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E3. Gas quality. (Contd)

- (vii) Gas shall not contain a nitrogen content in excess of three percent by volume.
- (b) Gas delivered to the Company shall have a total heating value per cubic foot of not less than 950 British thermal unit (BTUs) nor more than 1,100 BTUs.

E4. SERVICE REQUIREMENTS

(a) Quantities

- (i) The customer may deliver or cause to be delivered and the Company will accept quantities of gas up to the MDQ agreed to in the contract with the customer. Such deliveries shall be made to the Company at a location(s) agreed to by the Company and the customer where the Company's pipeline facilities are connected with: (a) the facilities where the gas is being produced; or (b) with other facilities through which the gas is being transported. Deliveries to the Company in excess of the agreed upon quantities shall be grounds for termination of the contract by the Company.
- lii) Gas delivered to the Company shall be thermally evaluated at the point of receipt into the Company's system, and the Company will deliver to the customer gas with an equivalent British thermal unit (BTU) content based on: (a) the Company's calculated average BTU content; or (b) test results from a BTU sampler located at the point of redelivery to the customer.

(b) Pressure.

The Company shall not be required to alter its prevailing line pressure at the delivery point or at the redelivery point.

(c) Measurement.

- (i) When delivered to the customer, all gas shall be measured by the Company. The accuracy of meters used for that purpose shall be evaluated and maintained in accordance with the Michigan Public Service Commission Technical Standards For Gas Service (Technical Standards R460.2301).

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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

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E4. Service requirements. (Contd)

(ii) Adjustments for meter errors shall be in accordance with the applicable rule in the Technical Standards **for Gas Service**.

(d) Curtailment.

(i) A customer's curtailment rights and obligations are determined under the Company's Rule C3, Curtailment of gas service.

(ii) Curtailment of gas service, when necessary in the Company's opinion to balance gas requirements with gas supplied, shall be implemented under Rule C3, Curtailment of gas service.

(e) Limitation of Service.

The Company shall not be required to perform service under a transportation contract on behalf of any customer failing to comply with any and all terms of the customer's contract and the Company's transportation rules and rates. By mutual agreement between the customer and the Company, specific transportation contract language may vary from the terms and conditions of the tariff.

E4.1 Billing.

(a) Billing.

The Company shall endeavor to render a transportation billing to the customer on or about the **twentieth** day of each calendar month for service during the prior month. The Company will issue a separate billing for service under each of the customer's transportation contracts which will be due **21** days from the date it is rendered. The Company will make a thermal balance sheet available to each customer at the time of billing at the customer's request. Each party to a transportation contract shall have the right at all reasonable times to examine the books, records and charts of the other party, to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any provisions of the contract.

(b) Agency

(i) If the Company and the customer agree and the customer's pipeline gas transporter has a provision for directly billing a customer for transportation fees, then the Company has the option to collect fees to be paid to the pipeline.

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E4.1 Billing (Contd.)

- (ii) If the Company and the customer agree, then the Company may serve as a customer's agent in its contracts for transportation by interstate pipelines or other transporters.

E4.2 Transportation Standards of Conduct.

This rule is intended to promote fair competition and a level playing field among all participants involved in transportation within the Company's regulated gas service territory. The Company will conduct its business to conform to the following Transportation Standards of Conduct:

- (a) The Company will apply any tariff provision relating to transportation service in the same manner without discrimination to all similarly situated persons.
- (b) The Company will not give its marketing affiliate or customers of its affiliate preference over any other non-affiliated gas marketers or their customers in matters relating to transportation service including, but not limited to, nominating, balancing, metering, billing, storage, standby service, curtailment policy or price discounts.
- (c) The Company will not communicate to any customer, supplier or third parties that any advantage may accrue to such customer, supplier or other third party in the use of the Company's services as a result of that customer, supplier or other third party dealing with its marketing affiliate and shall refrain from giving any appearance that it speaks on behalf of its affiliate.
- (d) The Company will process all similar requests for transportation service in the same manner and within the same period of time.
- (e) The Company will not provide leads or provide market sensitive information regarding a current or potential customer or marketer to its marketing affiliate. If a customer requests information about marketers, the Company will provide a list of all marketers operating on its system, including its affiliate, but will not promote its affiliate.

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

Effective for Service
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E4.2 Transportation Standards of Conduct. (Contd)

- (f) If a customer makes a request in writing that its historic volumetric sales and transportation data be provided to a particular marketer or marketers in general, that request will be honored by the Company until revoked by the customer. To the extent the company provides to its marketing affiliate a discount or information related to the transportation, sales or marketing of natural gas, including but not limited to the company's customer lists, that is not readily available or generally known to any other marketer or supplier or has not been authorized by a customer, it will provide details of such discount or provide the information contemporaneously to all potential marketers on its system that have requested such information. A marketer may make a standing request for contemporaneous disclosure of such information.
- (g) The Company will not condition or tie its agreement to release interstate pipeline capacity to any agreement by a gas marketer, customer, supplier or pipeline transporter relating to any service in which its marketing affiliate is involved.
- (h) The Company will not condition or tie an agreement to provide a transportation discount to any agreement by a marketer, customer, supplier or pipeline transporter relating to any service in which its marketing affiliate is involved.
- (i) The Company's operating employees and the operating employees of its marketing affiliate will function independently of each other, be employed by separate business entities, and reside in separate offices.
- (j) The Company will keep separate books of accounts and records from those of its marketing affiliate.

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

Effective for Service
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Michigan Public Service Commission
Dated: October 9, 2007
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E4.3 Transportation Standards of Conduct Complaint Procedures.

If the Company receives a verbal complaint related to its Rules, Regulations and Rate Schedules Governing the Sale or Transportation of Natural Gas, M.P.S.C. No. 2, Section E4.2, Transportation Standards of Conduct, the Company will attempt to resolve the complaint on an informal basis. If the Company and the complainant are unable to resolve the complaint on an informal basis, the procedures outlined below will be followed:

- (a) Complainant will route all formal complaints in writing to:

Michigan Gas Utilities Corporation
899 S. Telegraph Road
Monroe, Michigan 48161
Attention: Manager Regulatory Services

- (b) The Company will acknowledge the receipt of the formal written complaint, in writing, within five working days of receipt by the Company.
- (c) The Company will confirm and amend the prepared written statement of the complainant to ensure the complaint includes the name of the complainant, relevant dates and specific claims.
- (d) The Company will prepare a written statement communicating to the complainant the results of the Company's preliminary investigation within 30 days of the initial receipt of the complaint by the Company with a description of the action taken or proposed to be taken.
- (e) (i) If the complainant is satisfied with the action taken or proposed to be taken, complainant will acknowledge its agreement by signing and returning a copy of the Company's written statement addressing the action taken or proposed to be taken.
- (ii) If the complainant is not satisfied with the Company's response, then the complainant may address the complaint to the Michigan Public Service Commission.

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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