
SECTION D
GAS SALES SERVICE
General Terms and Conditions:

A. Terms of Payment:

All bills are due and payable on or before the due date shown thereon.

B. Special Taxes:

1. In municipalities which levy special taxes, license fees, or street rentals against the Company, and which levy has been successfully maintained, customers bills shall be increased within the limits of such municipalities so as to offset such special charges and thereby prevent the customers in other localities from being compelled to share any portion of such local increase.

2. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the Company's production, transmission or sale of gas.

C. Rules Applicable:

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

D. Controlled Service:

All Rates are subject to all provisions in Rule C2 of the Rules and Regulations of the Company which are applicable to priority of service hereunder.

E. Territory Served:

All Rates apply in the territory served by the Company, comprising the cities, villages and townships in all Districts in the applicable Rules and Regulations of the Company except where specifically noted.

F. Rules and Regulations:

Service supplied under these rate schedules shall be governed by the Rules and Regulations of the Company as approved by the Michigan Public Service Commission.

**SECTION D
GAS SALES SERVICE
SURCHARGES**

Energy Optimization Program Clause – This clause permits, pursuant to Section 91(3) of 2008 PA 295, collection of the energy optimization alternative compliance payments made by the utility in compliance with Section 91(1). This charge is to be on a volumetric basis for Residential customers and on a per meter basis for all other metered customers.

Energy Optimization
Surcharge

<u>Rate Class</u>	<u>Amount</u>	<u>Order No.</u>
Residential	\$0.1778 per Dth	U-16293
GS-1	\$2.41 per Month	U-16293
GS-2	\$13.26 per Month	U-16293
GS-3	\$67.23 per Month	U-16293

The Gas Cost Recovery Factors

The following maximum Gas Cost Recovery Factors for the April 2010 through March 2011 GCR plan period are authorized pursuant to the Gas Cost Recovery Clause:

Billing Months	Maximum Authorized Factor \$/Dth	Actual Factor Billed \$/Dth
April, 2010	\$6.3713/Dth	\$6.2000/Dth
May, 2010	\$6.3713/Dth	\$6.2000/Dth
June, 2010	\$6.3713/Dth	\$6.2000/Dth
July, 2010	\$6.3713/Dth	\$6.2000/Dth
August, 2010	\$6.3713/Dth	\$6.2000/Dth
September, 2010		
October, 2010		
November, 2010		
December, 2010		
January, 2011		
February, 2011		
March, 2011		

The current month's Gas Cost Recovery factor is composed of the following cost components:

Balancing Charge	\$0.2500 per Dth
Capacity Demand Charge	\$0.5907 per Dth
Gas Commodity Charge	\$5.3593 per Dth

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Michael V. Palmeri
Executive Vice President and C.F.O.

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Dated June 24, 2010 in Case No. U-16148.

Contingency Factor Matrix

	April-June 1st Q		July-Sept 2nd Q		Oct-Dec 3rd Q		Jan-Mar 4th Q	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
	April- Oct	Nov- Mar	April- Oct	Nov- Mar	April- Oct	Nov- Mar	April- Oct	Jan- Mar
Fractional Mult. F_m	0.574	0.283	0.513	0.292	0.477	0.318	0.483	0.301
Plan NYMEX (X_{plan})	\$5.0733	\$6.2889	\$5.0733	\$6.2889	\$5.0733	\$6.2889	\$5.0733	\$6.4547
Base GCR Factor	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713
NYMEX Increase Greater than Or Equal to	Incremental Contingent GCR Factor							
But Less than								
	\$/Dth							
\$0.00	\$0.05	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
\$0.05	\$0.10	\$0.0287	\$0.0142	\$0.0257	\$0.0146	\$0.0239	\$0.0159	\$0.0241
\$0.10	\$0.15	\$0.0574	\$0.0283	\$0.0513	\$0.0292	\$0.0477	\$0.0318	\$0.0483
\$0.15	\$0.20	\$0.0861	\$0.0425	\$0.0770	\$0.0438	\$0.0716	\$0.0477	\$0.0724
\$0.20	\$0.25	\$0.1148	\$0.0567	\$0.1027	\$0.0584	\$0.0954	\$0.0636	\$0.0966
\$0.25	\$0.30	\$0.1435	\$0.0709	\$0.1283	\$0.0730	\$0.1193	\$0.0795	\$0.1207
\$0.30	\$0.35	\$0.1722	\$0.0850	\$0.1540	\$0.0876	\$0.1431	\$0.0954	\$0.1449
\$0.35	\$0.40	\$0.2009	\$0.0992	\$0.1797	\$0.1022	\$0.1670	\$0.1112	\$0.1690
\$0.40	\$0.45	\$0.2296	\$0.1134	\$0.2053	\$0.1168	\$0.1908	\$0.1271	\$0.1932
\$0.45	\$0.50	\$0.2583	\$0.1276	\$0.2310	\$0.1314	\$0.2147	\$0.1430	\$0.2173
\$0.50	\$0.55	\$0.2869	\$0.1417	\$0.2567	\$0.1460	\$0.2385	\$0.1589	\$0.2415
\$0.55	\$0.60	\$0.3156	\$0.1559	\$0.2823	\$0.1606	\$0.2624	\$0.1748	\$0.2656
\$0.60	\$0.65	\$0.3443	\$0.1701	\$0.3080	\$0.1752	\$0.2863	\$0.1907	\$0.2897
\$0.65	\$0.70	\$0.3730	\$0.1843	\$0.3337	\$0.1898	\$0.3101	\$0.2066	\$0.3139
\$0.70	\$0.75	\$0.4017	\$0.1984	\$0.3593	\$0.2044	\$0.3340	\$0.2225	\$0.3380
\$0.75	\$0.80	\$0.4304	\$0.2126	\$0.3850	\$0.2189	\$0.3578	\$0.2384	\$0.3622
\$0.80	\$0.85	\$0.4591	\$0.2268	\$0.4107	\$0.2335	\$0.3817	\$0.2543	\$0.3863
\$0.85	\$0.90	\$0.4878	\$0.2410	\$0.4363	\$0.2481	\$0.4055	\$0.2702	\$0.4105
\$0.90	\$0.95	\$0.5165	\$0.2551	\$0.4620	\$0.2627	\$0.4294	\$0.2861	\$0.4346
\$0.95	\$1.00	\$0.5452	\$0.2693	\$0.4877	\$0.2773	\$0.4532	\$0.3020	\$0.4588
\$1.00	\$1.05	\$0.5739	\$0.2835	\$0.5133	\$0.2919	\$0.4771	\$0.3178	\$0.4829
\$1.05	\$1.10	\$0.6026	\$0.2976	\$0.5390	\$0.3065	\$0.5010	\$0.3337	\$0.5071
\$1.10	\$1.15	\$0.6313	\$0.3118	\$0.5647	\$0.3211	\$0.5248	\$0.3496	\$0.5312
\$1.15	\$1.20	\$0.6600	\$0.3260	\$0.5903	\$0.3357	\$0.5487	\$0.3655	\$0.5553
\$1.20	\$1.25	\$0.6887	\$0.3402	\$0.6160	\$0.3503	\$0.5725	\$0.3814	\$0.5795
\$1.25	\$1.30	\$0.7174	\$0.3543	\$0.6417	\$0.3649	\$0.5964	\$0.3973	\$0.6036
\$1.30	\$1.35	\$0.7461	\$0.3685	\$0.6674	\$0.3795	\$0.6202	\$0.4132	\$0.6278
\$1.35	\$1.40	\$0.7748	\$0.3827	\$0.6930	\$0.3941	\$0.6441	\$0.4291	\$0.6519
\$1.40	\$1.45	\$0.8035	\$0.3969	\$0.7187	\$0.4087	\$0.6679	\$0.4450	\$0.6761
\$1.45	\$1.50	\$0.8321	\$0.4110	\$0.7444	\$0.4233	\$0.6918	\$0.4609	\$0.7002

Continued on Sheet No. D-5.00

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Michael V. Palmeri
Executive Vice President and C.F.O.

Effective for bills rendered on and after
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Dated June 24, 2010 in Case No. U-16148.

Continued From Sheet No. D-4.00

	April-June 1st Q		July-Sept 2nd Q		Oct-Dec 3rd Q		Jan-Mar 4th Q		
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	
	April- Oct	Nov- Mar	April- Oct	Nov- Mar	April- Oct	Nov- Mar	April- Oct	Jan- Mar	
Fractional Mult. F_m	0.574	0.283	0.513	0.292	0.477	0.318	0.483	0.301	
Plan NYMEX (X_{plan})	\$5.0733	\$6.2889	\$5.0733	\$6.2889	\$5.0733	\$6.2889	\$5.0733	\$6.4547	
Base GCR Factor	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	\$6.3713	
NYMEX Increase Greater than	Incremental Contingent GCR Factor								
Or Equal to									
	But Less than	\$/Dth							
\$1.50	\$1.55	\$0.8608	\$0.4252	\$0.7700	\$0.4379	\$0.7156	\$0.4768	\$0.7244	\$0.4518
\$1.55	\$1.60	\$0.8895	\$0.4394	\$0.7957	\$0.4525	\$0.7395	\$0.4927	\$0.7485	\$0.4669
\$1.60	\$1.65	\$0.9182	\$0.4536	\$0.8214	\$0.4671	\$0.7634	\$0.5086	\$0.7726	\$0.4819
\$1.65	\$1.70	\$0.9469	\$0.4677	\$0.8470	\$0.4817	\$0.7872	\$0.5244	\$0.7968	\$0.4970
\$1.70	\$1.75	\$0.9756	\$0.4819	\$0.8727	\$0.4963	\$0.8111	\$0.5403	\$0.8209	\$0.5121
\$1.75	\$1.80	\$1.0043	\$0.4961	\$0.8984	\$0.5109	\$0.8349	\$0.5562	\$0.8451	\$0.5271
\$1.80	\$1.85	\$1.0330	\$0.5103	\$0.9240	\$0.5255	\$0.8588	\$0.5721	\$0.8692	\$0.5422
\$1.85	\$1.90	\$1.0617	\$0.5244	\$0.9497	\$0.5401	\$0.8826	\$0.5880	\$0.8934	\$0.5572
\$1.90	\$1.95	\$1.0904	\$0.5386	\$0.9754	\$0.5547	\$0.9065	\$0.6039	\$0.9175	\$0.5723
\$1.95	\$2.00	\$1.1191	\$0.5528	\$1.0010	\$0.5693	\$0.9303	\$0.6198	\$0.9417	\$0.5874
\$2.00	\$2.05	\$1.1478	\$0.5669	\$1.0267	\$0.5839	\$0.9542	\$0.6357	\$0.9658	\$0.6024
\$2.05	\$2.10	\$1.1765	\$0.5811	\$1.0524	\$0.5985	\$0.9781	\$0.6516	\$0.9900	\$0.6175
\$2.10	\$2.15	\$1.2052	\$0.5953	\$1.0780	\$0.6131	\$1.0019	\$0.6675	\$1.0141	\$0.6325
\$2.15	\$2.20	\$1.2339	\$0.6095	\$1.1037	\$0.6276	\$1.0258	\$0.6834	\$1.0382	\$0.6476
\$2.20	\$2.25	\$1.2626	\$0.6236	\$1.1294	\$0.6422	\$1.0496	\$0.6993	\$1.0624	\$0.6627
\$2.25	\$2.30	\$1.2913	\$0.6378	\$1.1550	\$0.6568	\$1.0735	\$0.7152	\$1.0865	\$0.6777
\$2.30	\$2.35	\$1.3200	\$0.6520	\$1.1807	\$0.6714	\$1.0973	\$0.7311	\$1.1107	\$0.6928
\$2.35	\$2.40	\$1.3487	\$0.6662	\$1.2064	\$0.6860	\$1.1212	\$0.7469	\$1.1348	\$0.7078
\$2.40	\$2.45	\$1.3773	\$0.6803	\$1.2320	\$0.7006	\$1.1450	\$0.7628	\$1.1590	\$0.7229
\$2.45	\$2.50	\$1.4060	\$0.6945	\$1.2577	\$0.7152	\$1.1689	\$0.7787	\$1.1831	\$0.7380
\$2.50	\$2.55	\$1.4347	\$0.7087	\$1.2834	\$0.7298	\$1.1927	\$0.7946	\$1.2073	\$0.7530
\$2.55	\$2.60	\$1.4634	\$0.7229	\$1.3090	\$0.7444	\$1.2166	\$0.8105	\$1.2314	\$0.7681
\$2.60	\$2.65	\$1.4921	\$0.7370	\$1.3347	\$0.7590	\$1.2405	\$0.8264	\$1.2556	\$0.7831
\$2.65	\$2.70	\$1.5208	\$0.7512	\$1.3604	\$0.7736	\$1.2643	\$0.8423	\$1.2797	\$0.7982
\$2.70	\$2.75	\$1.5495	\$0.7654	\$1.3860	\$0.7882	\$1.2882	\$0.8582	\$1.3038	\$0.8133
\$2.75	\$2.80	\$1.5782	\$0.7796	\$1.4117	\$0.8028	\$1.3120	\$0.8741	\$1.3280	\$0.8283
\$2.80	\$2.85	\$1.6069	\$0.7937	\$1.4374	\$0.8174	\$1.3359	\$0.8900	\$1.3521	\$0.8434
\$2.85	\$2.90	\$1.6356	\$0.8079	\$1.4630	\$0.8320	\$1.3597	\$0.9059	\$1.3763	\$0.8584
\$2.90	\$2.95	\$1.6643	\$0.8221	\$1.4887	\$0.8466	\$1.3836	\$0.9218	\$1.4004	\$0.8735
\$2.95	\$3.00	\$1.6930	\$0.8362	\$1.5144	\$0.8612	\$1.4074	\$0.9377	\$1.4246	\$0.8886
\$3.00		\$1.7217	\$0.8504	\$1.5400	\$0.8758	\$1.4313	\$0.9535	\$1.4487	\$0.9036

Continued on Sheet No. D-6.00

Issued June 30, 2010 by
Michael V. Palmeri
Executive Vice President and C.F.O.

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Continued From Sheet No. D-5.00

NYMEX Increase = (\underline{X} - $\underline{X}_{\text{plan}}$)

\underline{X} = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/MMbtu), for the summer strip (Apr-Oct) and the remaining months of the winter strip (Nov-Mar), (averaged over first five trading days of the month prior to implementation).

$\underline{X}_{\text{plan}}$ = the NYMEX average summer and winter strips incorporated in the calculation of the base GCR factor, as delineated in the above chart.

At least fifteen days before the beginning of each period, the company shall file with the Michigan Public Service Commission an updated Tariff Sheet No. D-3.00, a new GCR ceiling price calculated using the matrix, without regard to whether the new ceiling factor is higher or lower than the prior period's ceiling factor. In no event will the ceiling price decrease below the Base GCR Factor. 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-16148 with notice of filing provided to all interveners.

Gas Cost Recovery Factor Adjustment Process

Step 1) Using the first five trading days of the month prior to implementation determine two NYMEX five day averages. One for the seven month summer strip \underline{X}_s (Apr-Oct), one for the remaining months of the five month winter strip \underline{X}_w (Nov-Mar). Closing prices should be used for the summer months that are no longer trading. Only the remaining months should be used to calculate the winter strip.

Step 2) Determine the NYMEX increase for the summer and winter strips by subtracting the NYMEX plan $\underline{X}_{\text{plan}}$ for that strip from \underline{X} calculated above for that same strip.

Step 3) Locate the two incremental contingent GCR factors, which correspond with the two NYMEX increases calculated in the previous steps (Summer and Winter), in the table for the desired period.

Step 4) Add the two incremental contingent GCR factors to the base GCR factor. The new GCR ceiling factor will be the greater of the Base GCR Factor or the resulting factor from the matrix.

RESIDENTIAL SERVICE RATE

Availability:

Subject to restrictions contained in the Rules and Regulations of the Company, service is available under this Rate Schedule to any customer in the Company's Service Territory to meet residential gas requirements, as defined in Rule C2.7.

Characteristics of Service:

Continuous service, except as may be limited by the effective Rules and Regulations of the Company.

Non-Gas Charges:

Customer Charge per meter:	\$ 11.00 per month
SEMCO Fixed Charge:	\$ 1.24 per month
Distribution Charge:	\$ 1.6389 per Dth

Gas Cost Recovery Charges:

This rate is subject to the Gas Cost Recovery charges set forth on Sheet No. D-3.00.

Surcharges and Credits:

Gas service under this rate may be subject to surcharges and/or credits as indicated on Sheet No. D-2.00.

Terms of Payment:

A late payment charge of two percent (2%) of the delinquent balance shall be added to any bill which is not paid on or before the due date shown thereon. The late payment charge is not applicable to customers participating in the Winter Protection Plan set forth in Order U-4240.

GENERAL SERVICE (GS) RATE

Availability:

Subject to restrictions contained in the Rules and Regulations of the Company, service is available under this Rate Schedule to any commercial or industrial customer in the Company's Service Territory, for any purpose, including multiple family dwellings.

Characteristics of Service:

Continuous service, except as may be limited by the effective Rules and Regulations of the Company.

Non-Gas Charges:

Service Category	Customer Charge Per Meter	Fixed Charge	Distribution Charge
GS-1	\$18.00 per month	\$3.54 per month	\$2.0764 per Dth
GS-2	\$25.00 per month	\$13.08 per month	\$1.9497 per Dth
GS-3	\$100.00 per month	\$59.01 per month	\$1.6225 per Dth

Customers may choose the Service Category under which they take service, consistent with the restrictions of Rule C4.1. When customers are selecting their initial service category, the Company must advise them of the economic break even point. After the initial selection has been made, then it is the customer's responsibility to determine when it is appropriate to switch rates, as permitted by Rule C4.1.

Gas Cost Recovery Charges

This rate is subject to the Gas Cost Recovery charges set forth on Sheet No. D-3.00.

Customer Charge Billing Option:

At the customer's option, the customer may contract with the Company to be billed the annual sum of the 12 monthly Customer Charges, evenly divided, over whichever billing months during the year shall be mutually agreeable between the Company and the customer.

Surcharges and Credits:

Gas service under this rate may be subject to surcharges and/or credits as indicated on Sheet No. D-2.00.

Unmetered Service:

When service is rendered under a contract with the Company, where the entire gas usage is a fixed hourly volume such that no meter is required, such service shall be treated as a GS-1 Service Category for billing purposes, except that no Customer Charge shall be applied.

Terms of Payment:

A late payment charge of three percent (3%) of the delinquent balance shall be added to any bill which is not paid on or before the due date shown thereon.

Gas Light Service

Availability:

Service is available to any customer using gas operated lights twelve (12) months of the year and who elects to take service under this rate schedule in preference to the other rates which are available.

Characteristics of Service:

Continuous service twenty-four (24) hours per day.

Rate:

For each gas light of three (3) cu. Ft. per hour or less consumption \$7.00 per month

Minimum Charge:

The Minimum Charge will be the sum of the Monthly Minimum Charge of \$7.00 per month
and the Energy Optimization Charge found on D-2.00
(Michigan State Sales Tax will be added where applicable)

Payment Terms:

All bills shall be due and payable within twenty-one (21) days of rendition.

Contract:

Standard Application for service, no time limit.