

SEMCO ENERGY GAS COMPANY
(A Division of SEMCO ENERGY, INC.)

BATTLE CREEK DIVISION

**RATE BOOK
FOR
NATURAL GAS SERVICE**

These Standard Rules and Regulations and Rate Schedules contained herein have been adopted by the Company to govern its relations with customers and have been approved by the Michigan Public Service Commission as an integral part of its Rate Book for Natural Gas Service.

Copies of the Company's Rate Book for Natural Gas Service are available on Semco Energy Company's website at the following website address, <http://www.semcoenergygas.com/about/tariffs.html> or at the Michigan Public Service Commission's website at the following website address, <http://www.michigan.gov/mpsc/0,1607,7-159-16385-110722--,00.html>.

Territory

This Rate Book for Natural Gas Service applies to the entire territory served with Natural Gas by the Company.

**THIS RATE BOOK SUPERSEDES AND CANCELS RATE BOOK
M.P.S.C. No. 2 – Gas**

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http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Department&Dpt=LG&Level_1=Public+Service+Commission

B1. Technical Standards for Gas Service (R 460.2301 - R 460.2383) (For All Customers) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002301&Dpt=CI&RngHigh=	B-1.00
B2. Consumer Standards and Billing Practices for Electric and Gas Residential Service (R 460.101 - R 460.169) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46000101&Dpt=&RngHigh=48702110	B-3.00
B3. Uncollectibles Allowance Recovery Fund (R 460.2601 - R 460.2625) (Residential Customers) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002601&Dpt=&RngHigh=48702110	B-5.00
B4. Billing Practices Applicable To Non-Residential Electric And Gas Customers (R 460.1601 - R 460.1640) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46001601&Dpt=LG&RngHigh=	B-5.00
B5. Practice and Procedure Before the Commission (R 460.17101 - R 460.17701) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46017101&Dpt=CI&RngHigh=	B-6.00
B6. Filing Procedures for Electric, Water, Steam and Gas Utilities (R 460.2011 - R 460.2031) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002011&Dpt=CI&RngHigh=	B-6.00
B7. Residential Conservation Program Standards (R 460.2401 - R 460.2414) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002401&Dpt=CI&RngHigh=	B-6.00
B8. Preservation of Records of Electric, Gas and Water Utilities (R 460.2501 - R 460.2582) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46002501&Dpt=&RngHigh=48702110	B-7.00
B9. Michigan Gas Safety Standards (R 460.20101 - R 460.20606) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46020101&Dpt=&RngHigh=48702110	B-7.00
B10. Production and Transmission of Natural Gas (R 460.851 - R 460.875) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46000851&Dpt=CI&RngHigh=	B-7.00
B11. Uniform System of Accounts for Major and Nonmajor Gas Utilities (R 460.9021, R 460.9039) http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46009021&Dpt=CI&RngHigh=	B-7.00
B12. Rate Case Filing Requirements for Major Gas Utilities http://www.cis.state.mi.us/mpsc/orders/archive/pdfs/U-10039_01-17-1992.PDF	B-7.00

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TERRITORY SERVED

City:

Village of:

Township of:

OPERATIONAL DISTRICT - CENTRAL

CALHOUN COUNTY

Battle Creek

Athens
Battle Creek
Bedford
Clarence

Emmett
Leroy
Newton

Pennfield

BARRY COUNTY

Johnstown

Convis

Assyria
Baltimore

EATON COUNTY

Bellevue
Walton

Huron

Kimball

Port

Riley
Wales

St. Clair

**SECTION A
SUPPLEMENTAL UTILITY SERVICE CHARGES
FOR ALL CUSTOMERS**

The charges shown on this sheet are not subject to approval by the Michigan Public Service Commission. The Company will make changes in these charges from time to time to include the current prices for the services offered.

LABOR CHARGES

Where service by the Company is performed for which the customer is responsible and the charge for the service is based upon Time and Materials (T & M), the labor charge shall be:

Regular Rates – **\$75.00 per hour per employee (\$50.00 minimum charge).**

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Issued January 14, 2008 by
Eugene N. Dubay
Sr. V.P. and C.O.O.
Port Huron, MI

Effective for service rendered on
and after October 10, 2007.
Issued under authority of the
Michigan Public Service Commission
dated October 9, 2007
in Case No. U-15152.

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METER TEST CHARGE

The charge for a gas meter test when applicable per B.1.5.51 (Rule R460.2351) will be based upon time and materials.

ELEVATED PRESSURE CHARGE

Where a customer requires the Company to provide gas service at an elevated pressure (a pressure higher than standard pressure), the customer shall pay an initial charge of \$300 and shall pay an additional \$100 for each annual inspection of the system pressure there after. Elevated pressure provided at 2.0 p.s.i. for residential use shall be exempt from such charge.

ADDITIONAL METER BRACKET CHARGE

Where the Company sets an additional meter bracket from a single service at the same time as the Company installs the first meter bracket, the customer shall be subject to the charges directed by Rule C9, Customer Attachment Program.

Where the Company installs an additional meter bracket from a single service line at a time other than when the original meter bracket is installed, the charge shall be \$200.

SERVICE LINE AND/OR METER RELOCATION CHARGE

A charge for a customer requested meter relocation shall be based upon time and materials

**SECTION A
TECHNICAL TERMS AND ABBREVIATIONS
FOR ALL CUSTOMERS**

British Thermal Unit -- The quantity of heat that must be added to 1 avoirdupois pound of pure water to raise its temperature from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under standard pressure. Standard pressure is 30 inches mercury at 32 degrees Fahrenheit or 14.73 pounds per square inch absolute and with acceleration due to gravity equal to 32.174 feet per second.

Btu -- British thermal unit.

Ccf -- 100 cubic feet.

Cfh -- Cubic feet per hour.

Commission -- The Michigan Public Service Commission.

Company --SEMCO ENERGY GAS COMPANY.

Cubic Foot of Gas:

(A) If gas is supplied and metered to a customer at the standard delivery pressure of domestic appliances, a cubic foot of gas means that volume of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot, except where a temperature compensating device is built into the meter, in which case a cubic foot of gas means that quantity of gas which, at the pressure existing in the meter and the temperature corrected to 60 degrees Fahrenheit, occupies one cubic foot.

(B) For billing purposes, a standard cubic foot of gas is that quantity of dry gas, which, at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.65 pounds per square inch, occupies 1 cubic foot. The Commission may, however, approve a different absolute pressure base.

(C) For testing purposes, such as testing for heating value, a standard cubic foot of gas is that quantity of gas which, when saturated with water vapor at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch, occupies 1 cubic foot.

(D) For all reports to the Commission, a cubic foot of gas means that volume of gas which when dry, at 60 degrees Fahrenheit and at absolute pressure of 14.73 pounds per square inch, occupies one cubic foot.

Customer -- Individual or business, excluding other gas utilities, that purchases gas or transportation services, or both, on the utility's system.

Hazardous Condition -- Any condition which the utility determines poses an immediate and serious threat to the health, safety, or welfare of a customer or the general public and which requires immediate action.

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Liquefied Petroleum Air Mixture -- A gas produced by mixing an appropriate quantity of air with propane vapor, butane vapor, or a mixture of such vapors.

LP - Air - Gas -- Liquefied Petroleum air gas.

LPG -- Liquefied petroleum gas.

Mcf -- 1,000 cubic feet.

Meter -- Unless otherwise qualified, a device of a utility used in measuring a quantity of gas.

Meter Accuracy -- The volume that is measured by a meter as a percent of the actual volume that flowed through the meter as measured by a working standard.

Mixed Gas -- A gas that is produced by mixing natural gas with any of the following:

- (A) Air.
- (B) Inert gas.
- (C) Liquefied petroleum gas.
- (D) Liquefied petroleum gas-air mixture.
- (E) Other flammable gas.
- (F) Substitute natural gas.

Premises -- Land or real estate, including buildings and other appurtenances thereon.

Potentially hazardous condition -- Any condition that the utility determines has the potential to become a hazardous condition, but which does not require immediate action. All of the following are examples of potentially hazardous conditions:

- (A) Customer failure to permit the utility to perform inspections and maintenance on the utility's facilities in or on the customer's premises.
- (B) Customer alterations or modifications of the utility's facilities located in or on the customer's premises.

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(C) Customer construction of a structure or appurtenance near or over the main, service line piping, or meter set assembly so that the utility's facilities are not in compliance with the provisions of the Michigan Gas Safety Standards or the utility's standards.

(D) Customer failure to correct or replace gas utilization equipment or gas fuel line piping that has been previously identified and classified as potentially hazardous by the utility.

Rate Book -- The assembled rate schedules, rules, regulations, and standard forms of the utility as filed with the commission.

Required Access -- Access that is necessary to conduct any of the following:

(A) Routine inspections and maintenance.

(B) Meter readings of gas usage.

(C) Scheduled replacement, repairs, relocations, or disconnection of branch service lines or other changes with respect to service lines and meter assembly piping.

SNG -- Substitute natural gas.

Substitute Natural Gas -- Gas which is interchangeable and compatible with natural gas, and which is manufactured from carbon and hydrogen-bearing materials.

Therm -- 100,000 British thermal units.

Utility -- A person, firm, corporation, cooperative, association, or agency which is subject to the jurisdiction of the commission and which delivers or distributes and sells gas to the public for heating, power, or other residential, commercial, or industrial purposes.