

**SECTION E
GAS TRANSPORTATION**

E1. GAS TRANSPORTATION SERVICE RULES

E1.1 General provisions and definitions.

- (a) "Gas" means natural gas, manufactured gas, or a combination of the two.
- (b) "Alternate-fuel capability" means the ability to actually utilize a fuel other than gas, in place of gas.
- (c) "Nominations" means the process by which the customer notifies the Company of expected transportation quantities.
- (d) "Day" means a period of 24 consecutive hours (23 hours when changing from standard to daylight time and 25 hours when changing back to standard time) beginning at 8:00 a.m. eastern time or at such other time as may be mutually agreed.
- (e) "Annual Contract Quantity" (ACQ) means a 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.
- (f) "Maximum Daily Quantity" (MDQ) means a quantity of gas, as specified in the transportation contract between the customer and the Company, that is based on the customer's historical peak-month usage (determined from the customer's 36-month base period) plus adjustments for known or expected changes. The MDQ is the greatest quantity of gas that the Company agrees to accept for transportation on the customer's behalf on any day.
- (g) "Average Daily Quantity" (ADQ) means a quantity of gas equal to the customer's contractual ACQ divided by 365.
- (h) "Month" means a period beginning at 8:00 a.m. Eastern time on the first day of a calendar month and ending at 8:00 a.m. Eastern time on the first day of the following calendar month.
- (i) "Broker" means an intermediary that arranges the purchase of gas from the producer and the sale of that gas to a Buyer.

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E1.1 General provisions and definitions. (Contd)

- (j) "Buyer" means the purchaser and ultimate user of gas and of all the services necessary to make gas available for usage.
- (k) "Customer" means an individual or business, excluding other gas utilities, that purchases gas or transportation services, or both, on the utility's system.
- (l) "Off-System Customer" means other utilities or pipelines and customers taking sales gas, or transportation, exchange, or storage service from the Company for a facility that is: (a) not located within the Company's franchised gas service territory; or (b) located within the Company's franchised service territory and directly connected to the Company's distribution system, but is also eligible for direct service from another pipeline system pursuant to a 1929 PA 69 Certificate.
- (m) "Total Heating Value Per Cubic Foot" means the number of British thermal units produced by the combustion, at constant pressure, of one cubic foot of gas, with air of the same pressure and temperature as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by the combustion is condensed to the liquid state.
- (n) "Balancing" means the reconciliation of differences in the amounts of gas received by the pipeline transporter(s) from the producer or Broker, by the Company from the pipeline transporter(s), and/or by the Buyer from the Company.
- (o) "Commingle" means to combine gas from different sources into a common, undifferentiated whole.
- (p) "Contract year" means a period of 12 consecutive months with the initial contract year beginning on the date provided for in the contract.
- (q) "Cubic foot of gas" means the volume of gas that occupies one cubic foot when the gas is at a temperature of sixty degrees Fahrenheit and at a pressure base of 14.65 psia dry.

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E1.1 General provisions and definitions. (Contd)

- (r) "Curtailed" means an interruption by the Company of the flow of gas to Buyer's facility.
- (s) "Dekatherm" means a thermal unit equal to 1,000,000 British thermal units.
- (t) "Delivery point" means any point on the Company's gas distribution system at which an interconnection exists with an interstate pipeline or other transporter to enable the Company to receive gas owned by the Buyer for redelivery to the Buyer's facility.
- (u) "Delivery" means the transfer of gas from an interstate pipeline or other transporter to the Company at a point of interconnection to the Company's distribution system.
- (v) "Mcf" means 1,000 cubic feet of gas.
- (w) "Peak day" means the reservation by the Buyer of access to the Company's system supply of gas at any time, including the 24-hour period of greatest gas sendout by the Company to system-supply customers during any year or other applicable period as established in the contract between the Company and the Buyer.
- (x) "Redelivery" means the transfer of gas from the Company to the Buyer at the meter at the Buyer's facility.
- (y) "System supply" means gas reserved or purchased directly by the Company from any source for resale to its filed tariff sales customer, approved special contract sales customers.
- (z) "Transportation" means the provision of capacity within the Company's gas distribution system together with associated services to move gas owned by the Buyer to the Buyer's facility, as contrasted with the direct sale of gas owned by the Company to a customer.

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E1.1 General provisions and definitions. (Contd)

- (aa) "Transporter(s)" means an interstate pipeline or other company that delivers gas owned by the Buyer to the Company for redelivery to the Buyer's facility.
- (ab) "Designated service rate" means the most economical sales rate under which the customer would be allowed to take firm or interruptible sales service.

E1.2 Application of rules.

Unless otherwise provided for within these transportation service rules or under Transportation Service Rates TR-1, TR-2 and TR-3 transportation rate customers are subject to all the rules and regulations contained within the Company's Rules, Regulations and Rate Schedules Governing the Sale or Transportation of Gas. Customers taking service under transportation rules and rates shall be considered utility service customers of the Company.

E1.3 Possession of gas.

- (a) Responsibility For Gas.

The Company and the customer shall each be responsible for its own equipment, facilities, and gas on its own side of a delivery point. The Company and the customer shall each have good title or good right to make such a delivery or redelivery; and, further, shall warrant for itself, its personal representatives, its successors, and its assigns that the gas shall be free and clear of all liens, encumbrances, and claims. With respect to any adverse claim that may arise as to the gas or as to royalties, taxes, license fees, or charges on it, the party delivering, redelivering, causing the delivery, or causing the redelivery of the gas shall indemnify and save the receiving party harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of that action, provided that the receiving party gives the other prompt notice of any adverse claim.

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E1.3 Possession of gas. (Contd)

- (b) Indemnification of the Company.

In the absence of negligence, recklessness or willful misconduct on the part of the Company or the Company's directors, officers, employees or agents, the customer waives any and all claims against the Company, its officers, its employees or its agents, arising out of or in any way connected with: (a) the quality, use, or condition of the gas after redelivery from the Company's line for the account of the customer; (b) any losses or shrinkage of gas during or resulting from transportation; and (c) all other claims and demands arising out of the performance of the duties of the Company, its directors, its officers, its employees, or its agents.

E2. RECORDS, ACCOUNTING AND CONTROL

- (a) Mailing of notices, bills, and payments.

All notices, bills and payments required or permitted to be given in connection with transportation service shall be sent to the address specified in the customer's contract unless otherwise indicated therein; shall be in writing and shall be valid and sufficient if delivered in person or by first class mail, Western Union, or telex.

- (b) Nominations, accounting, and controls.

Requirements. Customers are required to have a nomination on file for each day of the month. (A single nomination shall be assumed to apply for each subsequent day of the month, unless otherwise indicated.) Customers requesting volumes to flow on the first day of any month must contact Company's Gas Control Department via Company's Internet-enabled electronic bulletin board, known as **Transportation Web Access ("TWA")** (<https://accel.michigangasutilities.com/ICSLogin/?https://accel.michigangasutilities.com/energyinformation/-D5>) and inform them of the volumes to be transported by receipt point(s) and delivery point(s). First of the month nominations and subsequent nomination changes via the Internet are due by 11:30 a.m. Central Time one day before the gas flows. Intra-day nomination changes for the 2nd through the end of a month will be accepted until 5:00 p.m. Central Time. A confirmed pipeline nomination will also be accepted on a best effort basis on the day of gas flow. The Company shall have the right, in its sole discretion, to reject or change any nomination that does not match the corresponding interstate pipeline nomination, or conflicts with the Operational Flow Orders (OFO) of the Company pursuant to Rule C3.2(c) on Sheet Nos. C-10.00 through C-14.00.

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