

Continued from Sheet No. E11.00

E5. TRANSPORTATION SERVICE AND RATES

E5.1 AVAILABILITY.

This service is available to any customer that could otherwise purchase gas under any of the Company's existing sales tariffs.

The customer must contract for delivery to a specific metering point(s) where the gas will be consumed. Gas transported under this rate may not be resold.

The Customer has agreed to provide a separate telephone line and such other facilities as may be required for the specialized metering equipment needed to be installed by the Company. The Customer has also agreed to provide 24 hour per day access to the specialized metering equipment located on the Customer's premises. Upon request, the Company will make available to the Customer the daily volumetric data collected from the specialized metering equipment within two hours following the end of the Gas Day.

The Company does not have the obligation to provide GCR sales service until 30 days after notification of the customer's intention to become a sales customer.

The Company makes no guarantee against, and assumes no liability for, interruptions caused by third parties, including marketers, producers, and pipelines.

E5.2 NATURE OF SERVICE.

The Company will accept on a firm basis, gas delivered to it on behalf of a transportation customer. The Company will redeliver an amount of gas to the customer containing the equivalent British thermal unit (BTU) content of the gas delivered to the Company on behalf of the customer.

Bills will be rendered on a monthly basis.

Service will be rendered under the terms and conditions contained in this rate schedule and consistent with the Company's Rule E1 - GAS TRANSPORTATION SERVICE RULES.

E5.3 AGGREGATION OF ACCOUNTS OPTION.

A customer receiving gas service at multiple facilities under common ownership may elect to aggregate the quantities of gas supplied to such facilities if the following conditions are met:

- (a) The customer must designate one of the facilities as the master account. The master account must be a Transportation Service account (TR-1, TR-2 or TR-3).

Continued on Sheet No. E-13.00

Issued: January 2, 2008
By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for Service
On and After: October 10, 2007

Issued Under Authority of
Michigan Public Service Commission
Dated: October 9, 2007
In Case No: U-15152

Continued From Sheet No. E-12.00

E5. TRANSPORTATION SERVICE AND RATES (Contd)

E5.3 AGGREGATION OF ACCOUNTS OPTION.

- (b) Only the subsidiary accounts will be eligible for aggregation with the master account. To qualify as a subsidiary account a facility must be served under any of the Sales Service Rates or Transportation Service Rates. The customer, or the customer’s agent, must specify which of the other facilities will be designated as a subsidiary account. The customer may designate some or all of its other facilities as subsidiary accounts.
- (c) The facility designated as the master account shall be subject to and billed under the provisions of its transportation tariff. Facilities designated as subsidiary accounts shall be subject to all the terms and conditions of the master account tariff, except that each subsidiary account will pay the customer charge and distribution charge in effect for its designated sales or transportation rate rather than the customer charge and transportation charge in effect for the master account.

E5.4 RATES AND CHARGES

Monthly Charges:	Transportation Service Rate		
	TR-1	TR-2	TR-3
Customer Charge Each Meter	\$ 825.00 / meter	\$2,250.00 / meter	\$3,050.00 / meter
Transportation Rates:			
Peak (November to March)	\$0.7777 per Mcf	\$0.4796 per Mcf	\$0.4651 Per Mcf
Off-Peak (April to October)	\$0.6277 per Mcf	\$0.3296 per Mcf	\$0.3151 per Mcf

Optional Discount Rates - The Company, at its discretion, may negotiate lower rates for individual customers, down to a minimum of \$0.20 per Mcf.

The Company, at its option, may require the installation of a heating value measurement device and the payment by the customer of a \$250.00 monthly heating value measurement charge under the following conditions:

- (a) If the customer refuses to include in its gas transportation service contract a provision that holds the Company harmless for any damages resulting from measuring errors; or
- (b) If the customer demands that heating value measurement equipment be installed.

Issued: January 14, 2009
By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for Service
On and After: January 14, 2009
Issued Under Authority of
Michigan Public Service Commission
Dated: January 13, 2009
In Case No: U-15549

Continued From Sheet No. E-13.00

E5. TRANSPORTATION SERVICE AND RATES (Contd)

E5.5 GAS COST RECOVERY.

Gas transported under this rate is not subject to adjustments for fluctuations in the cost of purchased gas as stated in Rule C9 of the Company's Rules, Regulations, and Rate Schedules, M.P.S.C. No. 2.

E5.6 SUPPLEMENTAL CHARGES.

This rate may be subject to the Supplemental Charges set forth on Sheet No. D-1.00.

E5.7 GAS IN KIND.

The Company shall retain **0.23%** of all gas received at the delivery point(s) to compensate it for the company-use and lost-and-unaccounted-for gas on the Company's system. This volume shall not be included in the quantity available for redelivery to the customer.

E5.8 MONTHLY LOAD BALANCING.

MONTHLY IMBALANCES:

As imbalances occur, the Company and the customer will attempt to correct them within the same month in which they occur. Failing such corrections, the Company will cash-out the imbalances as described below:

ANNUAL CONTRACT QUANTITY (ACQ) is defined as the quantity of gas, as specified in the transportation contract between the customer and the Company, that is based on the customer's maximum historical 12-month usage (determined from the customer's 36-month base period) plus adjustments for known or expected changes.

AUTHORIZED TOLERANCE LEVEL (ATL) is defined as 5% of the customer's ACQ. The Company is obligated to retain excess deliveries of gas on behalf of the customer up to its ATL, without additional charge.

EXCESS DELIVERIES are defined as gas delivered to the Company, on behalf of the customer, less gas in kind and gas redelivered to the customer, on a monthly basis.

ATL BALANCE is defined as the cumulative balance of excess deliveries from month to month, up to the customer's ATL. The ATL balance may be carried forward from month to month without additional charge. The Company will inform the customer of its current ATL balance along with its monthly billing.

Continued on Sheet No. E-15.00

Issued: January 14, 2009
By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for Service
On and After: January 14, 2009
Issued Under Authority of
Michigan Public Service Commission
Dated: January 13, 2009
In Case No: U-15549

Continued From Sheet No. E-14.00

E5. TRANSPORTATION SERVICE AND RATES (Contd)

E5.8 MONTHLY LOAD BALANCING. (Contd)

POSITIVE IMBALANCE is defined as the balance of excess deliveries of gas to the Company for the month which exceeds the customer’s ATL.

NEGATIVE IMBALANCE is defined as the amount of gas redelivered to the customer in excess of the gas available to the customer during the month. The gas available to the customer during the month is the sum of its gas delivered to the Company, less gas in kind, plus any gas available from its ATL balance.

CASH-OUT AT THE END OF THE MONTH:

If the customer has a positive imbalance, then the Company will credit the customer’s account for the purchase of the imbalance gas in accordance with the schedule below (“% Monthly Nomination” is a percentage of the confirmed nomination amount for the month):

% Monthly Nomination	Purchase At
0 - 5%	Average of the Mich Con City Gate Index, for Large End-Users, as described below.
over 5%	Low price for the Mich Con City Gate Index, for Large End-Users, as described below.

If the customer has a negative imbalance, then the Company will charge the customer’s account for imbalance gas in accordance with the schedule below (“% Monthly Nomination” is a percentage of the confirmed nomination amount for the month):

% Monthly Nomination	Charge At
0 - 5%	Average of the Mich Con City Gate Index, for Large End-Users, as described below.
over 5%	High price for the Mich Con City Gate Index, for Large End-Users, as described below.

The index for monthly imbalances is that which appears daily under “Mich Con City Gate Index for large end users” in each Gas Daily during the month. If Gas Daily ceases publication of the index, then the Company will use a replacement index that is representative of Michigan Gas Utilities’ market throughout the month, preferably daily. The company will provide prior notice to its customers and to MPSC Staff of a replacement index, and seek agreement from MPSC Staff for use of the replacement index.

The low price is defined as the lowest daily price that appears in any Gas Daily, that is dated within that month, under MichCon City Gate Index for large end users.

Continued on Sheet No. E-16.00

Issued: January 2, 2008
By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for Service
On and After: October 10, 2007

Issued Under Authority of
Michigan Public Service Commission
Dated: October 9, 2007
In Case No: U-15152

Continued From Sheet No. E-15.00

E5. TRANSPORTATION SERVICE AND RATES (Contd)

E5.8 MONTHLY LOAD BALANCING. (Contd)

The high price is defined as the highest daily price that appears in any Gas Daily, that is dated within that month, under MichCon City Gate Index for large end users.

The average price is defined as the arithmetic average of all of the high and low daily prices that appear in all issues of Gas Daily that are dated within that month under MichCon City Gate index for large end users.

IMBALANCE PAPER POOLING OPTIONS:

Any customer or customer's agent that causes multiple deliveries at any receipt point to Michigan Gas Utilities may, for the purposes of monthly balancing, pool those deliveries together under one of two options:

Option A – "Imbalance Trading".

Deliveries under this option may be pooled, provided that each delivery into the pool is to a customer served solely from the same delivery point.

A customer or the customer's agent who elects Option A, "Imbalance Trading", may transfer a portion of their account balance to another customer, provided that the other customer has also chosen the "Imbalance Trading" option. The customer from whom the gas is transferred shall be charged a \$25.00 fee for each transaction/trade. Such transactions are strictly prospective and may not be used to avoid penalties once charged by the Company.

Option B – "Pooling by Pipeline"

Deliveries under this option may be pooled, provided that each delivery into the pool is to a customer or customers that utilize(s) a common Up-stream transportation provider. Customers or the customer's agent(s) who have selected the "Pooling By Pipeline" option may not participate in imbalance trading.

The customer, or an agent acting on the customer's behalf, may select one of these Pooling options for a month provided that it notifies the Company in writing at least ninety (90) days prior to the due date for nominations for the month of effective service. Such notifications must include a listing of the customers to be included in the pool. A customer decision to select one of these pooling options, as well as the allocation method, is binding for that entire month. These Pooling options do not excuse the customer from its obligations to make timely nominations.

Continued on Sheet No. E-17.00

Issued: January 14, 2009
By J F Schott
VP Regulatory Affairs
Green Bay, Wisconsin

Effective for Service
On and After: January 14, 2009
Issued Under Authority of
Michigan Public Service Commission
Dated: January 13, 2009
In Case No: U-15549

Continued From Sheet No. E-16.00

E5. TRANSPORTATION SERVICE AND RATES (Contd)

Option B – “Pooling by Pipeline” (Contd)

Deliveries are pooled together by adding the positive and negative imbalances for each customer in the pool. A fee of \$25.00 per month shall be imposed on each imbalance paper pool, with the fee billed to the marketer, broker, or aggregator that is designated as the pool's representative.

E5.9 UNAUTHORIZED TAKES WHEN SERVICE IS INTERRUPTED OR CURTAILED

Penalties for unauthorized takes by a customer during a period of curtailment or interruption of gas service shall be assessed charges and cashed-out in accordance with the provisions of the Company's Rule C3.2 - CURTAILMENT OF GAS SERVICE.

E5.10 AUTHORIZED TOLERANCE LEVEL RESTRICTIONS:

- (a) Monthly withdrawals from storage during February through April will be limited to 3% of the transportation customer's ACQ. Withdrawals in excess of that limit may be authorized but are subject to the Company's sole judgment and prior approval pursuant to appropriate terms and conditions. Without prior approval, if in any month the volume of gas received by the Company, less the allowance for gas-in-kind plus the 3% of the transportation customer's ACQ is less than the volume of gas taken by the customer at the point of delivery, then all excess ATL delivery volumes above the 3% threshold will be cashed out in accordance with the Negative Imbalance provisions “% Monthly Nomination Over 5%”, at the high price for the MichCon City Gate Index.
- (b) Injections into storage during September and October will be limited to no more than 1.0% of ACQ without approval from the Company. Injections during the September and October period which exceed 1.0%, shall permit the Company to refuse to receive any additional volume of gas for that customer until the Company has satisfied itself that the volume of gas retained for the customer is less than the ATL. All volumes delivered in excess of the 1.0% of ACQ level will be cashed-out in accordance with the Positive Imbalance provisions “% Monthly Nomination Over 5%”, at the low price for the MichCon City Gate Index.
- (c) Daily nominations cannot exceed **the percentage** of expected daily usage **that is imposed upon the Company by the Interstate pipelines**, without approval of the Company. Nominations that exceed the limitation, shall be subjected to overrun charges and imbalance penalties, as imposed by the Interstate pipelines.
- (d) For purposes of this provision (Subsections (a), (b) and (c) above), pooling will be allowed on a supplier-by-supplier basis at the city gate.