

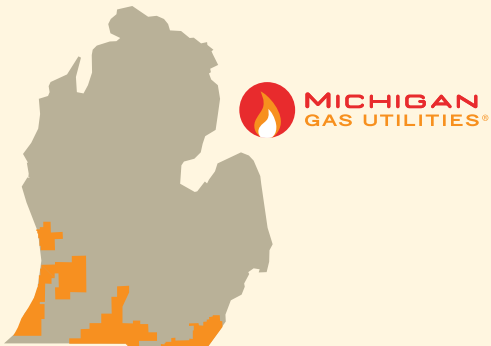


THE PROMISE WE SEE

Our Stories of Community & Environment | 2009



MICHIGAN
GAS UTILITIES®



ABOUT MICHIGAN GAS UTILITIES

MGU serves more than 165,000 customers in and around Grand Haven, Otsego, Benton Harbor, Coldwater and Monroe, Michigan.

MGU had its start in pre-Civil War days, when gas was manufactured from coal and used for street lighting and lighting in homes and businesses. Since that time, we've grown and changed along with the communities we serve. Today, our more than 165 employees are dedicated to delivering natural gas safely and reliably, reducing costs for our customers, helping homes and businesses save energy (and money), and offering convenient service options to make life just a little easier.

You can learn more about us at www.michigangasutilities.com.

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LETTER FROM OUR PRESIDENT

THE PROMISE WE SEE

Dear Customers and Community Partners,

We will all remember 2009 for similar reasons. The economy tried our strength as a country, and tested the will of local communities, companies, families and individuals. In Michigan, we were perhaps affected even more than other areas of the country.

In the face of these troubles, we also witnessed people's resolve, the caring of neighbors and friends and the beginnings of new ways of thinking. These good things, combined, form the promise we can begin to see for the future.

In 2009, Michigan Gas Utilities was fortunate because we were able to continue giving at a time when it may have been needed most. We're proud of what local organizations were able to accomplish with the funding we provided. Our employees gained much through volunteering. And our view of the future guided our efforts to help make our communities stronger.

We invite you to share our stories from 2009, and the promise we see ahead.

Warmest regards,



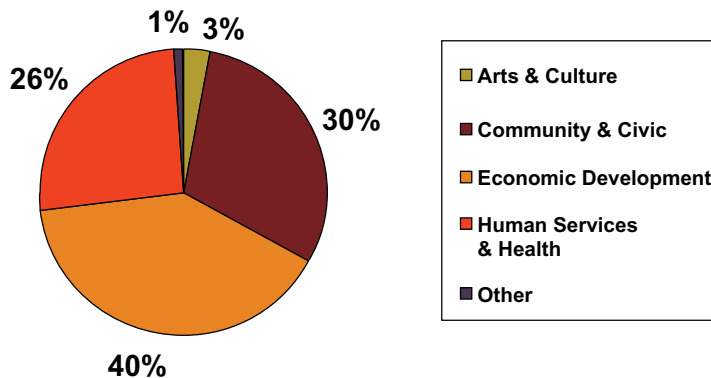
Chuck Cloninger
President
Michigan Gas Utilities





THE PROMISE OF A STRONGER COMMUNITY

CORPORATE GIVING IN 2009



2009 Giving in Michigan	
Giving by Michigan Gas Utilities	\$ 81,110.62
Giving by charitable foundation Wisconsin Public Service Foundation, Inc.*	25,000.00
Total	\$106,110.62

**To learn more about the foundation, see page 3.*

CORPORATE GIVING IN 2009

AREAS OF GIVING

The communities MGU serves are filled with organizations that have big dreams and important needs. We wish we could help them all. But we believe that to have the most possible impact — and make real differences happen — we need to focus our giving.

These are our current areas of giving.

- **Economic Development:** It's abundantly clear in current times that healthy and growing businesses sustain our communities. MGU supports projects to bolster the efforts of local chambers and business development organizations.
- **Community & Civic:** Communities become stronger when neighbors work together. We support non-profit organizations dedicated to community improvement and community events that everyone can enjoy.
- **Human Services & Health:** The physical and emotional well-being of those in our communities is a measure of the health of the communities. We support United Way by making company contributions and facilitating employee gifts. We support programs that serve limited-income, senior and handicapped individuals. And we support programs emphasizing wellness.
- **Arts & Culture:** Strong arts and culture add to the richness of life in our communities. We support projects that promote diversity and make the arts accessible to all people, including theater, dance, music, drama and museums.
- **Other:** We support programs that complement our company's educational programs and philosophies, including opportunities for minorities, women and youth.

ABOUT WISCONSIN PUBLIC SERVICE FOUNDATION

Why does a foundation named after a neighboring state make contributions in Michigan? Good question.



Wisconsin Public Service Foundation is a private, charitable foundation supporting areas served by subsidiaries of our parent company, Integrys Energy Group. When the foundation first began in 1964, it was funded by stocks and bonds that had been purchased by Wisconsin Public Service — Integrys' first company. Today, the name remains, even though the foundation provides funding to programs in multiple states.

In Michigan, the foundation makes contributions to charities and organizations needing financial assistance.

Michigan Gas Utilities also makes local contributions.

ORGANIZATIONS MGU SUPPORTED IN 2009

AMERICAN RED CROSS OF MONROE COUNTY	HABITAT FOR HUMANITY OF MONROE COUNTY	MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION
BEDFORD BUSINESS ASSOCIATION, INC.	HARBOR HABITAT FOR HUMANITY	MONROE COUNTY OPPORTUNITY PROGRAM
BIG BROTHERS/BIG SISTERS	HILLSDALE COUNTY INDUSTRIAL DEVELOPMENT COMMISSION	MONROE FAMILY YMCA
BOY SCOUTS OF AMERICA MICHIGAN COUNCIL	HOME BUILDERS ASSOCIATION OF MONROE COUNTY	OTTAWA COUNTY ECONOMIC DEVELOPMENT OFFICE, INC.
BRANCH COUNTY AREA CHAMBER OF COMMERCE	IDA CIVIC CLUB	RURAL PARTNERS OF MICHIGAN
BRANCH COUNTY 4-H FAIR	JUNIOR ACHIEVEMENT OF MICHIGAN GREAT LAKES, INC.	ST. JOSEPH COUNTY ECONOMIC DEVELOPMENT CORPORATION
BRANCH COUNTY UNITED WAY, INC.	JUNIOR ACHIEVEMENT OF SOUTHEASTERN MICHIGAN, INC.	SALVATION ARMY
CAMP FIRE BOYS AND GIRLS WATHANA COUNCIL	KIWANIS CLUB OF MONROE	SAUGATUCK CENTER FOR THE ARTS
CITY OF GRAND HAVEN	LENAWEE CHAMBER FOR ECONOMIC DEVELOPMENT	SOUTH HAVEN AREA REGIONAL PARK
CITY OF HILLSDALE	MANUFACTURERS' NEWS, INC.	SPECIAL OLYMPICS MICHIGAN
CITY OF MORENCI	MAYBEE DAY FESTIVAL	STURGIS DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF SOUTH HAVEN	MERCY MEMORIAL HOSPITAL SYSTEM	TIBBITS OPERA FOUNDATION
COLDWATER DOWNTOWN DEVELOPMENT AUTHORITY	MICHIGAN ECONOMIC DEVELOPERS ASSOCIATION	TRI-CITIES AREA HABITAT FOR HUMANITY
CORNERSTONE CHAMBER OF COMMERCE	MONROE CITY-COUNTY FINE ARTS COUNCIL	TRI-CITIES HISTORICAL MUSEUM
GABBY'S LADDER	MONROE COUNTY CHAMBER OF COMMERCE	UNITED WAY ALLEGAN COUNTY
GRAND HAVEN CHAMBER OF COMMERCE	MONROE COUNTY COMMUNITY COLLEGE	UNITED WAY OF MONROE COUNTY
GREATER OTTAWA COUNTY UNITED WAY		UNITED WAY OF SOUTHWEST MICHIGAN
GREATER SOUTH HAVEN AREA CHAMBER OF COMMERCE		

STORIES OF COMMUNITY IN 2009

Giving comes in many forms. Often it shows itself as financial backing. Other times, it makes itself known through the hands and smiles of volunteers who give of themselves — and receive much in return.

In 2009, MGU gave to organizations with admirable and far-reaching goals for our communities. Whether our giving took the form of financial contributions or hands-on help, we take great pride in these organizations and our association with them.

We invite you to share some of these stories and the inspiration they bring.



ENCOURAGING GIVING

Dollars for Doers

Michigan Gas Utilities' Dollars for Doers program encourages employees and retirees to volunteer for their favorite organization and, as a result, have that organization receive a grant on their behalf.

Employees and retirees who contribute at least 20 hours of volunteer time to qualifying organizations* can direct up to \$100 to be donated to the nonprofit organization of their choice

Matching Gifts

Our Matching Gifts program encourages our employees and retirees to make their own financial contributions to nonprofit organizations in our communities.

Matching Gifts matches \$1 for each \$2 an employee or retiree contributes to a qualifying organization.* The minimum contribution that will be matched is \$50. The maximum contribution that will be matched per year is \$2,000.

**Dollars for Doers and Matching Gifts are funded by Wisconsin Public Service Foundation (see page 3). Qualifying organizations for Dollars for Doers and Matching Gifts serve within Michigan Gas Utilities' service area and are tax-exempt under Section 501(c)(3) of the Internal Revenue Code.*

STORIES OF COMMUNITY IN 2009

LIGHTS ON PARADE IN IDA, MICHIGAN

On December 6, 2009, the small farming town of Ida, Michigan (pop. 5,000) greeted an estimated 26,000 guests for the annual Christmas in Ida Parade of Lights and fireworks show — topping off the Christmas in Ida Festival.

During the two-hour parade, the town literally lit up for residents and visitors alike as 120 illuminated parade entries — from fire trucks with glowing Santas to farm combines decked out in lights — made their way through snowy weather.

As always, MGU joined the parade. Monroe employees decorated a service truck, drove it along the parade route and handed out candy.

The annual holiday festival, now in its 26th year, featured craft shows, bake sales, a pet parade, and live entertainment, including a Radio Disney Concert and Santa Claus himself. It's organized by the Ida Civic Club and sponsored by area business and service organizations.

Learn more about the festival at www.christmasinida.com. ■



STORIES OF COMMUNITY IN 2009

SPECIAL EFFORTS FOR THE SPECIAL OLYMPICS

MGU contributes to the Michigan Special Olympics, but we're especially proud of two employees who contribute in their own way.

Keith Green, an MGU service technician in Benton Harbor, Michigan, has been involved with Special Olympics for 24 years. He participates in the annual Law Enforcement Torch Run & Polar Bear Plunge that raises funds to support the year-round training of more than 16,000 Special Olympics athletes across Michigan. He's served as a Special Olympics judge and presented medals. And Keith also donates a couple of games from his Chicago Bears season tickets to take Special Olympics child-athletes to Soldier Field.

Alice Bakale, a recently retired administrative assistant from MGU in Grand Haven, Michigan, has been involved with the Michigan Winter Games of the Special Olympics for 27 years. Her brother Rick was a Special Olympics volunteer, and as the mountain manager for Sugar Loaf Ski Resort 33 years ago, he brought the Winter Games there. Rick died from cancer in 1982, but his memory lives on in a special award.



Receiving the 2009 Rick Vander Sloot Winter Sports Award is Special Olympian Tom Wrath (right). Pictured with him is MGU retiree Alice Bakale.

Each year Alice ensures the Rick Vander Sloot Winter Sports Award is presented to a Special Olympics athlete who best exemplifies the approach Rick took toward life: "Nothing is impossible if I try."

Find more information about the Michigan Special Olympics and Winter Games at www.somi.org. ■

STORIES OF COMMUNITY IN 2009

SAFETY — BEST TAUGHT BY EXAMPLE

Like everyone at MGU, our employees in Otsego, Michigan, are committed to safety. In 2009, they demonstrated their commitment to preschoolers at the Christian Appletree Learning Center.

The learning center is located right next to MGU's Otsego operations center. So almost daily, the preschoolers line the fence to watch our crews "play with the big trucks" when they park their equipment for the night. That gave John Care, an MGU fitter/operator, an idea. Wouldn't it be nice to meet the children and give them yellow hardhats so they could be safe just like MGU's street crews?

John and his supervisor, Craig Barragry, approached the administrator of the Appletree Learning Center with the idea. She loved it and thought it would teach the children the valuable lesson to always be safe in whatever they do. John and Craig were introduced to the children and handed out hardhats, which one and all were excited to receive. One little girl asked, "Do we get to keep them forever?" ■



John Care, an MGU fitter/operator, gave every preschooler at Appletree Learning Center a hardhat of his or her own.

STORIES OF COMMUNITY IN 2009

SPIC-AND-SPAN ROADSIDES

MGU joined the Michigan Department of Transportation Adopt-A-Highway program two years ago. We're responsible for picking up litter along a two-mile stretch of US-24 Telegraph Road near the MGU corporate office in Monroe, Michigan. The 2009 Adopt-A-Highway kickoff was April 18, 2009 — a fitting day because it was also the start of National Volunteer Week. Six MGU employees from Monroe volunteered their Saturday to help keep our stretch of highway clean.

Three pick-up days in total were scheduled in 2009 for Adopt-A-Highway participants throughout Michigan. Just the presence of the volunteers on roadsides reminds motorists to help keep our roadsides clean and attractive. It's a great way to give back to the community, plus it eases the burden on a financially strapped state. The program saves the Michigan Department of Transportation (and taxpayers) about \$1.2 million a year in clean-up costs.

The Adopt-a-Highway program began in 1990 and now has nearly 2,600 groups with



Four of MGU's 'Adopt-A-Highway' volunteers in Monroe, Michigan, are (left to right) Mike Baker, operations supervisor; Cathy Bross, supply chain supervisor; Scott Clauson, network operations supervisor; and Cheryl Baranowski, customer operations supervisor.

about 32,000 volunteers who have adopted 5,700 miles of roadway. In a year, the groups gather more than 702,000 bags of trash.

You can find more information about Michigan's Adopt-A-Highway program at www.michigan.gov. ■

STORIES OF COMMUNITY IN 2009

THE MOVING WALL GOES TO COLDWATER

The Moving Wall™ is a traveling half-size replica of the Washington, D.C., Vietnam Veterans Memorial. It's been touring the country since 1984, giving Americans a way to pay respects to the more than 58,000 Vietnam Veterans who gave their lives for our country. The Moving Wall spends a week at each location, sponsored by a local organization that is willing to make the arrangements.

Marv Merkle, a retiree from MGU's Coldwater, Michigan, office and a Vietnam Veteran, is secretary of Vietnam Veterans of America Chapter 730. For two years he tried to get the Moving Wall to Coldwater. He finally received notice that Coldwater would host the Moving Wall on May 14-18, 2009. Coldwater was one of only two Michigan sites chosen in 2009, the 25th anniversary of the Wall. Residents of Coldwater started planning immediately.

Crowds at Coldwater's opening ceremony for the Moving Wall included Coldwater's mayor, former State Representative Bruce Caswell and families of 10 of the 12 Branch County, Michigan, soldiers whose names are listed on



the Wall. Marv's son currently serves in the Armed Forces, which made this endeavor even more special for him. MGU was proud to make a donation toward the project on Marv's behalf.

To learn more about the Moving Wall, visit www.themovingwall.org. ■

STORIES OF COMMUNITY IN 2009

MGU RETIREES STAY PART OF THE FAMILY

Employees may retire from MGU, but that doesn't mean they leave our family.

Those who have retired from MGU met in Coldwater, Michigan, in August 2009 for our sixth annual retiree luncheon. Nearly 75 retired employees and their guests gathered. MGU President Chuck Cloninger welcomed them, Vice President of Operations Chuck Hauska provided an update on MGU's

operations, and Human Resources Manager Jeri Steffy gave an update on medical benefits.

When MGU first held a retiree luncheon six years ago, the response from retirees exceeded everyone's expectations. So MGU decided to continue the event.

"It's a unique opportunity for all of our retirees across the state to come together

for a special day, be treated to lunch and hear what's happening at the company. They really helped bring the company to where it is today, and it's a nice opportunity for them to reminisce with familiar faces," says Jeri.

We're proud of what our retirees have helped MGU achieve through the years, and their efforts that still continue in the community (as in [The Moving Wall Goes to Coldwater, page 10](#)). ■



Retired MGU employees remain current on company news and catch up with former co-workers at MGU's annual retiree luncheons.

STORIES OF COMMUNITY IN 2009

HAPPY BIRTHDAY TO GRAND HAVEN, MICHIGAN!

In 2009, Grand Haven, Michigan, marked its 175th birthday. MGU was there to help celebrate.

In honor of this “grand” occasion, Michigan Representative Arlan Meekhof presented a state commendation to Grand Haven at the city’s annual end-of-summer picnic.

MGU has helped sponsor the annual picnic since it began six years ago. It’s a way for us to thank the community for being a great place to live, and a festive send-off for the city’s summer visitors as fall arrives.

Picnic-goers enjoyed the city’s birthday cake, and more great food, while the West Michigan Banjo Club entertained. All festivities took place in Grand Haven’s Central Park, where the city was founded in 1834. This spot allowed for public tours of the new county courthouse and the recently rebuilt Loutit District Library. And finally, the birthday picnic kicked off a campaign to raise \$15,000 to restore the park’s historic fountain.

The city of Grand Haven’s official Web site is www.grandhaven.org. ■



Longtime mayor of Grand Haven, Michigan, Roger Bergman, welcomed all to Grand Haven’s annual picnic and 175th birthday celebration.

STORIES OF COMMUNITY IN 2009

BLANKETING OUR SERVICE AREA WITH WARMTH

As Branch County, Michigan, headed into the colder months of 2009, MGU employees in our Coldwater office finished another successful blanket drive. Each year, these employees collect blankets. Some are delivered to the local Commission on Aging, which distributes them to senior citizens through its home visit program. Others go to Beginnings Care for Life, which distributes the blankets to families with newborns. Dennis Coyhis, an MGU meter technician, increased the number of blankets available in 2009 by inspiring Moose Lodge 677 members to collect as well.

MGU employees in Monroe, Michigan, also took to the streets to help warm their



Dennis Coyhis, an MGU meter technician, and Judy Modert, an MGU storekeeper, both from Coldwater, Michigan, turned their skills toward the collection of blankets for the community.

community. They pounded the pavement in the Monroe County Opportunity Program's 19th Annual Walk for Warmth fundraiser. Proceeds kept fellow citizens warm in their homes during winter by helping them pay heating bills in times of emergency.

And many Grand Haven homes were warmer during winter 2009 thanks to 3M and MGU. 3M provided MGU with more than 500 free indoor window insulator kits to hand out at local energy fairs across the state. About 225 kits were donated to the Grand Haven Neighborhood Housing Services for worthy recipients. ■

YOU CAN HELP YOUR NEIGHBORS STAY WARM, TOO

Through MGU's **Share the Warmth** partnership with the Salvation Army, you can help your neighbors who are struggling with their energy bills or have emergency energy-related expenses.

Donate to **Share the Warmth** monthly, with your MGU bill payment, or make a one-time donation at a time that works best for you. We'll match your contribution to **Share the Warmth** — 50 cents on every

dollar. Then we'll send it to the Salvation Army, who distributes **Share the Warmth** funds to worthy recipients.

Consider helping your neighbors by checking the **Share the Warmth** box on your MGU bill. Or simply donate online through the Salvation Army Web site at www.usc.salvationarmy.org/sharethewarmth.



MGU & THE ENVIRONMENT

We're proud to say that natural gas is one of the cleanest fuels on the market today. That makes it one of the most environmentally friendly choices for home heating and cooking. To ensure it stays that way, MGU is committed to complying with all rules and regulations related to environmental safety.

The Michigan Department of Environment Quality recently established new rules for above-ground liquid storage tanks — like the ones MGU has in Olivet, Michigan. The new rules call for replacing existing tanks; adding groundwater monitoring wells, a lined dike area and loading facility; and removing the old tanks. In May 2009, removal and clean-up of our vintage-1975 tanks began.

If you are the type who likes technical explanations, you may be interested to hear about the process: We cleaned and removed the storage tanks and underground lines running to the tanks. Then we began excavating soil to remove petroleum constituents. When released into the environment, these constituents may become attached to soil particles, potentially finding their way into groundwater.

Excavation of the petroleum-affected soil is now complete. Clean fill material continues to be placed in the excavation, and restoration of the site is nearly complete. MGU will continue to work with the Department of Environmental Quality to ensure our valuable natural resources are preserved for future generations.

LEADING ENVIRONMENTAL RESPONSIBILITY

MGU recently started an Environmental Team, to help lead the company to cost-effective and environmentally friendly changes. Each local MGU office is represented by a member on the team. The objectives are two-fold. First, the members bring any environmental concerns from their local offices to the table and work on solutions. Second, they bring news and updates about environmental topics back to the local offices. Right now, the team is working on consistent best practices across MGU for handling hazardous materials. It's also establishing environmentally sound ways to wash company vehicles, such as installing traps to collect oil and debris.

OUR ENVIRONMENTAL VISION & PRINCIPLES

MGU'S ENVIRONMENTAL VISION:

“CREATING ENERGY SOLUTIONS FOR A SUSTAINABLE TOMORROW”

MGU'S ENVIRONMENTAL PRINCIPLES

- 1. Protect the environment.** We reduce our impact on the environment and operate our facilities to meet or surpass environmental standards.
- 2. Use natural resources responsibly.** We conserve resources through efficient use, minimize the creation of waste and recycle whenever possible.
- 3. Use energy wisely.** We invest in energy efficiency and conservation in our own operations and help our customers do the same.
- 4. Improve environmental performance.** We commit to continually improve our environmental performance and meet our obligations with integrity.
- 5. Safeguard a healthy environment.** We protect the health and safety of our employees, customers and the public. We talk to our customers about using natural gas safely.
- 6. Engage others.** We rely on open, honest dialog with our employees and the public to improve our environmental performance. We partner with educators, communities and other organizations and consider their environmental expectations in our decision making.
- 7. Embrace environmental sustainability.** We strive to meet the energy needs of today while ensuring a reliable energy future. This includes making business decisions that will protect and enhance the quality of the environment.
- 8. Measure and report performance.** We regularly review our environmental policy and performance, and assess our operations from an environmental perspective.



If you have questions about MGU's activities in the community and environment, please contact us at **734-457-6123** or pjlivernois@michigangasutilities.com.

LOCAL OFFICES

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Coldwater, MI 49036

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Grand Haven, MI 49417

899 South Telegraph Road
Monroe, MI 48161

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Olivet, MI 49076

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