

Peninsular Gas Company  
M.P.S.C. No. 2

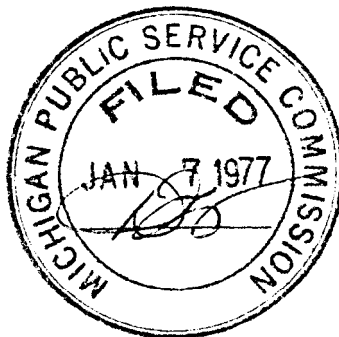
Original Sheet No. 1

RATEBOOK

PENINSULAR GAS COMPANY

CALUMET

MICHIGAN



Issued December 20, 1976  
L. L. Lawrence, President

Effective December 20, 1976

Issued under authority of Order No. U-5175  
of Michigan Public Service Commission  
dated December 20, 1976.

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ISSUED DECEMBER 21, 2004  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN

EFFECTIVE: FOR GAS SERVICE RENDERED  
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MARCH 24, 1981 IN CASE NO. U-6300

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Original Sheet No. 2.2	December 21, 2004
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<b><i>Thirty-Sixth Revised Sheet No. 16</i></b>	<b><i>April, 2005 Billing Month</i></b>
Seventh Revised Sheet No.16 (a)	January 1, 2005
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Second Revised Sheet No. 19	July 31, 1999
First Revised Sheet No. 20	September 11, 1998
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Michigan Public Service  
Commission

**March 18, 2005**

Filed J.K.B.

ISSUED **MARCH 16, 2005**  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN

EFFECTIVE: SEE ABOVE

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Commission

January 27, 2005

Filed JKB

ISSUED DECEMBER 21, 2004  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN

EFFECTIVE: SEE ABOVE

DESCRIPTION OF TERRITORY SERVED

Peninsular Gas Company serves the following  
communities in Houghton **County**, Michigan:

Village of Calumet

Village of Lake Linden

Village of Laurium

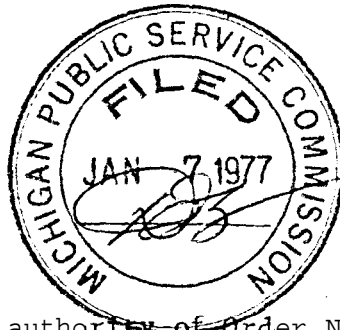
Calumet Township

Osceola Township, including  
(Unincorporated) Villages of  
Dollar Bay and Tamarack Mills

Torch Lake Township  
including (Unincorporated)  
Village of Hubbell

Schoolcraft Township

Issued December 20, 1976  
L. L. Lawrence, President



Effective December 20, 1976

Issued under authority of Order No. U-5175  
of Michigan Public Service Commission  
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**RULES AND REGULATIONS**

RULE 1. STANDARDS PERTAINING TO GAS SUPPLY

The natural gas furnished will have an average heating value of not less than 950 nor more than 1,100 BTU per cubic foot. Propane air used for peak shaving requirements will have an average heating value of not less than 1200 nor more than 1,475 BTU per cubic foot.

RULE 2. COMPANY RESPONSIBILITY

Company shall use due diligence in the operation and maintenance of its equipment and facilities so as to furnish the Customer a continuous supply of gas consistent with the type of service specified herein. Company shall not be liable in damages to Customer by reason of the failure of Company to deliver natural gas as the result of injunction, fire, strike, riot, explosion, flood, or threat of flood, accident, breakdown, interruption, failure or reduction of the Company's gas supply by its supplier, acts of God or the public enemy, or other acts or conditions beyond the reasonable control of Company. Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the Company.

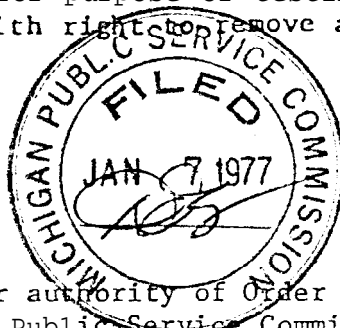
Nor shall Company be liable for damages to persons and/or property due to or on account of any such interruption or failure in gas delivery, or due to, or on account of any leakage or escape of gas or in any manner connected with the transportation or handling thereof beyond point of the delivery to Customer.

RULE 3. ACCESS TO PREMISES

Customer, without charge to Company, is to furnish a suitable location for regulators and meters.

Company shall have access to said regulators and meters at all reasonable times for purpose of testing, reading, repairing, or replacing same; with right to remove at termination of service.

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RULE 4. MEASUREMENT - METER TESTING .

The gas to be delivered hereunder shall be measured at point of delivery by a meter or meters of standard office or other type to be installed and maintained by and at the expense of Company. Customer shall have access to such meters at all reasonable times, together with the right to witness tests and inspection of said meters and to have a representative present at the readings of said meter or meters.

Every gas service meter, whether new, repaired or removed from service for any cause, shall before installation, be tested and adjusted to be correct within one percent (1%) fast or two percent (2%) slow.

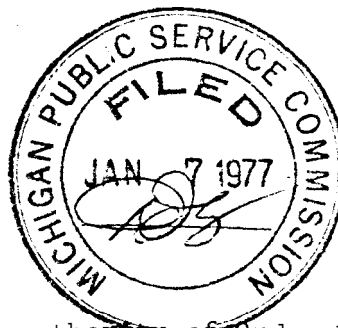
All types of meters installed upon Customer's premises **shall be** shop--tested periodically according to the following schedule:

- (a) Domestic meters not measuring house heating gas at least once every ten (10) years.
- (b) House heating and commercial gas meters at least once every seven (7) years.
- (c) Industrial meters at least once every five (5) years.

RULE 5. APPLICATION FOR SERVICE

All applications for gas service shall be made in writing and same will be approved or disapproved within a period of thirty (30) days from date upon which it was received. Availability of service shall be subject to the provisions of Rule 12.

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Rule 6. Service Lines:

A. General Provisions

Installation of a service line from the main to the meter location will be performed by the Company. The service line will include the outside above grade riser and valve, service regulator, including the inlet, outlet and by-pass valves, if required and all other parts of the meter set assembly. The customer shall pay for any permits required by the state or local ordinances. Service lines shall at all times be owned and maintained by the Company.

B. Service Lines Less Than 2 Inches in Diameter

The charge to the prospective customer shall be determined by measuring the horizontal distance over the service line, as installed, from the lot line (or main in the case of mobile homes) to the meter location established by the Company and applying the applicable flat and unit charges. A sum of money equal to the estimated charge may be required from the customer at the time the application is accepted by the Company.

(1) All Applicants Other Than Mobile Home Applicants in Mobile Home Courts:

A \$200.00 flat charge for the first 50 feet or less. A \$4.00 charge per foot for each foot in excess of 50 feet.

(2) Mobile Home Applicants in Mobile Home Courts:

For service lines to individual mobile homes, when installed with necessary gas mains in easements provided by mobile home court operators.

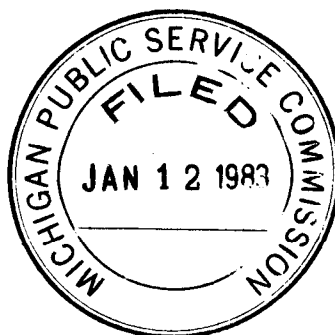
A \$100.00 flat charge for the first 25 feet or less. A \$4.00 charge per foot for each foot in excess of 25 feet.

(3) Additional Charges for All Applicants:

A \$2.00 additional charge per foot for each foot from lot line (or main in the case of mobile homes) to meter location to cover additional costs incurred during winter construction from December 15 to March 15.

(Continued to Original Sheet No. 6.1)

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CALUMET, MICHIGAN



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MICHIGAN PUBLIC SERVICE COMM.  
DATED January 20, 1982  
IN CASE NO. U-6922

Rule 6. Service Lines: (continued from First Revised Sheet No. 6)

B. Service Lines Less Than 2 Inches in Diameter (continued)

(3) Additional Charges for All Applicants: (continued)

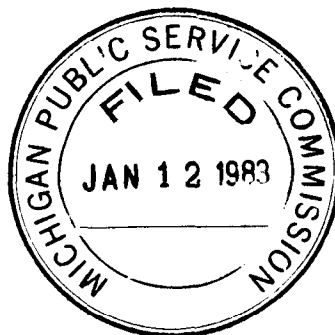
The customer shall pay for any permits and inspection fees required by state or local ordinances for cutting streets or highways or for converting or connecting any gas utilization equipment.

C. Service Lines 2 Inches or Larger in Diameter

The charges to the prospective customer shall be equal to the Company's estimated total cost for all facilities between the prospective customer's property line and the meter location, as well as the estimated cost of a curb valve and curb box, a tap on a main or pipeline operating at a pressure of more than 60 psig, and any required upstream regulators, pressure relief and limiting devices, whether installed on public or private property.

A sum of money equal to the estimated charge for the service line installation may be required from the customer at the time the application is accepted by the Company.

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DATED. January 20, 1982  
IN CASE NO. U-6922

PENINSULAR GAS COMPANY  
Rules and Regulations-Continued

Rule 7.1 Main Extensions:

The Company proposes to make extension of its gas mains from time to time within the territory served by it, at its own cost, to serve-applicant whose requirements will not disturb or impair the service to prior users or will not require an expenditure out of proportion to the revenue obtainable therefrom.

The Company reserves to itself the right to decide, subject to the Rules and Regulations of the Michigan Public Service Commission, whether or not any proposed or requested extension of its gas mains shall be made.

Rule 7.2 Main Extensions Paid For by the Customer:

A. 2 Inches or Less in Diameter

- (1) The Company will at no charge to the new customer(s) make a gas main extension equivalent to 0.75 feet of main extension for each Mcf of estimated sales to be received through such gas extension for a period of one (1) year after the completion of the extension. A deposit of \$5.50 per foot may be required for each foot of main extension in excess of the allowance.

**(2) Refund:**

The deposit received is subject to refund over a five (5) year refund period without interest. The five year refund period will commence on the first day of the billing month following the completion of the main extension.. Refunding will not begin until such time as the original customers or equivalent have been connected to the main extension. The total amount refunded shall not exceed the deposit and no additional refund obligation shall be created after the close of the five (5) year refund period.

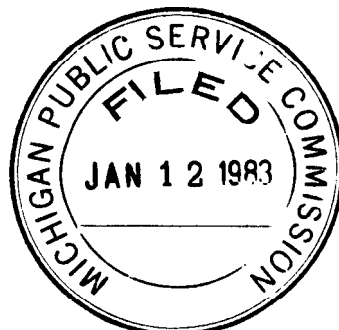
The amount of the refund shall be determined as follows:

(a) For Additional Revenues by Customers Originally Served:

At the end of the first year, after completion of the main extension, the Company will refund a sum equal to \$4.00 times the excess, if any, of the actual Mcf consumed through such

(Continued to Original Sheet No. 6.3)

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IN CASE NO. U-6922

Rule 7.2 Main Extensions Paid For by the Customer: (continued from First Revised Sheet No. 7)

A. 2 Inches or Less in Diameter (continued)

(2) Refund: (continued)

(a) For Additional Revenues by Customers Originally Served:(continued)

extension for that year over the original estimated Mcf sales.

(b) For Additional New Customers:

The Company will refund to the depositor(s) an amount equal to \$4.00 times the Mcf consumed during the first full year of service from each additional customer who is furnished service from such extension.

B. Over 2 Inches in Diameter

(1) When a proposed gas main extension will require an expenditure which exceeds four times the net revenue (estimated annual revenue less the cost of gas), the Company may require the prospective customer or group of customers to deposit with the Company a sum of money equal to the difference between the estimated cost of the required extension and four (4) times the net revenue.

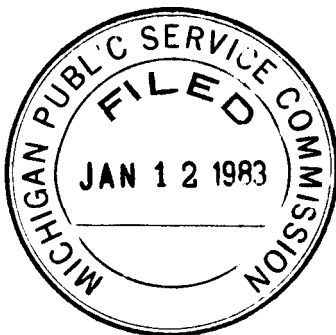
(2) Refund:

The deposit received is subject to refund during a five (5) year refund period without interest. The five year refund period will commence on the first day of the billing month following the completion of the main extension. Refunding will not begin until such time **as the** original customers or equivalent have been connected to the main extension. The total amount refunded shall not exceed the deposit and no additional refund obligation shall be created after the **close** of the five (5) year refund period.

The amount of the refund shall be determined annually as follows:

(Continued to First Revised Sheet No. 7)

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WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



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MICHIGAN PUBLIC SERVICE COMM.  
DATED. January 20, 1982

IN CASE NO. U-6922

Rule 7.2 Main Extension & Paid For by the Customer: (continued from Original Sheet No. 10.1 (Continued))

B. Over 2 Inches in Diameter (continued)

(2) Refund: (continued)

(a) For Additional Revenues by Customers Originally Served:

At the end of the first **year**, after completion of the main extension, the Company will refund a sum equal to four (4) times the net revenues (gross revenues less cost of gas), if any, of actual Mcf of gas consumed through such extension for that year over the original estimated Mcf consumed.

(b) For Additional New Customers:

The Company will refund to the depositor(s) an amount equal to four (4) times the net revenue (gross revenue less cost of gas) times the Mcf of gas consumed during the first full year of service from each additional customer who is furnished service from such extension within five (5) years after the date of its construction.

C. Additional Charges for All Applicants

An additional nonrefundable charge may also be required for:

(1) Winter construction (construction between December 15 and March 15) at the rate of \$2.00 per foot; and

(2) The customer shall pay for any permits and inspection fees required by state or local ordinances for cutting streets or highways or for converting or connecting any gas utilization equipment.

Rule 8. Centrally Metered Gas Installation

The Company shall permit no centrally metered installations as defined by the Michigan Public Service Commission in its Order in Case No. u-4211.

Rule 9. Billing Practices

The following procedures will apply to all billings for gas service:

(Continued to Original Sheet No. 7.1)

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CALUMET, MICHIGAN



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MICHIGAN PUBLIC SERVICE COMM.  
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IN GAS ENO. U-6922

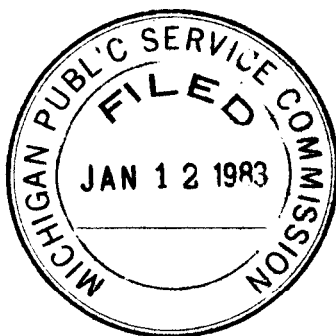
Rule 9. Billing Practices (continued from First Revised Sheet No. 7)

(A) All gas service will be billed monthly,

(B) All bills for gas service are due within twenty-one (21) days of the date rendered.

(Continued to First Revised Sheet No. 8)

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CALUMET, MICHIGAN



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(Continued from Original Sheet No. 7.1)

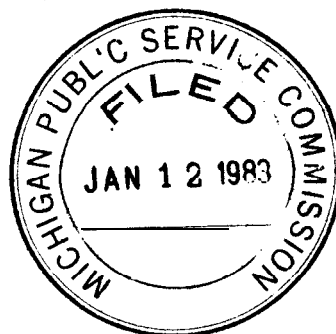
RULE 10 DELINQUENT GAS ACCOUNTS - RESIDENTIAL SERVICE

Delinquent gas accounts will be handled in accordance with the rules as set forth in the Consumer Standards and Billing Practice; -- Electrical and Gas Residential Services" as promulgated by the Michigan Public Service Commission in Case No. U-4240 dated October 13, 1981, and any subsequent changes thereto. Said "Consumer Standards and Billing Practices - Electrical and Gas Residential Services" is appended hereto in full as Addendum A.

RULE 11 DELINQUENT GAS ACCOUNTS - COMMERCIAL AND INDUSTRIAL SERVICE

- (a) A delinquent notice will **be** mailed on the 22nd day following the date of billing to all unpaid accounts.
- (b) A turn-off notice advising that gas will be turned off, if payment is not made within five (5) days will be mailed on the 27th day after the billing date.
- (c) Service will be discontinued without further notice on the 32nd day after the billing date unless arrangements satisfactory to the Company for payment of the delinquent bill, have been made.

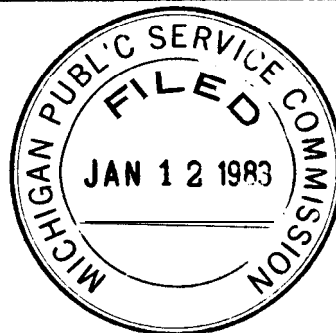
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This Tariff is cancelled by  
First Revised Sheet No. 8

ISSUED January 20, 1982 BY  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



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'RULE 12. LIMITATIONS OF SUPPLY

The Company reserves the right, subject to regulatory authority having jurisdiction, to limit, restrict or refuse service that will result in additions to its distribution system and/or propane air production capacity, that may jeopardize service to existing Customers,

To avoid jeopardizing service to its present Customers, no additional Customers shall be attached to its system, without prior notice to the Staff of the Michigan Public Service Commission of the number of Customers to be added, the estimated quantities of gas to be required to **serve** these Customers and the Company's anticipated source of supply.

During this or other periods of gas supply shortage, the Company shall maintain a priority list of Customer applications and such list shall be used, to the extent practicable, in the allocation of any additional gas supply available to the Company, and **new** firm-gas Customer connections shall be made in the reverse order of the order of Curtailment Categories set out in Rule 14 (b). This Rule shall not preclude the -sale of gas on an interruptible basis **to** any seasonal or off-peak Customer at the discretion of the Company,

RULE 13. TRANSFERS OF GAS LOADS

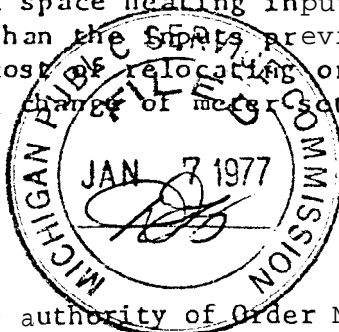
These rules will apply during periods of time when the Company is not offering new or additional service to the respective classes of service indicated. †

Residential Customers .

Subject to the exceptions and restrictions below, residential gas loads cannot be transferred for residential purposes or for commercial and industrial purposes:

- (a) In the event of demolition of a residence, gas service will remain available for residential purposes at the same site for a period not to exceed two (2) years from demolition. The replacement space heating inputs must not be greater than the ~~space~~ <sup>inputs</sup> previously installed and all cost of relocating or extending service, including ~~change of meter cost~~, must be paid by owner

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RULE 13 TRANSFER!! OF GAS LOADS (Continued)

Residential Customers (Continued)

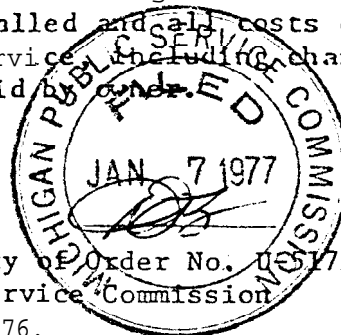
- (b) Transfer for the owner's use only will be permitted within two (2) years following loss of possession in the event of taking of a residence by condemnation or under threat of condemnation, provided such condemnation was not instituted or threatened due to failure to maintain the residence **or** other neglect or fault on the part of the owner. Before transfer, written release of the gas load from the new owner and any parties in possession of, or having recorded interests **in**, the premises is required. The replacement space heating inputs must not be greater than the inputs previously installed and all cost of relocating or extending service, including change of meter set, must be paid by owner.

Commercial and Industrial Customers

Subject to the exception and restrictions below, commercial and industrial gas loads cannot **be** transferred for commercial and industrial purposes or for residential purposes:

- (a) Processing loads may be transferred from **one** address to **mother so long as such** transfer is for the present Customer's use only; costs of relocating or installing the new service, including change of meter set are paid by the owner; the input for the transferred processing load does not exceed the processing load at the prior address; and satisfactory arrangements are made for separation of the heating load from the processing load,
- (b) In the event of demolition of a place of business, gas service will remain available for business purposes at the same site for a period not to exceed two (2) years from demolition. The replacement inputs must not be greater than the inputs **previously installed and all costs of relocating or extending service, including change of meter set, must be paid by owner.**

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RULE 13. TRANSFERS OF GAS LOADS (Continued)

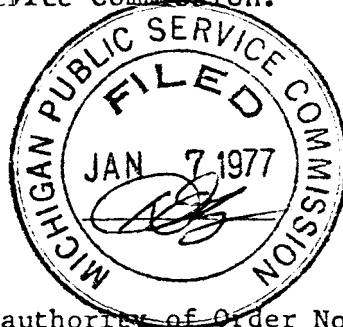
Commercial and Industrial Customers (Continued)

- (c) Transfer for the owner's use only will be permitted within two (2) years following loss of possession in the event of taking of a place of business by condemnation or under threat of condemnation, provided such condemnation was not instituted or threatened due to failure to maintain the place of business or other neglect or fault on the part of the owners. Before transfer, written release of the gas load from the new owner and any parties in possession of, or having recorded interests in, the premises is required. The replacement input must not be greater than the input previously installed and all costs of relocating or extending service, including change of meter set, must be paid by owner.

General Conditions

**The** following additional conditions apply to all transfers:

- (a) No charge will be made for the capital investment in the meter and service regulator at the new location (except for installation costs).
- (b) Demolition includes loss by fire, natural disaster or other acts of God.
- (c) All load transfers permitted under this Rule are subject to all other rules and regulations of the Company as approved by the Michigan Public Service Commission.



Issued December 20, 1976  
L. L. Lawrence, President

Effective December 20, 1976

Issued under authority of Order No. U-5175  
of Michigan Public Service Commission  
dated December 20, 1976.

RULE 14. CURTAILMENT OF GAS SERVICE

(a) NOTICE

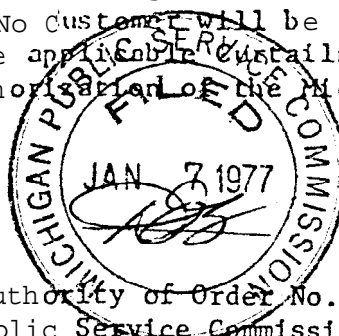
Curtailments of gas service shall be implemented under this Rule when necessary in the Company's opinion to balance gas requirements with gas supply, after giving effect to interruptions permitted by the Company's interruptible rate schedules. Curtailments of service shall be placed in effect by the Company giving written notice to each affected Customer of the starting date, the authorized monthly volumes available for the Customer's use, and of the period of time the curtailment will be in effect. At least thirty (30) days notice shall be given of any such curtailment except in case of unexpected equipment failure or actions of foreign, federal, state or local government or regulatory agencies, or other instances of force majeure, and in no event shall less than ten (10) day's notice of any such curtailment be given.

(b) CATEGORIES OF CURTAILMENT

Curtailments under this Rule shall be made in accordance with the curtailment categories described in this Section and as listed below. Curtailments may be simultaneously instituted in more than one curtailment category; provided, however, that no curtailment shall be made of gas usage falling within any curtailment category during any period in which the gas usage falling within all lower numbered curtailment categories has not been completely curtailed. Curtailments of less than one hundred percent (100%) of the gas usage falling within a curtailment category shall be made pro-rata, based upon each Customer's gas usage falling within the category being curtailed during the monthly billing periods for the previous year which correspond to the periods during which the curtailment will be in effect. No Customer will be exempt from the requirements of the applicable curtailment Category without express authorization of the Michigan Public Service Commission.

Issued December 20, 1976  
L. L. Lawrence, President

Effective December 20, 1976



Issued under authority of Order No. U-5175  
of Michigan Public Service Commission  
dated December 20, 1976.

RULE 14. CURTAILMENT OF GAS SERVICE (Continued)

Any Customer falling in more than one Category shall be classified in the lower Numbered Category.

Curtilment Category 1

All Customers being served under the Company's interruptible gas rate.

Curtilment Category 1<sup>2</sup>

All commercial and industrial Customers having alternate fuel capability. Alternate fuel capability shall be considered to exist (whether **or** not alternate fuels are available) if boilers or other installed equipment is capable of utilizing an alternate fuel (propane **or** other gaseous fuels shall not be considered an alternate fuel).

Curtilment Category 3

All other Customers using gas on a firm basis for commercial or industrial purposes except apartments and multiple housing, food processing and food service and requirements for services essential for public health and safety (hospitals, nursing and convalescent homes, public utilities, communication centers, fire and police stations, and such other users of gas as are found to be classified as essential for public health and safety by the Michigan Public Service Commission) and industrial gas requirements for plant protection needs.

Curtilment Category 4

All other Customers including residential gas Customers, apartments and multiple housing Customers, Customers using gas for food processing and food service, for services essential to public health and safety and industrial gas requirements for-plant protection needs

Issued December 20, 1976  
L. L. Lawrence, President

Effective December 20, 1976



Issued under authority of Order No. u-5175  
of Michigan Public Service Commission  
dated December 20, 1976.

RULE 14 CURTAILMENT OF GAS SERVICE (Continued)

(C) IN FORCEMENT

All Customers shall comply with this Rule. Use of unauthorized quantities of gas by any Customers will constitute sufficient cause for the Company to immediately discontinue gas service to such Customer and to withhold gas service until the Company has been fully assured that the unauthorized use will not be resumed.

(D) PENALTY

Any gas taken by a Customer in excess of the volume authorized during any period in which a curtailment instituted pursuant to this Rule is in effect, shall be subject to an excess use charge of ten dollars (\$10.00) per Mcf. The excess use charges will be in addition to the rates set forth in the applicable Company rate schedule and will be billed with the regular monthly billing. Failure of any Customer to pay an excess use charge when due, shall constitute sufficient cause for the Company to discontinue gas service to such Customer.

RULE 15 GAS COST RECOVERY CLAUSE

(A) Applicability of Clause

All rates for gas service, unless otherwise provided in the applicable rate schedule, shall include a Gas Cost Recovery Factor to allow the Company to recover the booked costs of gas sold by the Company if incurred under reasonable and prudent policies and practices.

(B) Booked Cost of Gas Sold

1. Booked cost of gas sold as used in this Rule includes the following as expenses on the books of the Company:
  - a. Interstate Purchases: Cost for gas service.
  - b. Intrastate Purchases: Costs for gas service incurred pursuant to all contracts on file with the Michigan Public Service Commission.
  - c. Company Produced Natural Gas: Costs which vary with volume produced.

(Continued to Original Sheet No. 15 (a))

ISSUED June 28, 1983 BY  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER

June 29, 1983  
ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED June 28 1983  
IN CASE NO. U-7503

RULE 15 GAS COST RECOVERY CLAUSE (Continued)

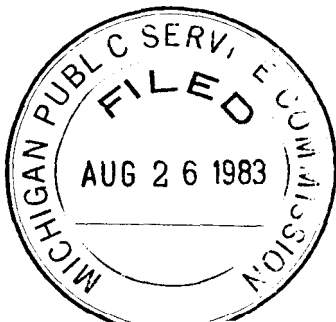
- d. Company Produced Substitute Natural Gas: Costs for feedstock used to produce substitute natural gas.
  - e. Liquefied Petroleum Air Gas: Costs for propane used to produce a propane-air gas mixture.
  - f. Storage Gas: Net costs of gas injected and withdrawn from underground storage facilities.
  - g. Purchases From Other Michigan Utilities: Costs for gas service pursuant to contracts approved by the appropriate regulatory body.
  - u. Supplier Refunds and Credits: Refunds and credits from suppliers in the period realized.
2. Booked cost of gas sold as used in this Rule specifically excludes the following items:
- a. Gas used by the Company, at the annual average booked cost of gas sold.
  - b. Lost and unaccounted for gas, at the annual average booked cost of gas sold.
  - c. Gas sold at a price which does not include a gas cost recovery factor, at the incremental cost from the Company's suppliers.
  - d. Contract, tariff and other penalties, unless the customers of the Company benefit as a result of payment of such penalties.

(c) Billing

- 1. in applying the Gas Cost Recovery Factor, per Mcf or dekatherm any fraction of 0.01 cent shall be rounded to the nearest 001 cent
- 2. Each month the Company shall include in its rates, a Gas Cost Recovery Factor up to the maximum authorized by the Commission as shown on Sheet No. 16. For months in which the Michigan Public Service Commission has not approved a specific Gas

(continued to Original Sheet No. 15 (b))

ISSUED June 28 1983 BY  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER  
June 29, 1983

ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED June 28, 1983  
IN CASE NO. U-7503

RULE 15 GAS COST RECOVERY CLAUSE (Continued)

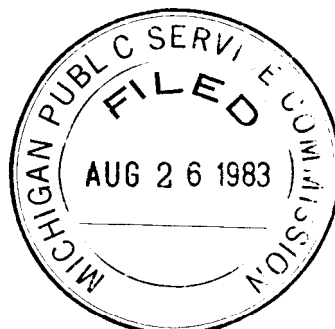
Cost Recovery Factor, the Company may include an appropriate Gas Cost Recovery Factor in its rates if authorized by law to do so.

3. The Gas Cost Recovery Factor shall be the same per Mcf or Ccf for each billed customer. The factor shall be placed into effect in **the** first billing cycle of each monthly billing period and shall continue in effect throughout all cycles in each monthly billing period.
4. The Gas Cost Recovery Factor shall appear on all customer bills.

(D) General Conditions

1. At least fifteen days prior to each billing month, the Company will notify the Public Service Commission Staff as to the actual factor or factors to be billed to its customers in the subsequent month.
2. This Gas Cost Recovery Clause is authorized by the provisions of 1982 P.A. 304. A copy of that act is available for public inspection at each business office of the Company. The Company will provide a copy of the act to any customer upon request.

ISSUED June 28, 1983 BY  
WILLIAM' MARCH, PRES IDENT  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER

June 29, 1983

ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED June 28, 1983  
IN CASE NO. u-7503



GAS COST RECOVERY FACTORS

The listed monthly Gas Cost Recovery  
Factors are authorized to Rule 15,  
Gas Cost Recovery Clause:

January, 2005	\$0.82382/ccf
February, 2005	\$0.82382/ccf
March, 2005	\$0.82382/ccf
April, 2005	\$0.87882/ccf
May, 2005	\$0.87882/ccf
June, 2005	\$0.87882/ccf
July, 2005	\$0.87882/ccf
August, 2005	\$0.87882/ccf
September, 2005	\$0.87882/ccf
October, 2005	\$0.87882/ccf
November, 2005	\$0.87882/ccf
December, 2005	\$0.87882/ccf



Issued March 16, 2005  
William March, President  
Calumet, Michigan

Effective for bills rendered on and  
after April 1, 2005. Issued under authority  
the Michigan Public Service Commission  
in an Order Dated December 21, 2004 in  
Case No. U-14260

**Gas Cost Recovery Contingent Factors**

The following Contingent Gas Cost Recovery Factors are authorized for the January 2005 through December 2005 GCR Plan period.

		Jan-Mar 1st Q	April-June 2nd Q	July-Sept 3rd Q	Oct-Dec 4th Q
<b>Fractional Mult. F<sub>m</sub></b>		1.0	1.0	1.0	1.0
<b>Plan NYMEX (X<sub>plan</sub>)</b>		\$6.625	\$6.497	\$6.561	\$6.711
<b>NYMEX Increase</b>		<b>Contingent GCR Price Ceiling</b>			
Greater than Or Equal to	But Less than				
\$0.00	\$0.05		\$8.23820	\$8.23820	\$8.23820
\$0.05	\$0.10		\$8.28820	\$8.28820	\$8.28820
\$0.10	\$0.15		\$8.33820	\$8.33820	\$8.33820
\$0.15	\$0.20		\$8.38820	\$8.38820	\$8.38820
\$0.20	\$0.25		\$8.43820	\$8.43820	\$8.43820
\$0.25	\$0.30		\$8.48820	\$8.48820	\$8.48820
\$0.30	\$0.35		\$8.53820	\$8.53820	\$8.53820
\$0.35	\$0.40		\$8.58820	\$8.58820	\$8.58820
\$0.40	\$0.45		\$8.63820	\$8.63820	\$8.63820
\$0.45	\$0.50		\$8.68820	\$8.68820	\$8.68820
\$0.50	\$0.55		\$8.73820	\$8.73820	\$8.73820
\$0.55	\$0.60		\$8.78820	\$8.78820	\$8.78820
\$0.60	\$0.65		\$8.83820	\$8.83820	\$8.83820
\$0.65	\$0.70		\$8.88820	\$8.88820	\$8.88820
\$0.70	\$0.75		\$8.93820	\$8.93820	\$8.93820
\$0.75	\$0.80		\$8.98820	\$8.98820	\$8.98820
\$0.80	\$0.85		\$9.03820	\$9.03820	\$9.03820
\$0.85	\$0.90		\$9.08820	\$9.08820	\$9.08820
\$0.90	\$0.95		\$9.13820	\$9.13820	\$9.13820
\$0.95	\$1.00		\$9.18820	\$9.18820	\$9.18820
\$1.00	\$1.05		\$9.23820	\$9.23820	\$9.23820
\$1.05	\$1.10		\$9.28820	\$9.28820	\$9.28820
\$1.10	\$1.15		\$9.33820	\$9.33820	\$9.33820
\$1.15	\$1.20		\$9.38820	\$9.38820	\$9.38820
\$1.20	\$1.25		\$9.43820	\$9.43820	\$9.43820
\$1.25	\$1.30		\$9.48820	\$9.48820	\$9.48820
\$1.30	\$1.35		\$9.53820	\$9.53820	\$9.53820
\$1.35	\$1.40		\$9.58820	\$9.58820	\$9.58820
\$1.40	\$1.45		\$9.63820	\$9.63820	\$9.63820
\$1.45	\$1.50		\$9.68820	\$9.68820	\$9.68820

**Nymex Future Prices**

Jan	\$6.986	12 Mo. Ave.
Feb	\$7.071	\$6.625
Mar	\$6.973	
Apr	\$6.416	9 Mo. Ave.
May	\$6.324	\$6.497
June	\$6.364	
July	\$6.406	6 Mo. Ave.
Aug	\$6.426	\$6.561
Sept	\$6.404	
Oct	\$6.427	3 Mo. Ave.
Nov	\$6.711	\$6.711
Dec	\$6.995	

**NYMEX Increase = (X - X<sub>plan</sub>)**

**X** = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/MMbtu), for the remaining months of the GCR period, (averaged over the first five trading days of the month prior to implementation).

**X<sub>plan</sub>** = the NYMEX average incorporated in the calculation of the base GCR factor, as delineated in the above chart.

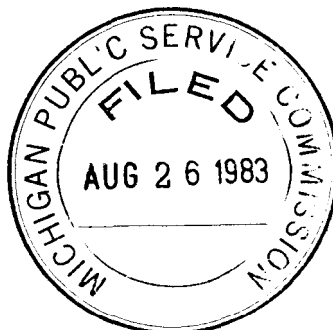
At least fifteen days before the beginning of each quarter, the company shall file with the Michigan Public Service Commission an updated Tariff Sheet No. 16, if NYMEX futures prices increase to a level allowing for the implementation of a higher contingent GCR price ceiling. The informational filing shall include all supporting documents necessary to verify the new price ceiling, including a copy of the calculation of the five-day average of the NYMEX strip for the remaining months of the GCR period, and a copy of the NYMEX futures prices sheets for the first five trading days of the month, such sheets being an authoritative source used by the gas industry. The filing shall be incorporated into the GCR Plan docket U-14260 with notice of filing provided to all interveners.

ISSUED DECEMBER 21, 2004  
 WILLIAM MARCH, PRESIDENT  
 CALUMET, MICHIGAN

EFFECTIVE FOR BILLS RENDERED ON  
 AND AFTER JANUARY 1, 2005. ISSUED  
 UNDER AUTHORITY OF THE MICHIGAN  
 PUBLIC SERVICE COMMISSION DATED  
 DECEMBER 21, 2004 IN CASE NO. U-14260

(Blank Sheet)

ISSUED June 28, 1983 BY  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER

June 29, 1983  
ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED June 28, 1983  
IN CASE NO U-7503

PENINSULAR GAS COMPANY  
RATE SCHEDULE  
RESIDENTIAL GAS SERVICE

APPLICATION OF SCHEDULE

Available to any residential customer for residential usage in a single family dwelling served by an individual meter. Not available for gas purchased for resale.

Net Rates

Customer Charge: \$6.75 per customer per month, plus  
Distribution Charge: 13.266c per 100 cubic feet, plus  
Gas Cost Charge: The monthly gas cost charge as set forth on Sheet No. 16

Plus the applicable proportionate part of any taxes or other governmental impositions which are assessed on the basis of the gross revenues of the Company, or the price or revenues from gas or service sold or the volume of gas generated or purchased for sale or sold hereunder.

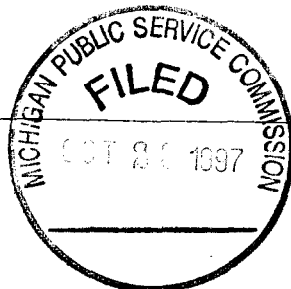
MINIMUM CHARGE

The monthly customer charge of \$6.75.

PAYMENT

Bills rendered for gas service at the above rates are due and payable twenty-one days after the bills are rendered. A late payment charge of 2% of the unpaid balance net of taxes, shall be added to any bill which is delinquent.

**RECEIVED**  
MICHIGAN PUBLIC SERVICE COMMISSION  
OCT 02 1997  
GAS DIVISION



ISSUED AUGUST 11, 1997  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN

EFFECTIVE: FOR GAS SERVICE RENDERED ON  
AND AFTER AUGUST 1, 1997 ISSUED UNDER  
AUTHORITY OF THE MICHIGAN PUBLIC SERVICE  
COMMISSION DATED JULY 31, 1997 IN CASE  
NO. U-11127

PENINSULAR GAS COMPANY  
RATE SCHEDULE  
GENERAL GAS SERVICE

APPLICATION OF SCHEDULE

Available at each point of delivery for all commercial or industrial customers served with natural gas. Not available for gas purchased for resale.

<u>Net Rates</u>	<u>Customer Category</u>		
	<u>Class I</u>	<u>Class II</u>	<u>Class III</u>
Customer Charge per Customer per Month:	\$6.75	\$20.25	\$57.50
Plus,			
Distribution Charge: 13.266c per 100 cubic feet			
Plus,			
Gas Cost Charge: The monthly gas cost charge as set forth on Sheet No. 16.			

Plus the applicable proportionate part of any taxes or other governmental impositions which are assessed on the basis of the gross revenues of the Company, or the price or revenues from gas or service sold or the volume of gas generated or purchased for sale or sold hereunder.

MINIMUM CHARGE

The monthly customer charge.

PAYMENT

Bills rendered for gas service at the above rates are due and payable twenty-one days after the bills are rendered. A late payment charge of 2% of the unpaid balance, net of taxes, shall be added to any bill which is delinquent.

SERVICE CLASS:

The service class shall be determined by the maximum monthly usage in the prior 120 month calendar period as follows:

Class I	0 - 200 Mcf/Month
Class II	201 - 1000 Mcf/Month
Class III	Over 1000 Mcf/Month

New customers (unless they request otherwise) will be placed in Class I until such time as data is available to classify them.

ISSUED AUGUST 11, 1997  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE RENDERED ON AND AFTER AUGUST 1, 1997 ISSUED UNDER AUTHORITY OF THE MICHIGAN PUBLIC SERVICE COMMISSION DATED JULY 31, 1997 IN CASE NO. U-11127

PENINSULAR GAS COMPANY  
RATE SCHEDULE  
INTERRUPTIBLE INDUSTRIAL GAS SERVICE

APPLICATION OF SCHEDULE

Available for customers having at each point of delivery annual industrial requirements in excess of ten million (10,000,000 cubic feet of gas. Not available for gas purchased for resale.

Net Rates:

Customer Charge: \$75.00 per customer per month plus  
\*Distribution Charge: 10.581c per 100 cubic feet, plus  
Gas Cost Charge: The monthly gas cost charge as set forth on Sheet No. 16

Plus the applicable proportionate part of any taxes or other government impositions which are assessed on the basis of the gross revenue of the Company, or the price or revenues from gas or service sold or the volume of gas generated or purchased for sale or sold hereunder.

\*NOTE: For the twelve-month billing period beginning July, 1987 through June, 1988; the distribution charge shall be 10.1583c per ccf reflecting a reduction of 0.4227c/ccf as required by the Michigan Public Service Commission's June 30, 1987 Order in Case No. U-8825.

MINIMUM CHARGE:

The monthly customer charge of \$75.00.

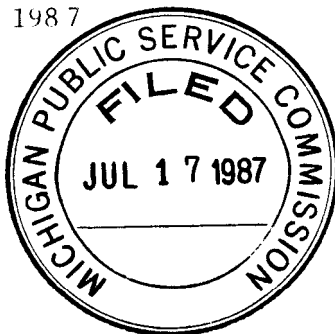
PAYMENT

Bills rendered for gas service at the above rates are due and payable on or before the due date shown thereon. A late payment charge of 2% of the unpaid balance, net of taxes, shall be added to any bill which is delinquent.

UNAUTHORIZED USE

During period of complete or partial interruption, the customer shall be billed and shall pay for all gas used in excess of authorized volumes the sum of \$10.00 per Mcf in addition to regular rate set forth above.

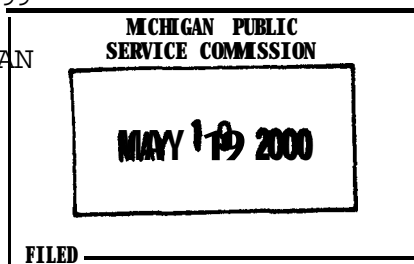
ISSUED JULY 2, 1987  
WILLIAM MARCH, PRESIDENT  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER  
JULY 1, 1987  
ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED JUNE 30, 1987  
IN CASE NO. U- 8825

This sheet has been canceled.

ISSUED JULY 31, 1999  
WILLIAM MARCH  
CALUMET, MICHIGAN



EFFECTIVE FOR GAS SERVICE RENDERED  
ON AND AFTER JULY 31, 1999 ISSUED  
UNDER AUTHORITY OF THE MICHIGAN  
PUBLIC SERVICE COMMISSION DATED  
FEBRUARY 2, 1999 IN CASE NO. U-11127

PENINSULAR GAS COMPANY

ROLL-IN REFUND METHODOLOGY

IDENTIFICATION OF SUPPLIER REFUNDS

Contained within Peninsular Gas' annual GCR reconciliation shall be a standard exhibit which identifies all pipeline or other supplier refunds received (in the form of check, bill credit, or wire transfer) during the year covered in the GCR reconciliation. The exhibit shall include:

1. The amount of each refund, including interest.
2. Date received.
3. Explanation of the reason for each refund.
4. Period covered by each refund (historical refund period).

Additionally, if any portion of the refund is properly allocable to non-GCR customers this allocation and amount, along with calculations of deductions therefrom for company use and lost and unaccounted-for volumes, shall also be included in the exhibit.

Failure of Peninsular Gas to identify a refund within its GCR reconciliation shall result in an interest penalty of 50% over the normal authorized rate of return on common equity for the period of time that Peninsular Gas fails to comply with the refund identification requirement.

GCR CUSTOMER REFUNDS

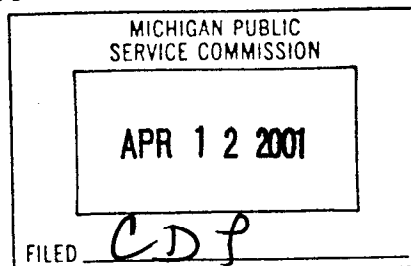
A. Supplier Refunds

All supplier refunds allocable to GCR customers shall be reflected as reductions to the GCR Cost of Gas Sold in the month received and included in the Cost of Purchased and Produced Gas. No deductions for Company Use and Lost and Unaccounted-For volumes shall be made from refunds allocated to GCR customers.

B. GCR Reconciliation

Prior year GCR over/underrecoveries due to reconciliation provisions of the Company's GCR Clause shall be computed annually according to the provisions of 1982 PA 304. Such over/underrecoveries and any Commission ordered adjustments or disallowances associated with the prior GCR year shall be reflected separately below the GCR Cost of Gas Sold line on the GCR Over/Underrecovery Reconciliation Report.

ISSUED SEPTEMBER 11, 1998  
WILLIAM MARCH  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER  
SEPTEMBER 11, 1998,  
ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMMISSION  
DATED SEPTEMBER 11, 1998  
IN CASE NO. U-11193-R



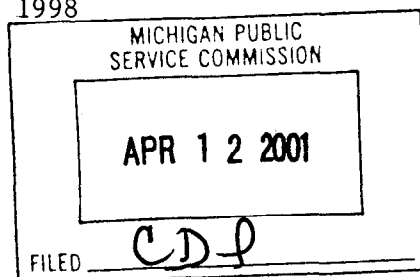
C. Other Refunds

All other refunds shall be reflected in the month the refund is received and shall be included on a separate line below the Cost of Gas Sold line on the Over/Underrecovery Reconciliation Report so that such refunds are readily identifiable.

NON-GCR CUSTOMER REFUNDS

- A. All supplier refunds allocable to non-GCR customers shall be allocated on the basis of actual consumption during the historical refund period. Deductions for Company Use and Lost and Unaccounted For volumes shall be made from the non-GCR portion of the refund based upon the actual percentages for Company Use and Lost and Unaccounted For during the historical refund period.
- B. Portions of the refunds allocable to non-GCR customers shall be credited to a refund liability account to accrue interest until distributed. Peninsular Gas Company shall include an application to refund these monies in its next GCR Reconciliation filing.
- C. The Company is not required to issue checks to customers who are in arrears with Peninsular Gas Company, to customers for whom checks were returned as undeliverable in previous refunds or for refund amounts of less than \$5.00. Refunds may be applied against past due amounts owed to the Company and any excess refunded according to these procedures. After 90 days, any returned or uncashed refund checks shall be transferred to the non-GCR refund liability account for refund to non-GCR customers in the next GCR Reconciliation. Rights to any portion of a refund shall not vest until a refund check has been negotiated.
- D. Refund completion reports for non-GCR customers shall be submitted to the Michigan Public Service Commission Staff six months following initial distribution of a non-GCR customer refund. Reports, at minimum, should include the amount authorized for refund compared to the amount actually refunded and the date of the refund distribution.

ISSUED SEPTEMBER 11, 1998  
WILLIAM MARCH  
CALUMET, MICHIGAN



EFFECTIVE: FOR GAS SERVICE  
RENDERED ON AND AFTER  
SEPTEMBER 11, 1998,  
ISSUED UNDER AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMMISSION  
DATED SEPTEMBER 11, 1998  
in case no. U-11193-R

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES  
PUBLIC SERVICE COMMISSION  
CONSUMER STANDARDS AND BILLING PRACTICES  
FOR ELECTRIC AND GAS RESIDENTIAL SERVICE**

**PART 1. GENERAL PROVISIONS**

**R 460.2101 Application of rules.**

Rule 1. These rules apply to residential utility service that is provided by electric and natural gas utilities that are subject to the jurisdiction of the public service commission.

**R 460.2102 Definitions.**

Rule 2. As used in these rules:

(a) "Billing error" means an undercharge or overcharge that is caused by any of the following:

- (i) An incorrect actual meter read.
- (ii) An incorrect remote meter read.
- (iii) An incorrect calculation of the applicable rate.
- (iv) An incorrect connection of the meter.
- (v) An incorrect application of the rate schedule.

(vi) Another similar act or omission by the utility in determining the amount of a customer's bill. An undercharge or overcharge that is caused by a nonregistering meter, a meter error, or the use of an estimated meter read or a customer read is not a billing error.

(b) "Billing month" means a utility service consumption period of not less than 26, nor more than 35, days.

(c) "Charges for tariff service" means the rates for tariff service and other charges authorized by the commission as an integral part of utility service.

(d) "Commission" means the Michigan public service commission.

(e) "Complaint" means a matter that requires follow-up action or investigation by the utility or the commission to resolve the matter.

(f) "Complaint and information officer" means a member of the commission staff who is designated to perform responsibilities in accordance with these rules.

(g) "Complaint determination" means the written decision of a utility hearing officer with respect to an informal hearing.

(h) "Customer" means a purchaser of electricity or natural gas that is supplied by a utility for residential purposes.

(i) "Cycle billing" means a system that renders bills for utility service to various customers on different days of a calendar month.

(j) "Delinquent account" means any charges for utility service that remains unpaid at least 5 days after the due date.

(k) "Energy usage" means the consumption of electricity or natural gas.

(l) "Estimated bill" means a bill for energy usage that is not calculated by employing an actual reading of a meter or other measuring device.

(m) "Gas cost recovery" means the adjustment in rates that is approved by the commission to recognize variations in the cost of purchased gas from a base level.

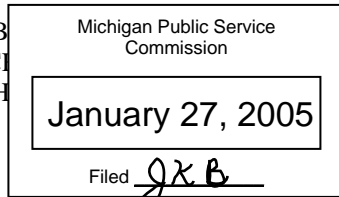
(n) "In dispute" means that a matter is the subject of an unresolved disagreement, claim, or complaint.

(o) "Informal appeal" means an appeal of a complaint determination of a utility hearing officer to the commission staff.

(p) "Informal appeal decision" means the written decision of the complaint and information officer with respect to an informal appeal.

(q) "Inquiry" means a matter that is resolved upon the initial contact between the customer and the utility or the customer and the commission.

ISSUED DECEMBER  
WILLIAM MARCI  
CALUMET, MICH



EFFECTIVE: FOR GAS SERVICE RENDERED ON  
AND AFTER MARCH 17, 2000. ISSUED UNDER  
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SERVICE COMMISSION DATED  
FEBRUARY 9, 2000 IN CASE NO. U-11397

(r) "Late payment charge" means a finance, service, carrying, or penalty charge that is assessed by a utility because a balance due on a bill is delinquent.

(s) "New customer" means a customer who has not received the utility's service within the previous 6 years.

(t) "Positive identification information" means a social security number and an identification containing a photograph.

(u) "Power supply cost recovery" means the adjustment in rates that is approved by the commission to recognize variations in the cost of purchased power and fuel for electric generation.

(v) "Previous customer" means a customer who has received the utility's service within the previous 6 years.

(w) "Residential service or use" means the provision of or use of electricity or natural gas for residential purposes.

(x) "Seasonally billed customer" means a customer who is billed on a seasonal basis in accordance with a utility tariff that is approved by the commission.

(y) "Settlement agreement" means a written agreement that is entered into by a customer and a utility and that resolves any matter in dispute or provides for the payment of amounts not in dispute over a reasonable period of time.

(z) "Shutoff of service" means a discontinuance of utility service that is not voluntarily requested by a customer.

(aa) "Space heating season" means the period between December 1 and March 31.

(bb) "Termination of service" means a cessation of utility service that is voluntarily requested by a customer.

(cc) "Transmit" means to convey or dispatch.

(dd) "Utility" means a person, firm, corporation, cooperative, association, or other agency that is subject to the jurisdiction of the commission and that distributes and sells electricity or natural gas for residential use.

**R 460.2103 Discrimination prohibited.**

Rule 3. A utility shall not discriminate against or penalize a customer for exercising any right granted by these rules.

**R 460.2104 Form of proceedings.**

Rule 4. The informal procedures required by these rules shall not constitute a contested case as defined by section 3 of Act No. 306 of the Public Acts of 1969, as amended, being S24.203 of the Michigan Compiled Laws.

**R 460.2105 Additional rules.**

Rule 5. A utility may adopt additional rules governing relations with its customers that are reasonable and necessary and that are not inconsistent with these rules. The utility's rules shall be an integral part of its tariffs and shall be subject to approval by the commission. If there is a conflict between these rules and a utility's rules or tariffs, these rules govern.

**PART 2. BILLING AND PAYMENT STANDARDS**

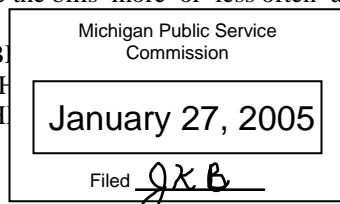
**R 460.2111 Billing frequency; method of delivery.**

Rule 11. A utility shall transmit a bill each billing month to its customers in accordance with approved rate schedules. A utility shall transmit a bill to customers by mail unless the utility and the customer agree in writing to another method of delivery. A utility that is authorized to seasonally bill customers or to use a customer read system shall transmit a bill in accordance with the tariffs approved by the commission.

**R 460.2112 Estimated billing.**

Rule 12. (1) A utility may estimate the bill of a residential customer every other billing month. A utility may estimate the bills more or less often upon a finding by the commission that those

ISSUED DECEMBER  
WILLIAM MARCHEL  
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procedures assure reasonable billing accuracy. A bill that is rendered on an estimated basis shall be clearly and conspicuously identified as such. A utility shall not render an estimated bill unless the estimating procedures employed by the utility and any substantive changes to those procedures have been approved by the commission.

(2) A utility may render estimated bills to seasonally billed customers in accordance with the tariffs approved by the commission.

(3) Notwithstanding the provisions of subrule (1) of this rule, a utility may estimate the bill of a customer if extreme weather conditions, emergencies, work stoppages, or other circumstances beyond the control of the utility prevent an actual meter reading.

(4) If the utility is unable to gain access to read a meter, then the utility shall use reasonable alternative measures to obtain an actual reading, including mailing or leaving postage-paid, pre-addressed postcards upon which the customer may note the reading. If the customer fails to comply with those alternative measures or makes reading the meter unnecessarily difficult, then the utility may transmit an estimated bill notwithstanding the provisions of subrule (1) of this rule. If a utility cannot obtain an actual reading under this subrule, then the utility shall maintain records of the reasons and its efforts to secure an accurate reading.

**R 460.2113 Customer meter reading.**

Rule 13. A utility shall provide each customer with the opportunity to read and report energy usage as long as the customer reports energy usage on a regular and accurate basis. A utility shall provide postage-paid, pre-addressed postcards for this purpose upon request. At least once every 12 months, a utility shall obtain an actual meter reading of energy usage to verify the accuracy of readings reported in this manner. Notwithstanding the provisions of this rule, a utility may read meters on a regular basis.

**R 460.2114 Equal monthly billing.**

Rule 14. A utility may bill a customer under an equal monthly billing program, at the choice of the customer, upon a finding by the commission that the program assures reasonable billing accuracy. If a customer has a credit balance of more than \$2.00 at the end of the program year, upon the request of the customer, the utility shall return the credit balance.

**R 460.2115 Cycle billing.**

Rule 15. A utility may use cycle billing if each customer receives a bill on or about the same day of each billing month. If a utility changes meter reading routes or schedules, it may change billing cycles upon 10 days' written notice to the affected customers.

**R 460.2116 Payment of bill.**

Rule 16. A utility shall permit each customer a period of not less than 17 days from the date the bill was transmitted to pay in full, unless the customer agrees in writing to a different period.

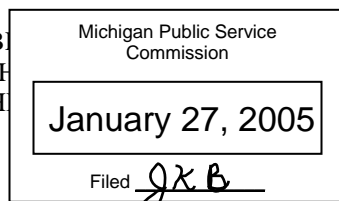
**R 460.2117 Payment period.**

Rule 17. The date of transmitting a bill is the date the utility mails the bill. For bills that are delivered other than by mail, the date of transmitting a bill is the date that the utility conveys or dispatches the billing information to the customer in accordance with the method of delivery that the customer and the utility agreed to use. If the last day for payments falls on a Sunday, legal holiday, or other day when the offices of the utility regularly used for the payment of customers' bills are not open to the general public, the payment date shall be extended through the next business day.

**R 460.2118 Allowable charges.**

Rule 18. (1) Except as otherwise provided by statute, a utility shall bill each customer for the amount of natural gas or electricity consumed and any other approved charges in accordance with the rates and tariffs approved by the commission.

ISSUED DECEMBER  
WILLIAM MARCHEL  
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(2) A utility may assess a late payment charge that is not more than 2%, not compounded, of the portion of the bill, net of taxes, that is delinquent. A utility shall not assess a late payment charge against a customer who is participating in the winter protection plan described in R 460.2174.

**R 460.2119 Bill information.**

Rule 19. A bill that is transmitted by a utility shall state clearly all of the following information:

- (a) The beginning and ending meter readings and dates for the billing period. A utility that is authorized to use a customer read system need not provide this information.
- (b) The units of energy consumed during the billing period and the units of energy consumed during the comparable period the prior year. A utility may comply with the provisions of this subrule by providing a comparison of energy consumed based on average daily use for the billing period. The commission may exempt a utility from this requirement by order upon a showing by the utility that compliance would be excessively costly or administratively impractical.
- (c) A designation of the rate.
- (d) The due date.
- (e) Any previous balance.
- (f) The amount due for energy usage.
- (g) The amount due for other authorized charges.
- (h) The amount of tax.
- (i) The total amount due.
- (j) The rate schedules, the explanation of rate schedules, and the explanation of how to verify the accuracy of the bill will be provided upon request.
- (k) That the customer should make any inquiry or complaint about the bill before the due date.
- (l) The address and telephone number of the utility at which the customer may initiate any inquiry or complaint regarding the bill or the service provided by the utility.
- (m) That the utility is regulated by the Michigan public service commission, Lansing, Michigan.

**R 460.2120 Separate bills.**

Rule 20. (1) A utility shall transmit a separate bill in conformity with the provisions of R 460.2119 for service provided at each location and shall not combine 2 or more accounts without written authorization of the customer.

(2) Notwithstanding the provisions of subrule (1) of this rule, if there is shutoff or termination of service at a separate residential metering point, residence, or location in accordance with these rules, then a utility may transfer an unpaid balance to any other residential service account of the customer.

**R 460.2121 Billing for non-tariff services.**

Rule 21. A utility may include charges for non-tariff services together with charges for tariff service on the same monthly bill if the charges for non-tariff services are designated clearly and separately from the charges for tariff service. If partial payment is made, the utility shall first credit payment to the balance outstanding for tariff service.

**R 460.2122 Listing of energy assistance programs.**

Rule 22. The commission shall provide, to all utilities, a listing of all federal and state energy assistance programs and the eligibility requirements.

**R 460.2123 Notice of energy assistance program.**

Rule 23. (1) A utility shall annually inform each customer of the following information:

- (a) The federal and state energy assistance programs that are available and the eligibility requirements of the programs, as provided to the utility by the commission.
  - (b) The winter protection plan described in the provisions of R 460.2174.
  - (c) The medical emergency provisions of R 460.2153.
- (2) The utility shall provide the information required by the provisions of subrule (1) of this rule as an explanation on the customer's bill, a bill insert, or other transmittal. If the utility does not print an

ISSUED DECEMBER  
WILLIAM MARCH,  
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FEBRUARY 9, 2000 IN CASE NO. U-11397

explanation on the customer's bill, then the utility shall, on the customer's bill, direct the customer to the bill insert or other transmittal.

**R 460.2124 Additional energy assistance programs.**

Rule 24. As further information regarding energy assistance programs becomes available, the commission shall provide that information to all utilities. Within 60 days of receiving the information, the utility shall:

- (1) Provide further information regarding new eligibility requirements for energy assistance programs to all of its customers.
- (2) Provide further information regarding new benefit levels for energy assistance programs to customers currently enrolled in the programs.

**R 460.2125 Billing error.**

Rule 25. (1) If a utility overcharges a customer due to a billing error, the utility shall refund or credit the amount of the overcharge. A utility is not required to adjust, refund, or credit an overcharge for more than the 3 years immediately preceding discovery of the billing error, unless the customer is able to establish an earlier date for commencement of the error.

(2) If a utility undercharges a customer, the following provisions apply:

- (a) In cases that involve meter tampering or fraud, the utility may backbill the customer for the amount of the undercharge.
- (b) In cases that do not involve meter tampering or fraud, the utility may backbill the customer for the amount of the undercharge during the 12-month period immediately preceding discovery of the error, and the utility shall offer the customer reasonable payment arrangements for the amount of the backbill, taking into account the period of the undercharge.

(3) Overcharges and undercharges due to gas meter errors and electric meter errors shall be reconciled in accordance with the provisions of R 460.2364 of the technical standards for gas service and the provisions of R 460.3403 of the regulations governing service supplied by electric utilities, respectively.

**PART 3. DEPOSITS AND GUARANTEES**

**R 460.2131 Deposit for new customer.**

Rule 31. (1) A utility may require a deposit as a condition of providing service to a new customer due to any of the following provisions:

- (a) The applicant has a delinquent bill with any electric or gas provider that accrued within the last 6 years, and that, at the time of the request for service, remains unpaid and is not in dispute.
- (b) The applicant misrepresents his or her identity or credit standing.
- (c) The applicant fails to provide complete positive identification information upon request at the time of applying for new service, to the extent a request for such information is not barred by R 460.2133(3).
- (d) The applicant, in an unauthorized manner, used, diverted, or interfered with the service of the utility situated or delivered on or about the applicant's premises within the last 6 years, if the finding of unauthorized use, diversion, or interference is made after notice and an opportunity for a hearing under these rules.
- (e) The applicant requests service for a location at which he or she does not reside.
- (f) The applicant was a household member during a period in which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant, if, at the time of the request for service, the account remains unpaid and is not in dispute.
- (g) The applicant is unable to provide prior utility service history information with any regulated or unregulated utility in Michigan or elsewhere during the last 6 years and has an unfavorable commercial credit rating caused by 3 or more delinquent payments of more than 60 days in the last 2 years.
- (h) A receiver has been appointed in a court proceeding within the last 6 years.

ISSUED DECEMBER 17, 2004  
WILLIAM MARCO  
CALUMET, MICHIGAN



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(i) As allowed by federal bankruptcy law, the applicant has sought relief under federal bankruptcy laws within the last 6 years.

(2) A utility shall not require a deposit as a condition of providing service to a new customer if any of the following provisions apply:

(a) The family independence agency is responsible for making monthly payments to a utility on behalf of the applicant.

(b) The applicant secures a guarantor who is a customer in good standing with the utility.

(c) None of the conditions described in subrule (1) of this rule applies to the applicant.

(d) The applicant is over 65 years of age and has no negative credit history with any gas or electric provider.

**R 460.2132 Deposit for previous customer or continued service.**

Rule 32. (1) A utility may require a deposit as a condition of providing or restoring service to a previous customer or continuing service to a current customer if the customer has an unsatisfactory credit standing with the utility due to any of the following:

(a) The customer or applicant has a prior service account that is delinquent, that accrued within the last 6 years, and that, at the time of the request for service, remains unpaid and is not in dispute, or if litigation was required to obtain full payment of a utility account that was not in dispute.

(b) The customer or applicant misrepresents his or her identity or credit standing.

(c) The customer or applicant fails to provide complete positive identification information upon request at the time of applying for service, to the extent that a request for such information is not barred by R 460.2133(3).

(d) The customer or applicant, in an unauthorized manner, used, diverted, or interfered with the service of the utility situated or delivered on or about the customer's or applicant's premises within the last 6 years, if the finding of unauthorized use, diversion, or interference is made after notice and an opportunity for a hearing under these rules and is not in dispute.

(e) The utility has shut off service to the customer for nonpayment of a delinquent account that is not in dispute.

(f) The utility has had 1 or more checks for the customer's account returned from a bank within the last 12 months for insufficient funds or no account, excluding bank error.

(g) A receiver has been appointed in a court proceeding within the last 6 years.

(h) As allowed by federal bankruptcy law, the applicant has sought relief under federal bankruptcy laws within the last 6 years.

(2) A utility shall not require a deposit as a condition of providing service to a previous customer or continuing service to a current customer if one of the following provisions applies:

(a) The family independence agency is responsible for making monthly payments to a utility on behalf of the applicant.

(b) The customer or applicant secures a guarantor who is a customer in good standing with the utility.

(c) The customer or applicant has none of the conditions described in subrule (1) of this rule.

(d) The applicant is over 65 years of age and has no negative credit history with any gas or electric provider.

**R 460.2133 Prohibited practices.**

Rule 33. (1) A utility shall not require a deposit or other guarantee as a condition of new or continued utility service based upon any of the following:

(a) Commercial credit standards, if the customer or applicant has prior utility service credit history with any electric or gas provider in Michigan or elsewhere during the previous 6 years.

(b) Income.

(c) Home ownership.

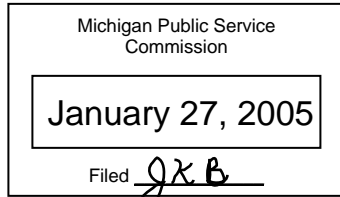
(d) Residential location.

(e) Race.

(f) Color.

(g) Creed.

(h) Sex.



- (i) Age.
- (j) National origin.
- (k) Any other criteria not authorized by these rules.

(2) A utility shall not attempt to recover from any person any outstanding bills or other charges due upon the account of any other person, unless that other person has entered into a lawful guarantee or other agreement to pay those bills and charges.

(3) A utility shall not require a customer or applicant who has prior utility service history with any electric or gas provider in Michigan or elsewhere during the previous 6 years to provide the utility with his or her social security number as a condition of obtaining or continuing a utility service.

**R 460.2134 General deposit conditions.**

Rule 34. (1) (A) A deposit that is required under these rules due to a prior outstanding account that is not in dispute or a shutoff for nonpayment shall not be more than twice the average peak season monthly bill for the premises or twice the utility's system average peak season monthly bill for residential service if consumption history for the premises is unavailable. The utility may also require payment of the delinquent account as a condition of providing or continuing service if the prior account is in the customer's or applicant's name, is delinquent and owed to the utility, and accrued within the last 6 years.

(b) A deposit that is required as a condition of providing, restoring, or continuing service due to unauthorized use, diversion, or interference shall not be more than 4 times the average peak season monthly bill for the premises or 4 times the utility's system average peak season monthly bill for residential service if consumption history for the premises is unavailable. The utility may also require payment of the delinquent account and approved charges as a condition of providing, restoring, or continuing service if the prior account is in the customer's or applicant's name, is delinquent and owed to the utility, and accrued within the last 6 years.

(2) Unless the applicant misrepresents his or her identity or credit standing or fails to provide positive identification, if requested, at the time of applying for service, the utility shall, within 30 days after the applicant applies, decide whether to require a deposit.

(3) Except in the case of unauthorized use, diversion, or interference, if the utility shuts off service for nonpayment, then the utility shall not require a deposit as a condition of restoring service unless the utility offered the customer, prior to shutoff for nonpayment, the opportunity to enter into a settlement agreement as provided in part 6 of these rules.

(4) A utility shall pay interest at the rate of 9% per annum on all deposits. A utility shall credit interest semiannually to the service account of the customer or pay it upon the return of the deposit, whichever occurs first.

(5) The customer's credit shall be established and the utility shall return the deposit and accrued interest upon satisfactory payment by the customer of all proper charges for utility service for a period of 12 consecutive months. A utility may retain the deposit because of unauthorized use, diversion, or interference for a period of 24 months and shall refund the deposit upon satisfactory payment of the final 12 months' charges.

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

(7) If the utility has not already returned the deposit, the utility shall credit the deposit, with accrued interest, to the final bill. A utility may apply the deposit against an existing arrearage that is not in dispute. The utility shall promptly return the balance to the customer.

(8) A utility shall maintain a detailed record of all deposits received from customers. The record shall show all of the following information:

- (a) The name of the residential customer.
- (b) The location of the premises occupied by the customer at the time of making the deposit and each successive location while the deposit is retained.
- (c) The date the customer made the deposit and the amount.
- (d) The dates the utility paid interest and the amounts.

(9) If a customer makes a deposit, then the utility shall provide, in writing, a receipt that contains all of the following information:

ISSUED DECEMBER  
WILLIAM MARC  
CALUMET, MICH

Michigan Public Service Commission
January 27, 2005
Filed <u>JKB</u>

EFFECTIVE: FOR GAS SERVICE RENDERED ON  
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SERVICE COMMISSION DATED  
FEBRUARY 9, 2000 IN CASE NO. U-11397



- (a) Name of customer.
- (b) Place of payment.
- (c) Date of payment.
- (d) Amount of payment.
- (e) Identifiable name and signature of the utility employee who receives the deposit.
- (f) The terms and conditions governing the receipt, retention, and return of the deposit.
- (10) A utility shall provide a means by which a customer who is entitled to the return of his or her deposit is not deprived of the deposit even though he or she may be unable to produce the original receipt for the deposit.
- (11) A utility shall apply deposit standards uniformly to all customers.
- (12) For purposes of this rule, both of the following provisions apply:
  - (a) The premises's average peak season monthly bill is defined as the highest 5 consecutive month period of consumption at the premises within the previous 12-month period, divided by 5, priced at current rates.
  - (b) The utility's system average peak season monthly bill is defined as the average peak season monthly bill computed for all residential premises on the utility's system.

**R 460.2135 Rescinded.**

**R 460.2136 Guarantee terms and conditions.**

Rule 36. (1) A guarantee that is accepted in accordance with these rules shall be in writing and shall be in effect for not more than 12 months. The written guarantee shall state all of the terms of the guarantee and the maximum amount guaranteed. The utility shall not hold the guarantor liable for a greater amount, unless agreed to in a separate written guarantee.

(2) The customer's credit shall be established and the utility shall release the guarantor upon satisfactory payment by the customer of all proper charges for utility service for a period of 12 consecutive months, unless the guarantee was required due to unauthorized use, diversion, or interference.

(3) A utility may retain a guarantee resulting from unauthorized use, diversion, or interference for 24 months and shall release the guarantor upon satisfactory payment of the final 12 months' charges.

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

(5) A utility may withhold the release of a guarantor pending the resolution of a shutoff for nonpayment that is in dispute in accordance with these rules.

**R 460.2137 Rescinded.**

**PART 4. UTILITY PROCEDURES**

**R 460.2141 Applicability.**

Rule 41. These procedures apply to all customer inquiries, service requests, and complaints that are made to a utility regarding residential utility service and charges.

**R 460.2142 Complaint procedures.**

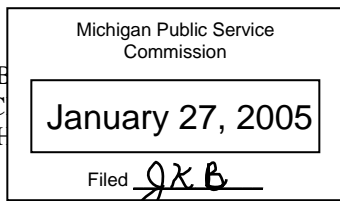
Rule 42. (1) A utility shall establish procedures that will ensure the prompt, efficient, and thorough receipt, investigation, and, where possible, resolution of all customer inquiries, service requests, and complaints.

(2) A utility shall obtain commission approval of any substantive changes in its procedures.

**R 460.2143 Personnel procedures.**

Rule 43. A utility shall establish personnel procedures that, at a minimum, ensure all of the following:

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WILLIAM MARC  
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(a) That qualified personnel are available and prepared at all times during normal business hours to receive and respond to all customer inquiries, service requests, and complaints. A utility shall make the necessary arrangements to ensure that customers who are unable to communicate in the English language receive prompt and effective assistance.

(b) That qualified personnel who are responsible for, and authorized to enter into, written settlement agreements on behalf of the utility are available at all times during normal business hours to respond to customer inquiries and complaints.

(c) That qualified personnel are available at all times to receive and respond to customer contacts regarding any shutoff of service and emergency conditions that occur within the utility's service area.

(d) That the names, addresses, and telephone numbers of personnel who are designated and authorized to receive and respond to the requests and directives of the commission regarding customer inquiries, service requests, and complaints are current and on file with the commission.

**R 460.2144 Utility hearing officers.**

Rule 44. (1) A utility shall employ or contract with competent utility hearing officers, who shall be notaries public and qualified to administer oaths, and other supporting personnel as necessary to comply with the provisions of part 6 of these rules.

(2) Utility hearing officers who are employed or contracted to comply with the provisions of part 6 of these rules shall not engage in any other activities for or on behalf of the utility.

(3) Utility hearing officers and utility hearing procedures shall be subject to investigation and review by the commission to ensure the impartiality and integrity of the hearing process.

**R 460.2145 Publication of procedures.**

Rule 45. (1) A utility shall prepare a pamphlet that, in easily understood terms, summarizes the rights and responsibilities of its customers in accordance with these rules and other applicable provisions of statutes, rules, and tariffs.

(2) A utility shall display the pamphlet prominently and make it available at all utility office locations open to the general public. A utility shall transmit the pamphlet to each new customer upon the commencement of service and shall make it available at all times upon request. Where substantial revisions to or new information required by the provisions of subrule (3) of this rule occur, the utility shall provide the changes to all current customers by a bill insert, revised pamphlet, or a publication that is transmitted to all customers, with a copy to the commission. The form of this transmittal shall be at the discretion of the utility.

(3) The pamphlet shall contain all of the following information:

(a) Billing procedures and estimation standards.

(b) Methods for customers to verify billing accuracy.

(c) An explanation of the power supply cost recovery or gas cost recovery program.

(d) Customer payment standards and procedures.

(e) Security deposit and guarantee standards.

(f) Shutoff and restoration of service.

(g) Inquiry, service, and complaint procedures.

(4) Each pamphlet shall indicate conspicuously that the pamphlet is provided in accordance with the rules of the commission.

**R 460.2146 Access to rules and rates.**

Rule 46. (1) A utility, except for a rural electric cooperative, shall provide to each customer, within 60 days of commencing service, within 60 days after issuance of a new rate case order, and at least once each year, the following information:

(a) A clear and concise explanation of all rates for which that customer may be eligible.

(b) A notice that complete rate schedules are available upon request.

(c) A notice of the availability of company assistance in determining the most appropriate rate if the customer is eligible to receive service under more than 1 rate.

(2) A rural electric cooperative shall provide to each customer, at least annually, the following information:

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WILLIAM MARCHEL  
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- (a) A notice that complete rate schedules are available upon request.
- (b) A notice that a clear and concise explanation of all rates for which that customer may be eligible is available upon request.
- (c) A notice of the availability of company assistance in determining the most appropriate rate if the customer is eligible to receive service under more than 1 rate.
- (3) A utility, except for a rural electric cooperative, shall provide to each customer, within 60 days after the utility has filed a general rate case application with the commission, the following information:
  - (a) A notice that the utility has requested that the commission change its rates.
  - (b) A notice that copies of the utility's application are available for inspection at all offices of the utility.
  - (c) A notice that an explanation of the proposed changes to the utility's rates is available from the utility upon request.
- (4) A rural electric cooperative shall provide to each customer, within a reasonable time after it has filed a general rate case application or a times interest earned ratio ratemaking application, the following information:
  - (a) A notice that the cooperative has requested that the commission change its rates.
  - (b) A notice that copies of the cooperative's application are available for inspection at all offices of the cooperative.
  - (c) A notice that an explanation of the proposed changes to the cooperative's rates is available from the cooperative upon request.
- (5) A utility, including a rural electric cooperative, shall provide the notice required by the provisions of this rule either through a publication that is transmitted to each of its customers or by a bill insert.
- (6) A utility shall keep on file, at all offices of the utility, and shall provide public access to, all of the following documents:
  - (a) A copy of these rules.
  - (b) A copy of all other rules of the utility as filed with the commission regarding customer service.
  - (c) Schedules of all residential rates and charges.
  - (d) Proposed rate schedules.
  - (e) Clear and concise explanations of both existing and proposed rate schedules.
  - (f) An explanation of its power supply cost recovery or gas cost recovery program.
- (7) A utility shall post suitable signs in conspicuous locations at all bill payment offices that are operated by the utility calling attention to the fact that the rules, regulations, rate schedules, proposed rate schedules, explanations of rate schedules, and explanations of proposed rate schedules are on file and available for inspection. Upon request, a utility shall provide 1 copy of these rules, explanations, or schedules to a customer without charge.

**R 460.2147 Reporting requirements.**

Rule 47. Upon request, a utility shall file with the commission, a report that contains detailed information concerning all of the following:

- (a) The payment performance of its customers in relation to established due and payable periods.
- (b) The number and general description of all complaints registered with the utility.
- (c) The number of shutoff notices issued by the utility and the reasons for the notices.
- (d) The number of hearings held by the utility, the types of disputes involved, and the number of complaint determinations issued.
- (e) The number of written settlement agreements entered into by the utility.
- (f) The number of shutoffs of service and the number of reconnections.

**R 460.2148 Inspection.**

Rule 48. A utility shall permit authorized staff of the commission to inspect all of the utility's operations that relate to customer service.

**R 460.2149 Customer access to consumption data.**

Rule 49. A utility shall provide to each customer, upon request, a clear and concise statement of the customer's actual energy usage, or degree-day adjusted energy usage, for each billing period during the

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CALUMET, MICHIGAN



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last 12 months unless that data is not reasonably ascertainable by the utility. A utility shall notify its customers at least once each year that a customer may request consumption data.

**R 460.2150 Application for service.**

Rule 50. (1) Unless the applicant has had one or more shutoffs, a utility shall not require other adults who will be residing at the premises for which service is requested to sign an application for service. A utility shall permit more than 1 name on the application if requested by the customer.

(2) If the applicant is renting the premises for which service is requested, a utility may require proof that the applicant is a tenant. Written or oral confirmation by the manager, landlord, or owner of the property or a copy of the lease submitted by the manager, landlord, or owner of the property is sufficient proof.

**PART 5. PHYSICAL SHUTOFF OF SERVICE**

**R 460.2151 Time of shutoff.**

Rule 51. (1) Subject to the requirements of these rules, a utility may shut off service to a customer on the date specified in the notice of shutoff or at a reasonable time following that date. If a utility does not shut off service and mails a subsequent notice, then the utility shall not shut off service before the date specified in the subsequent notice. Shutoff shall occur only between the hours of 8 a.m. and 4 p.m.

(2) A utility shall not shut off service on a day, or a day immediately preceding a day, when the services of the utility are not available to the general public for the purpose of restoring service and shall not shut off service on a Friday during the space heating season to a customer who has defaulted on the winter protection plan as defined in these rules.

(3) A utility shall not shut off service for an amount that is in dispute while a customer is awaiting the resolution of a complaint with the commission or the utility in accordance with these rules.

**R 460.2152 Manner of shutoff.**

Rule 52. (1) At least 1 day preceding shutoff of service, the utility shall make not less than 2 attempts to contact the customer by telephone if a telephone number is accessible to the utility to advise the customer of the pending action and what steps the customer must take to avoid shutoff. The utility shall either document all attempts to contact the customer or shall document that automated procedures are in place that will make at least 2 attempts to contact the customer by telephone.

(2) Immediately preceding the shutoff of service, an employee of the utility who is designated to perform that function shall identify himself or herself to the customer or another responsible person at the premises and shall announce the purpose of his or her presence.

(3) The employee shall have in his or her possession a copy of the delinquent account of the customer and request any available verification that the outstanding claims have been satisfied or are currently in dispute. Unless the customer presents evidence that reasonably indicates that the claim has been satisfied or is currently in dispute, the employee may shut off service.

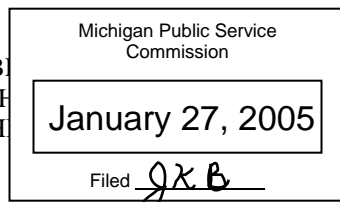
(4) The employee may be authorized to accept payment and shall not shut off service if the customer offers payment in full, together with a reasonable charge for sending the employee to the premises, if provided in the utility's schedule of rates and tariffs.

(5) The customer may pay in any reasonable manner, including personal check. Payment by personal check is not reasonable if the customer has paid with a personal check within the last 12 months and the check has been returned for insufficient funds or no account, excluding bank error.

(6) If the customer or another responsible person is not at the premises and the utility has not made the prior telephone contact provided in subrule (1) of this rule, the employee shall leave notice, in a manner

that is conspicuous to the customer, that service will be shut off on or after the next business day unless the customer satisfies the outstanding claims. If the customer or another responsible person is not at the premises and the utility has made prior telephone contact with the customer or another responsible person, the employee may shut off service immediately.

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(7) If the customer or another responsible person is not at the premises upon the return of the employee, or upon the first visit if the customer or another responsible person does not respond when it reasonably appears that he or she is at the premises, the employee may shut off service.

(8) When the employee shuts off service, the employee shall leave a notice in a conspicuous place upon the premises. The notice shall state that service has been shut off, the address and telephone number of the utility where the customer may arrange to have service restored, and, for all forms printed after the effective date of these rules, that efforts by the customer to restore his or her own service are unlawful and dangerous.

**R 460.2153 Medical emergency.**

Rule 53. Notwithstanding any other provision of these rules, a utility shall postpone the shutoff of service for a reasonable time, but not for more than 21 days, if the customer produces a physician's certificate or notice from a public health or social services official stating that the shutoff of service will aggravate an existing medical emergency of the customer, a member of his or her family, or another permanent resident of the premises. The certificate shall identify the medical emergency and specify the period of time during which shutoff will aggravate the emergency. The utility shall extend the postponement for further periods of not more than 21 days, not to exceed a total postponement of shutoff of service of 63 days, only if the customer produces a physician's certificate. If shutoff of service has occurred without any postponement being obtained, the utility shall restore service for a reasonable time, but not for more than 21 days, and shall continue the restoration for further periods of not more than 21 days, not to exceed a total restoration of service of 63 days, only upon the customer providing a physician's certificate.

**R 460.2154 Restoration of service.**

Rule 54. (1) After a utility has shut off service, it shall restore service promptly upon the customer's request when the cause has been cured or credit arrangements satisfactory to the utility have been made.

(2) When a utility shuts off service at the customer's meter, the utility shall make every effort to restore service on the day the customer requests restoration. Except for reasons beyond its control, the utility shall restore service not later than the first working day after the customer's request.

(3) The utility may assess the customer a charge, including reasonable costs, for restoring service and relocating the customer's meter as specified in the utility's approved schedule of rates and tariffs.

**R 460.2155 Charges for meter relocation.**

Rule 55. A utility may assess a meter relocation charge pursuant to the provisions of R 460.2154(3) in any of the following situations:

(a) The utility shut off service by disconnection at the street or pole because the utility could not obtain access to the meter.

(b) The utility shut off service for nonpayment on 2 prior occasions.

(c) The customer or another responsible adult refused to permit the utility access to the meter on 5 separate occasions and all of the following provisions apply:

(i) The utility can produce documentation of written requests for access.

(ii) The utility determines that the account is 3 or more months in arrears and is not in dispute.

(iii) The utility has employed reasonable efforts to secure access to the meter.

(d) The utility shut off service due to unauthorized use, diversion, or interference, or the customer acknowledges personal responsibility and the utility bills him or her for unauthorized use, diversion, or interference.

**PART 6. PROCEDURES FOR SHUTOFF OR TERMINATION OF SERVICE**

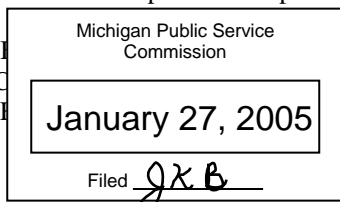
**R 460.2161 Shutoff permitted.**

Rule 61. Subject to the requirements of these rules, a utility may shut off or terminate service to a residential customer for any of the following reasons:

(a) The customer has not paid a delinquent account that accrued within the last 6 years.

(b) The customer has failed to provide a deposit or guarantee permitted by these rules.

ISSUED DECEMBER 17, 2004  
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CALUMET, MICHIGAN



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- (c) The customer or others have caused the unauthorized use, diversion, or interference with the utility service situated or delivered on or about the customer's premises.
- (d) The customer has failed to comply with the terms and conditions of a settlement agreement.
- (e) The customer has refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, or the replacement of equipment that is installed upon the premises.
- (f) The customer has misrepresented his or her identity for the purpose of obtaining utility service.
- (g) The customer has violated any rules of the utility approved by the commission so as to adversely affect the safety of the customer or other persons or the integrity of the utility system.
- (h) A current member of the customer's household has not paid a delinquent account for service that is not in dispute and that is owed by that person, if the customer lived at the same residence served by the utility at the time that all or part of the debt was incurred by the current member of the customer's household. This subdivision shall not apply if the utility holds a deposit pursuant to the provisions of R 460.2131(1)(e).
- (i) The customer has requested the termination of service. The utility shall make reasonable efforts to determine that the customer of record has authorized the termination of service.

**R 460.2162 Shutoff prohibited.**

Rule 62. A utility shall not shut off service for any of the following reasons:

- (a) The customer has not paid for items, such as merchandise, appliances, or services, that are not approved by the commission as an integral part of the utility service that is provided by the utility.
- (b) The customer has not paid for concurrent service received at a separate metering point, residence, or location.
- (c) The customer has not paid for a different class of service received at the same or a different location. The placing of more than 1 meter at the same location for the purpose of billing the usage of specific residential energy-using devices under optional rate schedules or provisions is not a different class of service for the purposes of this rule.
- (d) The customer, such as a landlord, has not paid for service used by another person, such as a tenant. A utility may shut off service, however, in any of the following circumstances:
  - (i) If the customer supplies a written statement under oath that the premises are unoccupied.
  - (ii) If the premises are occupied and the occupant agrees, in writing, to the shutoff of service.
  - (iii) If it is not feasible to provide service to the occupant as a customer without a major revision of existing distribution facilities. Where it is feasible to provide service, the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant refuses, the utility may shut off service pursuant to these rules.

**R 460.2163 Notice of shutoff.**

Rule 63. (1) A utility shall not shut off service pursuant to the provisions of R 460.2161 unless it transmits a notice, by first-class mail, to the customer or personally serves the notice not less than 10 days before the date of the proposed shut off. The utility shall send notice to the account name and address and to the address where service is provided if the service address is different and the transmittal can be delivered at that address. A utility shall maintain a record of the date of transmittal.

(2) A utility shall permit a customer to designate a consenting individual or agency to receive a copy of a notice of shutoff.

(3) Not less than 30 days before the proposed shutoff of service to a single-metered dwelling that is used as a residence for five or more families, a utility shall transmit a notice to each dwelling unit that indicates that the customer of record, the landlord, has failed to pay an outstanding bill and is subject to shutoff of service on or after a specified date.

**R 460.2164 Form of notice.**

Rule 64. A notice of shutoff of service shall contain all of the following information:

- (a) The name and address of the customer and, if available, the address at which service is provided, if different.
- (b) A clear and concise reason for the proposed shutoff of service.

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WILLIAM MARCH  
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- (c) The date on or after which the utility may shut off service, unless the customer takes appropriate action.
- (d) That the customer has the right to enter into a settlement agreement with the utility if the claim is for an amount that is not in dispute and the customer is presently unable to pay in full.
- (e) That the customer has the right to file a complaint disputing the claim of the utility before the proposed date of the shutoff of service.
- (f) That the customer has the right to request a hearing before a utility hearing officer if the complaint cannot be otherwise resolved and that the customer must pay to the utility that portion of the bill that is not in dispute within 3 days of the date that the customer requested a hearing.
- (g) That the customer has the right to represent himself or herself, to be represented by counsel, or to be assisted by other persons of his or her choice in the complaint process.
- (h) That the utility will not shut off service pending the resolution of a complaint that is filed with the utility in accordance with these rules.
- (i) The telephone number and address of the utility where the customer may make inquiry, enter into a settlement agreement, or file a complaint.
- (j) That the customer should contact a social services agency immediately if the customer believes he or she might be eligible for emergency economic assistance.
- (k) That the utility will postpone the shutoff of service if a medical emergency exists at the customer's residence.
- (l) That the utility may require a deposit and restoration charge if the utility shuts off service for nonpayment of a delinquent account.
- (m) That the customer should contact the utility for information about the winter protection plan if the date on or after which shutoff of service may occur is between November 15 and March 31.

**R 460.2165 Disputed claim.**

Rule 65. (1) If a customer advises a utility, before the date of the proposed shutoff of service, that all or part of a bill is in dispute, then the utility shall do all of the following:

- (a) Immediately record the date, time, and place the customer made the complaint and transmit verification to the customer.
- (b) Investigate the dispute promptly and completely.
- (c) Advise the customer of the results of the investigation.
- (d) Attempt to resolve the dispute informally in a manner that is satisfactory to both parties.
- (e) Provide the opportunity for the customer to settle the disputed claim or to satisfy any liability that is not in dispute.

(2) A customer may advise a utility that a claim is in dispute in any reasonable manner, such as by written notice, in person, or by a telephone call directed to the utility.

(3) A utility, in attempting to resolve the dispute, may employ telephone communication, personal meetings, on-site visits, or any other technique that is reasonably conducive to dispute settlement.

**R 460.2166 Hearing.**

Rule 66. If the parties are unable to resolve the dispute, the utility shall offer the customer the opportunity for a hearing before a utility hearing officer. If the customer fails to request a hearing within 3 days of the date that the opportunity for hearing is offered, or if the customer fails to pay the part of the bill that is not in dispute within 3 days of the date that he or she requests the hearing, the utility may exercise its right to shut off service pursuant to these rules.

**R 460.2167 Payment of amount not in dispute.**

Rule 67. (1) If a customer requests a hearing before a utility hearing officer, the customer shall cooperate in the utility's investigation of the complaint and shall pay to the utility the part of the bill that is not in dispute.

(2) The amount that is not in dispute shall be mutually determined by the parties. The parties shall consider the customer's prior consumption history, weather variations, the nature of the dispute, and any other pertinent factors.

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(3) If the parties are unable to mutually determine the amount that is not in dispute, the customer shall pay, to the utility, 50% of the bill in dispute, but not more than \$100.00 per billing period. If the bill in dispute includes usage that has not been previously billed, such as a backbilling, the customer shall pay, to the utility, the amount that is not in dispute for usage not previously billed or 50% of the amount in dispute for usage not previously billed, but not more than \$100.00 for the amount not previously billed.

(4) The amount that is not in dispute shall be subject to review at the hearing before the utility hearing officer in accordance with the provisions of R 460.2169.

(5) If the customer fails to pay the amount that is not in dispute within 3 days of the date that he or she requests a hearing, the customer waives the right to the hearing and the utility may shut off service as provided in part 5 of these rules.

(6) If the dispute is ultimately resolved in favor of the customer, in whole or in part, the utility shall return promptly any excess amount paid by the customer, with interest at the rate specified pursuant to the provisions of R 460.2134(4).

**R 460.2168 Notice of hearing.**

Rule 68. (1) The utility shall transmit or personally serve the customer with written notice of the time, date, and place of the hearing not less than 10 days before the hearing.

(2) The notice shall describe the hearing procedures as contained in these rules.

(3) Failure of the customer or the utility to attend the hearing without a good reason or without having requested an adjournment constitutes a waiver of the right of that party to the hearing.

**R 460.2169 Hearing procedures.**

Rule 69. (1) A utility shall establish hearing procedures that, at a minimum, provide the customer and the utility with all of the following rights:

(a) The right to represent themselves, to be represented by counsel, or to be assisted by persons of their choice.

(b) The right to examine, not less than 2 days before a scheduled hearing, a list of all witnesses who will testify and all documents, records, files, account data, and similar material that may be relevant to the issues to be raised at the hearing.

(c) The right to present evidence, testimony, and oral and written argument.

(d) The right to confront and question witnesses appearing on behalf of the other party.

(2) A hearing shall be held during normal business hours. A utility shall take reasonable steps to ensure that a customer who is unable to attend a hearing due to physical incapacity is not denied the right to a hearing.

(3) The utility has the burden of proof by a preponderance of the evidence.

(4) All witnesses who appear for either party shall testify under oath.

(5) A hearing shall be informal and the proceedings need not be recorded or transcribed. All relevant evidence shall be received and the formal rules of evidence shall not apply.

(6) For each hearing, the utility hearing officer shall compile a record that contains all of the following.

(a) A concise statement, in writing, of the position of the utility.

(b) A concise statement, in writing, of the position of the customer. If the customer has not put his or her position in writing, then the hearing process shall provide a method for accomplishing this writing with the opportunity for proper acknowledgment by the customer.

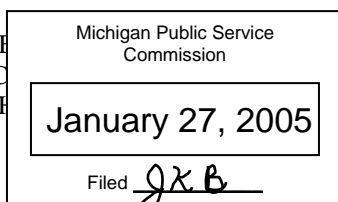
(c) Copies of all evidence submitted by the parties.

(7) At the conclusion of the hearing, the utility hearing officer may orally state his or her findings and the decision or adjourn the hearing and inform the parties that the decision will be transmitted within seven days. At the request of the customer, the utility hearing officer shall adjourn the hearing and transmit the decision within seven days. In all cases, the utility hearing officer shall issue a complaint determination in a form that is approved by the commission. The complaint determination shall contain both of the following:

(a) A concise summary of the evidence and arguments presented by the parties.

(b) The decision, and the reasons for the decision, of the utility hearing officer based solely upon the evidence received.

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(8) At the conclusion of the hearing and again upon issuance of the complaint determination, the utility hearing officer shall advise the customer and the utility of all of the following:

- (a) That each party has a right to make an informal appeal to the commission staff, by mail, telephone, or in person, within 7 days of issuance of the complaint determination.
- (b) That, if appealed, the decision of the utility hearing officer, including a finding that service may be shut off, cannot be implemented until review by the commission staff.
- (c) The address and telephone number where the customer or the utility may make an informal appeal to the commission staff.

(9) Before issuance of a complaint determination, the utility hearing officer may propose a settlement to the parties. If both parties accept the settlement, it shall be reduced to writing and signed by both parties.

(10) Within 7 days of the conclusion of the hearing, the utility hearing officer shall serve the parties with all of the following:

- (a) A copy of the complaint determination.
- (b) Appeal information as provided in subrule (8) of this rule.
- (c) If applicable, a copy of the signed settlement agreement.

(11) The complaint determination and a copy of the signed settlement agreement, if any, shall be made part of the hearing record. The utility hearing officer shall certify the hearing record.

(12) The complaint determination is binding upon the parties unless appealed as provided in these rules.

**R 460.2170 Settlement agreement.**

Rule 70. (1) If the utility and the customer arrive at a mutually satisfactory settlement of a claim in dispute or if the customer does not dispute liability to the utility, but claims the inability to pay the outstanding bill in full, then a utility shall offer the customer the opportunity to enter into a settlement agreement.

(2) A settlement agreement shall be in writing and signed by the customer or his or her authorized representative and an authorized representative of the utility. The utility shall confirm, in writing, a settlement reached by telephone and shall transmit the settlement to the customer with instructions to sign a confirming copy and return it in a postage-paid, self-addressed envelope.

The utility shall retain the original settlement agreement for 2 years.

(3) In negotiating a settlement agreement due to the customer's inability to pay an outstanding bill in full, the utility shall not require the customer to pay more than a reasonable amount of the outstanding bill upon signing the agreement and not more than reasonable installments until the remaining balance is paid.

(4) For purposes of determining reasonableness, the parties shall consider all of the following factors:

- (a) The size of the delinquent account.
- (b) The customer's ability to pay.
- (c) The time that the debt has been outstanding.
- (d) The reasons that the customer has not paid the bill.
- (e) The customer's payment history.
- (f) Any other relevant factors concerning the circumstances of the customer.

(5) A settlement agreement that is offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold print that is not less than 2 sizes larger than any other print that is used on the form: "IF YOU ARE NOT SATISFIED WITH THIS AGREEMENT, DO NOT SIGN. YOU MAY FILE AN INFORMAL COMPLAINT AND HAVE A HEARING BEFORE A UTILITY HEARING OFFICER BEFORE YOUR SERVICE MAY BE SHUT OFF. IF YOU DO SIGN THIS AGREEMENT, YOU GIVE UP YOUR RIGHT TO AN INFORMAL HEARING BEFORE A UTILITY HEARING OFFICER ON ANY MATTER INVOLVED IN THIS DISPUTE EXCEPT THE UTILITY'S FAILURE OR REFUSAL TO FOLLOW THE TERMS OF THIS AGREEMENT."

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**R 460.2171 Default of settlement agreement.**

Rule 71. (1) If a customer fails to comply with the terms and conditions of a settlement agreement, a utility may shut off service after giving the customer a notice, by personal service or first-class mail, that contains all of the following information:

- (a) That the customer is in default of the settlement agreement.
- (b) The nature of the default.
- (c) That unless the customer pays in full within 10 days of the date of mailing, the utility may shut off service.
- (d) The date on or after which the utility may shut off service.
- (e) That the customer has a right to request a hearing before a utility hearing officer only if the customer alleges that the utility has failed or refused to follow the terms of the settlement agreement.
- (f) The address and telephone number where the customer may file the request for a hearing with the utility.

(2) A utility is not required to enter into a subsequent settlement agreement with a customer until he or she has complied fully with the terms of a previous settlement agreement.

(3) A utility is not required to enter into a subsequent settlement agreement with a customer who defaulted on the terms and conditions of an agreement within the last 2 years.

(4) If the customer and utility reach a settlement agreement following a notice of shutoff, the failure of the customer to abide by the terms of the settlement agreement during the first 60 days of the agreement constitutes a waiver of the notice required by subrule (1) of this rule. The utility may shut-off service after notice as described in the provisions of R 460.2152.

**R 460.2172 Same dispute.**

Rule 72. A utility may disregard a customer complaint or dispute that involves the same question or issue based upon the same facts, and is not required to comply with these rules more than once before shutoff of service.

**R 460.2173 Emergency shutoff.**

Rule 73. Notwithstanding any other provision of these rules, a utility may shut off service temporarily for reasons of health or safety or in a state or national emergency. When a utility shuts off service for reasons of health or safety, the utility shall leave a notice in accordance with the provisions of R 460.2152(8).

**R 460.2174 Winter protection plan.**

Rule 74. (1) As used in this rule:

- (a) "Eligible customer" means either an eligible low-income customer or an eligible senior citizen customer.
- (b) "Eligible low-income customer" means a utility customer whose household income does not exceed 150% of the poverty level, as published by the United States department of health and human services, or who receives any of the following:
  - (i) Supplemental security income, aid to families with dependent children, or general assistance.
  - (ii) Food stamps.
  - (iii) Medicaid.
- (c) "Eligible senior citizen customer" means a utility customer who is 65 years of age or older and who advises the utility of his or her eligibility.

(2) A utility shall not shut off service to an eligible customer during the space heating season for nonpayment of a delinquent account if the customer is an eligible senior citizen customer or if the customer pays to the utility a monthly amount equal to 7% of the estimated annual bill for the eligible customer and the eligible customer demonstrates, within 14 days of requesting shutoff protection, that he or she has made application for state or federal heating assistance. If an arrearage exists at the time an eligible customer applies for protection from shutoff of service during the space heating season, the utility shall permit the customer to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent space heating season.

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(3) A utility may shut off service to an eligible low-income customer who does not pay the monthly amounts referred to in subrule (2) of this rule after giving notice in the manner required by these rules. The utility is not required to offer a settlement agreement to an eligible low-income customer who fails to make the monthly payments referred to in subrule (2) of this rule.

(4) If a customer fails to comply with the terms and conditions of this rule, a utility may shut off service after giving the customer a notice, by personal service or first-class mail, that contains all of the following information:

- (a) That the customer has defaulted on the winter protection plan.
- (b) The nature of the default.
- (c) That unless the customer makes the payments that are past due under this rule within 10 days of the date of mailing, the utility may shut off service.
- (d) The date on or after which the utility may shut off service, unless the customer takes appropriate action.
- (e) That the customer has the right to file a complaint disputing the claim of the utility before the date of the proposed shutoff of service.
- (f) That the customer has the right to request a hearing before a utility hearing officer if the complaint cannot be otherwise resolved and that the customer must pay to the utility that portion of the bill that is not in dispute within 3 days of the date that the customer requests a hearing.
- (g) That the customer has the right to represent himself or herself, to be represented by counsel, or to be assisted by other persons of his or her choice in the complaint process.
- (h) That the utility will not shut off service pending the resolution of a complaint that is filed with the utility in accordance with these rules.
- (i) The telephone number and address of the utility where the customer may make inquiry, enter into a settlement agreement, or file a complaint.
- (j) That the customer should contact a social services agency immediately if the customer believes he or she might be eligible for emergency economic assistance.
- (k) That the utility will postpone shutoff of service if a medical emergency exists at the customer's residence.

(l) That the utility may require a deposit and restoration charge if the utility shuts off service for nonpayment of a delinquent account.

(5) At the conclusion of the space heating season, the utility shall reconcile the accounts of eligible customers and permit customers to pay any amounts owing in equal monthly installments between April 1 and December 1. A utility may shut off service to eligible customers who fail to make installment payments on a timely basis in the manner required by these rules. At the option of the customer, between April 1 and November 30, the customer may choose to pay 9% of the estimated annual bill each month together with the monthly installment for any pre-enrollment arrearage instead of the amount otherwise owing for actual and reconciled past due amounts. After November 30, the utility shall reconcile the account of any customer who has chosen and fulfilled the obligations of the 9% option by refunding any net overcollection or adding any net undercollection to the customer's arrearage for the upcoming space heating season. If a customer fails to make all payments that are required pursuant to the 9% option, the utility may immediately reconcile his or her account by refunding any net overcollection or by adding any net undercollection to the customer's current bill.

(6) A utility shall not require an eligible low-income customer whose utility service has been shut off before applying for protection under this rule to pay a fee for restoring service or a security deposit pursuant to the provisions of R 460.2132 during the space heating season.

A utility may not require an amount greater than one-twelfth of an arrearage owing in order to restore service or initiate participation in the winter protection plan. The 7% payment shall be billed according to normal billing procedures for the utility.

(7) An eligible low-income customer may pre-enroll in the winter protection plan between November 15 and November 30 by paying the current usage plus 1/12 of any arrearage and agreeing to the terms of the winter protection plan for the upcoming space heating season. An eligible senior citizen customer may pre-enroll by advising the utility of his or her eligibility. A pre-enrolled customer shall not have his or her service terminated before the commencement of the winter

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WILLIAM MARCHAND  
CALUMET, MICHIGAN



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protection plan. A customer who is off service as of November 15 shall be eligible to pre-enroll in the winter protection plan and have service restored immediately after fulfilling the requirements for pre-enrollment. Further, an off service low-income customer who applies during the pre-enrollment period shall be entitled to have all deposits and reconnection fees waived.

#### PART 7. COMMISSION APPEAL PROCEDURES

##### **R 460.2181 Informal appeal.**

Rule 81. Within 7 days after a utility hearing officer issues a written complaint determination, either party may make an informal appeal to the commission staff.

##### **R 460.2182 Filing procedures.**

Rule 82. (1) A party may make an informal appeal in any reasonable manner. The informal appeal need not be in writing and may be initiated by telephone or in person at the offices of the commission.

- (2) A written appeal need not be verified.
- (3) The appealing party shall provide all of the following information:
  - (a) Name and address of the customer.
  - (b) Name of the utility involved.
  - (c) The nature of the original complaint in a clear and concise manner.
  - (d) The relief requested.

##### **R 460.2183 Exhaustion of remedies.**

Rule 83. The commission staff may require a customer to pursue remedies directly with the utility as provided in these rules before accepting an informal appeal. The commission may waive this rule when circumstances require.

##### **R 460.2184 Informal appeal procedures.**

Rule 84. (1) The commission staff shall assign the informal appeal to a complaint and information officer or another employee of the commission as the commission may designate. The officer or designated employee shall reduce the appeal to writing and shall have all of the following responsibilities:

- (a) Advising the appealing party of the procedures of the commission by telephone or in writing.
- (b) Advising the other party that an informal appeal has been filed.
- (c) Issuing interim determinations as necessary.
- (d) Reviewing or investigating the appeal as provided in these rules.
- (e) Issuing an informal appeal decision.

(2) Upon notification by the commission staff that an informal appeal has been made, the utility shall promptly file, with the commission staff, the certified hearing record. The parties shall be bound by the evidence presented at the hearing and contained in the hearing record. In arriving at the informal appeal decision, the complaint and information officer or designated employee shall not be required to receive or consider any additional evidence or information.

- (3) In all informal appeals, the utility has the burden of proof by a preponderance of the evidence.

##### **R 460.2185 Interim determination.**

Rule 85. (1) After receiving the hearing record and pending the final resolution of an informal appeal, the complaint and information officer or designated employee may issue an interim determination with appropriate terms and conditions. In the case of an appeal regarding a bill or deposit, the complaint and information officer or designated employee may require a customer to pay the undisputed portion of a claim in order to continue the prohibition against the shutoff of service as provided in these rules. The complaint and information officer or designated employee may consider the amounts that reasonably appear to reflect the cost of utility service in determining the undisputed portion of a claim.

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(2) If a customer fails to abide by the terms and conditions of an interim determination within 10 days of the date of personal service or mailing of the interim determination by first-class mail, the utility may shut off service as provided in these rules.

**R 460.2186 Appeal review.**

Rule 86. The complaint and information officer or designated employee shall review the informal appeal thoroughly and, when necessary, conduct further investigation. A party may offer new evidence if the complaint and information officer or designated employee determines that it is relevant and could not have been offered at the hearing before the utility hearing officer through the exercise of due diligence by the offering party. When further investigation is necessary, the complaint and information officer or designated employee may request additional evidence or, at his or her own initiative, may hold an informal conference with the parties or their representatives at a time and place designated by the officer or employee. If either party fails to appear at the informal conference without a good reason or without having requested an adjournment, the right of the absent party to appear at the conference shall be waived. At an informal conference, the parties shall have the right to do all of the following:

- (a) Represent themselves, to be represented by counsel, or to be assisted by other persons of their choice.
- (b) Present oral and documentary evidence.
- (c) Refute, in a reasonable manner, the evidence of the other party.
- (d) Submit an oral or written statement of position.

**R 460.2187 Shutoff pending decision.**

Rule 87. A utility shall not shut off service or issue a notice of shutoff related to the matter in dispute pending the decision of the commission staff, except pursuant to the terms of an interim determination.

**R 460.2188 Informal appeal decision.**

Rule 88. The complaint and information officer or other employee so designated by the commission shall, within 30 days after the utility files the certified record, issue a written informal appeal decision affirming, modifying, or reversing the complaint determination. In reversing or modifying the complaint determination, the decision shall set forth the terms and conditions for continued service, shutoff, or a proposed settlement agreement as required by the facts and circumstances. The decision shall state the relevant findings of fact and the reasons for the decision.

**R 460.2189 Failure to comply with informal appeal decision.**

Rule 89. A copy of the informal appeal decision shall be served personally or by first-class mail on the parties. Failure of either party to comply with the decision within 10 days from the date of service by mailing shall permit implementation of the action or remedy provided by the decision.

**R 460.2190 Same dispute.**

Rule 90. The commission staff may dismiss a subsequent informal appeal that involves the same question or issue based upon the same facts without following every procedure set forth in these rules.

**R 460.2191 Formal appeal.**

Rule 91. Either party may appeal the decision of the complaint and information officer or designated employee by filing a formal complaint in accordance with the rules of practice and procedure before the commission. A party may proceed in accordance with the terms of the informal appeal decision unless otherwise ordered by the commission or the presiding officer who is assigned to the formal complaint.

**R 460.2192 Other remedies.**

Rule 92. Nothing in these provisions shall be construed to prevent a party from pursuing appropriate legal and equitable remedies at any time before or after the issuance of any informal appeal decision.

ISSUED DECEMBER  
WILLIAM MARC  
CALUMET, MICH

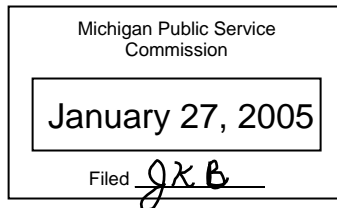


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M.P.S.C. NO. 2  
PENINSULAR GAS COMPANY

FIRST REVISED ADDENDUM A SHEET NO. 21  
CANCELS ORIGINAL ADDENDUM A SHEET NO. 21

CANCELLED



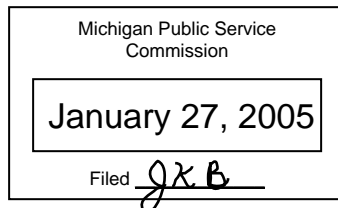
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WILLIAM MARCH, PRESIDENT  
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M.P.S.C. NO. 2  
PENINSULAR GAS COMPANY

FIRST REVISED ADDENDUM A SHEET NO. 22  
CANCELS ORIGINAL ADDENDUM A SHEET NO. 22

CANCELLED



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M.P.S.C. NO. 2  
PENINSULAR GAS COMPANY

FIRST REVISED ADDENDUM A SHEET NO. 23  
CANCELS ORIGINAL ADDENDUM A SHEET NO. 23

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M.P.S.C. NO. 2  
PENINSULAR GAS COMPANY

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FEBRUARY 9, 2000 IN CASE NO. U-11397

PENINSULAR GAS COMPANY  
REFUNDING PROCEDURES

BY

OFFICE OF GAS OPERATIONS STAFF  
GAS DIVISION

September 22, 1981

(Continued to Addendum B Page 2)

ISSUED January 20, 1982 BY  
WILLIAM MARCH, PRESIDENT  
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IN CASE NO. U-6922

(Continued from Addendum B Page 1)

I. OBJECTIVE

The objective of establishing refund-procedures is for the utility to attain the greatest degree of accuracy to the majority of customers at the least expense. The following criteria and procedures set forth the minimum requirements for calculating and distributing refunds for Peninsular Gas Company. Peninsular Gas Company (utility) may opt to adopt refund procedures which exceed these minimum requirements because of the nature of its accounting systems and/or recordkeeping capabilities. Staff would encourage the use of such optional methodologies in order to fully utilize the available capabilities of the utility and continue to ensure timely and equitable refunds.

II. RECEIPT OF REFUNDS

A. Supplier Refunds

Within 15 days after receipt of a supplier refund or bill credit, the utility shall provide written notification to the Commission Staff of:

1. The amount of the refund including interest.
2. Date received.
3. Explanation of the reason for the refund.
4. Period covered by the refund.

B. Incorrect Tariff Sheets or PGA Calculation Errors

Should an incorrect (or subsequently revised) tariff sheet or PGA calculation error be identified, the Commission Staff should be notified immediately by telephone. After the utility is able to quantify the effect of the error, written notification shall be submitted to the Commission Staff including:

1. Refund liability amount.
2. Explanation of the error.
3. Time period involved.

C. Reconciliation

Reconciliation refund liability amounts shall be reported in accordance with the provisions of Part F - Reconciliation of Peninsular Gas Company's PGA Rule 15.

(Continued to Addendum B Page 3)

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II. RECEIPT OF REFUNDS (Continued from Addendum B Page 2)

D. Special Refunds

Special refunds as may be required from time-to-time in Commission orders shall be reported in accordance with those special provisions.

III. CALCULATION OF REFUND LIABILITY

A. Supplier Refunds

The refund liability for supplier refunds would be the total amount received from the supplier less any deductions for Company Use and Lose and Unaccounted For gas.

Adjustments for Company Use should be calculated based on the actual volume used during the refund period as a percentage of total requirements. Lost and Unaccounted For adjustments should be calculated from the fixed percentage established in the most recent rate proceeding.

B. Incorrect Tariff Sheets or PGA Calculation Errors

The refund liability for using an incorrect tariff sheet is the difference between the revenues generated by use of the incorrect tariff sheets or rate and the correct tariff sheet or rate. The refund liability, due to errors in calculation, is the difference between the PGA revenues generated by using the correct and incorrect factors applied to billed volumes.

c. Reconciliation

Refunds due to reconciliation provisions of a utility's PGA Clause will be computed annually according to Part F - Reconciliation of the utility's PGA Clause.

D. Special Provisions

Refunds resulting from special provisions in Commission orders will be computed in accordance with the special provisions.

IV. DATA RETENTION

The utility shall maintain records which will provide information as to the source, amount and timing of each refund component and the balance in the refund liability account. The utility shall also maintain individual

(Continued to Addendum B Page 4)

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IV. DATA RETENTION Continued from Addendum B Page 3)

customer consumption data for a minimum period of 48 months. In addition, the last known address of each customer who has left the utility's system shall be maintained for the same time period.

The utility shall also take whatever action is necessary to ensure that, subsequent to the date of this order, monthly sales by rate data is available for the explicit purpose of allocating future refunds to customer rate classes during the historical refund periods. This should include the ability to track migration between rate classes to facilitate the accurate calculation of future refund allocations.

V. REFUND ALLOCATION

Allocation of the refunds to each customer rate class will be calculated based upon the consumption of that rate class compared to total billed consumption for each month during the actual historical refund period. If monthly sales by rate data is not available, a more current period for which data is available may be substituted. The proxy period should closely approximate the historical period so as to maximize the accuracy of the refund.

VI. REFUND DISTRIBUTION

A. Current Customers

Refunds shall be made to current customers based upon their consumption at any location during the refund distribution period. Bill credits should appear as a separate line item on the bill and be identified as a refund.

B. Past Customers

1. All past customers who had consumption during the refund distribution period should be issued a refund check to their last known address. The utility is not required to issue refund checks to past customers who would receive less than \$1.00 or to those in arrears with the utility. After 90 days, any returned or uncashed checks should be transferred to the refund liability account to be refunded with interest in the next refund.

(Continued to Addendum B Page 5)

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VI. REFUND DISTRIBUTION (Continued from Addendum B Page 4)

B. Past Customers (Continued)

2. If the refund distribution period is not the historical refund period, past customers who had consumption during the historical refund period (other than those described in 1. above) may be entitled to a refund upon request to the utility.

VII. REFUND FREQUENCY

The utility shall file semi-annually on May 31 and November 30 each year or as the Commission from time-to-time may specify, an application requesting authority to refund the balance in its refund liability account providing that an average space-heating customer would receive a refund of at least \$4.00 (including tax). (Refund liability attributable to residential space-heating customers divided by the number of active space-heating customers).

VIII INTEREST

A. Rate

Interest at a rate equal to the authorized rate of return on common equity, as determined in the last rate order for the utility shall be applied to all refunds as specified below. An interest rate of 1.5 times this rate will be required for failure of the utility to submit a refund application to this Commission as required within the specified time period.

B. Calculation

1. Supplier Refunds

Interest on supplier refunds shall be calculated from the time a refund check is received until the beginning of the month the refund is made. Interest on refunds received as a bill credit from the supplier shall be calculated from the due date of the bill until the beginning of the month the refund is made.

2. Incorrect Tariff Sheets/PGA Calculation Errors

Interest should be calculated from the end of the month the over-collection was incurred until the beginning of the month in which the refund is made.

(Continued to Addendum B Page 6)

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VIII. INTEREST (Continued from Addendum B Page 5)

B. Calculation

3. PGA Reconciliation

Interest on reconciliation refunds shall be calculated ratably as if the liability had occurred equally throughout the refund period.

4. Other

All other types of refunds will have interest calculated from the time the overcollection was received until the beginning of the refund month unless otherwise specified in tariff provisions or Commission orders pertaining to that particular type of refund.

5. Overrefunds

Overrefunds (underrefunds) may be debited (credited) to the refund liability account and this principal, plus interest, (excluding any penalty rate) netted against future refund liabilities.

IX, COMBINATION REFUNDS

Combination or multiple refunds shall be allocated and then distributed according to calculations made on an individual basis. The actual distribution to individual customers, however, shall be combined into a single refund.

X. REFUND COMPLETION REPORTS

The utility company shall submit to the Commission Staff, within 30 days following completion of the refund, a report including but not limited to:

- A. Amount actually refunded to each customer class as compared to the liability amount.
- B. Explanation of any differences.
- C. Amount remaining in liability account.
- D. Date refund is completed.

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**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES  
PUBLIC SERVICE COMMISSION  
BILLING PRACTICES APPLICABLE TO COMMERCIAL AND INDUSTRIAL  
GAS CUSTOMERS**

**R 460.2071 Applicability; purpose.**

Rule 1. (1) These rules apply to gas companies which operate within the state of Michigan under the jurisdiction of the commission and which sell or transport gas to retail customers.

(2) These rules are intended to provide standards for uniform and reasonable practices by utilities in dealing with commercial and industrial customers.

**R 460.2072 Definitions.**

Rule 2. As used in these rules:

(a) "Billing error" means an undercharge or overcharge caused by the use of an incorrect actual meter read, incorrect pressure factor, incorrect calculation of the applicable rate, or other similar act or omission by the utility in determining the proper amount of a customer's bill. A bill based on an estimated meter read or a customer read does not constitute a billing error.

(b) "Commission" means the Michigan public service commission.

(c) "Customer" means any person, firm, association, corporation, or government agency that is supplied with gas service by a utility for commercial and industrial purposes, including service to schools and centrally metered apartment buildings.

(d) "Meter" means a device that measures the quantity of gas used by a customer, including a device that measures the heat content of gas.

(e) "Utility" means a gas distribution company that operates under the jurisdiction of the commission and sells or transports gas to retail customers.

**R 460.2073 Rescission.**

Rule 3. R 460.915, R 460.917, R 460.918, and R 460.921 to R 460.925 of the Michigan Administrative Code, appearing on pages 4742 to 4744 of the 1979 Michigan Administrative Code, are rescinded.

**R 460.2074 Selection of rate.**

Rule 4. The utility shall assist the customer or prospective customer in selecting the most economical rate schedule based on information supplied by the customer; however, selection of the appropriate rate is the responsibility of the customer. Once the selection is made, the customer shall stay on that rate not less than 12 months unless the customer demonstrates that an earlier change is requested for a permanent rather than a temporary or seasonal advantage.

**R 460.2075 Meter reading interval.**

Rule 5. The utility shall schedule customer meters to be read monthly, except that authority may be obtained from the commission for reading the meters at other than monthly intervals. To the extent practicable, utilities shall not send a customer 2 successive estimated bills. The utility may permit a customer to supply meter readings on a form furnished by the utility if an employee of the utility reads the meter at least once each 12 months.

**R 460.2076 Cycle billing.**

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DATED APRIL 26, 1988  
IN CASE NO. U-7919



Rule 6. A utility may bill its customers on a cyclical basis if the individual customer receives each billing on or about the same day of each billing month. If a utility changes meter reading routes or schedules, billing cycles may be altered upon 10 days' written notice to the affected customer.

**R 460.2077 Billing information.**

Rule 7. The utility shall bill each customer promptly after reading the meter. The bill shall show all of the following information:

- (a) The beginning and ending meter readings of the billing period and the dates thereof.
- (b) The due date.
- (c) The number of units metered.
- (d) The actual rates charged.
- (e) The amount due.
- (f) A distinct marking to identify an estimated bill.
- (g) The address and telephone number of the utility designating where the customer may initiate an inquiry or complaint regarding the bill as rendered or the service provided by the utility.

**R 460.2078 Discounts and delayed payment charges.**

Rule 8. Where provided in an approved rate schedule, a utility may grant a discount for prompt payment of a bill or may make a delayed payment charge for failure to make prompt payment. A delayed payment charge shall be applied to the unpaid balance outstanding, net of taxes, if the bill is not paid in full on or before the date on which the bill is due.

**R 460.2079 Delivery and payment of bills.**

Rule 9. A bill shall be mailed or delivered to the customer not less than 21 days before the due date. Failure to receive a bill properly mailed or delivered by the utility does not extend the due date. If the day on which the bill is due falls on Saturday, Sunday, or a holiday, the bill shall be due on the next business day. Customers who mail remittances before midnight on the due date shall be considered to have timely paid. In the case of an illegible postmark, the date of mailing shall be considered to be 2 days before receipt by the utility.

**R 460.2080 Special service.**

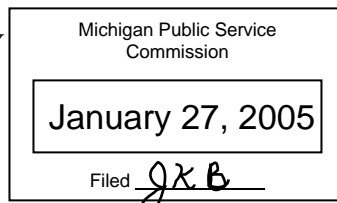
Rule 10. A utility may include charges for special services together with charges for utility service on the same monthly bill if the charges for special services are designated clearly and separately from the utility service account. If partial payment is made, and if no designation of the payment is given by the customer, the utility shall first credit all payments to the balance outstanding for utility service.

**R 460.2081 Billing errors.**

Rule 11. (1) If a customer has been overcharged, the amount of the overcharge shall be refunded or credited to the customer. The refund or credit shall include interest computed at the same rate as that provided for in the utility's standard refund policy. The application of interest shall commence on the sixtieth day following the overcharge. A utility is not required to adjust, refund, or credit an overcharge beyond the 3-year period immediately preceding discovery of the billing error, unless the customer is able to present a record establishing an earlier date of occurrence or commencement of the error.

(2) In cases of meter tampering or fraud, the customer may be backbilled for the amount of the undercharge. The backbill may include interest at the same rate as that provided for in the utility's standard refund policy.

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(3) In cases not involving meter tampering or fraud, the customer may be backbilled for the amount of the undercharge during the 12-month period immediately preceding discovery of the error. The utility shall offer the customer reasonable payment arrangements for the amount of the backbill, taking into account the period of the undercharge. The backbill shall not include interest.

**R 460.2082 Customer complaints; investigation; records.**

Rule 12. The utility shall promptly and thoroughly investigate customer complaints concerning the charges, practices, facilities, or services of the utility. The utility shall keep records of customer complaints that will enable the utility to review and analyze its procedures and actions.

**R 460.2083 Customer deposits.**

Rule 13. (1) A utility may require a deposit from a new customer if service will be rendered for less than 12 months, the customer has an existing bad debt with any company regulated by the commission, or the customer does not have an established credit rating or an unfavorable credit rating with a credit reporting agency.

(2) 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.

(3) An existing customer shall be classified as one who has received service for more than a 6-month period. A utility may require a deposit from an existing customer if 2 or more final disconnect notices have been issued within the most recent 12-month period, service has been discontinued for nonpayment, or the customer has tampered with the meter or converted company gas to the customer's use.

(4) A deposit shall not be more than 25% of the customer's annual bill. The utility shall provide reasonable terms for the payment of the deposit.

(5) A deposit may be retained by the utility until the customer compiles a record of 12 continuous months of bill payment on or before the due date.

(6) Interest shall be paid on deposits at a rate of 9% per annum pursuant to the provisions of Act No. 347 of the Public Acts of 1921, as amended, being S460.651 et seq. of the Michigan Compiled Laws, or as otherwise provided by law.

(7) If service is terminated, 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.

(8) 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.

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

(10) 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.

(11) Each utility shall, within 60 days of the effective date of this rule, send a notice explaining the conditions under which a deposit may be required to all existing customers. This notice shall also be provided to new customers within 30 days after service has commenced or, at the utility's option, with the first bill rendered.

**R 460.2084 Discontinuation, termination, or denial of service.**

Rule 14. (1) Service to customers may be discontinued for nonpayment of a delinquent account for gas service or for failure of the customer to provide the utility with a deposit as authorized in R 460.2083. Service shall not be discontinued for failure to pay for merchandise or nonutility service purchased from the utility. In the event of discontinuation or termination of service at a separate commercial or

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industrial metering point or location, a utility may transfer any unpaid balance to any other commercial or industrial service account of the customer.

(2) The utility shall give the customer written notice that the customer has 10 days to settle the account or provide the required deposit or service will be discontinued at the end of the 10-day period.

(3) At least 1 day before a scheduled discontinuation of service, an attempt shall be made to contact the customer by telephone or in person. If contact is not made, a notice shall be left at the premises in a conspicuous location indicating that service may be disconnected the next business day if the bill or deposit is not paid.

(4) Service shall not be discontinued on a day, or a day immediately preceding a day, when the utility does not provide for receiving payments and restoring service.

(5) Service to centrally metered apartment buildings shall not be discontinued unless the provisions of R 460.2162(1)(d) have been complied with.

(6) Service may be denied or discontinued for nonpayment of unpaid balances of any other commercial or industrial account incurred by the customer under a different account name, by the customer's predecessor in interest, or by any other entity, the debt of which the customer is legally obligated to assume.

**R 460.2085 Settlement agreement.**

Rule 15. (1) If the utility and the customer arrive at a mutually satisfactory settlement of any claim in dispute or the customer does not dispute liability to the utility but claims inability to pay the outstanding bill in full, a utility shall offer the customer an opportunity to enter into a settlement agreement.

(2) A settlement agreement shall be in writing and signed by representatives of the customer and the utility who are authorized to enter into the agreement. The original settlement agreement shall be maintained on file by the utility for 2 years.

(3) Every settlement agreement entered into due to the customer's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the customer pays a reasonable amount of the outstanding bill and agrees to pay a reasonable portion of the remaining outstanding balance in installments until the bill is paid.

**R 460.2086 Default of settlement agreement.**

Rule 16. (1) If a customer fails to comply with the terms and conditions of a settlement agreement, a utility may discontinue service after notifying the customer, in writing, by personal service or first-class mail, of all of the following:

(a) That the customer is in default of the settlement agreement.

(b) The nature of the default.

(c) That unless full payment of the claim is made within 10 days of mailing, the utility will discontinue service.

(d) The date upon which service is scheduled to be discontinued.

(2) A utility is not required to enter into any subsequent settlement agreement with a customer until the terms of any previous settlement agreement have been fully complied with.

(3) A utility is not required to enter into any subsequent settlement agreement with a customer who defaults upon the terms and conditions of a previous agreement.

(4) If a settlement agreement is reached following a notice of discontinuance, the failure of the customer to abide by the terms of the settlement agreement during the first 60 days after the agreement is made constitutes a waiver of the notice required by subrule (1) of this rule. However, before discontinuance, a utility shall comply with the notice requirements of R 460.2084(3).

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