
RESIDENTIAL SERVICE

Availability:

Open to any customer desiring service for domestic and farm uses, which include only those purposes which are usual in individual private family dwellings, or separately metered apartments, and in the usual appurtenant buildings served through the residential meter. This rate is not available for commercial or industrial service, or for resale purposes.

Residences in conjunction with commercial or industrial enterprises; homes or dormitories for groups other than private family units; apartment buildings or multiple dwellings; and mobile homes in courts may take service on this rate only under the terms and conditions contained in the Company's Standard Rules and Regulations.

Service for single phase motors may be included under this rate, provided the individual capacity of such motors does not exceed 3 Hp, and the total capacity of such motors does not exceed 10 Hp, without the specific consent of the Company.

Nature of Service:

Alternating current, 60 hertz, single phase, 120/240 volts.

Customer Choice of Generation Service Provider:

A customer may choose to have its Generation Service provided by an Alternative Electric Supplier, under the terms and conditions applicable to Retail Access Service as delineated in (Sheet No E-1.00). A customer whose Generation Service is provided by an AES is subject to the Distribution Charges shown below but is not subject to the Power Supply Charges shown below.

A customer that does not choose to have its Generation Service provided by an AES shall be provided Full Requirements Service by the Company and is subject to both the Distribution Charges and the Power Supply Charges shown below.

Monthly Rate:

Distribution Charges:

Customer Charge: \$4.25 per customer per month
Energy Charge: \$0.04728 per kWh for all kWh

Power Supply Charges:

Energy Charge: \$0.05375 per kWh for all kWh

(continued on Sheet No. D-6.00)

Issued July 7, 2008, by
Ann K. Burton, President
Alpena, MI 49707



Effective for bills rendered on
and after July 1, 2008

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U-15152 and dated June 12, 2007
in Case No. U-15250

RESIDENTIAL SERVICE
(Continued from Sheet No. D-5.00)

Power Supply Charges (Continued):

Power Supply Cost Recovery:

This rate is subject to the Company's Power Supply Cost Recovery Factors as shown on Sheet Nos. D-3.00 and D-4.00.

Note: Power Supply Charges are applicable only to customers who receive Full Requirements Service from the Company.

Minimum Charge:

The customer charge.

Customer Switching Service Charge:

\$5.00 each time a customer switches between Generation Service providers. This includes switches from one AES to another, from the Company to an AES, and from an AES to the Company. The customer may switch Generation Service providers at the end of any billing month provided the notice requirements of (Sheet No. E-6.00, Section 2.4) are met. The Customer Switching Service Charge shall not be applied for the first switch of each calendar year or at a time the customer returns to its immediately previous Generation Service provider because the customer was Slammed by an AES.

Due Date and Late Payment Charge:

The due date of the customer bill shall be 21 days from the date of transmittal. A late payment charge of 2%, not compounded, of the unpaid balance, net of taxes, shall be assessed to any bill which is delinquent. The late payment charge shall not apply to customers participating in the Winter Protection Plan.

Auxiliary Power Provision:

Customers desiring electric service as an auxiliary source of power to wind- or solar-powered generating equipment may take service under this rate schedule under special agreement with the Company.

A customer taking auxiliary power under this rate shall pay all reasonable direct costs of metering, controlling, and protective equipment necessitated by the presence of a source of power on his premises. Minor modifications off the premises of the customer shall be the responsibility of the Company. The customer shall pay the monthly rate set forth above. The customer may elect to sell energy to the Company at the Company's Average Avoided Energy Cost.

(continued on Sheet No. D-7.00)

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RESIDENTIAL SERVICE
(Continued from Sheet No. D-6.00)

Average Avoided Energy Cost:

Average Avoided Energy Cost is the average cost of Supplemental Energy, including both energy and capacity charges, billed to the Company by Consumers Energy Company, based on the rolling average of the six consecutive months ending on the last day of the second month prior to the month that purchases are made by the Company (e.g., the August billing month cost will be calculated using the avoided energy costs for the six months ending in June).

The power supply bills used to determine avoided costs will be kept on file at the Company's office. Personnel shall be available, during normal business hours, to explain how this methodology is applied to these bills to obtain the avoided energy costs for any particular month.

Rules and Regulations:

Service under this rate is governed by the Company's Standard Rules and Regulations. The charges under this rate are subject to the General Terms and Conditions of Rate Schedules (Sheet No. D-1.00 through Sheet No. D-4.00).

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