

Continued From Sheet No. C-1.00

C1. CHARACTERISTICS OF SERVICE (Contd.)

C1.4 Permits.

The Company will make, or cause to be made, application for any necessary street permits for installing its facilities and shall not be required to furnish gas service until a reasonable time after such permits are granted. The customer shall obtain, or cause to be obtained by his contractor or representative, and present to the Company for registration, and easements, rights of way, permits (except street permits), consents and certificates necessary to give the Company or its representatives access to his installation and equipment and to enable its service pipe to be connected therewith, or for other purposes in connection with the supply of gas service. No application will be deemed to be complete until all permits (except street permits), easements, rights of way, consents and certificates have been obtained by the customer and presented to the Company for registration.

C2. CONTROLLED SERVICE

C2.1 Scope.

This Controlled Service Rule provides the Company with the authorization to control the attachment of additional firm system supply load and non-system supply load, consistent with changes in gas supply as they occur.

C2.2 Application.

- (a) All customers requesting firm gas service, except those seeking gas for residential use or for single family space heating use, must make written application for such service on a form provided by the utility.
- (b) Existing firm sales customers requesting to attach additional gas burning equipment, or existing transportation customers seeking firm sales service, shall not be given preferential treatment over new customers but shall be considered the same as new customers in accordance with this Controlled Service Rule.

C2.3 Approval.

- (a) As the Company is able to contract for new gas supplies at reasonable and prudent prices, terms, and conditions, applications for firm sales service will be approved.
 - (i) Approval will be on a first-come, first-served basis within each Controlled Service Priority.

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C2. CONTROLLED SERVICE (Contd.)

C2.3 Approval. (Contd.)

- (ii) The Company will open the highest priority first. If all the applicants within that priority are granted firm gas service, and sufficient supply is available, the next highest priority will be opened.
- (iii) If the available supply is committed before granting all applicants firm gas service, then those applicants who do not receive firm gas service shall have their standing reserved within their priority, but will not receive preference over a later applicant who qualifies for a higher priority, when gas again becomes available and priorities are again opened.
- (b) An applicant whose Controlled Service Priority is open at the time of application may be granted immediate approval provided such applicant demonstrates to the satisfaction of the Company that the construction and installation of the necessary equipment will proceed in a timely manner.
- (c) An applicant whose Controlled Service Priority is closed at the time of application, such that gas service is not initially granted, shall have his application for firm gas service kept on file by Controlled Service Priority and date application is received.
- (d) Notification of approval shall specify the date within which service must be commenced.

C2.4 Forfeiture.

- (a) An applicant who is not initially granted firm gas service, shall notify the Company in writing, within 30 days of date of notification of approval, of his intention to accept firm gas service, otherwise approved application is void.
- (b) A customer shall install the necessary equipment and commence gas service by the date specified in the company's notification of approval, otherwise the customer forfeits his reservation of firm supply.
- (c) The Company reserves the right to discontinue service to any customer who violates any of the provisions of this Rule.

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C2. CONTROLLED SERVICE (Contd.)

C2.5 Impact on Existing Customers.

- (a) The Company may grant firm sales service to new customers, or permit the attachment of additional gas burning equipment by existing customers, when:
 - (i) Current system supplies are sufficient to provide reliable long term service to both the Company's existing firm sales customers and the new firm sales load being attached.
 - (ii) The acquisition of additional long term supplies allows the attachment of new firm sales load. The Company will be held responsible to justify the reasonableness and prudence of such additional gas acquisitions at its GCR Plan and Reconciliation proceedings.
- (b) The Company may not grant firm sales service to new customers or permit the attachment of additional gas burning equipment by existing customers, if:
 - (i) The Company is curtailing any firm customers under the capacity curtailment provisions of Rule C3.
 - (ii) The Company is curtailing any firm customers under the Gas Supply Deficiency provisions of Rule C3; except that the Company may attach new residential customers provided no customers in curtailment Priority Two are being curtailed.

C2.6 Restricted Sales.

- (a) As a result of warmer-than-normal weather, or other factors, the Company may have system-supply volumes in excess of its immediate firm sales load. The Company may sell such excess gas to other than system supply customers. However, the availability of system supply gas to non-system supply customers is conditioned on and subject to:
 - (i) The requirements of present and future firm system supply customers of the utility;
 - (ii) The provision of a net economic benefit to the utility's system supply customers as a result of the sale of excess system supply gas;
 - (iii) Demonstration by the Company at its GCR Reconciliation proceeding that the sale of excess system supply caused no detriment to its system supply.

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C2. CONTROLLED SERVICE (Contd.)

C2.6 Restricted Sales. (Contd)

- (iv) The designation of all sales of excess system supply as super-interruptible load subject to curtailment Category Five of Rule C3.
- (v) Commission approval of such sales on a special contract basis, limited as to time and volume.
- (b) From time to time the Company may have gas supplies available to it on a short term or best efforts basis, that are not required for, and are incremental to system supply. Such supply may be sold on a special contract basis, limited as to time and volumes, and subject to Commission approval. At its GCR Reconciliation proceeding, the Company must demonstrate that such incremental supplies sold on a special contract basis caused no detriment to its system supply.

C2.7 Priorities.

- (a) For purposes of controlling which new customers seeking firm sales status, if any, may be granted such status, the following categories are hereby established, of which Priority Six constitutes the lowest priority and Priority One the highest priority:

PRIORITY ONE

The use of natural gas by any residential or commercial customer for any purpose except space heating or air conditioning.

PRIORITY TWO

The use of natural gas by any residential customer for space heating or air conditioning and the use of natural gas for services essential for public health and safety.

PRIORITY THREE

The use of natural gas by any industrial customer for industrial processing or in gas fired after burners to limit or abate obnoxious odors or air pollution.

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C2. CONTROLLED SERVICE (Contd.)

C2.7 Priorities. (Contd)

PRIORITY FOUR

The use of natural gas by any non-residential customer for space heating or air conditioning.

PRIORITY FIVE

The use of natural gas for all other purposes not listed in Priority One through Four or Priority Six.

PRIORITY SIX

The use of natural gas for the generation of steam or electricity by utilities, or the firing of kilns which can be fired by other fuels.

- (b) A customer who has a pollution problem which presents a threat to the public health and welfare, where the use of natural gas offers the only feasible solution to the problem, may petition the Commission to assign a priority of use higher than that to which the customer would otherwise be entitled. The matter will be considered by the Commission pursuant to its Rules of Practice relating to petitions or complaints.
- (c) The use of natural gas in boilers which have alternate fuel capability shall not qualify as requirements for services essential for public health and safety without the express authorization of the Michigan Public Service Commission. The matter will be considered by the Commission pursuant to its Rules of Practice relating to petitions or complaints.

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