

Continued from Sheet No. D-1.02

**D3. GAS COST RECOVERY FACTORS**

The listed monthly Gas Cost Recovery Factors are authorized pursuant to Rule C9, Gas Cost Recovery Clause.

Billing Month	Authorized Base Factor \$/Mcf	Maximum GCR Factor Allowed	Actual Factor Billed \$/Mcf
April 2011	\$7.0891	\$7.0891	\$7.0000
May 2011	\$7.0891	\$7.0891	\$7.0000
June 2011	\$7.0891	\$7.0891	\$6.8500
July 2011	\$7.0891	\$7.0891	\$7.0000
August 2011	\$7.0891	\$7.0891	\$7.0000
September 2011	\$7.0891	\$7.0891	\$7.0000
October 2011	\$7.0891	\$7.0891	\$7.0000
November 2011	\$7.0891	\$7.0891	\$7.0000
December 2011	\$7.0891	\$7.0891	\$6.5000
January 2012	\$7.0891	\$7.0891	\$6.3000
February 2012	<b>\$6.6937</b>	<b>\$6.6937</b>	<b>\$6.0000</b>
March 2012	<b>\$6.6937</b>		

The Maximum GCR Factor Allowed is based upon changes in the NYMEX and adjusted according to Sheet Nos. D-3.00 or D-4.00.

The Company will file a revised Sheet No. D-2.00 monthly or as necessary to reflect the factor to be billed the following month.

The Company will file by December 31, 2011 for maximum Gas Cost Recovery Factors for April 2012 through March 2013. The Gas Cost Recovery Factor to be charged beginning April 2012 is authorized pursuant to §6(h)(9) of 1982 PA 304, as amended, MCL 460.6h et seq.

In addition to the above Gas Cost Recovery Factors, rates are subject to the supplemental charges shown on Sheet No. D-1.00.

**The Authorized Base Factor is composed of the following cost components:**

<b>Reservation Charge</b>	<b>\$0.8014 per Mcf</b>
<b>Gas Commodity Charge</b>	<b>\$5.8923 per Mcf</b>

Continued on Sheet No. D-3.00

Issued: **February 1, 2012**  
By: J. F. Schott  
VP Regulatory Affairs  
Green Bay, Wisconsin

Effective for bills rendered for the April 2011 through March 2012 billing months.  
Issued Under Authority of the Michigan Public Service Commission Order Dated January 26, 2012  
In Case No: **U-16481 et al.**

Continued from Sheet No. D-2.00

**D3.1 GCR Ceiling Price Contingency Matrix**

	April-June 1st Qtr		July-Sept 2nd Qtr		Oct-Dec 3rd Qtr		Jan-Mar 4th Qtr		
	Summer April- Oct	Winter Nov- Mar	Summer April- Oct	Winter Nov- Mar	Summer April- Oct	Winter Nov- Mar	Summer April- Oct	Winter Nov- Mar	
<b>Fractional Multi Fm</b>	0.124	0.556	0.089	0.462	0.111	0.344	0.083	0.381	
<b>Plan NYMEX (Xplan)</b>	\$4.4285	\$5.0873	\$4.4285	\$5.0873	\$4.4285	\$5.0873	\$4.4285	\$5.1901	
<b>Base GCR Factor</b>		\$7.0891		\$7.0891		\$7.0891		\$7.0891	
<b>NYMEX Increase</b>									
Greater than	But less								
or Equal to	than	Incremental Contingency GCR Factor (\$/Mcf)							
\$0.00	\$0.05	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
\$0.05	\$0.10	\$0.0062	\$0.0278	\$0.0044	\$0.0231	\$0.0056	\$0.0172	\$0.0042	\$0.0190
\$0.10	\$0.15	\$0.0124	\$0.0556	\$0.0089	\$0.0462	\$0.0111	\$0.0344	\$0.0083	\$0.0381
\$0.15	\$0.20	\$0.0185	\$0.0834	\$0.0133	\$0.0693	\$0.0167	\$0.0516	\$0.0125	\$0.0571
\$0.20	\$0.25	\$0.0247	\$0.1111	\$0.0177	\$0.0924	\$0.0223	\$0.0688	\$0.0166	\$0.0762
\$0.25	\$0.30	\$0.0309	\$0.1389	\$0.0222	\$0.1155	\$0.0278	\$0.0860	\$0.0208	\$0.0952
\$0.30	\$0.35	\$0.0371	\$0.1667	\$0.0266	\$0.1386	\$0.0334	\$0.1033	\$0.0249	\$0.1142
\$0.35	\$0.40	\$0.0432	\$0.1945	\$0.0310	\$0.1617	\$0.0390	\$0.1205	\$0.0291	\$0.1333
\$0.40	\$0.45	\$0.0494	\$0.2223	\$0.0355	\$0.1848	\$0.0445	\$0.1377	\$0.0332	\$0.1523
\$0.45	\$0.50	\$0.0556	\$0.2501	\$0.0399	\$0.2079	\$0.0501	\$0.1549	\$0.0374	\$0.1713
\$0.50	\$0.55	\$0.0618	\$0.2778	\$0.0443	\$0.2310	\$0.0557	\$0.1721	\$0.0415	\$0.1904
\$0.55	\$0.60	\$0.0680	\$0.3056	\$0.0488	\$0.2541	\$0.0612	\$0.1893	\$0.0457	\$0.2094
\$0.60	\$0.65	\$0.0741	\$0.3334	\$0.0532	\$0.2772	\$0.0668	\$0.2065	\$0.0499	\$0.2285
\$0.65	\$0.70	\$0.0803	\$0.3612	\$0.0576	\$0.3002	\$0.0724	\$0.2237	\$0.0540	\$0.2475
\$0.70	\$0.75	\$0.0865	\$0.3890	\$0.0621	\$0.3233	\$0.0779	\$0.2409	\$0.0582	\$0.2665
\$0.75	\$0.80	\$0.0927	\$0.4168	\$0.0665	\$0.3464	\$0.0835	\$0.2581	\$0.0623	\$0.2856
\$0.80	\$0.85	\$0.0988	\$0.4446	\$0.0709	\$0.3695	\$0.0891	\$0.2753	\$0.0665	\$0.3046
\$0.85	\$0.90	\$0.1050	\$0.4723	\$0.0754	\$0.3926	\$0.0946	\$0.2925	\$0.0706	\$0.3237
\$0.90	\$0.95	\$0.1112	\$0.5001	\$0.0798	\$0.4157	\$0.1002	\$0.3098	\$0.0748	\$0.3427
\$0.95	\$1.00	\$0.1174	\$0.5279	\$0.0842	\$0.4388	\$0.1058	\$0.3270	\$0.0789	\$0.3617
\$1.00	\$1.05	\$0.1236	\$0.5557	\$0.0887	\$0.4619	\$0.1113	\$0.3442	\$0.0831	\$0.3808
\$1.05	\$1.10	\$0.1297	\$0.5835	\$0.0931	\$0.4850	\$0.1169	\$0.3614	\$0.0872	\$0.3998
\$1.10	\$1.15	\$0.1359	\$0.6113	\$0.0975	\$0.5081	\$0.1225	\$0.3786	\$0.0914	\$0.4188
\$1.15	\$1.20	\$0.1421	\$0.6390	\$0.1020	\$0.5312	\$0.1280	\$0.3958	\$0.0956	\$0.4379
\$1.20	\$1.25	\$0.1483	\$0.6668	\$0.1064	\$0.5543	\$0.1336	\$0.4130	\$0.0997	\$0.4569
\$1.25	\$1.30	\$0.1544	\$0.6946	\$0.1108	\$0.5774	\$0.1392	\$0.4302	\$0.1039	\$0.4760
\$1.30	\$1.35	\$0.1606	\$0.7224	\$0.1153	\$0.6005	\$0.1447	\$0.4474	\$0.1080	\$0.4950
\$1.35	\$1.40	\$0.1668	\$0.7502	\$0.1197	\$0.6236	\$0.1503	\$0.4646	\$0.1122	\$0.5140
\$1.40	\$1.45	\$0.1730	\$0.7780	\$0.1241	\$0.6467	\$0.1559	\$0.4818	\$0.1163	\$0.5331
\$1.45	\$1.50	\$0.1792	\$0.8058	\$0.1286	\$0.6698	\$0.1614	\$0.4991	\$0.1205	\$0.5521
\$1.50	\$1.55	\$0.1853	\$0.8335	\$0.1330	\$0.6929	\$0.1670	\$0.5163	\$0.1246	\$0.5712
\$1.55	\$1.60	\$0.1915	\$0.8613	\$0.1374	\$0.7160	\$0.1726	\$0.5335	\$0.1288	\$0.5902
\$1.60	\$1.65	\$0.1977	\$0.8891	\$0.1419	\$0.7391	\$0.1781	\$0.5507	\$0.1329	\$0.6092
\$1.65	\$1.70	\$0.2039	\$0.9169	\$0.1463	\$0.7622	\$0.1837	\$0.5679	\$0.1371	\$0.6283
\$1.70	\$1.75	\$0.2100	\$0.9447	\$0.1507	\$0.7853	\$0.1893	\$0.5851	\$0.1413	\$0.6473
\$1.75	\$1.80	\$0.2162	\$0.9725	\$0.1552	\$0.8084	\$0.1948	\$0.6023	\$0.1454	\$0.6664
\$1.80	\$1.85	\$0.2224	\$1.0002	\$0.1596	\$0.8315	\$0.2004	\$0.6195	\$0.1496	\$0.6854
\$1.85	\$1.90	\$0.2286	\$1.0280	\$0.1640	\$0.8546	\$0.2060	\$0.6367	\$0.1537	\$0.7044
\$1.90	\$1.95	\$0.2347	\$1.0558	\$0.1685	\$0.8777	\$0.2115	\$0.6539	\$0.1579	\$0.7235

Continued on Sheet No. D-4.00

Issued: **March 15, 2011**  
By: J. F. Schott  
VP Regulatory Affairs  
Green Bay, Wisconsin

Effective for bills rendered for the April 2011 through March 2012 billing months.  
**Issued Under Authority of 1982 PA 304, Section 6h and the Michigan Public Service Commission for self-implementing**  
In Case No: U-16481

Continued from Sheet No. D-3.00

**D3.1 GCR Ceiling Price Contingency Matrix (Contd)**

	April-June 1st Qtr		July-Sept 2nd Qtr		Oct-Dec 3rd Qtr		Jan-Mar 4th Qtr		
	Summer April- Oct	Winter Nov- Mar	Summer April- Oct	Winter Nov- Mar	Summer April- Oct	Winter Nov- Mar	Summer April- Oct	Winter Nov- Mar	
Fractional Multi Fm	0.124	0.556	0.089	0.462	0.111	0.344	0.083	0.381	
Plan NYMEX (Xplan)	\$4.4285	\$5.0873	\$4.4285	\$5.0873	\$4.4285	\$5.0873	\$4.4285	\$5.1901	
Base GCR Factor		\$7.0891		\$7.0891		\$7.0891		\$7.0891	
<b>NYMEX Increase</b>									
Greater than or Equal to	But less than	Incremental Contingency GCR Factor (\$/Mcf)							
\$1.95	\$2.00	\$0.2409	\$1.0836	\$0.1729	\$0.9007	\$0.2171	\$0.6711	\$0.1620	\$0.7425
\$2.00	\$2.05	\$0.2471	\$1.1114	\$0.1773	\$0.9238	\$0.2227	\$0.6884	\$0.1662	\$0.7615
\$2.05	\$2.10	\$0.2533	\$1.1392	\$0.1818	\$0.9469	\$0.2282	\$0.7056	\$0.1703	\$0.7806
\$2.10	\$2.15	\$0.2595	\$1.1670	\$0.1862	\$0.9700	\$0.2338	\$0.7228	\$0.1745	\$0.7996
\$2.15	\$2.20	\$0.2656	\$1.1947	\$0.1906	\$0.9931	\$0.2394	\$0.7400	\$0.1786	\$0.8187
\$2.20	\$2.25	\$0.2718	\$1.2225	\$0.1951	\$1.0162	\$0.2449	\$0.7572	\$0.1828	\$0.8377
\$2.25	\$2.30	\$0.2780	\$1.2503	\$0.1995	\$1.0393	\$0.2505	\$0.7744	\$0.1870	\$0.8567
\$2.30	\$2.35	\$0.2842	\$1.2781	\$0.2039	\$1.0624	\$0.2561	\$0.7916	\$0.1911	\$0.8758
\$2.35	\$2.40	\$0.2903	\$1.3059	\$0.2084	\$1.0855	\$0.2616	\$0.8088	\$0.1953	\$0.8948
\$2.40	\$2.45	\$0.2965	\$1.3337	\$0.2128	\$1.1086	\$0.2672	\$0.8260	\$0.1994	\$0.9139
\$2.45	\$2.50	\$0.3027	\$1.3615	\$0.2172	\$1.1317	\$0.2728	\$0.8432	\$0.2036	\$0.9329
\$2.50	\$2.55	\$0.3089	\$1.3892	\$0.2217	\$1.1548	\$0.2783	\$0.8604	\$0.2077	\$0.9519
\$2.55	\$2.60	\$0.3151	\$1.4170	\$0.2261	\$1.1779	\$0.2839	\$0.8776	\$0.2119	\$0.9710
\$2.60	\$2.65	\$0.3212	\$1.4448	\$0.2305	\$1.2010	\$0.2895	\$0.8949	\$0.2160	\$0.9900
\$2.65	\$2.70	\$0.3274	\$1.4726	\$0.2350	\$1.2241	\$0.2950	\$0.9121	\$0.2202	\$1.0090
\$2.70	\$2.75	\$0.3336	\$1.5004	\$0.2394	\$1.2472	\$0.3006	\$0.9293	\$0.2243	\$1.0281
\$2.75	\$2.80	\$0.3398	\$1.5282	\$0.2438	\$1.2703	\$0.3062	\$0.9465	\$0.2285	\$1.0471
\$2.80	\$2.85	\$0.3459	\$1.5559	\$0.2483	\$1.2934	\$0.3117	\$0.9637	\$0.2327	\$1.0662
\$2.85	\$2.90	\$0.3521	\$1.5837	\$0.2527	\$1.3165	\$0.3173	\$0.9809	\$0.2368	\$1.0852
\$2.90	\$2.95	\$0.3583	\$1.6115	\$0.2571	\$1.3396	\$0.3229	\$0.9981	\$0.2410	\$1.1042
\$2.95	\$3.00	\$0.3645	\$1.6393	\$0.2616	\$1.3627	\$0.3284	\$1.0153	\$0.2451	\$1.1233

**NYMEX Increase = (X – Xplan)**

**X** = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/MMBtu), for the entire summer (Apr-Oct), closing prices should be used for summer months that are no longer trading, and remaining winter (Nov-Mar) months of the GCR period, (averaged over the first five trading days of the month prior to implementation).

**Xplan** = 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 quarter, the company shall file with the Michigan Public Service Commission an updated Tariff Sheet No. D-2.00, if NYMEX futures prices increase to a level allowing for the implementation of a higher contingent GCR price ceiling. The information 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-16481 with notice of filing provided to all interveners.

Issued: **March 15, 2011**  
By: J. F. Schott  
VP Regulatory Affairs  
Green Bay, Wisconsin

Effective for bills rendered for the April **2011** through March **2012** billing months.  
**Issued Under Authority of 1982 PA 304, Section 6h and the Michigan Public Service Commission for self-implementing**  
In Case No: U-16481