Vans, Buses, Used as Dwelling Units

The Company will make service connection to house trailers, vans, buses, or any other dwelling of a mobile nature without special charges, except as specified herein under Section III, when the customer owns the premises and has installed an approved septic tank and well for his own use.

If the above conditions are not met, such installation and service facilities shall be considered to be Temporary Service as applicable under Rule III, C, 2.

D. Nature and Quality of Service

The Company will endeavor to, but does not guarantee to furnish a continuous supply of electric energy and to maintain voltage and frequency within reasonable limits.

The Company shall not be liable for interruptions in the service, phase failure or reversal, or variations in the service characteristics, or for any loss or damage of any kind or character occasioned thereby, due to causes or conditions beyond the Company's control, and such causes or conditions shall be deemed to specifically include, but not be limited to, the following: acts or omissions of customers or third parties; operation of safety devices, except when such operation is caused by the negligence of the Company, absence of an alternate supply of service; failure, malfunction, breakage, necessary repairs or inspection of machinery, facilities or equipment when the Company has carried on a program of maintenance consistent with the general practices prevailing in the industry; act of God, war; action of the elements; storm or flood; fire; riot; labor dispute or disturbances; or the exercise of authority or regulation by governmental or military authorities.

The customer shall be responsible for giving immediate notice to the Company of interruptions or variations in electric service so that appropriate corrective action can be taken.

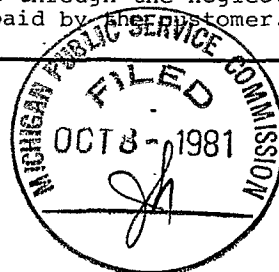
The Company reserves the right to temporarily interrupt service for construction, repairs, emergency operations, shortages in power supply, safety, and State or National emergencies and shall be under no liability with respect to any such interruption, curtailment or suspension.

E. Metering and Metering Equipment

The customer shall provide, free of expense to the Company and close to the point of service entrance, a space suitable to the Company for the installation of the necessary metering equipment. The customer shall permit only authorized agents of the Company or other persons lawfully authorized to do so, to inspect, test or remove the same. If the meters or metering equipment are damaged or destroyed through the neglect of the customer, the cost of necessary repairs or replacements shall be paid by the customer.

(Continued on Sheet No. 6:04)

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Ubly, Michigan 48475



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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6.03)

The Company reserves the right to make final decision with respect to methods and equipment used in measurement of loads for billing purposes.

1. Meter Testing - All testing of metering equipment will be done by qualified personnel, either Company employees or by independent agents meeting the requirements of both the Company and the Commission. The Company may, at its option, either conduct field tests on the customer's premises, or remove metering equipment for shop testing.
  - a. Routine Tests - The Company will, through test procedures established by the Commission, endeavor to maintain its metering equipment within the accuracy limits prescribed by the Commission.
  - b. Tests Requested by Customer - Tests of individual meters will be made upon request of the customer, with payment of a meter test fee in advance of test. The Company reserves the right to refuse to test any meter upon request more frequently than once in six months. If such test reveals meter registration of more than 102% of that of the test equipment, the charge will be refunded and a billing adjustment made. If meter accuracy is found to be within the plus or minus 2% accuracy range, the charge will not be refunded and a billing adjustment will not be required. When it appears that there may be sufficient reason to question meter accuracy (for example, a marked increase in metered consumption without a corresponding change in a customer's living or working patterns or in the number and kind of appliances or equipment in use on the customer's premises), the Company may waive the meter test charge or it may install a second meter, at no charge to the member, to provide check readings.
  - c. Failure to Register - When a meter has stopped, or has failed to register all of the energy used, the Company will make a charge to the customer for the energy estimated to have been used.
2. Location of Meters - Meters for all single-family residential service will be installed outdoors. Meters for other services may be installed outdoors if they are located so they are protected from traffic and are readily accessible for reading and testing. Meters, which must be protected from inclement weather while being serviced or tested, shall be located indoors or in a suitable housing where such work can be performed.

Meters located indoors shall be as near as possible to the service entrance, in a clean dry place, reasonably secure from injury, not subject to vibration, and readily accessible for reading and testing.

In cases of multiple buildings such as two-family flats or apartment buildings, if the meters are installed indoors, they shall be located within the premises served or at a common location readily accessible to the tenants and the Company.

An authorized representative of the Company will determine the acceptability of the meter location in all cases.

F. Special Charges

The Company will make such charges for reasonable special services as necessary to discourage abuse, and to minimize subsidy of such services by other customers. The following schedule shall apply where applicable.

Charge for any Special Services at Customer's Request -

During Regular Working Hours	\$40
Outside Regular Working Hours	\$70

Issued: **October 22, 2001**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for service rendered  
on and after **October 11, 2001**  
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dated 10-11-01 in Case No. U-12882



STANDARD RULES AND REGULATIONS

(Continued from Sheet No. 6.04)

Meter Reading Charge	\$15
Meter Test Charge	\$30
Reconnect Charge	
During Regular Working Hours	\$30
Outside Regular Working Hours	\$70
Disconnect at Pole, During Working Hours	\$40
Disconnect at Pole, Outside Regular Working Hours	\$85
Collection Charge when Nonpayment Disconnect Order is written	\$20
Bad Check Handling Charge	\$20
Connections Outside Regular Working Hours	\$55
Home Energy Audit	\$15
Automatic Meter Reading Charge (monthly)	\$5
Available to all customers taking single phase service who desire the <i>Power Quality Option</i> , have an active telephone line and sign a two-year commitment	

G. Other Conditions of Service

1. Service Disconnect - Service to the customer's premises may be disconnected by the Company under the following conditions:

a. At Customer's Request

- (1) Upon Termination - The Company will disconnect service with no charge to the customer upon due notice as provided elsewhere in these rules. However, if restoration of service at the same location is requested by the same customer or property owner(s), a reconnect charge will be applied. The reconnect charge will be increased by the amount of the minimum charge in the applicable rate schedule for the months service was disconnected, provided such reconnect is made during the twelve (12) month period immediately following disconnect.
- (2) For Repairs - The Company will temporarily disconnect service to facilitate repairs or other work on the customer's equipment or premises. Special service charges as set forth in Section II, F, will be applicable.

b. At Company's Option - Commercial and industrial  
(Also see Rule II.D)

- (1) With Due Notice - The Company may disconnect service upon due notice for any of the following reasons:
  - (a) For violation of these rules and regulations.
  - (b) For failure to fulfill contractual obligations.
  - (c) For failure to provide reasonable access to the customer's premises.
  - (d) For failure to pay any bill within the established collection period.
  - (e) For failure to provide deposits as provided elsewhere in these rules.
  - (f) Upon written notice from governmental inspection authorities of condemnation of the customer's facilities or premises.
  - (g) For fraudulent representation as to the use of service.
- (2) Without Notice - The Company reserves the right to disconnect service without notice for any of the following reasons:
  - (a) Where hazardous conditions exist in the customer's facilities.
  - (b) Where the customer's use of service adversely affects the Company's facilities or service to other customers.
  - (c) For unauthorized reconnection after disconnection with due notice.
  - (d) For unauthorized use of or tampering with the Company's service or facilities.

Issued: **October 22, 2001**  
By Michael P. Krause  
General Manager  
Ubly, Michigan



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on and after **October 11, 2001**  
Issued under the authority of the M.P.S.C.  
dated 10-11-01 in Case No. **U-12882**

STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:05)

- (3) Reconnect - After service has been discontinued at the Company's option for any of the above reasons, service will be reconnected only after the customer has taken necessary corrective action and made satisfactory arrangement for payment of all fees and charges, including any applicable reconnect fees and deposits to guarantee payment for service.
2. Rate Application - The rates specified in this schedule are predicated upon the delivery of each class of service to a single metering point for the total requirements of each separate premises of the customer, unless otherwise provided for in these rules and regulations. In no case may service be shared with another or transmitted off the premises at which it is delivered. Service at different points and at different premises shall be separately metered and separately billed.
- a. Selection of Rates - In some cases the customer is eligible to take service under any one or two or more rates. Upon request, the Company will advise the customer in the selection of the rate which will give him the lowest cost of service, based on the information provided to the Company, but the responsibility for the selection of the rate lies with the customer.

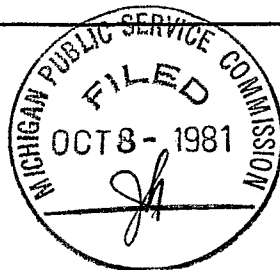
After the customer has selected the rate under which he elects to take service, the customer will not be permitted to change from that rate to another rate until at least twelve months have elapsed. Neither will the customer be permitted to evade this rule by temporarily terminating service. However, the Company may, at its option, waive the provisions of this paragraph where it appears that an earlier change is requested for permanent rather than for temporary or seasonal advantage. The intent of this rule is to prohibit frequent shifts from rate to rate.

No refunds will be made of the difference in charges under different rates applicable to the same class of service.

- b. Apartment Buildings and Multiple Dwellings - An apartment building or multiple dwelling shall be considered as one containing nine or more rooms in which single rooms, suites or groups of rooms have individual cooking and kitchen sink accommodations. Service supplied through a single meter to an apartment building or multiple dwelling containing less than three apartments may be billed on the residential service rates on a single customer basis. Service supplied through a single meter to an apartment building or multiple dwelling containing three or more apartments shall be billed in accordance with the following provisions:
- (1) Apartment Buildings or Multiple Dwellings Containing Three or Four Apartments - The customer may have the option of being billed under either the Residential Service Rate, the Residential Electric Heating Service Rate for electric heating customers, or the appropriate General Service or Commercial and Industrial Service Rate. For the purpose of billing under either the Residential Service Rate, or the Residential Electric Heating Service Rate, the initial charge, the kilowatt hour blocks and the minimum charge shall be multiplied by the number of apartments served through one meter.
- (2) Apartment Buildings or Multiple Dwellings Containing Five or More Apartments - The customer shall be billed under the appropriate General Service or Commercial and Industrial Service Rate.
- (3) "Master Metering" will be limited to existing customers.
- c. Homes or Dormitories for Groups Other Than Private Family Units - Service supplied through a single meter to rooming houses, dormitories, nurses' homes, and other similarly occupied buildings containing sleeping accommodations for more than six persons shall be classified as commercial and billed on the appropriate service rate.
- d. Farm Service - Service shall be available to farms for residential use under either the Residential Service Rate, or the Residential Electric Heating Service Rate for heating customers, and in addition service may be used through the same meter for any

(Continued on Sheet No. 6:07)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:06)

purpose as long as such use is confined to service for the culture, processing and handling of products grown or used on the customer's farm. Use of service for purposes other than set forth above shall be served and billed on the appropriate General Service Rate.

- e. Year-Around Service - Service to customer at the address shown on customer's driver's license, voter's registration card or to customers occupying the premises which are considered to be Homestead Property according to Michigan Property Tax Law.
- f. Seasonal Service - Service to customers other than year around.

3. Deposits - Commercial and Industrial

a. Customer Deposits - New Customers

- (1) Except as provided in subdivision (2) of this subrule, the Company shall not require a deposit from a new customer as a condition of receiving service. The Company may, with proper notification, require a deposit from a new customer if the customer exhibits an unsatisfactory record of bill payment within the first 6 months after service has commenced. Payment of bills on or before the due date shall constitute a satisfactory record of bill payment.
- (2) The Company may require a deposit for a new customer in cases involving service for short periods or special occasions, in cases where the new customer has an existing bad debt with the Company, or in cases where other business accounts with the customer are experiencing collection activity.

b. Customer Deposits - Existing Customers

- (1) An existing customer shall be classified as one who has received service for more than a 6-month period. A deposit may be required following the mailing of 2 or more final disconnect notices within the most recent 12-month period or if service has been discontinued for nonpayment.

c. Deposit Requirements

- (1) A deposit of not more than 3 times an average monthly billing may be required from customers who are subject to deposit provisions. The Company shall provide reasonable terms for the payment of the deposit.
- (2) A deposit may be retained by the Company until the customer compiles a record of 18 continuous months of bill payment on or before the due date.
- (3) Simple interest on deposits at the rate of not less than 9% per annum shall be paid by the Company to each customer who is required to make such deposit for the time the deposit is held by the Company. Interest need not be paid unless the deposit is held for more than 12 months. Payment of the interest to the customer shall be made annually if requested by the customer. If payment of the interest is not requested, the interest shall be paid at the time the deposit is returned. Interest shall be accrued annually. The deposit shall cease to draw interest on the date the deposit is returned, on the date service is terminated, or on the date that notice that the deposit is no longer required is sent to the customer's last known address.

(Continued on Sheet No.6:07a)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:07)

- (4) The Company shall keep records which show all of the following information:
- (a) The name and address of each depositor.
  - (b) The amount and date of the deposit.
  - (c) Each transaction concerning the deposit.
- (5) The Company shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish his or her claim if his or her receipt is lost.
- (6) A record of each unclaimed deposit shall be maintained for not less than 3 years, during which time the Company shall make a reasonable effort to return the deposit.
- (7) Unclaimed deposits, together with accrued interest, shall be credited to an appropriate account and shall be disposed of pursuant to Michigan statutes.

SECTION III - CONSTRUCTION POLICY

This section of the rules and regulations sets forth the terms and conditions under which the Company will construct and extend its facilities to service new loads and replace, relocate or otherwise modify its facilities.

Except where specifically stated otherwise, service extension policy is based on overhead construction and any financial participation by the customers for underground facilities shall be in addition to other charges provided for in these rules.

"Applicants for new electric service with the exception of Outdoor Lighting service served from an existing service will be required to deposit in advance of construction a nonrefundable connection charge of \$50.00 for a service connection. This is a one-time service connection charge and successor customers will not be required to pay this charge."

Contributions in aid of construction and other deposits made with the Company under the provisions of this section shall be considered nonrefundable except where provisions for refunds are specifically stated.

No refunds will be made in excess of the refundable amount deposited, and deposits shall not bear interest. Refunds, where applicable, will be made in accordance with the terms stated hereinafter.

Each distribution line extension shall be a separate, distinct unit and any further extension therefrom shall have no effect upon the agreements under which such extension is constructed.

A. Overhead Extension Policy

1. Residential & Farm Service

- a. Standard Allowances and Customer Advances for Construction - For each permanent, year-round dwelling, the Company will provide a single-phase line extension excluding service drop at no additional charge for a distance of 600 feet, of which no more than 300 feet is on the customer's private property. For each permanent, seasonal type dwelling, the Company will provide at no extra charge a 200-foot extension, excluding service drop, from a main line distribution feeder. Distribution line extension in excess of the above footages will require an advance deposit of \$4.50 per foot for all such excess footage. There will also be a nonrefundable contribution equal to the cost of right of way and clearing on such excess footage. There may also be a nonrefundable contribution in aid of construction equal to the cost of securing right of way. Three-phase extensions will be on the same basis as Commercial and Industrial.

(Continued on Sheet No. 6:08)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:07a)

- b. Measurement - The length of any main line distribution feeder extension will be measured along the route of the extension from the Company's nearest facilities from which the extension can be made to the customer's property line. The length of any lateral extension on the customer's property shall be measured from the customer's property line to the service pole. Should the company for its own reasons choose a longer route, the applicant will not be charged for the additional distance. However, if the customer requests special routing of the line, the customer will be required to pay the extra cost resulting from the special routing.
- c. Refunds of Advances - During the fifteen (15) year period immediately following the date of payment, the company will make refunds without interest of \$500 for each residential or farm customer(s) and two times the actual annual revenue of other customers directly connected to the extension whether by secondary voltage lines or primary voltage lines. Such refunds will be made only to the original contributor and will not include any amount of contribution in aid of construction for underground service made under the provision of the company's underground service policy as set forth in this section. The total refund shall not exceed the refundable portion of the contribution.

2. Commercial or Industrial Service

- a. Company Financed Extensions - Except for contributions in aid of construction for underground service made under the provisions of Section III, B, of these rules, the Company will finance the construction cost necessary to extend its facilities to serve commercial or industrial customers when such investment does not exceed two (2) times the annual revenue anticipated to be collected from customers initially served by the extension.
- b. Charges - When the estimated cost of construction of such facilities exceeds the Company's maximum initial investment as defined in Paragraph "a", the applicant shall be required to make a deposit in the entire amount of such excess construction costs. Owners or developers of mobile home parks shall be required to deposit the entire amount of the estimated cost of construction, subject to the refund provisions of Paragraph "c".
- c. Refunds - That portion of the deposit related to the difference in the cost of underground construction and the equivalent overhead facilities shall be considered nonrefundable.

This amount shall be determined under applicable provisions of the Company's underground service policy as set forth in this section. The Company will make refunds on remaining amounts of deposits collected under the provisions of Paragraph (b) above in cases where actual experience shows that the electric revenues supplied by the customer are sufficient to warrant a greater initial investment by the Company. Such refunds shall be computed as follows:

(1) Original Customer

At the end of the first complete 12-month period immediately following the date of the initial service, the Company will compute a revised initial investment based on two (2) times the actual revenue provided by the original customer in the 12-month period. Any amount by which twice the actual annual revenue exceeds the Company's initial investment will be made available for refund to the customer; no such refund shall exceed the amount deposited under provisions of Paragraph (b) above.

- (2) Refunds for additional new customers directly connected to the financed extensions during the refund period will be governed by Section III, A, 1, c.

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:08)

3. Service Extensions to Loads of Questionable Permanence - When service is requested for loads of questionable permanence, such as, but not limited to, saw mills, mixer plants, gravel pits, oil wells, oil facilities, **sheds, hunting camps, low usage accounts**, etc., the Company will install, own, operate and maintain all distribution facilities up to the point of attachment to the customer's service equipment subject to the following:
- a. Charges - Prior to the commencement of construction, the customer shall make a deposit with the Company in the amount of the Company's estimated construction and removal less cost of salvage. Such estimates shall include the cost of extending the Company distribution facilities and of increasing capacity of its existing facilities to serve the customer's load.
- b. Refunds - At the end of each year the Company will make a refund on the amount deposited from revenues derived from the customer for electric service from the facilities covered by the deposit. The amount of such refund for any given year or part thereof shall be computed as follows:
- (1) Year-to-year for the first four years of the deposit period.
- (a) Twenty percent (20%) of the deposit if this amount is equal to or less than 20% of the new annual revenue, excluding fuel adjustment and sales tax revenues.
- (b) Twenty percent (20%) of the new annual revenue excluding fuel adjustment and sales tax revenues if this amount is less than 20% of the deposit.
- (2) The final year of the five-year refund period.
- (a) If at the end of the five-year refund period, the total revenue for that period, excluding fuel adjustment and sales tax revenues, is equal to or greater than five (5) times the original deposit, the balance of the deposit will be refunded.
- (b) If at the end of the five-year refund period, the total revenue, excluding fuel adjustment and sales tax revenue, is less than five (5) times the original deposit, the refund for the fifth year will be applied in accordance with 1. (a) or (b) above.

No refund is to be made in excess of the deposit and the deposit shall bear no interest.

B. Underground Extension Policy

1. General

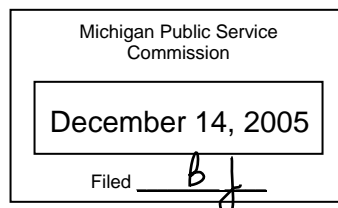
This portion of the rules provides for the extension and/or replacement of underground electric distribution facilities. The general policy of the Company is that real estate developers, property owners or other applicants for underground service shall make a contribution in aid of construction to the Company in an amount equal to the estimated difference in cost between underground and equivalent overhead facilities.

Methods for determining this cost differential for specific classifications of service are provided herein. In cases where the nature of service or the construction conditions are such that these provisions are not applicable, the general policy stated above shall apply.

The Company, at the request of the developer, will install an underground electric distribution system for all new residential subdivisions, mobile home parks, multiple occupancy building complexes, and commercial subdivisions, in cooperation with the developer or owner, evidenced by a signed agreement, and in compliance with the following specific conditions:

(Continued on Sheet No. 6:10)

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STANDARD RULES AND REGULATIONS

(Continued from Sheet No. 6:09)

The developer or owners must provide for recorded easements or rights-of-way acceptable to the Company. The easements are to be coordinated with other utilities and will include easements for streetlighting cable.

The developer or owner must provide for grading the easement to finished grade or for clearing the easement of trees, large stumps and obstructions sufficiently to allow trenching equipment to operate. Survey stakes indicating easements, lot lines and grade must be in place. The developer or owner must certify to the Company that the easements are graded to within four (4) inches of final grade before the underground distribution facilities are installed.

The developer or owner requesting underground construction must make a non-refundable contribution to the Company for primary switching cabinets. When a switching cabinet is required exclusively for one customer, that customer will contribute the actual installed cost of the switching cabinet. When more than one customer is served from the switching cabinet, each customer's contribution will be the prorated total installed cost of the switching cabinet based on the number of positions required for each customer.

If trenching is required where practical difficulties exist, such as in rock or in sodden ground or when boring under streets, driveways, patios or any other paved areas, the per foot charges stated in this rule shall not apply; and the contribution in aid of construction shall be an amount equal to the total cost differential between overhead and underground construction costs, but not less than the amount calculated on the per foot basis.

The developer or owner will be responsible for any costs of relocating Company facilities to accommodate changes in grade or other changes after underground equipment is installed, and also be responsible for any damage to Company facilities caused by his/her operations or the operations of his/her contractors. An amount equal to the total costs involved, including overheads, is required for relocation or rearrangement of facilities whether specifically requested by the developer or owner, or due to the facilities becoming endangered by a change in grade.

An additional amount of \$1.00 per foot shall be added to trenching charges for practical difficulties associated with winter construction in the period from December 15 to March 31 inclusive. This charge will not apply to jobs, which are ready for construction and for which the construction meeting has been held prior to November 1.

2. Residential Service

These provisions will apply to permanent dwellings. Mobile homes will be considered permanent dwellings when meeting the Company's requirements for permanent installations.

a. New Platted Subdivisions

Distribution facilities in all new residential subdivisions and existing residential subdivisions in which electric distribution facilities have not already been constructed shall be placed underground, except that a lot facing a previously existing street or county road and having an existing overhead distribution line on its side of the street or county road shall be served with an underground service from these facilities and shall be considered a part of the underground service area.

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

(Continued on Sheet No. 6:11)

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STANDARD RULES AND REGULATIONS

(Continued from Sheet No. 6:10)

For purposes of definition, all one-family and two-family buildings on individual lots are residential. The Company will furnish, install, own and maintain the entire underground electric distribution system including the service lateral cables for new residential subdivisions. The trenches for primary or secondary main cables will be occupied jointly by facilities of the Company and other utilities where satisfactory agreement for reimbursement exists between the Company and other utilities.

The service normally available from the system will be at secondary voltage, single-phase, three wire, 60 Hz. Three-phase service will be made available for schools, pumping stations, and other special installations only under terms of a separate agreement. Certain related equipment, such as pad-mounted transformers, switching equipment and service pedestals may be above grade. The area must be suitable for the direct burial installation of cable.

The use of the lot front-foot measurements in these rules shall not be construed to require that the underground electric distribution system be placed at the front of the lot.

Where sewer and/or water lines will parallel Company cables, taps must be extended into each lot for a distance of four (4) feet beyond the route of the cables prior to installation of the cables.

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

- (a) Charges - Prior to commencement of construction, the owner or developer shall deposit with the Company an amount equal to the estimated cost of construction of the distribution system, but not less than the nonrefundable charges set forth in the following Paragraph (b) below.
- (b) Refunds - That portion of the deposit related to the difference in the cost of underground construction and the equivalent overhead facilities shall be considered nonrefundable. This amount shall be determined by multiplying the sum of the lot front footage for all lots in the subdivision by \$3.00, except for those lots served by an underground service from an overhead distribution line under the provision of Section III, B, 2, a. Where underground extensions are necessary in unplatted portions of the property, the nonrefundable portion of the deposit shall be computed at the rate of \$4.00 per trench foot. The balance of the deposit shall be made available to the depositor on the following basis:

Following completion of its construction work order covering construction of the distribution system, the Company will refund any amount by which its original estimate exceeds the actual construction costs. During the five (5) year period immediately following completion of the construction, the Company will refund \$500.00 for each permanent residential customer connected within the subdivision. Such refunds will be made only to the original depositor and in total shall not exceed the refundable portion of the deposit. The deposit shall bear no interest.

- (c) Measurement - The front foot measurement of each lot to be served by a residential underground distribution system shall be made along the contour of the front lot line. The front lot line is that line which usually borders on or is adjacent to a street. However, when streets border on more than one side of a lot, the shortest distance shall be used. In case of a curved lot line which borders on a street or streets and represents at least two (2) sides of the lot, the front foot measurement shall be considered as one-half the total measurement of the curved lot line. The use of the lot front foot measurement in these rules shall not be construed to require that the underground electric distribution facilities be placed at the front of the lot.

(Continued on Sheet No. 6:12)

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STANDARD RULES AND REGULATIONS

(Continued from Sheet No. 6:11)

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

(a) Contribution - For a standard installation the applicant shall make a nonrefundable contribution in aid of construction in the amount of \$4.00 per trench foot.

(b) Measurement - The "trench feet" shall be determined by measuring from the termination of Company facilities at the property line along the route of the trench to a point directly beneath the electric meter.

b. Other Residential Underground Facilities

At the option of the applicant(s) the Company will provide underground facilities from existing overhead facilities in unplatted areas or in subdivisions where overhead electric distribution facilities have been installed.

The Company reserves the right to refuse to install its facilities underground in cases where, in the Company's opinion, such construction would be impractical or present a potential detriment to the service to other customers. The Company may designate portions of existing subdivisions as "underground service areas" where, in the Company's opinion, such designation would be desirable for aesthetic or technical reasons. All future applicants for service in areas so designated will be provided with underground service subject to the applicable provisions of these rules.

(1) Extension of Existing Distribution Systems in Platted Subdivisions

Any such extension shall be considered a distinct, separate unit, and any subsequent extensions therefrom shall be treated separately.

(a) Charges (In Addition to Those Charges Set Forth in Section III, A, 1, a) - Prior to commencement of construction the applicant shall make a deposit in an amount equal to \$3.00 per foot for the total front footage of all lots which can be directly served in the future from the distribution system installed to serve the initial applicant. Any subsequent applicant(s) for service on these lots shall be required to make a nonrefundable contribution in aid of construction in the amount of \$3.00 per front foot for all lots owned by the subsequent applicant(s) which can be directly served from the original distribution extension.

(b) Refunds - The Company will make available for refund to the original depositor from amounts contributed in aid of construction by subsequent applicants as provided in Paragraph (a) above the amount included in the original deposit to cover the front footage of the lot(s) owned by the subsequent applicant(s). The total amount refunded shall not exceed the amount of the original deposit, and will be made only to the original depositor. The Company will endeavor to maintain records for such purposes but the depositor is ultimately responsible to duly notify the Company of refunds due; any refund not claimed within five (5) years after completion of construction shall be forfeited. Refunds made under the provisions of the paragraph shall be in addition to refunds made under the Company's overhead extension policy.

(Continued on Sheet No. 6:13)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:12)

- (c) Measurement - The lot front footage used in computing charges and contributions in Paragraph (a) above shall be measured the same as for new subdivisions as set forth in Rule III, B, 2, a (1) (c).

The front footage used in determining the amount of the original deposit or any refunds of subsequent contributions shall include only the frontage of lots directly served by the distribution system extension covered by the original deposit.

- (2) Distribution Systems in Unplatted Areas - The Company will extend its primary or secondary distribution system from existing overhead or underground facilities. When any such extension is made from an existing overhead system the property owner may be required to provide an easement(s) for extension of the overhead system to a pole on his property where transition from overhead to underground can be made.

- (a) Contribution - Prior to commencement of construction the applicant shall make a contribution in aid of construction equal to the difference between the estimated overhead construction costs and the underground construction costs, plus a deposit based on the Company's overhead extension policy. Refunds will be based on the overhead extension refund policy and shall apply only to that portion related to the overhead deposit.

- (3) Service Laterals - The Company will install, own, operate and maintain an underground service lateral from the termination of its primary or secondary system to a metering point on each new residence to be served. Such underground service laterals may be served either from an underground or overhead system.

- (a) Contribution - When a service lateral is connected to an underground system the applicant shall make a nonrefundable contribution in aid of construction in the amount equal to the product of the trench length in feet multiplied by \$4.00. When the service lateral is connected to existing overhead facilities, the contribution shall be \$50.00 plus \$4.00 per trench foot.

- (b) Measurement - The "trench length" shall be determined by measuring from the pole or underground secondary terminal to which the service lateral is connected along the route of the lateral trench to a point directly beneath the electric meter.

3. Nonresidential Service

- a. Commercial Service - Distribution facilities in the vicinity of new commercial loads and built solely to serve such loads will be placed underground (optional for companies serving the Upper Peninsula). This includes service to all buildings used primarily for business purposes, where the major activity is the sale of goods or services at wholesale or retail. This category shall include, but not be limited to, apartment houses, motels and shopping centers.

It shall not be mandatory that any new commercial or industrial distribution systems or service connections be placed underground where, in the Company's judgement, any of the following conditions exist:

- (1) Such facilities would serve commercial or industrial customers having loads of temporary duration; or  
(2) Such facilities would serve commercial or industrial customers in areas where little aesthetic improvement would be realized if such facilities were placed underground; or  
(3) Such facilities would serve commercial or industrial customers in areas where it is impractical to design and place such facilities underground because of uncertainty of the size and character of the loads to be ultimately served therefrom.

(Continued on Sheet No. 6:14)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:13)

The Company will furnish, install, own and maintain the entire underground electric distribution system including the service lateral cables for new commercial subdivisions. Generally, the trenches will be occupied jointly by facilities of the Company and other utilities where satisfactory agreement for reimbursement exists between the Company and the other utilities.

The service for individual customers within a commercial subdivision will be furnished as provided for in Underground Service Connections. Certain related equipment, such as pad-mounted transformers, switching equipment and service pedestals, may be above-grade.

In the event the developer(s), owner(s), customer(s) or tenant(s) request relocation of facilities which are endangered by change in grade, the total cost of relocation or rearrangement of the facilities shall be borne by the requesting party(s).

The Company will install underground service connections to commercial and industrial customers and other installations within designated underground districts in cooperation with the developer or owner, evidenced by a separate signed agreement, subject to the following specific conditions:

When required, the developer or owner must provide suitable space and the necessary foundations and/or vaults for equipment and provide trenching, back-filling, conduits and manholes acceptable to the Company for installation of cables on his property.

- (1) Contribution - For standard installation of distribution facilities, the applicant(s) shall make a nonrefundable contribution in aid of construction in the amount equal to the product of the total of trench length in feet to the point of beginning service multiplied by \$4.00.

Transformers will be charged on an installed basis of \$7.00 per KVA.

Service, as this term is generally understood in the electric utility field (on customer's property), is charged on the basis of \$4.00 per trench foot.

- (2) Measurement - "Trench length" shall be determined by measuring along the centerline of the trench as follows:

Primary Extensions - shall be measured along the route of the primary cable from the transition pole to each transformer or other primary termination.

Secondary Extensions - shall be measured from each transformer or other secondary supply terminal along the route of the secondary cable to each secondary pedestal or termination. No charge will be made for secondary cable laid in the same trench with primary cable.

Service Laterals - shall be measured from the pole or underground secondary terminal to which the service lateral is connected along the route of the lateral trench to the point of connection to the customer's facilities. No charge will be made for service laterals laid in the same trench with primary or secondary cable.

- b. Industrial Service - Distribution facilities in the vicinity of new industrial loads and built solely to serve such loads will be placed underground at the option of the applicant. This includes service to all buildings used primarily for the assembly, processing or manufacturing of goods.

- (1) Contribution - The applicant(s) shall make a contribution according to the provisions above for commercial service.

(Continued on Sheet No. 6:15)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:14)

- c. Mobile Home Parks - Distribution facilities in new mobile home parks shall be placed underground. Extension from existing overhead systems in mobile home parks will be placed underground at the option of the park owner.

The Company will furnish, install, own and maintain the entire underground electric distribution system including the pre-meter portion of the service lateral cables for new mobile home parks. The trenches for primary or secondary main cables will be occupied jointly by facilities of the Company and other utilities where satisfactory agreement for reimbursement exists between the Company and the other utilities.

The service for tenant loads normally available from the system will be at secondary voltage, single-phase, 120/240 volt, three wire, 60 Hz. Three-phase service will be made available for pumps and service installations only under terms of a separate agreement. Certain related equipment, such as pad-mounted transformers, switching equipment, and service pedestals may be above-grade. The area must be suitable for the direct burial installation of cable. This service is limited to mobile home parks in which the service is metered by the Company at secondary voltage.

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

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

In the event the park owner requests relocation of facilities or such facilities are endangered by change in grade, the park owner shall pay the cost of the relocation or rearrangement of the facilities.

- (1) Contribution - The park owner shall be required to make a nonrefundable contribution in aid of construction as follows:
- (a) Primary and Secondary Extensions - An amount equal to the product of the total trench length in feet multiplied by \$3.00.
  - (b) Service Loops or Laterals - An amount equal to the product of the total trench length in feet multiplied by \$4.00.
  - (c) Transformers - \$7.00 per kVa.
  - (d) Measurement - The "trench length" shall be measured the same as provided for measurement of cable trench in commercial installations.

4. Other Conditions

- a. Obstacles to Construction - Where unusual construction costs are incurred by the Company due to physical obstacles such as, but not limited to: rock, surface water, frost, other utility facilities, heavy concentration of tree roots, or roadway crossings, the applicant(s) shall make a nonrefundable contribution in aid of construction equal to the estimated difference in cost of the underground installation and that of equivalent overhead facilities. In no case shall this contribution be less than the per foot charge above for the type of service involved. The Company reserves the right to refuse to place its facilities under road or railroad right-of-way in cases where, in the Company's judgement, such construction is impractical.

(Continued on Sheet No. 6:16)

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**STANDARD RULES AND REGULATIONS**  
(Continued from Sheet No. 6:15)

- b. **Contributions** - Prior to commencement of construction, the applicant shall make a contribution in aid of construction as required by the underground extension rules plus a contribution based on the Company's overhead extension policy. Refunds will be based on the overhead extension refund policy and shall apply only to that portion related to the overhead contribution.
- c. **Geographical Exceptions**
- d. **Replacement of Overhead Facilities**- Existing overhead electric distribution service lines shall at the request of an applicant(s), be replaced with underground facilities where, in the opinion of the Company, such replacement will not be detrimental to the electric service to other customers.

Before construction is started, the applicant(s) shall be required to pay the Company the depreciated cost (net cost) of the existing overhead facilities plus the cost of removal less the value of materials salvaged and also make a contribution in aid of construction toward the installation of underground facilities in an amount equal to the estimated difference in cost between the underground facilities and equivalent new overhead facilities. For replacement of overhead secondary service with underground service an additional \$1.00 per foot will be charged over the normal underground charge.

- e. **Underground Installations for Company's Convenience**- Where the Company, for its own convenience, installs its facilities underground, the differential between estimated overhead construction costs and underground costs of such installation will be borne by the Company. All other costs will be governed by the Company's Overhead Extension Policy.
- f. **Underground Extensions on Adjacent Lands**- When a primary extension to serve an applicant or group of applicants must cross adjacent lands on which underground construction is required by the property owner (such as on State or Federal lands) the applicant(s) shall make a contribution equal to the estimated difference in cost between the underground and equivalent overhead facilities. The Company may establish a per foot charge to be considered the difference in cost. Such charge shall be adjusted from time to time to reflect the Company's actual construction cost experience.
- g. **Local Ordinances** - The Company reserves the right, where local ordinance requirements are more stringent than these rules, to apply to the Michigan Public Service Commission for such relief as may be necessary.

**C. Miscellaneous General Construction Policy**

Except where specifically designated as overhead or underground construction policies, the following general policies will be applied to either overhead or underground construction:

**1. Easements and Permits**

- a. **New Residential Subdivisions**- The developer of a new residential subdivision shall cause to be recorded with the plat of the subdivision a public utility easement approved by the Company for the entire plat. Such easement shall include a legal description of areas within the plat which are dedicated for utility purposes, and also other restrictions as shall be determined by the Company for construction, operation, maintenance and protection of its facilities.
- b. **Other Easement and Permits** - Where suitable easements do not exist, the Company will provide the necessary easement forms, and solicit their execution. The applicant(s), as a condition of service, will be ultimately responsible for obtaining all easements and permits as required by the Company, for construction, operation, maintenance and protection of the facilities to be constructed. Where State or Federal lands are to be crossed to extend service to an applicant or group of applicants, the additional costs incurred by the Company for rights-of-way and permit fees shall be borne by the applicant(s).

(Continued on Sheet No. 6:17)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6.16)

2. Temporary Service

Members desiring temporary service for a short time only, such as for construction jobs, traveling shows, outdoor or indoor entertainments or exhibitions, etc. shall pay the charge per member per month provided in applicable rate schedules. In addition, such member shall bear the cost of installing and removing the facilities in excess of any salvage value realized.

The member shall be required to deposit in advance of construction with the Cooperative an amount (in excess of any salvage realized) to cover the cost of installing and removing temporary facilities plus the estimated cost of service under the terms of applicable rate schedules. Meters may be read daily and the deposit modified as the energy used may justify such modifications.

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

3. Moving of Buildings or Equipment:

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

b. Within regular working hours:

- (1) Average trade-grade wage rate applicable to employee(s) involved.
- (2) Actual material used.
- (3) Appropriate overhead charges.

c. Outside regular working hours:

- (1) Overtime trade-grade wage rate applicable to employee(s) involved.
- (2) Actual material used.
- (3) Appropriate overhead charges.

(Continued on Sheet No. 6.18)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:17)

4. Relocation of Facilities

- a. The Company will cooperate with political subdivisions in the construction, improvement or rehabilitation of public streets and highways. It is expected that the Company will receive reasonable notice so that any required relocation work can be properly scheduled.
- b. If the Company's poles, anchors or other appurtenances are located within the confines of the public right-of-way, the Company will make the necessary relocation at its own expense with exceptions:
  - (1) The facilities were originally installed within the confines of the public right-of-way at the request of the political entity.
  - (2) Existing facilities being within the confines of a new public right-of-way obtained after the construction of the Company's facilities.
  - (3) The facilities provide public services such as lighting, traffic signals, etc.
- c. If the Company's poles, anchors or other appurtenances are located on private property, the political subdivision must agree in advance to reimburse the Company for any expenses involved in relocating its facilities.
- d. When the Company is requested to relocate its facilities for reasons other than road improvements, any expense involved will be paid for by the firm person or persons requesting the relocation, unless one or more of the following conditions are met:
  - (1) The relocation is made for the convenience of the Company.
  - (2) The relocation is associated with other regularly scheduled conversion or construction work at the same location and can be done at the same time.
- e. Before actual relocation work is performed under Paragraph III, C, 4, c and d above, the Company will estimate the cost of moving the poles, anchors or other appurtenances and an advance deposit in the amount of the estimate must be received from the firm, person or persons requesting such relocation. Upon completion of relocation work, the Company will determine the actual costs of the relocation, and the firm, person or persons requesting the relocation will be billed or credited for the difference between the advance deposit and the actual cost.

5. Construction Schedules

Scheduling of construction shall be done on a basis mutually agreeable to the Company and the applicant. The Company reserves the right not to begin construction until the customer has demonstrated to the Company's satisfaction his intent to proceed in good faith with installation of his facilities by acquiring property ownership, obtaining all necessary permits and/or, in the case of mobile homes, meeting the Company's requirements for permanency.

6. Design of Facilities

The Company reserves the right to make final determination of selection, application, location, routing and design of its facilities. Where excessive construction costs are incurred by the Company at the request of the customer, the customer may be required to reimburse the Company for such excess costs.

7. Billing

For customer(s) who fail to take service two (2) months after an extension has been completed to the premises and within the time period requested by the customer(s), the Company shall have the right, after said two (2) month period, to commence billing the customer under the Company's applicable rates and rules for the type of service requested by the customer(s).

(Continued on Sheet No. 6:19)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:18)

SECTION IV - EMERGENCY ELECTRICAL PROCEDURES

A. General

Emergency electrical procedures may be necessary if there is a shortage in the electrical energy supply to meet the demands of customers in the electrical service area. It is recognized that such deficiencies can be short-term (a few hours) or long-term (more than a few hours) in duration; and, in view of the difference in nature between short and long-term deficiencies, different and appropriate procedures shall be adopted for each.

Essential health and safety customers given special consideration in these procedures shall, insofar as the situation permits, include the following types of customers and such other customers or types of customers which the Commission may subsequently identify:

1. "Governmental Detention Institutions," which will be limited to those facilities used for the detention of persons.
2. "Fire Stations," which will be limited to attended, publicly-owned facilities housing mobile fire fighting apparatus.
3. "Hospitals," which will be limited to institutions providing medical care to patients and where surgical procedures are performed.
4. Life support equipment such as a kidney machine or respirator, used to sustain the life of a person.
5. "Water Pumping Plants," which will be limited to publicly-owned facilities essential to the supply of potable water to a community.
6. "Sewage Plants," which will be limited to publicly-owned facilities essential to the collection, treatment or disposal of a community's sewage.
7. Radio and television stations utilized for the transmittal of emergency messages and public information broadcasts related to these procedures.

Although these types of customers will be given special consideration from the manual load shedding provisions of this procedure, they are encouraged to install emergency generation equipment if continuity of service is essential. It is known that some of the township fire departments in the more rural parts of Michigan have portable generation equipment available. Maximum use should be made of these facilities. In the case of customer's supplied from two utility sources, only one source will be given special consideration. Other customers who, in their opinion, have critical equipment or circumstances, should install emergency battery or portable generating equipment.

The Commission will be promptly advised of the nature, time and duration of all implemented emergency conditions and procedures which affect normal service to customers. The Commission may order the implementation of additional procedures or the termination of the procedures previously employed when circumstances so require.

As may be appropriate in accordance with the nature of the occurring or anticipated emergency, the Company will initiate the following procedures.

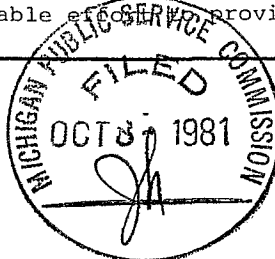
B. Sudden or Unanticipated Short-Term Capacity Shortage

In the event of a sudden decline of the frequency on the system or a sudden breakup which isolates all or parts of the system or power pool from other electric systems with which it is interconnected and which results in the area so isolated being deficient in electric generation, with consequent rapid decline in frequency:

1. Every effort will be made to maintain at least partial service to the system by means of predetermined load shedding of selected transmission and/or distribution circuits. The Company will make every reasonable effort to provide continuous service to essential health and safety customers.

(Continued on Sheet No. 6:20)

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STANDARD RULES AND REGULATIONS  
(Continued from Sheet No. 6:19)

2. With no substantial generation of its own and being to a great extent dependent on outside sources for energy, the Short-Term, Sudden, Unanticipated Capacity Shortage may result in temporary complete loss of service to the Company. However, the Company will make every effort to resume service to essential customers as soon as practicable.

C. Anticipated or Predictable Short-Term Capacity Shortages in the Company System

In the event an emergency condition of short-term duration is anticipated or predicted which cannot be relieved by sources of generation within or outside the system serving as the Company source of energy, the following steps will be taken at the appropriate time and in the order appropriate to the situation:

1. The internal demand of substations, offices and other premises owned by the Company will be reduced to the largest extent consistent with the maintenance of service.
2. Service will be interrupted to loads rendered service under interruptible tariffs.
3. Voltage will be reduced not more than six percent.
4. Voluntary load reductions will be requested of large commercial and industrial customers by procedures established in their respective load management plans.
5. Voluntary load reductions will be requested of all other customers through appropriate media appeals.
6. Load shedding of firm customer loads will be initiated. Service so interrupted shall be of selected distribution circuits throughout the Company area. Such interruptions shall be consistent with the criteria established for essential health and safety customers and will, insofar as practicable, be alternated among circuits. Records will be maintained to insure that during subsequent capacity shortages, service interruptions may be rotated throughout the Company service area in an equitable manner.

D. Long-Term Capacity or Fuel Shortage

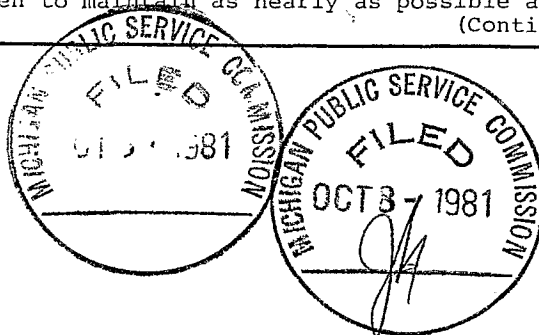
The following actions will be implemented until it is determined by the Company energy suppliers that any or all actions may be terminated. The public will be immediately advised through appropriate media sources of the implementation of these procedures. If an emergency situation of long-term duration arises out of a long-term capacity or fuel shortage in the area which cannot be relieved by sources of generation within or outside the system, the following actions will be taken in the order noted as required:

1. Curtail use during hours of maximum system demand of non-essential energy on premises controlled by the Company including parking and large area lighting and interior lighting, except lighting required for security and safety, and other uses of energy both during and outside normal business hours.
2. Initiate voluntary energy curtailment during hours of maximum system demand of all customers by requesting, through mass communication media, voluntary curtailment by all customers of a minimum of ten percent of their electric use. This use will include lighting, air conditioning, heating, manufacturing processes, cooking, refrigeration, clothes washing and drying, and any other loads that can be curtailed or deferred to off-peak hours.
3. Implement procedures for interruption of selected distribution circuits during the period of maximum system demand on a rotational basis in accordance with specified load reduction amounts minimizing interruption to facilities which are essential to the public health and safety. The length of an interruption of any selected circuit should not exceed two hours and the total interruption should not exceed four hours in any 24-hour period without prior notification to the Commission.

If the above actions are made necessary because of a long-term fuel shortage, they will be continued in the order taken to maintain as nearly as possible a 30-day fuel supply.

(Continued on Sheet No. 6:21)

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E. Emergency Procedures of Wholesale Suppliers

Where appropriate, the emergency procedures will be the same as those placed in effect by the Company's wholesale for resale energy supplier.

**SECTION V – CONSUMER STANDARDS AND BILLING PRACTICES**  
**FOR ELECTRIC RESIDENTIAL SERVICE**

Please refer to the “Documents Library” section of the Michigan Public Service Commission web site at:

<http://www.michigan.gov/mpsc/>

Or, directly access the Consumer Standards and Billing Practices for Electric and Gas Residential Service Rules (R 460.2101 – 460.2199) at:

[http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin\\_Num=46000101&Dpt=&RngHigh=48702110](http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46000101&Dpt=&RngHigh=48702110)

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(Continued from Sheet No. 6:21)

**Consumer Standards and Billing Practices  
For Electric Residential Service**

**First Revised Sheet No. 6:22**  
**Second Revised Sheet No. 6:23**  
**First Revised Sheet No. 6:24**  
**Second Revised Sheet No. 6:25**  
**Second Revised Sheet No. 6:26**  
**Second Revised Sheet No. 6:27**  
**First Revised Sheet No. 6:27a**  
**First Revised Sheet No. 6:27b**  
**Second Revised Sheet No. 6:28**  
**Second Revised Sheet No. 6:29**  
**First Revised Sheet No. 6:29a**  
**Second Revised Sheet No. 6:30**  
**Second Revised Sheet No. 6:31**

**First Revised Sheet No. 6:31a**  
**Second Revised Sheet No. 6:32**  
**Second Revised Sheet No. 6:33**  
**Second Revised Sheet No. 6:34**  
**Second Revised Sheet No. 6:35**  
**Second Revised Sheet No. 6:36**  
**Second Revised Sheet No. 6:37**

**These sheets have been cancelled and are reserved for future use.**

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**Commercial and Industrial Standards and Billing Practices**

**R 460.3901 Customer deposits.**

**Rule 901.** (1) Both of the following provisions apply to new customer deposits:

- (a) Except as provided in subdivision (b) of this subrule, a utility shall not require a deposit from a new customer as a condition of receiving service. A utility may, with proper notification, require a deposit from a new customer if the customer exhibits an unsatisfactory record of bill payment within the first 6 months after service has commenced. Payment of bills on or before the due date shall constitute a satisfactory record of bill payment.
- (b) A utility may require a deposit for a new customer under any of the following conditions:
  - (i) Service is for short periods or special occasions.
  - (ii) The new customer has an existing bad debt with any company regulated by the commission.
  - (iii) Other business accounts with the customer are experiencing collection activity.
  - (iv) The customer has no established credit rating or an unfavorable credit rating with a credit-reporting agency.

(2) An existing customer shall be classified as one who has received service for more than a 6-month period. A deposit may be required under any of the following conditions:

- (a) If a shutoff notice has been issued on 2 or more occasions within the most recent 12-month period.
- (b) Service has been shut off for nonpayment.
- (c) The customer has tampered with the meter or converted utility electricity to the customer's use.

(3) A deposit of not more than 3 times an average monthly billing may be required from customers who are subject to deposit provisions. The utility shall provide reasonable terms for the payment of the deposit. If the applicant has sought any form of relief under the federal bankruptcy laws or is brought within the jurisdiction of the bankruptcy court for any reason, or if a receiver is appointed in a state court proceeding, the utility may assess a deposit as allowed by federal bankruptcy law or state law.

(4) A deposit may be retained by the utility until the customer compiles a record of up to 18 continuous months of bill payment on or before the due date.

(5) A utility shall pay simple interest to each customer who is required to make a deposit for the time the deposit is held by the utility. The interest rate shall be the rate paid on United States savings bonds, series EE, as of the first business day of the calendar year. Interest need not be paid unless the deposit is held for more than 12 months. Payment of the interest to the customer shall be made annually if requested by the customer. If payment of the interest is not requested, the interest shall be paid at the time the deposit is returned. Interest shall be accrued annually. The deposit shall cease to draw interest on the date the deposit is returned, on the date service is terminated, or on the date that notice that the deposit is no longer required is sent to the customer's last known address.

(6) If service is terminated or shut off, the utility may apply the deposit, plus accrued interest, to the customer's unpaid balance. If the deposit, plus accrued interest, is more than the unpaid balance, the excess shall be returned to the customer.

(7) Each utility shall keep records that show all of the following information:

- (a) The name and address of each depositor.
- (b) The amount and date of the deposit.
- (c) Each transaction concerning the deposit.

(8) Each utility shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means by which a depositor may establish a claim if the receipt is lost.

(Continued on Sheet No. 6:39)

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**Commercial and Industrial Standards and Billing Practices**

(9) A record of each unclaimed deposit shall be maintained for not less than 3 years, during which time the utility shall make a reasonable effort to return the deposit.

(10) Unclaimed deposits, together with accrued interest, shall be credited to an appropriate account and shall be disposed of pursuant to Michigan statutes.

(11) Deposits for residential customers are governed by the provisions of R 460.2101 et seq.

**R460.3902 Customer bill forms for commercial and industrial customers.**

**Rule 902.** (1) The utility shall bill each customer as promptly as possible after reading the meter or meters. The bill shall show all of the following information:

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

(2) In place of the billing information specified in subrule (1)(h) of this rule, a statement may appear on the bill advising the customer that the information can be obtained by contacting the utility's principal office. Any multiplier used to determine billing units shall be shown when used.

(3) If the billing period differs from the meter reading cycle and the reading data is calculated from actual metered data, the actual meter reading shall be shown on the bill.

(4) Bill forms for residential customers are governed by R 460.2101 et seq.

**R460.3903 Denial or shutoff of service to commercial and industrial customers.**

**Rule 903.** (1) Service to commercial and industrial customers may be denied or shut off for any of the following reasons:

- (a) Without notice, if a condition on the customer's premises is determined by the utility or a governmental agency to be hazardous.
- (b) Without notice, if a customer uses equipment in a manner that adversely affects the utility's equipment or the utility's service to others.
- (c) Without notice, if the customer tampers with the equipment furnished and owned by the utility.
- (d) Without notice, if unauthorized use of the equipment furnished and owned by the utility occurs, including obtaining the use of equipment by submitting a falsified application.
- (e) For violation of, or noncompliance with, the utility's rules on file with, and approved by, the commission.
- (f) For failure of the customer to fulfill his or her contractual obligations for service or facilities that are subject to regulation by the commission.
- (g) For failure of the customer to permit the utility reasonable access to its equipment.

(Continued on Sheet No. 6:39a)

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**Commercial and Industrial Standards and Billing Practices**

- (h) For nonpayment of a bill if the utility has made a reasonable attempt to obtain payment.
- (i) For failure of the customer to provide the utility with a deposit as authorized by R 460.3901.

(2) Except as provided in subrule (1)(a), (b), (c), and (d) of this rule, a utility shall give a customer written notice that if the customer does not settle the account or comply with the rules and regulations of the utility within 10 days of issuance of the notice to the customer, the utility may deny or shut off service.

(3) At least 1 day before scheduled field action for shutoff, an attempt shall be made to contact the customer by telephone or in person. If contact is not made within 24 hours before the scheduled shutoff, a notice shall be left at the premises in a conspicuous location indicating that service may be shut off the next business day if the bill is not paid.

(4) If the customer's premises are not occupied for residential purposes, the utility may give the notice required in subrule (3) of this rule by mailing the notice to the customer. The notice shall indicate the date on which service may be shut off, which shall be not less than 4 calendar days after the postmark date.

(5) Service shall not be shut off on the day preceding a day or days on which the utility does not provide for receiving payments and restoring service, except as provided in subrule (1)(a), (b), (c), and (d) of this rule.

**R460.3904 Denial or shutoff of service to commercial and industrial customers; insufficient cause.**

**Rule 904.** (1) The following reasons do not constitute sufficient cause for denial or shutoff of service to a prospective or present commercial or industrial customer:

- (a) Delinquency in payment for service by a previous occupant of the premises to be served.
- (b) Failure to pay for items, such as merchandise or appliances, or services that are not approved by the commission as an integral part of the electric service provided by the utility.
- (c) Failure to pay for a different type or class of public utility service.
- (d) Failure to pay the bill of another customer as guarantor.

(2) A utility shall not shut off service during a reasonable time period given to a customer to pay the amount of a backbilling as provided in R460.3403(12) and R 460.3404(3).

**R460.3905 Discounts and late payment charges.**

**Rule 905.** Where provided for in an approved rate schedule for commercial and industrial customers, a utility may grant a discount for prompt payment of a bill for service or may make a late payment charge for failure to make prompt payment. A late payment charge may be applied to the unpaid balance if the bill is not paid in full on or before the due date.

**R460.3906 Delivery and payment of bills.**

**Rule 906.** A bill shall be mailed or delivered to the customer not less than 21 days before the due date, unless otherwise approved by the commission. Failure to receive a bill properly rendered by the utility does not extend the net bill period. If the date on which the net bill is due falls on Saturday, Sunday, or a nationally recognized holiday the bill shall be due on the next business day. Customers who mail remittances before midnight of the last day of the net bill period shall receive the benefit of the net bill--the date of mailing to be determined as 2 days before its receipt by the utility.

**R460.3907 Transfer of unpaid balance.**

**Rule 907.** In the event of shutoff or termination of service to a non-residential customer, a utility may transfer an unpaid balance to any other nonresidential account of the customer.

**R460.3908 Notice of Shutoff.**

**Rule 908.** Not less than 10 days before the proposed shutoff of service to a commercial or industrial facility that is occupied by more than 5 business entities that are not responsible for payment of the bill, a utility shall make a reasonable attempt to notify each occupant that service may be subject to shutoff after a specified date.

Issued: **October 8, 2004**

By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
December 20, 2004
Filed <i>PK</i>

Effective for electric service rendered on and  
after **May 10, 1996**.  
Issued under the Authority of the  
M.P.S.C. Order dated **April 10, 1996**  
in Case No. U-10661

REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES

(COGENERATORS AND SMALL POWER PRODUCERS)

In order to provide for the safety of customers, utility personnel, and others, and to assume reliable electric service consistent with the requirements of the Public Utility Regulatory Policies Act of 1978 and the Michigan Public Service Commission's Order in Case No. U-6798, the following requirements are established for connection and/or operation of customer generation facilities in parallel with the cooperatives distribution system:

Availability

These requirements include all customer generation facilities under 100 KW. Customer generation facilities of 100 KW and over will be handled on an individual basis.

If the customer does not meet all of the requirements listed below, the cooperative may require termination of parallel operation and the customer shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the customer's generation facility. These requirements apply to both existing and proposed installations and are subject to change with approval of the Michigan Public Service Commission from time to time.

Safety and Reliability Requirements

The customer shall submit for the cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the customer's power sources and a site plan.

The customer's control and protection system and site plan must be acceptable to the cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shut-down or separation of the customer's generator and the cooperative system in the event of momentary or extended loss of power from the cooperative, including loss of one or more phases if the customer is generating

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Michael P. Krause, General Manager  
Ubyly, Michigan 48475



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three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and or current deviate from normal utility standards. The customer shall be liable if the customer's protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the cooperative may, at its discretion, inspect or test the facility at any time.

The customer shall advise the cooperative prior to making any revisions to the customer's generation facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the cooperative.

Should the parallel operation of the customer's generation facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the cooperative's system or other customers' service, the cooperative may require disconnection of parallel operation until the condition has been corrected.

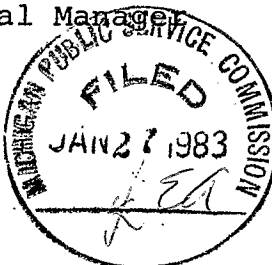
#### Reimbursement of Costs

The customer shall pay for all costs associated with any addition to or alteration of the cooperative's equipment required for metering and for the safe and reliable operation of the customer's generating equipment in parallel with the cooperative's system. The customer shall also pay for costs of changes required due to safety or adverse effects on other customers and/or on the cooperative caused by the connection and/or operation of the customer's generation facility.

The cooperative may require reasonable and adequate insurance coverage by the interconnecting customer and the customer shall provide proof of liability coverage as may be required by the cooperative.

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in Case No. U-6798





Rates for Sales to Cooperative

Cogenerators and small power producers may operate under one of the following options:

Option I

The customer may have a detente installed on its single KWH meter and opt to sell no power to the utility.

Option II

The customer may install a second KWH meter to meter energy sold to the cooperative. The cooperative will pay \_\_\_\_\_ per KWH purchased from the customer.

Option III

The customer may enter into a contract for at least four years providing for the sale of both capacity and energy. The cooperative may require a test period, subject to M.P.S.C. approval, wherein the exact amount of capacity available for sale can be determined. During this period sales will be made subject to Option II.

Capacity is equal to KWH purchased/720. However in no event will demand payments be made in any month when demand is less than KWH purchased/720 for any of the cooperative's four weekly system peaks.

After the contract is executed the utility will pay \_\_\_\_\_ per KWH purchased. The cooperative will pay a rate per KWH based upon the generation characteristics of the customer as follows:

$$\text{Rate per KW} = \text{_____} \times (\text{availability factor}) \times (\text{capacity factor})$$

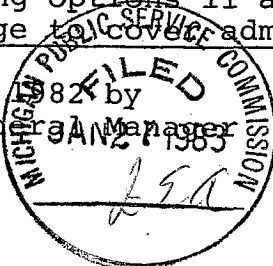
Availability and capacity factors will initially be based on estimation but may be adjusted if justified by actual performance.

Customers selling capacity recognize that, under certain operating conditions, the cooperative will require the qualifying facility to back down its generation.

Recovery of Administrative Costs

Customers choosing Options II and III will be assessed a 1 mill/KWH surcharge to cover administrative costs.

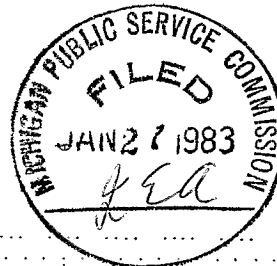
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Michael P. Krause, General Manager  
Ubyly, Michigan 48475



Effective for electric service on and after August 27, 1982. Issued under authority of the M.P.S.C. dated August 27, 1982 in Case No. U-6798.

Calculation of Avoided Costs

Pursuant to the Commission's Order in Case No. U-6798, dated August 27, 1982, Thumb's avoided costs are based upon the average rate paid to its power suppliers. The power supply bills used to derive avoided energy costs and avoided capacity costs will be kept on file at Thumb. Thumb personnel will be available to explain how this methodology is applied to these bills so as to derive the avoided costs for any particular billing period.



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Michael P. Krause, General Manager  
Ubyly, Michigan 48475

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on and after August 27, 1982.  
Issued under authority of the  
MPSC dated August 27, 1982 in  
Case No. U-6798

Definition of Time Periods Used in Time-of-Day Rates

Provisions pertinent to the application of time periods used in various time-of-day rates are as follows:

- (1) Peak Period: 5:00 p.m. to 10:00 p.m., weekdays  
excluding holidays
- (2) Intermediate Period: 7:00 a.m. to 5:00 p.m. all days;  
and 5:00 p.m. to 10:00 p.m.,  
weekends and holidays
- (3) Off-Peak Period: All other hours.
- (4) Designated holidays:
  - (a) New Year's Day
  - (b) Good Friday
  - (c) Memorial Day
  - (d) Independence Day
  - (e) Labor Day
  - (f) Thanksgiving Day
  - (g) Christmas Day

The Cooperative may revise the above schedule of time period hours from time to time and, in such event, will submit to the Michigan Public Service Commission and to members taking service under the relevant rate schedules a new schedule which will become effective thirty days after its issuance date and which will remain in effect until the effective date of any succeeding schedule.



Issued December 19, 1988  
By Michael P. Krause, Manager  
Ubyly, Michigan 48475

Effective for service rendered on and  
after July 1, 1988 *PK*

Issued under the authority of M.P.S.C.  
Dated June 28, 1988 in Case No. U-9012

FARM AND HOME SERVICE  
SCHEDULE A

Availability:

Available to members of the Thumb Electric Cooperative for all normal permanent year-around farm and home use, **who require a transformer 50 kVa or less and have only one (1) point of service on the premises**, subject to the established rules and regulations of the Cooperative.

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire or, where available, three phase, four-wire delta connected.

Monthly Rate:

Basic Service Charge @ **\$7.00**  
Energy Charge @ **\$0.10584/kWh**

Minimum Charge:

The minimum monthly charge under this schedule shall not be less than **\$7.00**. The monthly minimum may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to service an account under this schedule,

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

This rate is subject to the Allowable Charges as set forth on Sheet No. 6.23.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

THIS SHEET RESERVED FOR FUTURE USE

Issued: July 17, 1997  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for bills rendered on and after July 11,  
1997  
Issued under the authority of the M.P.S.C.  
dated July 10, 1997 in Case No. U-11357

OPTIONAL FARM AND HOME TIME-OF-DAY SERVICE  
SCHEDULE A-TOD

Availability:

Available to members of the Cooperative for all normal farm and home use, subject to the established rules and regulations of the Cooperative. The member must contract to receive service on this rate for a minimum of twelve months with a minimum average monthly usage of 1,000 kWh. Members taking service under the CWH, DF or ES rates are not eligible for service under the TOD rate. (This rate is only available to members being served on this rate prior to October 1, 2001.)

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire or, where available, three phase, four-wire delta connected.

Monthly Rate:

Basic Service Charge	@	\$16.00
Energy Charge		
On-Peak	@	\$0.100/kWh
Intermediate	@	\$0.070/kWh
Off-Peak	@	\$0.048/kWh

Minimum Charge:

The minimum monthly charge under this schedule shall not be less than \$16.00. The monthly minimum may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to service an account under this schedule.

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubly, Michigan

Michigan Public Service Commission
<b>July 31, 2007</b>
Filed <u>AL</u>

Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

Thumb Electric Cooperative  
M.P.S.C. No 3 - Electric

Original Sheet No. 8.03

Terms of Payment:

This rate schedule is subject to the Cooperative's Allowable Charges as set forth on Sheet No. 6.23.

Definition of Periods:

This rate schedule is subject to the Cooperative's definition of time periods as set forth on Sheet No. 6.44.



Issued: December 19, 1988  
By: Michael P. Krause, Manager  
Uby, Michigan 48475

Effective for service rendered on and  
after July 1, 1988

Issued under the authority of M.P.S.C.  
Dated June 28, 1988 in Case No. U-9012

SEASONAL AND LOW USAGE FARM & HOME SERVICE  
SCHEDULE A-S

Availability:

Available to seasonal members as defined on Sheet No. 5.00 and low usage non permanent Farm & Home uses, subject to the established rules and regulations of the Cooperative.

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, a single-phase, three-wire.

Monthly Rate:

Basic Service Charge	@	<b>\$11.90</b>
Energy Charge	@	<b>\$0.10584/kWh</b>

Minimum Charge:

The minimum charge under this schedule shall not be less than **\$11.90** per month. The minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Billing:

Members taking service under this schedule will monthly be billed the monthly service charge and may be billed monthly for the energy charge if a reading is obtained. If readings are not secured, the energy will be billed annually.

Meter Reading:

The Cooperative will read each meter at least once each year.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubly, Michigan



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dated **7-05-07** in Case No. **U-14714-R**



SEASONAL RESIDENTIAL SERVICE  
SCHEDULE A-S - Continued

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Terms of Payment:

This rate is subject to the Allowable Charges as set forth on Sheet No. 6.23.

Issued: September 14, 1990  
By: Michael P. Krause  
General Manager  
Uby, Michigan 48475

Effective for bills rendered  
on and after August 30, 1990  
Issued under the authority of the  
M.P.S.C. dated August 30, 1990  
in Case No. U-7878



**SEASONAL AND LOW USAGE GENERAL SERVICE  
SCHEDULE SGS**

Availability:

Available to members of the Thumb Electric Cooperative, who occupy or make use of their facilities only a part of each year or at intervals during the year, for all uses, subject to the established rules and regulations of the Cooperative. In addition, this rate is available for non Farm & Home members with low annual usage of under 2,400 kWh. This schedule is specifically intended for, but not necessarily limited to, the following classes of service: seasonal commercial, seasonal industrial, irrigation system, isolated pumps, sheds, and any others that cannot be classified as Seasonal Farm & Home. Schools may have the option of taking service under this schedule, if they so choose.

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages.

Monthly Rate:

Basic Service Charge	@	<b>\$14.10</b>
Energy Charge	@	<b>\$0.10525/kWh</b>

Minimum Charge:

The minimum charge under this schedule shall not be less than **\$14.10** per month. The minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Billing:

Members taking service under this schedule will monthly be billed the monthly service charge and may be billed monthly for the energy charge if a reading is obtained. If readings are not secured, the energy will be billed annually.

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyl, Michigan



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dated **7-05-07** in Case No. **U-14714-R**

**SEASONAL AND LOW USAGE GENERAL SERVICE**  
**SCHEDULE SGS**  
(Continued)

Meter Reading:

The Cooperative will read each meter at least once each year.

Terms of Payment:

Billings are due 21 days from the date of rendition for payment in full. A onetime late payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
<b>July 31, 2007</b>
Filed _____ 

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on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

OPTIONAL GENERAL TIME-OF-DAY SERVICE  
SCHEDULE GS-TOD

Availability:

Available to members of the Cooperative for all uses, subject to the established rules and regulations of the Cooperative, when billing demand is less than 75 kW. Members with billing demands between 50 kW and 75 kW may elect to take service under either Rate Schedule GS or Rate Schedule LGS. This schedule is specifically intended for, but not necessarily limited to, the following classes of service: commercial, industrial, public buildings, schools, churches and any others that cannot be classified as normal farm and home use. The member must contract to receive service on this rate for a minimum of twelve months with a minimum average monthly usage of 1,000 kWh. Members taking service under the CWH, DF, or ES rates are not eligible for service under TOD rate. (This rate will not be available to members after October 1, 2001.)

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages.

Monthly Rate:

Basic Service Charge	@	<b>\$23.00</b>
Energy Charge		
On-Peak	@	<b>\$0.100/kWh</b>
Intermediate	@	<b>\$0.070/kWh</b>
Off-Peak	@	<b>\$0.048/kWh</b>

Minimum Charge:

The minimum charge under this schedule shall not be less than **\$23.00**. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule.

Taxes:

Michigan State Sales Tax will be added to all billings including minimums, whenever applicable.

Tax Adjustments:

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

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By Michael P. Krause  
General Manager  
Ubyly, Michigan



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dated **7-05-07** in Case No. **U-14714-R**

OPTIONAL GENERAL TIME-OF-DAY SERVICE  
SCHEDULE GS-TOD (Continued)

- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

Billings are due 21 days from the date of rendition for payment in full. A one time late payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

Definition of Period:

This rate schedule is subject to the Cooperative's Definition of time periods as set forth on Sheet No. 6.44.

Issued: July 17, 1997  
By Michael P. Krause  
General Manager  
Uby, Michigan



Effective for bills rendered on and after July 11,  
1997

Issued under the authority of the M.P.S.C.  
dated July 10, 1997 in Case No. U-11357

GENERAL SERVICE  
SCHEDULE GS

Availability:

Available to members of the Thumb Electric Cooperative for all uses, subject to the established rules and regulations of the Cooperative, when billing demand is less than **50 kW**. This schedule is specifically intended for, but not necessarily limited to, the following classes of service: commercial, industrial, public buildings, schools, churches and any other that cannot be classified as normal farm and home use.

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages.

Monthly Rate:

Service Charge                @        **\$9.00**  
Energy Charge                @        **\$0.10525/kWh**

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Minimum Charge:

The minimum charge under this schedule shall not be less than **\$9.00**. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule.

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

Billings are due 21 days from the date of rendition for payment in full. A one-time late-payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

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General Manager  
Ubyly, Michigan



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General Manager  
Uby, Michigan



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1997

Issued under the authority of the M.P.S.C.  
dated July 10, 1997 in Case No. U-11357

LARGE GENERAL SERVICE  
SCHEDULE LGS

Availability:

Available to any members of the Thumb Electric Cooperative for all uses, subject to the Cooperative's rules and regulations, when billing demand is greater than 50 kW.

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages.

Monthly Rate:

Demand Charge           @       \$10.70/kW  
Energy Charge           @       **\$0.07625/kWh**

Power Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Billing Demand:

The billing demand shall be the kilowatts (kW) supplied during the 30-minute period of the maximum usage during the billing period, but not less than 65% of the highest monthly on-peak metered billing demand during the billing months of June, July, August, December, January, and February of the preceding eleven billing months, nor less than 50 kW.

Minimum Charge:

The minimum charge shall not be less than the demand charge. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

Primary Service Discount:

A discount of 2.0 percent shall be applied to the bill if the customer owns the transformer and service is provided at primary voltage.

Power Factor:

The above rate charges are predicated upon the Consumer maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Consumer's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Consumer's actual power factor.

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General Manager  
Ubly, Michigan



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dated **7-05-07** in Case No. **U-14714-R**



LARGE GENERAL SERVICE  
SCHEDULE LGS  
(Continued)

Taxes:

Michigan States Sales Tax will be added to all billings whenever applicable.

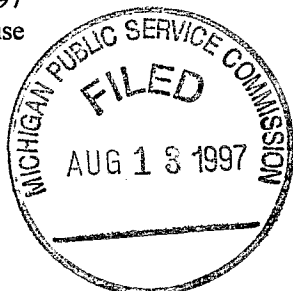
Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

Billings are due 21 days from the date of rendition for payment in full. A one-time payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

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General Manager  
Uby, Michigan



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dated July 10, 1997 in Case No. U-11357

LARGE POWER DISTRIBUTION SUBSTATION  
SCHEDULE LPDS

Availability:

This rate is available only to Large Power Loads (Consumer) of 350 kW or greater to be served within 1,000 feet of the distribution substation.

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages or primary voltages.

Monthly Rate:

Demand Charge           @       \$10.70/kW  
Energy Charge            @       **\$0.06073/kWh**

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Maximum Billing Demand:

The billing demand shall be the kilowatts (kw) supplied during the 30-minute period of the maximum usage during the billing period, but not less than 65% of the highest monthly on-peak metered billing demand during the billing months of June, July, August, December, January, and February of the preceding eleven billing months, nor less than 50 kilowatts.

Minimum Charge:

The minimum charge shall not be less than the billing demand charge as above. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands of short time duration or of intermittent nature.

Primary Service Discount:

A discount of 2.0 percent shall be applied to the bill if the customer owns the transformer and service is provided at primary voltage.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Terms of Payment:

Billings are due 21 days from the date of rendition for payment in full. A one-time late payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

Contracts:

A Contract shall be required for each Consumer under this rate. Thumb reserves the right to require service contracts covering terms and nature of service in cases where special services are required, or where investment by Thumb is in excess of that provided for without contribution toward construction by the Consumer in the Commission's Standard Rules and Regulations.

Tax Adjustments:

- A. Bills should be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local increases.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Power Factor

The above rate charges are predicated upon the Consumer maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Consumer's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Consumer's actual power factor.

Issued: August 26, 1992  
By: Michael P. Krause  
General Manager  
Uby, Michigan 48475

Effective for bills rendered  
on and after August 31, 1992  
Issued under the authority of the  
M.P.S.C. dated August 25, 1992  
in Case No. U-7878



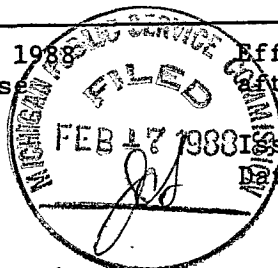
Thumb Electric Cooperative  
M.P.S.C. No. 3

Third Revised Sheet No. 13.00  
Cancels Second Revised Sheet No. 13.00

STREET LIGHTING  
SCHEDULE C

THIS SHEET IS CANCELLED

Issued: February 1, 1988  
By: Michael P. Kraus  
General Manager  
Ubyly, Michigan 48475



Effective: For bills rendered on and  
after January 13, 1988.

Issued under the authority of M.P.S.C.  
Dated January 12, 1988 in Case No. U-7878

OUTDOOR PROTECTIVE LIGHTING SERVICE  
SCHEDULE PL

Availability:

Available to all members of the Thumb Electric Cooperative for outdoor protective lighting service on premises on which the member is already taking service from the Cooperative under another rate schedule. Also available to municipalities, political subdivision and others for street lighting service with the condition that said municipalities, etc., become members of the Cooperative.

Hours of Service:

Dusk to dawn, controlled by photo-sensitive-devices, every night and all night for approximately 4,200 hours per year.

Type of Service:

Multiple lighting from secondary or service lines. The Cooperative will supply the energy and will own, operate and maintain the lighting fixtures. Burned out lamps must be reported by the member, and the Cooperative will undertake to replace the lamps as soon as possible during regular working hours. Broken lamps or damage to fixtures by accident or vandalism will be repaired at the member's expense.

Contract Terms:

Service supplied under this schedule will be for a minimum term of one year in accordance with the "Outdoor Protective Lighting Service Agreement."

Monthly Rate:

Using existing pole and secondary facilities:

175 watt mercury vapor lamp	<b>\$9.90</b>
400 watt mercury vapor lamp	<b>\$15.80</b>
100 watt high pressure sodium	<b>\$9.90</b>
250 watt high pressure sodium	<b>\$15.80</b>

Special Terms and Conditions:

The above rate is based on the use of existing poles and secondary facilities. If one or more new poles are required, the above rates shall be increased by \$2.00 per month per new pole, secondary span, or transformer required solely for a light.

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Uby, Michigan



Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

OUTDOOR PROTECTIVE LIGHTING SERVICE  
SCHEDULE PL  
(Continued)

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 through 20.02.

Issued: July 17, 1997  
By Michael P. Krause  
General Manager  
Uby, Michigan



Effective for bills rendered on and after July 11,  
1997  
Issued under the authority of the M.P.S.C.  
dated July 10, 1997 in Case No. U-11357

### OUTDOOR PROTECTIVE LIGHTING AGREEMENT

This agreement dated \_\_\_\_\_, \_\_\_\_\_  
between \_\_\_\_\_, herein called the Member, and the Thumb Electric  
Cooperative of Michigan, Inc., herein called the Cooperative, is for the supply of equipment and electric  
energy under the provisions of the Outdoor Protective Lighting Service Schedule "PL" at the Member's  
premises located at

\_\_\_\_\_ Township \_\_\_\_\_ Section \_\_\_\_\_ County \_\_\_\_\_

The Member agrees to take service for the number of lighting fixtures and additional poles listed below  
and agrees to pay for such listed lighting fixtures and poles in accordance with the charge set forth in the  
Outdoor Lighting Service Schedule "PL".

The Member jointly agrees, in the event service is discontinued before completion of the contract term,  
that the total charges for the remainder of the contract term shall be immediately due and payable by the  
Member.

Lighting fixtures and poles to be supplied by the Cooperative and for which the Member will pay charges  
are as follows:

<u>Description</u>	<u>Number of Units</u>
175W MV or 100 W HPS	_____
400W MV or 250 W HPS	_____
New Poles, Secondary Spans or Transformer	_____

The contractual term of this Agreement is from \_\_\_\_\_, \_\_\_\_\_  
to \_\_\_\_\_, \_\_\_\_\_, and shall extend thereafter from month to  
month unless terminated by either the Member or the Cooperative on thirty (30) days written notice.

ACCEPTED:

Thumb Electric Cooperative  
Of Michigan, Inc.

\_\_\_\_\_  
(Member)

BY: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Mailing Address)

Issued: August 31, 1998  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for bills rendered  
on and after August 27, 1998  
Issued under the authority of the M.P.S.C.  
dated August 27, 1998 in Case No. U-11656

CONTROLLED WATER HEATER SERVICE  
SCHEDULE CWH

Availability:

Available to members of the Thumb Electric Cooperative, already taking service under Rate Schedule A, A-S or GS, who desire controlled water heating service to single tank installations. Energy will be metered through the regular service meter. Members may choose between a 40 or more gallons option (option 1), a 80 or more gallons option (option 2), or a third option available to those not qualifying under Options 1 or 2 above (option 3), as described below. To qualify for this rate, the sole source of water heating must be electricity.

The minimum period of service is for one year and requires a signed agreement with the Cooperative.

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire or, where available, three phase, four-wire delta connected service will be controlled by the Cooperative's radio control system.

Hours of Service:

Option 1: For members choosing the 40 or more gallons option, control of service shall not exceed 4 hours per day, said hours to be established from time-to-time by the Cooperative but shall be predominantly between the hours of 11 a.m. to 10 p.m.

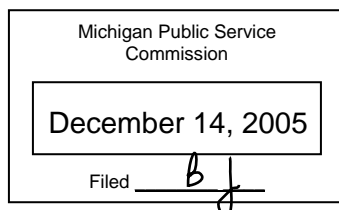
Option 2: For members choosing the 80 or more gallons option, control of service shall not exceed 6 hours per day, said hours to be established from time-to-time by the Cooperative but shall be predominantly between the hours of 11 a.m. to 10 p.m.

Option 3: For members not qualifying under Option 1 or 2 above, control of service shall not exceed 2 hours per day, said hours to be established from time-to-time by the Cooperative but shall be predominantly between the hours of 11 a.m. to 10 p.m. **(This option will not be available to members after October 1, 2005.)**

Monthly Rate:

For members choosing option 1, a credit of \$7.50 per month will be applied to the bills of members who permit the Cooperative to install a remote control device on the member's electric water heater. A member must use a minimum of 350 kWh per month per water heater before a water heater credit will be given.

Issued: **December 8, 2005**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for service rendered  
on and after **December 5, 2005**  
Issued under the authority of the M.P.S.C.  
dated **11/10/05** in Case No. U-14465



Thumb Electric Cooperative  
M.P.S.C. No. 3

Fourth Revised Sheet No. 15.01  
Cancels Third Revised Sheet No. 15.01

**CONTROLLED WATER HEATER SERVICE  
SCHEDULE CWH - Continued**

For members choosing option 2, a credit of \$9.25 per month will be applied to the bills of members who permit the Cooperative to install a remote control device on the member's electric water heater. A member must use a minimum of 500 kWh per month per water heater before a water heater credit will be given.

For members choosing option 3, a credit of \$2.70 per month will be applied to the bills of members who permit the Cooperative to install a remote control device on the member's electric water heater. No minimum usage is required for this option.

These credits are to be applied before the bill under Rate Schedule A, A-S or GS is tested against the appropriate minimum charge for Schedules A, A-S or GS.

Energy will be charged the appropriate rate per kWh as specified on Sheet No. 8.00 for service in conjunction with Schedule A, on Sheet No. 9.00 for service in conjunction with Schedule A-S or on Sheet No. 11.00 for service in conjunction with Schedule GS, including applicable fuel and power supply cost recovery adjustments and taxes.

Issued: August 31, 1998  
By Michael P. Krause  
General Manager  
Udly, Michigan



Effective for bills rendered  
on and after August 27, 1998  
issued under the authority of the M.P.S.C.  
dated August 27, 1998 in Case No. U-11656

Thumb Electric Cooperative  
M.P.S.C. No. 3

**First Revised Sheet No. 16.00**  
Cancels **Original** Sheet No. 16.00

**THIS SHEET IS CANCELLED**

Issued: **December 8, 2005**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
December 14, 2005
Filed <u>BJ</u>

Effective for service rendered  
on and after **December 5, 2005**  
Issued under the authority of M.P.S.C. order  
dated **11/10/05** in Case No. **U-14465**

INTERRUPTIBLE CENTRAL AIR CONDITIONING OR HEAT PUMP SERVICE  
SCHEDULE IGHP

Availability:

Available to members of the Thumb Electric Cooperative, already taking service concurrently under another rate schedule. This rate is for interruptible service to central air conditioning or heat pump systems, which are controlled by the cooperative. Service is subject to the established rules and regulations of the Cooperative. Service to interruptible load shall be taken through separately metered circuits and permanently wired. Service to interruptible load may not be transferred to firm service circuits to avoid interruption. (This rate is only available to members being served on this rate prior to October 1, 2001.)

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire. Service under this schedule will be available at all times except when interrupted by the cooperative during times of peak system demand or system emergencies. Interruption shall not exceed 30 minutes in any hour for no more than 8 hours in any one day.

Monthly Rate:

Energy Charge @ **\$0.0745/kWh**

Taxes:

Michigan State Sales Tax will be added to all billing whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

This rate schedule is subject to the terms of payment as set forth in the concurrent rate schedule that qualifies the member for service.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubly, Michigan



Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

DUAL FUEL HEATING SERVICE  
SCHEDULE DF

Availability:

Available to members of the Thumb Electric Cooperative, already taking service concurrently under another rate schedule. This rate is for interruptible service to dual fueled heating loads, which are controlled by the Cooperative. Service is subject to the established rules and regulations of the Cooperative. Service to interruptible load shall be taken through separately metered circuits and permanently wired. Service to interruptible load may not be transferred to firm service circuits to avoid interruption.

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire. Service under this schedule will be available at all times except when interrupted by the Cooperative during times of peak system demand or system emergencies. The total number of hours that this load will be interrupted shall be limited to a maximum of 400 hours per year, and 8 hours per day.

Monthly Rate:

Energy Charge @ **\$0.0605/kWh**

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the member for service.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
<b>July 31, 2007</b>
Filed _____ <i>RL</i>

Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

ENERGY STORAGE  
SCHEDULE ES

Availability:

Available to members of the Thumb Electric Cooperative, already taking service concurrently under another rate schedule. This rate is for interruptible service to energy storage loads, which are controlled by the Cooperative. Service is subject to the established rules and regulations of the Cooperative. Service to interruptible load shall be taken through separately metered circuits and permanently wired. Service to interruptible load may not be transferred to firm service circuits to avoid interruption.

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire. Service under this schedule will be available for approximately 8 hours per day, normally 11:00 p.m. to 7 a.m. or as established by the Cooperative, and approved by the Michigan Public Service Commission.

Monthly Rate:

Energy Charge @ **\$0.0479/kWh**

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the member for service.

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Uby, Michigan



Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

Thumb Electric Cooperative  
M.P.S.C. No. 3

**Tenth** Revised Sheet No. 19.00  
Cancels **Ninth** Revised Sheet No. 19.00

LARGE POWER - TIME-OF-DAY SERVICE  
SCHEDULE LP-TOD

**THIS SHEET IS CANCELLED.**

Issued: **October 22, 2001**  
By Michael P. Krause  
General Manager  
Uby, Michigan



Effective for **service** rendered  
on and after **October 11, 2001**  
Issued under the authority of the M.P.S.C.  
dated 10-11-01 in Case No. U-12882

Thumb Electric Cooperative  
M.P.S.C. No. 3

Sixth Revised Sheet No. 19.01  
Cancels Fifth Revised Sheet No. 19.01

LARGE POWER - TIME-OF-DAY SERVICE  
SCHEDULE LP-TOD  
(Continued)

**THIS SHEET IS CANCELLED.**

Issued: **October 22, 2001**  
By Michael P. Krause  
General Manager  
Udly, Michigan



Effective for service rendered  
on and after **October 11, 2001**  
Issued under the authority of the M.P.S.C.  
dated 10-11-01 in Case No. U-12882

THUMB ELECTRIC COOPERATIVE OF MICHIGAN  
POWER SUPPLY COST RECOVERY CLAUSE

This clause permits the monthly adjustment of rates for power supply to allow recovery of the booked costs of fuel and purchased power incurred under reasonable and prudent policies and practices.

For purposes of this clause, the following definitions apply:

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

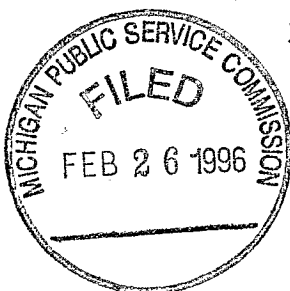
"Power supply cost recovery plan" means a filing made annually describing the expected sources of electric power supply and changes for a future 12-month period specified by the Commission and requesting for each of those 12 months a specified power supply cost recovery factor.

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

The Power Supply Cost Recovery factor shall, in accordance with the hearing procedures adopted by the Michigan Public Service Commission, consist of .01101 mills per kilowatthour for each full .01 mills per kWh, of power supply costs, less the allowance for cost of power supply included in base rates, rounded to the nearest .01 mills per kilowatthour. The power supply cost recovery factor to be applied to Thumb Electric Cooperative's ("Cooperative") retail customers' monthly kilowatthour usage represents the power supply costs supplied as established by Commission Order pursuant to a power supply and cost review hearing conducted by the Commission. The power supply and cost review will be conducted not less than once a year for the purpose of evaluating the power supply cost recovery plan filed by Cooperative and to authorize appropriate power supply cost recovery factors.

Issued: February 16, 1996  
By: Michael P. Krause  
General Manager  
Ubyly, Michigan 48475

Effective for bills rendered  
on and after February 5, 1996  
Issued under the authority of the  
M.P.S.C. dated February 5, 1996  
in Case No. U-10979





STANDARD RULES AND REGULATIONS

Power Supply Cost Recovery Clause Continued

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

Not less than once a year and not later than 3 months after the end of the 12-month period covered by Cooperative's most recently authorized power supply cost recovery plan, a power supply cost reconciliation proceeding will be conducted to reconcile the revenues recorded pursuant to the power supply cost recovery factor and the allowance for cost of power included in the base rates as established by the Commission under Cooperative's most recent power supply cost recovery plan, among other things. Cooperative shall be required to refund to customers, or to credit to customers' bills any net amount determined to have been recovered which is in excess of the amounts actually expended by Cooperative for power supply. Cooperative shall recover from customers any net amount by which the amount determined to have been recovered over the period covered was less than the amount determined to have been actually expended by Cooperative for power supply.

For the twelve months ending December 2008, the Power Supply Cost Recovery Factor is \$0.00521 per kWh. The allowance for cost of power supply included in base rates is \$0.05726 per kWh.

Should the Cooperative apply lesser factors than those above, or if the factors are later revised pursuant to Commission Orders or 1982 PA 304, the Cooperative will notify the Commission and file a revision of the above factors.

The following factors are applied pursuant to 1982 PA 304 in the 12 billing months ending December 2008.

<u>Year</u>	<u>Month</u>	<u>Maximum Authorized 2008 PSCR Factor (per kWh)</u>	<u>Actual Factor Billed (per kWh)</u>	<u>2007 Undercollection</u>	<u>Applied 2008 Factor</u>
2008	January	0.00521	0.00521	<b>\$0.001330</b>	<b>\$0.003875</b>
2008	February	0.00521	0.00521	<b>\$0.001330</b>	<b>\$0.003875</b>
2008	March	0.00521	<b>0.00521</b>	<b>\$0.001330</b>	<b>\$0.003875</b>

Issued: **February 20, 2008**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Effective for bills rendered  
For the 2008 PSCR Plan Year.  
Issued under the authority of the  
1982 PA 304, Sec. 6J (9) for  
Implementing in Case No. 15409.



<u>Year</u>	<u>Month</u>	Maximum Authorized <u>2008 PSCR Factor</u> (per kWh)	Actual Factor <u>Billed</u> (per kWh)	<u>2007</u> <u>Undercollection</u>	Applied 2008 <u>Factor</u>
2008	April	0.00521	<b>0.00521</b>	<b>\$0.001330</b>	<b>\$0.003875</b>
2008	May	0.00521			
2008	June	0.00521			
2008	July	0.00521			
2008	August	0.00521			
2008	September	0.00521			
2008	October	0.00521			
2008	November	0.00521			
2008	December	0.00521			

Issued: **March 25, 2008**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for bills rendered  
For the 2008 PSCR Plan Year.  
Issued under the authority of the  
1982 PA 304, Sec. 6J (9) for  
Implementing in Case No. 15409.

The following factors are applied pursuant to 1982 PA 304 in the 12 billing months ending December 2007.

<u>Year</u>	<u>Month</u>	<u>Maximum Authorized 2007 PSCR Factor</u> (per kWh)	<u>Actual Factor Billed</u> (per kWh)
2007	January	.005329	.005329
2007	February	.005329	.005329
2007	March	.005329	.005329
2007	April	.008129	.008129
2007	May	.008129	.008129
2007	June	.008129	.008129
2007	July	.000569	.000569
2007	August	0	(0.003801)
2007	September	0	(0.003801)
2007	October	0	0
2007	November	0	0
2007	December	0	0

Issued: **December 20, 2007**  
By Michael P. Krause  
General Manager  
Udly, Michigan

Effective for bills rendered  
**For the 2007 PSCR Plan Year.**  
Issued under the authority of the **M.P.S.C.**  
**On July 5, 2007 in Case No. U-14714-R.**



Thumb Electric Cooperative  
M.P.S.C. No. 3 - Electric

First Revised Sheet No. 21.00  
Cancels Original Sheet No. 21.00

Requirements for Pole Attachments

The Cooperative may permit a cable television company or other attaching party (as defined in paragraph 1(a) of 1980 PA 470; MCLA 460.6g) to make attachments to its poles, ducts or conduits pursuant to contract between the Cooperative and the attaching party. Upon execution, copies of such contracts shall be filed with the Michigan Public Service Commission. Effective April 1, 1997, the annual pole attachment rate shall be \$3.74 per pole per year.

Attaching parties must obtain any necessary authorizations to occupy public or private rights-of-ways prior to execution of a contract with the Cooperative.

This sheet shall not apply to attachments made or proposed to be made by utilities (as defined in paragraph 1(d) of 1980 PA 470) to the facilities of the Cooperative.

Issued: March 12, 1997  
By Mike Krause  
General Manager  
Ubly, Michigan

Effective for service rendered on and after  
April 1, 1997

Issued under the authority of M.P.S.C.  
dated February 11, 1997 in Case No. U-10831



PRIMARY SUPPLY RATE  
SCHEDULE PSR

Availability of Service:

Available to any members of the Thumb Electric Cooperative desiring service at primary voltage who contract for a specified capacity of not less than 50 kilowatts at a single location.

Hours of Service:

24 hours, subject to interruption by agreement, or by advance notice.

Type of Service:

Alternating current, three-phase, 12,470 volts at the option of the Cooperative.

Contract Capacity:

Members shall contract for a specified capacity in kilowatts sufficient to meet normal maximum requirements but not less than 50 kilowatts. The Cooperative undertakes to provide the necessary facilities for a supply of electric power from its primary distribution system at the contract capacity. Any single reading of the demand meter in any month that exceeds the contract capacity then in effect shall become the new contract capacity.

Monthly Charges:

Service Charge:

**\$275.00** per member per month

Demand Charges:

**\$11.00** per kW for on-peak billing demand plus

**\$ 4.50** per kW of maximum demand

Energy Charge:

**\$0.0337** per kWh for all kWh

Issued: **July 17, 2007**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
<b>July 31, 2007</b>
Filed <u>RL</u>

Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

Monthly On-Peak Billing Demand:

The monthly on-peak billing demand shall be the average of the four weekly highest 30-minute integrated readings of the demand meter during the on-peak hours of the billing period. The weekly billing demand is the highest of the daily demands established on seven-day intervals commencing with the first day of the billing period. (The period after the first 21 days of each month is considered to be the fourth week.) The monthly on-peak demand will not be less than 65% of the highest monthly on-peak metered billing demand during the billing months of **June, July, August, December, January, and February** of the preceding eleven billing months, nor less than 50 kilowatts.

Maximum Billing Demand:

The maximum demand shall be the highest 30-minute demand created during the previous 12 billing months, including the current month but not less than 50% of contract capacity.

Minimum Charge:

The billing demand charge as above plus the service charge.

Power Factor Clause:

The above rate charges are predicated upon the Consumer maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Consumer's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Consumer's actual power factor.

Special Terms and Conditions:

The contract capacity however established shall not be decreased during the term of the contract and subsequent renewal periods as long as service is required unless there is a specific reduction in connected load.

Member-owned equipment must be operated so that voltage fluctuations on the primary distribution system of the Cooperative shall not exceed permissible limits.

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By Michael P. Krause  
General Manager  
Ubyly, Michigan



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dated **11/10/05** in Case No. U-14465

Members will be permitted to transfer from this rate to a secondary commercial rate, provided they can meet the availability requirements, if the load characteristic changes sufficiently so that the member would benefit by the change for the foreseeable future even though metering was continued at primary voltage. Frequent changes, however, from one rate to another for a period less than one full year will not be permitted.

At the option of the Cooperative, service may be supplied at the primary voltage and metered at a secondary voltage when the member transfers from a secondary rate. For loads metered at a secondary voltage (less than 600V), all measured quantities shall be increased by 2%.

Contract Term:

For new primary installations over 1000 kW the term is for not less than five years, extending thereafter from month-to-month until terminated by mutual consent or on twelve months' written notice by either party, which may be given at any time after the end of the fourth year. For new primary installations of 1000 kW or less and for new members at existing installations, the term is for one year which under special circumstances may be increased or reduced at the discretion of the Cooperative, extending thereafter from month-to-month until terminated by mutual consent or on one month written notice by either party.

Taxes:

Michigan State Sales Tax will be added to all billings whenever applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

Terms of Payment:

Billings are due 21 days from the date of rendition for payment in full. A one-time payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

Schedule of On-Peak Hours:

On-Peak hours are those hours between 1100 hours and 1900 hours each day, Monday through Friday, legal holidays excluded.

Legal holidays shall be: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. "Monday" holidays, where legally recognized, will be recognized in place of the "traditional" holidays.

Issued: July 17, 1997  
By Michael P. Krause  
General Manager  
Ubyly, Michigan



Effective for bills rendered on and after July 11, 1997

Issued under the authority of the M.P.S.C.  
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Thumb Electric Cooperative  
M.P.S.C. No. 3

**Fifth Revised Sheet No. 23.00**  
Cancels **Fourth Revised Sheet No. 23.00**

INTERRUPTIBLE PROCESS HEAT RATE  
SCHEDULE IPHR

**THIS SHEET IS CANCELLED.**

Issued: **October 22, 2001**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Effective for service rendered  
on and after **October 11, 2001**  
Issued under the authority of the M.P.S.C.  
dated **10-11-01** in Case No. **U-12882**





Thumb Electric Cooperative  
M.P.S.C. No. 3

Fourth Revised Sheet No. 23.01  
Cancels Third Revised Sheet No. 23.01

INTERRUPTIBLE PROCESS HEAT RATE  
SCHEDULE IPHR  
(Continued)

**THIS SHEET IS CANCELLED.**

Issued: **October 22, 2001**  
By Michael P. Krause  
General Manager  
Uby, Michigan



Effective for service rendered  
on and after **October 11, 2001**  
Issued under the authority of the M.P.S.C.  
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**SCHEDULE RASS**  
**RETAIL ACCESS STANDBY SERVICE**

Availability

This schedule is available on a best efforts basis only to Member-Consumers of the Cooperative receiving service under the Large General Service Rate-Choice (Schedules LGS-C) and Large Power Distribution Substation Rate-Choice (LPDS-C). This is in addition to the Member-Consumer's applicable Choice tariff.

Nature of Service

Service under this schedule is only available on a best efforts basis to the Member-Consumer when an Alternative Electric Supplier (AES) has ceased service to the Member-Consumer. The Member-Consumer may arrange to return to Full Requirements Service by following the procedures detailed in the Cooperative's *Retail Access Service Tariff*, subject to the terms and conditions set forth in said tariff.

Standby Service under this schedule does not include net under- or over- deliveries of Energy that result when Energy is delivered on behalf of a Member-Consumer but deviates from the Member-Consumer's scheduled Energy requirements plus applicable provisions for line losses. Any change in the Member-Consumer's Energy schedule must be reported to the Transmission Service Provider according to the provisions in the applicable Open Access Transmission Tariff (OATT). These charges represent Schedule 4 ancillary services and will be summarized each month with payment to the Member-Consumer or due from the Member-Consumer per the calculation.

Charges for Service

The charges for this service shall be equal to the Cooperative's out-of-pocket cost of standby power delivered to the Member-Consumer, plus a service fee of one-cent (\$0.01) per kWh delivered to the Member-Consumer.

The Cooperative's out-of-pocket cost shall be equal to the amount it is billed by its wholesale supplier for Standby Service delivered to the Member-Consumer.

(Continued on Sheet No. 24:01)

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Dated **September 20, 2005** in Case No. **U-14578**

**SCHEDULE RASS**  
**RETAIL ACCESS STANDBY SERVICE**  
(Continued from Sheet No. 24:00)

Terms of Payment

1. Monthly bills for Standby Service rendered by the Cooperative are due and payable on or before the due date listed on the bill.
2. The above rates are net. A one-time late payment charge of two (2%) percent of the unpaid balance, excluding sales tax, will be assessed on any bill for Standby Service not paid by the due date.
3. The Cooperative will not collect any monies on behalf of any AES, retailer or other third party without a written agreement between the Cooperative, the Member-Consumer and the third party.

Third Party Disputes

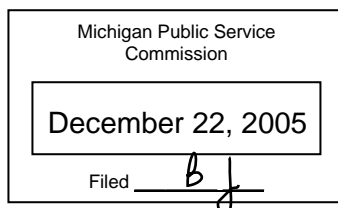
The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member Consumer and any third party.

Tax Adjustment

1. Bills shall be increased or decreased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local increases or decreases.
2. Bills shall be adjusted to offset any new, increased or decreased specific tax or excise imposed by any governmental authority, which increases or decreases the Cooperative's cost of providing electric service.

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General Manager  
Ubly, Michigan



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**RETAIL ACCESS SERVICE TARIFF**

**1.0 INTRODUCTION AND DEFINITIONS**

This tariff expresses the terms and conditions associated with Retail Access Service and provides information regarding the roles of the various market participants. This tariff includes the following sections:

Introduction and Definitions	Section 1.0
Member-Consumer Section	Section 2.0
Alternative Electric Supplier Section	Section 3.0
Dispute Resolution	Section 4.0
Liability and Exclusions	Section 5.0

When a Member-Consumer participates in Retail Access Service and obtains Generation Services from an Alternative Electric Supplier (AES), the Cooperative will maintain a relationship and interact with the separate participants – including the Member-Consumer, the Transmission Service Provider, and the AES.

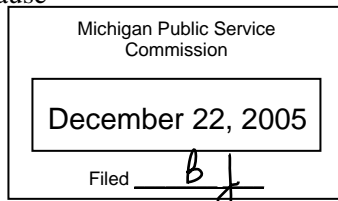
**1.1 The Member-Consumer Role**

The Member-Consumer is the end-user of Power in the State of Michigan who has facilities connected to the Cooperative's Distribution System. Under Retail Access Service, the Member-Consumer will conduct transactions with at least two participants – including the Cooperative and an AES. The Member-Consumer is responsible for choosing an AES. Member-Consumers may receive transmission service directly from the Transmission Service Provider or the AES may make such arrangements as part of its service to the Member-Consumer.

The Cooperative's principal requirement is that the Member-Consumer must be eligible to be taking service under the Cooperative's Schedule LGS or LPDS and have a Maximum Demand of at least **50 kW**. **No more than 30% of the total number of member-consumers between 50 kW and 199 kW may be eligible for service under this tariff.**

(Continued on Sheet No. 25:01)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. 25:00)

The Member-Consumer is ultimately responsible for the purchase and delivery of power to the Cooperative's distribution system that is sufficient to meet the Member-Consumer's electrical requirements for each hour of each day. If for any reason, including but not limited to the failure or default of the AES, the failure of its generation resources and/or transmission system constraints, power is delivered to a retail open access Member-Consumer by the Cooperative then the Member-Consumer shall purchase said power from the Cooperative pursuant to the Default Service provisions of this tariff.

**1.2 The Alternative Electric Supplier Role**

An Alternative Electric Supplier (AES) is a Person that has been licensed by the Michigan Public Service Commission to sell electric generation service to retail Consumers in this state. The AES takes title to Power and sells Power in Michigan's retail electric market.

An AES makes necessary arrangements to provide Power to Member-Consumers, assembles products and/or services, and sells the products and/or services to Member-Consumers. The AES must meet all applicable statutory and regulatory requirements of Michigan and federal law.

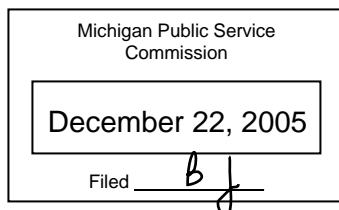
Market participation responsibilities of the AES or Member-Consumer include: scheduling energy, obtaining and paying for transmission and ancillary services (including energy imbalance charges), and payment or provision of energy for losses incurred on the Transmission System and the Distribution System to deliver Power. The AES is responsible for assuring power supply, arranging deliveries to the Cooperative's Distribution System, and managing its own retail sales.

**1.3 Transmission Service Provider Role**

The Transmission Service Provider delivers electrical energy to the Cooperative's distribution system. To obtain retail access service, the Member-Consumer or the AES on behalf of the Member-Consumer may arrange for transmission service from the Transmission Service Provider. The Transmission Service Provider provides services to transmission consumers, whether an AES or a Member-Consumer as defined herein, pursuant to its Open Access Transmission Tariff (OATT) rules and regulations as approved by the Federal Energy Regulatory Commission or pursuant to a Transmission Tariff approved by another appropriate regulatory authority.

(Continued on Sheet No. 25:02)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. 25:01)

**1.4 Cooperative Role**

The Cooperative provides facilities and related services for the distribution of electricity and is the Member-Consumer's primary contact for electric service. Under Retail Access, the Cooperative arranges for the physical connection of the Member-Consumer's facilities to the Distribution system and provides system maintenance, outage restoration, metering equipment, meter data processing, bill processing for distribution services and other Consumer support services.

The Cooperative's Generation Services (Default Service and Full Requirements Service) offered herein are supplied by purchases for resale from the Cooperative's wholesale power supplier. Such purchases are made pursuant to tariffs that are established by the wholesale power supplier and approved by the Federal Energy Regulatory Commission or other appropriate regulatory authority.

**1.5 Definitions**

"Aggregate" or "Aggregation" means to combine or the combination of multiple metering points serving an individual Member-Consumer for the purpose of qualifying for Retail Access Service.

"Alternative Electric Supplier" or "AES" means a Person properly licensed by the Michigan Public Service Commission to sell electric Generation Service to retail Consumers in the state of Michigan. AES does not include a Person who physically delivers electricity from the AES directly to retail Consumers in Michigan.

"Commission" means the Michigan Public Service Commission.

"Cooperative" means Thumb Electric Cooperative or its agent.

"Default Service" means Generation Service provided by the Cooperative. Default Service shall be purchased under the rates, terms, and conditions in the applicable Retail Access Standby Service tariff approved by the Commission.

(Continued on Sheet No. 25:03)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:02)

“*Demand*” means the amount of Power required to meet the Member-Consumer’s load averaged over a designated interval of time, expressed in kilowatts or megawatts.

“*Distribution Point of Delivery*” means the point of interconnection between the Cooperative’s Distribution System and the Member-Consumer’s service Location.

“*Distribution Point of Receipt*” means the point of interconnection between the Cooperative’s Distribution System and the Transmission System or other facilities where electric Energy is received for delivery to a Member-Consumer.

“*Distribution Service*” means the provision of retail Regulated Electric Service including delivery of Generation over the Distribution System, and ancillary services all provided by the Cooperative pursuant to its rates for Retail Access Service.

“*Distribution System*” means facilities operated by the Cooperative at 41.6 kV and below for the purpose of distributing electric power within the Cooperative’s electric service territory, which are subject to the jurisdiction of the Commission.

“*Drop Request*” means a request by an AES to terminate Generation Service to a Member-Consumer.

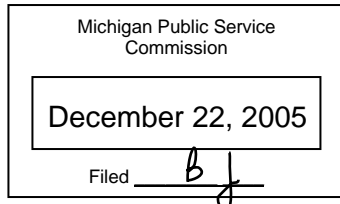
“*Drop Response*” means a response sent by the Cooperative to an AES which submitted a Drop Request that confirms the requested Member-Consumer drop as pending and provides certain Member-Consumer information or, if the Drop Request is denied, provides a reason or invalidation code explaining why the request was denied.

“*Energy*” refers to “electrical energy.” Energy is usually measured in kilowatt-hours (kWh) or megawatt-hours (MWh).

“*Full Requirements Service*” means the provision of retail Regulated Electric Service including generation, transmission, distribution, and ancillary services all provided by the Cooperative pursuant to its rates for standard electric service.

(Continued on Sheet No. 25:04)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:03)

“*Generation Service*” means the provision of electric Power, transmission, and related ancillary services.

“*Interval Demand Meter*” means a meter capable of measuring and recording kW demands and kVAR demands on a sub-hour time interval and hourly integrated basis and measuring energy in kWh on a cumulative basis.

“*Load*” means any end-use device drawing energy from the electric system.

“*Location*” means each Member-Consumer facility, whether owned or leased, where power is delivered by the Cooperative.

“*Maximum Demand*” (also known as “Peak Demand”) means the highest 15-minute integrated demand created during the current and previous eleven (11) billing months at each voltage level, whether the Member-Consumer received service under this tariff or another Cooperative retail tariff.

“*Member-Consumer*” means, for purposes of Retail Access Service, a Person with electrical load facilities connected to the Cooperative’s Distribution System and to whom Power is delivered to its Location pursuant to this tariff. All Member-Consumers, regardless of the voltage level of the service, are considered to be connected to the Cooperative’s Distribution System.

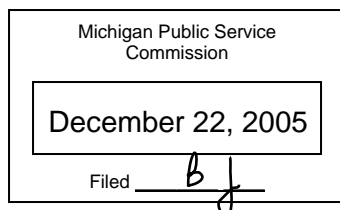
“*Open Access Transmission Tariff (OATT)*” means Open Access Transmission Tariff of a Person owning or controlling the Transmission System, on file with the Federal Energy Regulatory Commission, as may be amended from time to time.

“*Person*” means an individual, governmental body, corporation, partnership, association, or other legal entity.

“*Power*” means a combination of the electric Demand and Energy requirements of the Member-Consumer.

(Continued on Sheet No. 25:05)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:04)

“*Retail Access Service*” means the service offered by the Cooperative under applicable laws, regulations, tariffs and agreements, which allows the Member-Consumer to purchase Generation Service from a licensed AES, with Power delivered through the Cooperative’s Distribution System.

“*Regulated Electric Service*” means the services offered by the Cooperative under terms and conditions approved by the Commission.

“*Relevant Market*” means either the Upper Peninsula or the Lower Peninsula of this state.

“*Slamming*” means the act of changing the Member-Consumer’s chosen AES, or changing the Member-Consumer from Full Requirements Service to Generation Service from an AES, without the Member-Consumer’s consent.

“*Switch*” means a Member-Consumer move from one provider of Generation Service to another.

“*Switch Date*” means the date on which the Member-Consumer is actually assigned to a new Generation Service provider for purposes of Energy supply responsibility.

“*Switch Request*” means a request by an AES to switch the Member-Consumer from the Cooperative or another AES to the requesting AES, for Generation Service.

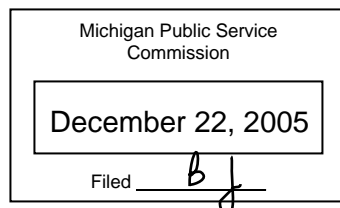
“*Switch Response*” means a response sent by the Cooperative to an AES which submitted a Switch Request that confirms the requested Member-Consumer switch as pending and provides certain Member-Consumer information or, if the Switch Request is denied, provides a reason or invalidation code explaining why the request was denied.

“*Transition Charge*” means a surcharge for the recovery of costs associated with the implementation of Retail Access Service and/or the Cooperative’s stranded costs arising from the implementation of Retail Access Service, as determined by the Commission.

“*Transmission Service Provider*” means a Person that owns, controls and/or operates transmission facilities and provides transmission and related services to the Cooperative including scheduling of power supply resources into the transmission system on behalf of the Cooperative.

(Continued on Sheet No. 25:06)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:05)

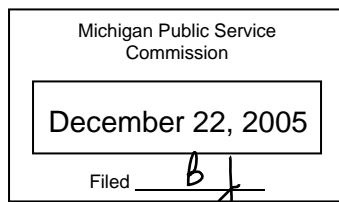
“*Transmission System*” means facilities operated by a Person used for transmitting electric Power to the Distribution Point of Receipt, and subject to the jurisdiction of the Federal Energy Regulatory Commission.

“*Uniform Data Transaction*” means specific technical arrangements for trading information, initiating business requests and executing other common transactions. These arrangements may encompass a number of electronic media and use specified transport protocols.

(Continued on Sheet No. 25:07)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:06)

**2.0 MEMBER-CONSUMER SECTION**

**2.1 Availability**

Retail Access Service is available to all existing or new Member-Consumers that meet the terms and conditions of this Retail Access Service tariff and other applicable Cooperative tariffs, subject to contracting with an AES.

**2.2 Eligibility**

2.2.1 A Member-Consumer's eligibility to take Retail Access Service is subject to the full satisfaction of any terms or conditions imposed by pre-existing contracts with or tariffs of the Cooperative. Member-Consumers must have satisfied any past due amounts for Regulated Electric Service owed to the Cooperative under any other arrangements or provisions for Regulated Electric Service before taking service under this tariff.

2.2.2 An Individual Member-Consumer who is eligible to be taking service under the Cooperative's Schedule LGS or LPDS having a demand meter with a Maximum Demand of at least **50 kW** is eligible to take service under this tariff. **No more than 30% of the total number of member-consumers between 50 kW and 199 kW may be eligible for service under this tariff.**

**2.3 Member-Consumer Information**

Member-Consumers will be provided their own usage and billing information upon request. No fee shall be charged for the first request per calendar year related to a specific Member-Consumer account. An AES must obtain written authorization from the Member-Consumer before the Cooperative will provide an AES with a Member-Consumer's currently available usage and billing information. Subsequent requests by the Member-Consumer or the AES will require a fee of \$30.00 per account that will be billed to the Member-Consumer.

(Continued on Sheet No. 25:08)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. 25:07)

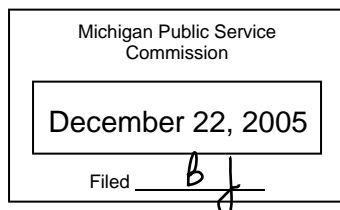
**2.4 Member-Consumer Enrollment and Switching**

- 2.4.1 A Member-Consumer which switches to an AES cannot return to the Cooperative's Full Requirements Service for two years after the switch to the AES has been effectuated. See Return to Service Provision in Section 2.6.
- 2.4.2 A Member-Consumer will specify only one AES at any given time for the supply of Power to each Member-Consumer account or Member-Consumer Location.
- 2.4.3 A Member-Consumer shall be permitted to change AESs. Assuming all other requirements are met, the changes will become effective at the completion of their normal billing cycle. Member-Consumers will be assessed a fee of \$10.00 per Member-Consumer account for each change beyond one (1) within a calendar year. The change will be submitted to the Cooperative by the Member-Consumer's newly chosen AES as a Switch Request.
- 2.4.4 The AES shall submit to the Cooperative a Switch Request via a Uniform Data Transaction after a required ten (10) day Consumer rescission period.
- 2.4.5 The Cooperative will process one (1) valid Switch Request per Member-Consumer per meter reading cycle. Where multiple Switch Requests for the same Member-Consumer are received during the same meter reading cycle, the Cooperative will process the first valid Switch Request received during a meter read cycle. A Switch Response for each rejected Switch Request will be sent to the appropriate AES via a Uniform Data Transaction within three (3) business days.

The Cooperative will normally validate a Switch Request within three (3) business days of the receipt of the Switch Request and will transmit a Switch Response to the AES. As part of the validation process, the Cooperative shall notify the Member-Consumer in writing that a Switch Request has been received and is being processed.

(Continued on Sheet No. 25:09)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:08)

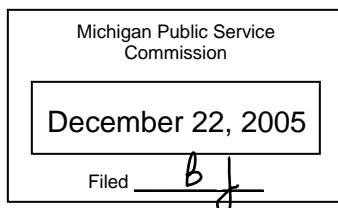
For valid Switch Requests from one AES to another, the Cooperative will at the same time send to the AES currently serving the Member-Consumer, via the appropriate Uniform Data Transaction, notice that the AES's service is to be terminated, including the scheduled Member-Consumer Switch Date. In the event that the Member-Consumer or the new AES cancels the Switch before the Switch Date, the Cooperative will send to the current AES, via appropriate Uniform Data Transaction, notice reinstating the current AES's service unless the current AES has submitted a valid Drop Request.

Cut-off time for the receipt of Switch Requests is eight (8) business days in advance of the Member-Consumer's Switch Date. In the case of errors or omissions in Switch Requests received by the Cooperative, final disposition of exceptions may take up to five (5) business days.

- 2.4.6 Other than in situations where Member-Consumers require new meter installations as part of a Switch, Member-Consumer Switches will be scheduled to take place on the scheduled meter reading date, and will be effective on the actual meter reading date or the date of an estimated meter reading for billing purposes. The Switch Date shall be effective on the next scheduled meter read date that is not less than eight (8) business days after the Switch Request has been confirmed as pending. The AES change shall occur at midnight (00:00) local time at the beginning of the effective date.
- 2.4.7 The Cooperative shall process Drop Requests submitted by AESs in the same manner as it processes Switch Requests, including Member-Consumer notification. AESs shall be subject to the same timing, validation and Uniform Data Transaction requirements for Drop Requests as for Switch Requests. An AES shall inform the Member-Consumer in writing of the submission of a Drop Request.

(Continued on Sheet No. 25:10)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. 25:09)

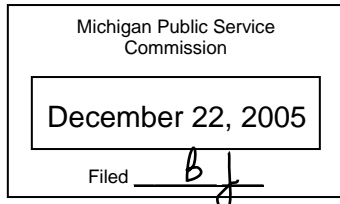
**2.5 Metering**

- 2.5.1 Metering equipment for Member-Consumers taking Retail Access Service shall be furnished, installed, read, maintained, and owned by the Cooperative.
- 2.5.2 Member-Consumers shall be required to have an Interval Demand Meter at each metering point.
- 2.5.3 If a new Interval Demand Meter is required, time and material costs to install it will be assessed to the Member-Consumer.
- 2.5.4 The Cooperative may require that the meter be read via telephone. In such cases, Member-Consumers will be required to provide a telephone connection for purposes of meter interrogation by the Cooperative. If a Member-Consumer is not able to allow sharing of a telephone connection, the Member-Consumer may be required to obtain a separate telephone connection for such purposes. The Member-Consumer is responsible for assuring the performance of the telephone connection. The Member-Consumer shall be responsible for all costs of the required telephone connection.
- 2.5.5 In cases where a telephone connection used by the Cooperative for meter interrogation is out of service, the Cooperative may retrieve the data manually for a nominal monthly fee of \$40.00 payable by the Member-Consumer. In the event that the telephone connection is out for three consecutive billing months, the Member-Consumer's Retail Access Service may be terminated and the Member-Consumer will be returned to service under the Cooperative's Full Requirements Service tariffs subject to the provisions of Section 2.6, unless said outage is due to non-performance by the telecommunications service provider.
- 2.5.6 Energy consumption and Demand for settlement purposes shall be based on the data from the Interval Demand Meters.

(Continued on Sheet No. 25:11)

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Ubyly, Michigan



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On and After **January 1, 2006**  
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Dated **September 20, 2005** in Case No. **U-14578**

**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:10)

2.5.7 Where monthly metered Energy data is not available due to metering errors, malfunctions, or otherwise, the billing quantities will be estimated by the Cooperative using the available historical data and other relevant information for the Member-Consumer.

**2.6 Return to Full Requirements Service**

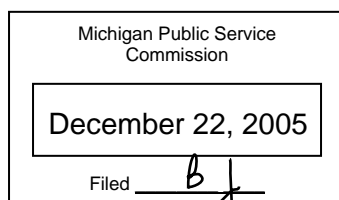
2.6.1 A Member-Consumer which switches to an AES cannot return to the Cooperative's Full Requirements Service for two (2) years after the switch to the AES has been effectuated. After such two (2) year period, a Member-Consumer may return to full service after giving the Cooperative at least 30 days written notice, unless the Member-Consumer wants to take service during the summer months of June through September, in which case the Member-Consumer must give the Cooperative notice no later than the preceding December 1. The Cooperative will return the Member-Consumer to Full Requirements Service following the notice period. Said notice period commences with the beginning of the Member-Consumer's billing cycle following receipt of the Member-Consumer's written notice of intent to return to Full Requirements Service. If the Member-Consumer returns to the Cooperative's Full Requirements Service for any reason prior to such two (2) year period or prior to the expiration of the notice period, the Member-Consumer's rate will be determined as the greater of:

- A. The charges for Default Service plus the applicable Retail Access Service rate, or
- B. 110% of the applicable Full Requirements Service Rate.

2.6.2 A Member-Consumer, having given notice of its intent to return to Full Requirements Service under Section 2.6.1, will receive Cooperative Default Service if, at any time during the notice period, it discontinues purchasing Generation Service from an AES.

(Continued on Sheet No. 25:12)

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**RETAIL ACCESS SERVICE TARIFF**

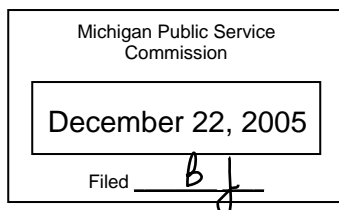
(Continued from Sheet No. 25:11)

- 2.6.3 A Member-Consumer taking Default Service under the provisions of Section 2.6.2 may switch to another AES as provided in Section 2.4 at any point during the period that they are on Default Service.
- 2.6.4 The AES shall transmit a Member-Consumer Drop Request to the Cooperative via a Uniform Data Transaction when the Member-Consumer requests return to Full Requirements Service or when AES service is not being continued for any reason. The AES shall inform the Member-Consumer of the Drop Request in writing.
- 2.6.5 The Cooperative will normally validate a Drop Request within three (3) business days of the receipt of the Drop Request and will transmit a Drop Response to the AES. As part of the validation process, the Cooperative will notify the Member-Consumer in writing that a Drop Request has been received and is being processed.
- 2.6.6 The Switch from AES to Full Requirements Service will be processed on the next meter read date after the AES submits the necessary Drop Request to the Cooperative, provided that the requirements of section 2.6.1 are met. If the requirements of section 2.6.1 are not met, then the Member-Consumer will be switched to Cooperative Default Service until said requirements are met. The Switch shall occur at midnight (00:00) local time at the beginning of the effective date.
- 2.6.7 A Member-Consumer returning to Full Requirements Service must remain on such service for the minimum term stated in the applicable Full Requirements Service tariff, but not less than twelve (12) months.
- 2.6.8 In the event of Slamming from Full Requirements Service, a Member-Consumer who desires to return to Full Requirements Service may do so. The Cooperative will waive the twelve (12) month minimum term requirements. The Cooperative's Default Service does not apply to such Member-Consumers.

(Continued on Sheet No. 25:13)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:12)

2.6.9 In the event a Member-Consumer is dropped by the AES due to the bankruptcy of the AES or upon the complete withdrawal of the AES from the Relevant Market, the Member-Consumer may receive Default Service from the Cooperative for not more than three (3) full billing cycles. By the end of that time period, the Member-Consumer must either have a Switch Request completed on their behalf as provided in Section 2.4, or give notice of its intent to return to Full Requirements Service as provided in Section 2.6.1. A Member-Consumer that does not arrange for Generation Service from a different AES or give notice of its intent to return to Full Requirements Service within three (3) months shall be disconnected.

**2.7 Billing and Payment**

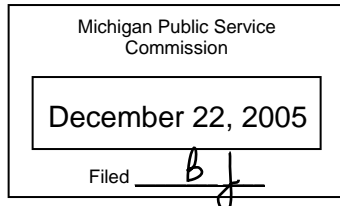
2.7.1 The Cooperative will bill the Member-Consumer for Retail Access Service as outlined in section 3.3 of this tariff.

2.7.2 The Member-Consumer shall pay the Cooperative the amount billed by the Cooperative on or before a due date established by Member-Consumer billing rules approved by the Commission in accordance with the Commission's consumer standards and billing practices, R 460.3901 et seq., as amended, for nonresidential Consumers.

2.7.3 Where incorrect billing results from an error discovered by either the Cooperative, the AES or the Member-Consumer, the error will be corrected and revised bills, as appropriate for the Member-Consumer and/or AES, will be calculated and settled on the next billing period after the error is discovered. Billing errors discovered by the Cooperative shall be adjusted as provided for in the Commission's applicable billing rules.

(Continued on Sheet No. 25:14)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. 25:13)

**2.8 Disconnection of Service**

The Cooperative is the only Person allowed to physically disconnect service to a Member-Consumer. Disconnection of service to a Member-Consumer for non-payment of the Cooperative's bill or for any violation of the Cooperative's tariffs shall be in accordance with applicable Commission rules and Cooperative tariffs. The Cooperative shall notify the AES in writing of the intent to disconnect and the date and time of actual disconnection. The Cooperative shall not be liable for any losses to the AES due to disconnection.

(Continued on Sheet No. 25:15)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:14)

**3.0 ALTERNATIVE ELECTRIC SUPPLIER SECTION**

**3.1 Availability**

The AES will not be eligible to enroll Member-Consumers unless and until the following conditions have been satisfied and continue to be satisfied. The AES has sole responsibility for conditions 3.1.1, 3.1.2, and 3.1.3. The Cooperative will check and verify conditions 3.1.4 and 3.1.5.

3.1.1 The AES has been granted a license by the Commission.

3.1.2 The AES has obtained and maintains a Member-Consumer-signed Enrollment indicating that the Member-Consumer has chosen to switch its Generation Service to the AES.

3.1.3 The AES has executed agreements with the appropriate Transmission Service Provider(s).

3.1.4 The AES has demonstrated its capability to meet the Cooperative's defined standards and protocols for Uniform Data Transactions.

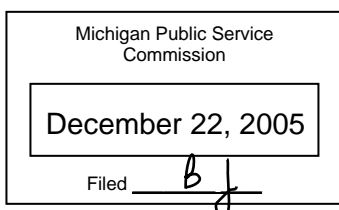
3.1.5 The AES has executed a Retail Access Service agreement (which may include, but is not limited to, a portfolio of Member-Consumers, negotiated services, etc.) with the Cooperative and complied with the Cooperative's Member-Consumer enrollment requirements to prevent Slamming.

**3.2 Switch and Drop Requests**

3.2.1 Switch Requests and Drop Requests will be handled in accordance with Section 2.4 of this tariff and will be accepted for processing by the Cooperative.

(Continued on Sheet No. 25:16)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:15)

3.2.2 When a Member-Consumer requests to discontinue receiving Generation Service from the AES or when the AES's service is being discontinued for any reason, the AES shall transmit a Member-Consumer Drop Request to the Cooperative via a Uniform Data Transaction within no more than three (3) business days.

**3.3 Billing**

3.3.1 Unless otherwise agreed, the Cooperative and the AES will separately bill the Member-Consumer for the respective services provided by each. The Member-Consumer will receive separate bills for services provided and is responsible for making payments to the Cooperative for service provided in accordance with requirements of the Cooperative as set forth in the applicable billing rules and Commission approved tariffs.

3.3.2 The Cooperative may elect to offer a service where it bills the Member-Consumer for services that the Cooperative provides as well as services provided by the AES. If the Cooperative bills for AES charges, the following conditions will apply:

1. The Cooperative and the AES must have entered into a billing agreement that specifies the terms and conditions under which such billing will occur.

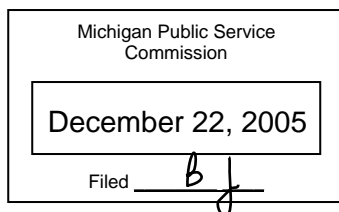
2. Any discrepancies in charges collected and remitted will be corrected and reflected in the subsequent billing cycles.

3. Payments received from or on behalf of a Member-Consumer shall be applied in the following order:

1. To the Member-Consumer's past due balance owed the Cooperative,
2. To current balances due the Cooperative,
3. To current balances due the Cooperative for other charges such as facilities or loan agreements, and
4. To the AES for all balances due for services provided.

(Continued on Sheet No. 25:17)

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Dated **September 20, 2005** in Case No. **U-14578**

**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:16)

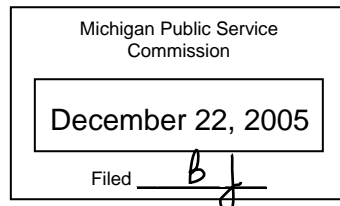
4. Optional Services (i.e., billing and remittance processing, credit and collections, meter read information, Member-Consumer information, etc.) may be provided by the Cooperative pursuant to terms negotiated with the AES, and shall be offered on a non-discriminatory basis. Amounts owed to the Cooperative by an AES may be deducted from the AES's Member-Consumer payments received by the Cooperative prior to remittance to the AES.
5. The Cooperative will not pursue collections action for any AES.
- 3.3.3 Unless otherwise specified by the Cooperative, all payments made to the Cooperative by the AES will be made by electronic funds transfer to the Cooperative's account.

**3.4 Terms and Conditions of Service**

- 3.4.1 The AES is responsible for providing Power to be transmitted by the appropriate Transmission Service Provider(s) to the Cooperative's Distribution Point of Receipt. The AES shall meet all obligations necessary to schedule Power to match the Member-Consumer's Load, subject to energy imbalance charges and penalties in accordance with the terms of the OATT of the Transmission Service Provider(s).
- 3.4.2 Retail Access Service may not commence until metering has been installed as specified in this Tariff as outlined in Section 2.5.
- 3.4.3 The AES will provide to the Cooperative or the Cooperative's designated recipient daily energy schedules for all services including losses associated with use of the Distribution System. The AES will provide verification that it has arranged for and scheduled transmission service to deliver Energy, the energy schedule has been approved by the Transmission Service Provider(s), and the AES has covered losses on the Transmission System(s).

(Continued on Sheet No. 25:18)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:17)

- 3.4.4 The AES will pay the Cooperative under applicable tariffs for all applicable ancillary services, emergency energy services, standby and backup services provided by the Cooperative to the AES for the AES's Member-Consumer(s) from the service commencement date to the service termination date.
- 3.4.5 The Cooperative shall bill the AES for all associated switching fees incurred as a result of Slamming by the AES plus the actual administrative cost incurred for switching a slammed Member-Consumer from one rate service to another.
- 3.4.6 An AES shall not resell Member-Consumer account information or transfer it to other parties for any other purpose. The Cooperative will only release Member-Consumer data to the Member-Consumer or its authorized representative, which may be the AES.

**3.5 Distribution Power Losses**

The Alternative Electric Supplier is responsible for replacing losses associated with the delivery of Power to the Member-Consumer's meter. The Cooperative will supply losses once supply is delivered to its 41.6 kV system and these costs are included in its tariff.

(Continued on Sheet No. 25:19)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:18)

**4.0 DISPUTE RESOLUTION**

- 4.1 The Cooperative shall have no duty or obligation to resolve any complaints or disputes between AESs and Member-Consumers.
- 4.2 The Cooperative shall have no duty or obligation to resolve any complaints or disputes between AESs or Member-Consumers and their Transmission Service Provider(s). Disputes involving a Transmission Service Provider's OATT shall be resolved using the dispute resolution procedures as described in the OATT.
- 4.3 In the event the AES has a dispute over the implementation of the Cooperative's Retail Access Service, then the AES shall provide the Cooperative with a statement of the dispute and the proposed resolution to the designated Cooperative contact. Upon receipt of the statement of dispute, the Cooperative shall attempt to resolve the dispute according to the following process:
- 4.3.1 The Cooperative will investigate the dispute and attempt to resolve the dispute informally in a manner that is satisfactory to both parties within five (5) business days of initial receipt of the statement of dispute.
- 4.3.2 If the dispute is not resolved in five (5) business days, the parties shall attempt to resolve the dispute by promptly appointing a senior representative of each party to attempt to mutually agree upon a resolution. The two senior representatives shall meet within ten (10) business days. If the two senior representatives cannot reach a resolution within a 30-day period, the dispute may, on demand of either party, be submitted to arbitration as provided in this section.
- 4.3.3 The dispute, if mutually agreed by the parties, may be submitted for resolution in accordance with the American Arbitration Association ("AAA") commercial arbitration rules. The judgment rendered by the arbitrator may be enforced in any court having jurisdiction of the subject matter and the parties.

(Continued on Sheet No. 25:20)

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**RETAIL ACCESS SERVICE TARIFF**

(Continued from Sheet No. 25:19)

- 4.3.4 The arbitrator may be determined by AAA.
- 4.3.5 The findings and award of the arbitrator shall be final and conclusive and shall be binding upon the parties, except as otherwise provided by law. Any award shall specify the manner and extent of the division of the costs between the parties.
- 4.4 Nothing in this section shall restrict the rights of any party to seek resolution of the dispute with the appropriate regulatory agency with jurisdiction.

(Continued on Sheet No. 25:21)

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**RETAIL ACCESS SERVICE TARIFF**

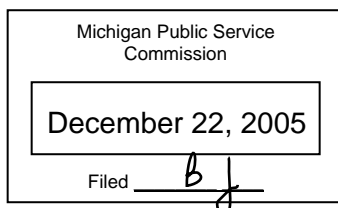
(Continued from Sheet No. 25:20)

**5.0 LIABILITY AND EXCLUSIONS**

- 5.1 In no event will the Cooperative or its suppliers be liable under any cause of action relating to the subject matter of this tariff, whether based on contract, warranty, tort (including negligence), strict liability, indemnity or otherwise for any incidental or consequential damages including but not limited to loss of use, interest charges, inability to operate full capacity, lost profits or claims of AESs or Member-Consumers.
- 5.2 The Cooperative will not be liable to an AES or Member-Consumer for damages caused by interruption of service, voltage or frequency variations, single-phase supply to three-phase lines, reversal of phase rotation, or carrier-current frequencies imposed by the Cooperative for system operations or equipment control, except such as result from the failure of the Cooperative to exercise reasonable care and skill in furnishing the service.
- 5.3 In no event will Cooperative be liable to an AES or Member-Consumer for loss of revenue or other losses due to meter or calculation errors or malfunctions. The Cooperative's sole obligation and the AES's or Member-Consumer's sole remedy will be for the Cooperative to repair or replace the meter and prepare revised bills as described in Section 2.7.3.

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Dated **September 20, 2005** in Case No. **U-14578**

**LARGE GENERAL SERVICE RATE-CHOICE  
SCHEDULE LGS-C**

Availability:

Subject to the Rules and Regulations of the Cooperative and its *Retail Access Service Tariff*, this schedule is available to Member-Consumers eligible to be taking service under the Cooperative's Large General Service Rate, Schedule LGS. Service under this rate is for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery and is subject to the following conditions:

1. The Member-Consumer must have a Maximum Demand of at least 200 kW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule LGS or Schedule LPDS may achieve the 200 kW Maximum Demand threshold by aggregating or summing the Maximum Demands for each demand metering point occurring during a single month. The applicable rate schedule will apply to all aggregated demand metering points on an individual account basis.
2. The Member-Consumer must enter a Retail Access Service Agreement with the Cooperative.
3. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member-Consumer and/or Alternative Electric Supplier (AES).
4. The Member-Consumer must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages.

Billing Rate (Includes losses):

Demand Charge:	\$10.08 per kW
Transmission Charge:	<b>\$0.0049</b> per kWh (subject to Transmission and Ancillary Cost Adjustment)
Variable Distribution Charge:	<b>\$0.025125</b> per kWh

(Continued on Sheet No. 26.01)

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By Michael P. Krause  
General Manager  
Ubyly, Michigan



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on and after **July 5, 2007**  
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dated **7-05-07** in Case No. **U-14714-R**

**LARGE GENERAL SERVICE RATE-CHOICE**  
**SCHEDULE LGS-C**

(Continued from Sheet No. 26.00)

Transmission and Ancillary Cost Adjustment:

The Transmission Charge is subject to adjustment for increases or decreases in the Cooperative's transmission and ancillary costs as identified in its Power Supply Cost Recovery filings with the Michigan Public Service Commission. The adjustment shall be equal to the Cooperative's average transmission and ancillary costs in dollars per kWh less \$.0049 per kWh. The applicable Transmission and Ancillary Cost Adjustment factor is set forth on Sheets 20.00 through 20.02.

Billing Demand:

The billing demand shall be the kilowatts (kW) supplied during the 30-minute period of the maximum usage during the billing period, but not less than **65% of the highest monthly on-peak metered billing demand during the billing months of June, July, August, December, January, and February of the preceding eleven billing months, nor less than 50 kW.**

Minimum Charge:

The minimum charge shall not be less than the demand charge times 200 kW. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

Primary Service Discount:

A discount of 2.0 (2%) percent shall be applied if the customer owns the transformer and service is provided at primary voltage.

Power Factor:

The above rates are predicated upon the Member-Consumer maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member-Consumer's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Member-Consumer's actual power factor.

(Continued on Sheet No. 26.02)

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General Manager  
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**LARGE GENERAL SERVICE-CHOICE**  
**SCHEDULE LGS-C**

(Continued from Sheet No. 26:01)

Sales Tax:

Michigan State Sales Tax will be added where applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Terms of Payment:

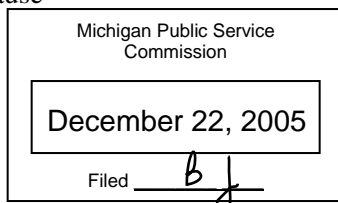
- A. A one-time late payment charge of five (5%) percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.
- B. Billings are due 21 days from the date of rendition for payment in full.
- C. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member-Consumer, and the third party.

Metering:

Subject to the terms and conditions of the *Retail Access Service Tariff*, the Member shall be responsible for any associated communication systems such as telephone lines or other related equipment between the Cooperative, the Member-Consumer, and the third party.

(Continued on Sheet No. 26:03)

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Dated **September 20, 2005** in Case No. **U-14578**

**LARGE GENERAL SERVICE-CHOICE**  
**SCHEDULE LGS-C**

(Continued from Sheet No. 26:02)

Third Party Disputes:

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member-Consumer and any third party.

Transition Charge:

Service under this rate may be subject to a transition charge subject to the approval of the Michigan Public Service Commission.

Rules and Regulations:

Service is governed by the Cooperative's Standard Rules and Regulations and the Cooperative's *Retail Access Service Tariff*.

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On and After **January 1, 2006**

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**LARGE POWER DISTRIBUTION SUBSTATION RATE –CHOICE  
SCHEDULE LPDS-C**

Availability:

Subject to the Rules and Regulations of the Cooperative and its *Retail Access Service Tariff*, this schedule is available to Member-Consumers eligible to be taking service under the Cooperative's Large Power Distribution Substation Service Rate, Schedule LPDS. Service under this rate is for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery and is subject to the following conditions:

1. The Member-Consumer must have a Maximum Demand of at least 350 kW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule LGS or Schedule LPDS may achieve the 350 kW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
2. The Member-Consumer must enter a Retail Access Service Agreement with the Cooperative.
3. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member-Consumer and/or Alternative Electric Supplier (AES).
4. The Member-Consumer must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Type of Service:

Alternating current, 60 hertz, single phase or three phase, at the Cooperative's available secondary voltages or primary voltages.

Billing Rate (Includes losses):

Demand Charge:	\$9.51 per Kw
Transmission Charge:	<b>\$0.0049</b> per kWh (subject to Transmission and Ancillary Cost Adjustment)
Variable Distribution Charge:	<b>\$0.0108</b> per kWh

(Continued on Sheet No. 27.01)

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General Manager  
Ubyly, Michigan



Effective for service rendered  
on and after **July 5, 2007**  
Issued under the authority of the M.P.S.C.  
dated **7-05-07** in Case No. **U-14714-R**

**LARGE POWER DISTRIBUTION SUBSTATION RATE –CHOICE**  
**SCHEDULE LPDS-C**

(Continued from Sheet No. 27.00)

Minimum Charge:

The minimum charge shall not be less than the demand charge times 350 kW. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

Transmission and Ancillary Cost Adjustment:

The Transmission Charge is subject to adjustment for increases or decreases in the Cooperative's transmission and ancillary costs as identified in its Power Supply Cost Recovery filings with the Michigan Public Service Commission. The adjustment shall be equal to the Cooperative's average transmission and ancillary costs in dollars per kWh less \$.0049 per kWh. The applicable Transmission and Ancillary Cost Adjustment factor is set forth on Sheets 20.00 through 20.02.

Billing Demand:

The billing demand shall be the kilowatts (kW) supplied during the 30-minute period of the maximum usage during the billing period, but not less than 65% of the highest monthly on-peak metered billing demand during the months of November, December, January, February and March of the preceding eleven billing months, nor less than 350 kilowatts.

Primary Service Discount:

A discount of 2.0 (2.0%) percent shall be applied if the customer owns the transformer and service is provided at primary voltage.

Power Factor:

The above rates are predicated upon the Member-Consumer maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member-Consumer's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Member-Consumer's actual power factor.

(Continued on Sheet No. 27.02)

Issued: **December 8, 2005**  
By Michael P. Krause  
General Manager  
Ubyly, Michigan

Michigan Public Service Commission
December 14, 2005
Filed <u>BJ</u>

Effective for all Retail Access Service  
rendered on and after **December 5, 2005**  
Issued under the authority of the M.P.S.C.  
dated **11/10/05** in Case No. U-14465

**LARGE POWER DISTRIBUTION SUBSTATION RATE –CHOICE**  
**SCHEDULE LPDS-C**

(Continued from Sheet No. 27:01)

Sales Tax:

Michigan State Sales Tax will be added where applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Terms of Payment:

- A. A one-time late payment charge of five (5%) percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.
- B. Billings are due 21 days from the date of rendition for payment in full.
- C. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member-Consumer, and the third party.

Metering:

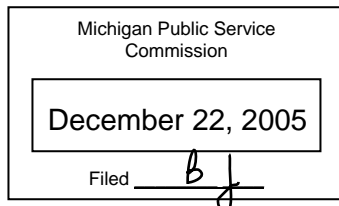
Subject to the terms and conditions of the *Retail Access Service Tariff*, the Member shall be responsible for any associated communication systems such as telephone line or other related equipment between the Cooperative, the Member-Consumer, and the third party.

Third Party Disputes:

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member-Consumer and any third party.

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Issued: **December 1, 2005**  
By Michael P. Krause  
General Manager  
Ubly, Michigan



Effective for **Retail** Access Service rendered  
On and After **January 1, 2006**  
Issued under the Authority of M.P.S.C. order  
Dated **September 20, 2005** in Case No. **U-14578**



**LARGE GENERAL SERVICE RATE-CHOICE**  
**SCHEDULE LPDS-C**

(Continued from Sheet No. 27:02)

Transition Charge:

Service under this rate may be subject to a transition charge subject to the approval of the Michigan Public Service Commission.

Rules and Regulations:

Service is governed by the Cooperative's Standard Rules and Regulations and the Cooperative's *Retail Access Service Tariff*.

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On and After **January 1, 2006**  
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Dated **September 20, 2005** in Case No. **U-14578**

**NET METERING PROGRAM**

Availability

This rate is available only to member-consumers who operate renewable electric generation facilities that are interconnected with the Cooperative's system who generate a portion or all of their own retail electricity from renewable energy resources as defined herein.

The Cooperative may restrict or deny service under this Schedule once the Cooperative is providing service under this Schedule to member-consumers whose combined total connected generation equals either 0.1% (one tenth of one percent) of the Cooperative's previous year's peak demand (measured in kW) or 100 kW, whichever is greater.

Net Metering Definition

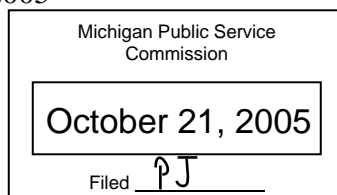
Net metering under this Schedule is an accounting mechanism whereby member-consumers who generate a portion or all of their own retail electricity needs and put their excess generation, if any, on the Cooperative's system can receive a billing credit equal to the Cooperatives wholesale cost of energy, adjusted to include line losses, in accordance with this Schedule. For biomass systems blending fossil-fuel, the generation credit shall apply only to the output associated with the renewable fuel and exclude the output from the fossil-fuel. The member-consumer's generator output in excess of the total metered usage shall be carried over to the next month's billing period.

Service under this Schedule shall be pursuant to the following terms and conditions.

Service under this Schedule is limited to member-consumers who operate renewable energy source electric generating technologies as provided in 2000 P.A. 141, section 10g(l)(f) (MCL 460.10g(l)(f)). This is defined as "energy generated by solar, wind, geothermal, biomass, including waste-to-energy and landfill gas, or hydroelectric." Biomass systems are allowed to blend up to 25% fossil-fuel as needed to ensure safe, environmentally sound operation of the system. A member-consumer using biomass blended with fossil-fuel as their renewable energy source must submit proof to the Cooperative substantiating the percentage of fossil fuel blend either by (1) separately metering the fossil fuel, or (2) providing other documentation that will allow the Cooperative to correctly apply a generation credit to the output associated with the member-consumer's renewable fuel only.

Continued on Sheet No. 28.01

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General Manager  
Ubly, Michigan



Effective for electric bills rendered on and after the October 2005 billing month.  
Issued under the authority of the MPSC order dated March 29, 2005 in Case No. U-14346

**NET METERING PROGRAM**  
(Continued from Sheet No. 28.00)

Eligibility for participation in the net metering program is limited to member-consumers taking bundled service (non-interruptible) from the Cooperative. The eligible facilities must be installed on the member-consumer's premises.

The maximum size of electric generators eligible for net metering treatment is less than 30 kW. To qualify for this Schedule, member-consumer generation systems will be limited in size, not to exceed the member-consumer's self-service needs. Non-dispatchable generation systems (*e.g.*, wind and solar) shall be sized not to exceed the member-consumer's annual energy needs, measured in kilowatt-hours (kWh). Dispatchable systems shall be sized not to exceed the member-consumer's capacity needs, measured in kilowatts (kW).

If a member-consumer has more than one generator, to qualify for this Schedule, the total capacity of the generators shall be less than 30 kW.

**Monthly Rate**

Deliveries from the Cooperative to the member-consumer shall be billed in accordance with the standard applicable rate schedules of the Cooperative.

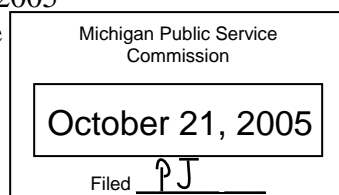
**Customer Credits for Net Excess Generation (NEG)**

NEG represents the amount of electric generation by the member-consumer beyond the member-consumer's own metered usage which is delivered to the Cooperative during the billing period. Deliveries from the member-consumer to the Cooperative shall be credited at the Cooperative's wholesale cost of energy, adjusted for line losses. The dollar amount credited to the member-consumer shall not exceed the dollar amount the Cooperative bills the customer for its energy consumption in any billing period. Instead, the net excess dollar amount shall be allowed to accumulate as a NEG credit to offset the member-consumer's energy charges in the next billing period.

NEG credits, if any, will be carried over from month to month. Following the member-consumer's December billing cycle, the member-consumer's credits balance will be reset to zero. Any unused NEG credits will be retained by the Cooperative to offset costs associated with the operation of the net metering program.

Continued on Sheet No. 28.02

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Ubly, Michigan



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**NET METERING PROGRAM**  
(Continued from Sheet No. 28.01)

Interconnection

All application fees, procedures, and requirements for interconnecting net metering generators will be those contained in the Commission's Electric Interconnection Standards Rules (R 460.48 1-460.489) and the Cooperative's associated Commission-approved Generator Interconnection Requirements.

In accordance with the interconnection rules and requirements, facilities must be designed and operated in parallel with the Cooperative's system without adversely affecting the operation of equipment and service or presenting any safety hazards.

The interconnection rules and requirements will be applied to determine whether any additional equipment is required to complete the interconnection and to calculate and determine the assignment of equipment costs. The member-consumer shall pay all costs incurred by the Cooperative to install appropriate metering technology to allow the Cooperative to separately measure the member-consumer's consumption and generation above the cost of a standard meter that would be installed if the member-consumer were not taking service under this Schedule.

Duration of Service

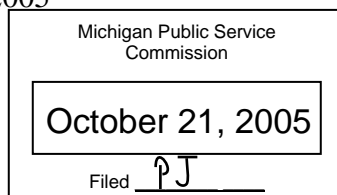
Service under this Schedule shall be open to member-consumers for a period of five years from the effective date of this Schedule. Member-consumers that participate under the program shall be allowed to take service under this Schedule for a minimum of ten years.

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General Manager  
Ubly, Michigan



Effective for electric bills rendered on and after the October 2005 billing month.

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## **Supplemental Electric Service Schedule SB**

### **Availability**

Availability for Supplemental Electric Service to members of the Cooperative who own and operate their own generating units which under normal operating conditions are used to supply all or a portion of the member's power and energy requirements. Members served under this rate shall have installed generation equipment with a nameplate capacity of not less than 30 kilowatts and shall enter into an Interconnection Agreement with the Cooperative. The rate is not available for Retail Access Service.

### **Type of Service:**

Multi-phase, 60 hertz, at standard secondary voltages.

### **Monthly Rate**

#### Demand Charge

Contract Demand **\$15.79** per kW

#### Energy Charges

Energy **Rate** Delivered to Member **\$.0400** per kWh

Energy **Rate** Delivered to Cooperative **\$.0194** per kWh

### **Determination of Contract Billing Demand**

The Contract Billing Demand shall be the maximum kilowatt (kW) demand that the Cooperative will provide to the member. The Interconnection Agreement shall specify the initial Contract Billing Demand. If the member's metered maximum demand for any 15 minute period during any billing month exceeds the Contract Billing Demand, then Contract Billing Demand shall be equal to the metered maximum demand for the current and all subsequent billing months.

### **Determination of Billing Energy**

The cooperative shall provide bi-directional metering that shall maintain separately the total energy delivered to the member during periods when the member's consumption exceeds its energy output and total the total energy delivered to the cooperative during periods when the

(Continued on Sheet No. 29.01)

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## Supplemental Electric Service Schedule SB

member's generation output exceeds its consumption. All energy deliveries occurring Monday through Friday excluding holidays as designated on Original Sheet No. 6.44 between 11:00 A.M. and 7:00 P.M. local time shall be On Peak. Energy delivered outside of these hours shall be Off Peak.

### Power Factor

The above rate charges are predicated upon the consumer maintaining a power factor not less than 90 percent lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the consumer's average power factor is found to be less than 90 percent lagging, the metered maximum demand will be increased by the ratio that 90 percent bears to the consumer's actual power factor.

### Primary Voltage Discount

A discount of 2.0 percent (2%) will be applied to charge for deliveries to the customer, if the customer owns the transformer and service is provided at primary voltage.

### Minimum Charge

- A. The minimum monthly charge shall be Demand Charge (Contract Billing Demand times Monthly Demand Charge); or
- B. As may be specified in the Interconnection Agreement between the Cooperative and its member.
- C. The minimum monthly charge may be increased in accordance with the cooperative's rules and regulation in which a greater than average investment is necessary.

### Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 20.00 to 20.01.

### Terms of Payment.

Billings are due 21 days from the date of rendition for payment in full. A one- time late payment charge of 5% of the unpaid balance will be assessed on any bill not paid by the due date.

(Continued on Sheet No. 29.02)

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**Supplemental Electric Service  
Schedule SB**

**Tax Adjustments**

- A. Bills shall be increased within the limits of political subdivisions, which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local increases.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority that increases the Cooperative's cost of providing electric service.

**Michigan State Sales Tax**

Where applicable, Michigan State Sales Tax shall be added on all bills.

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