

Residential Utility Customer's Rights and Responsibilities

This pamphlet is provided by Alpena Power Company to residential customers in accordance with the rules of the:

Michigan Public Service Commission
4300 W. Saginaw Highway
PO Box 30221
Lansing, MI 48909



Alpena Power Company
401 N 9th Avenue
Alpena, MI 49707
(989) 358-4900

www.alpenapower.com

*The mission of Alpena
Power Company is to
provide in
a responsible and
environmentally
compatible manner;
for our customers,
high quality,
low cost services; for
our employees,
continuing development
in a productive
workplace; and
for our shareholders,
a fair rate or return on
their investments.*

TO OUR RESIDENTIAL CUSTOMERS

We hope this information, outlining your rights and responsibilities and providing general information regarding the use of our electric service, is helpful to you. We are here to provide you with the best service possible. Your satisfaction is of the utmost importance to us.

Alpena Power Company (APC) provides electric service to the entire City of Alpena, and portions of the following: Townships of Alpena, Green, Long Rapids, Maple Ridge, Ossineke, Sanborn, Wellington and Wilson, in the County of Alpena; the Township of Presque Isle in Presque Isle County; the township of Caledonia in Alcona County; and the Village of Hillman and Township of Hillman in Montmorency County; all in the State of Michigan. The service area covers approximately 250 square miles.

The main Company office is located at:

401 N. 9th Avenue
Alpena, MI 49707

Alpena Power Company is regulated by:

Michigan Public Service Commission
4300 W. Saginaw Highway
PO Box 30221
Lansing, MI 48909

Directory

POWER OUTAGE/SERVICE INTERRUPTION

(989) 358-4900 or toll free (866) 358-4900

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CUSTOMER SERVICE

Application for Connection or Disconnection of Service

To apply for service at a new address, please contact our office at (989) 358-4900. You will need to answer several questions, such as (but not limited to): new address, meter number (if possible), the date you wish to have service put into your name, telephone number, date of birth and driver's license number. When moving out of a residence, please contact APC and provide us with a five (5) working day notice. This allows us time to schedule a service person to connect/disconnect your service and read your meter so a final bill can be prepared. Until the final meter reading is made, you are responsible for the energy used.

Note: If the power is off at the residence or business you are applying for, please be sure the main breaker is off or the main fuse is pulled. This insures your safety as well as the safety of our employees when they restore service to your home or business and allows the meter readers to check for short circuits in your entrance wire and back feed.

Security Deposits

New Customer

A deposit may be required as a condition of new service due to any of the following reasons:

- you left an unpaid utility bill that accrued within the past six years and is not in dispute.
- you misrepresent your identity or credit information.
- you fail to provide complete positive identification.
- your request for service is at a location where you do not reside.
- an undisputed utility balance remains unpaid for an address where you were a member of the household during the time the bill was incurred.
- you have sought relief under federal bankruptcy laws within the past six years.
- equipment was tampered with and/or energy was obtained illegally.
- you cannot provide prior, satisfactory utility credit information.

Previous Customer or For Continued Service

A Security Deposit may be required as a condition of providing or restoring service to a previous customer or continuing service to a current customer if any of the following provisions apply:

- you have a prior service account that is delinquent, accrued within the last six years, remains unpaid, and is not in dispute.
- you misrepresent your identity or credit standing.
- you fail to provide positive identification.
- equipment was tampered with and/or energy was obtained illegally.
- service has been shut-off for non-payment.
- there has been a check returned NSF (insufficient funds) or closed account, or one or more payments from your debit or credit card or other form of payment has been denied within the last 12 months, excluding financial institution error.
- you were a member of a household when another member incurred a past due utility bill that remained unpaid and is not in dispute.
- you have sought relief under federal bankruptcy laws within the last six years.

Exceptions

Deposits are not required if:

- you secure a guarantor with a satisfactory payment history who is a current APC customer
- the full amount of your energy bills are regularly paid directly to us by the Michigan Department of Human Services
- you are age 65 or older and have a satisfactory payment history with any electric provider for the past three years

Guarantor Agreements

A security deposit will not be charged if you have another person (guarantor) sign a written guarantee that your bills will be paid. The guarantor must be a current APC customer who has service in his/her name and has a good credit standing. The written agreement will state the terms. You and the guarantor are jointly responsible for paying your APC bills. However, when 12 consecutive bills are paid on time, the guarantor is released from the agreement and your credit is established.

Deposit Amounts

The amount of the security deposit depends on how much energy the customer uses and their payment history. When a deposit is required because of an unpaid bill, the customer must pay the bill plus the security deposit (and possibly a reconnection fee) before we can provide or continue service.

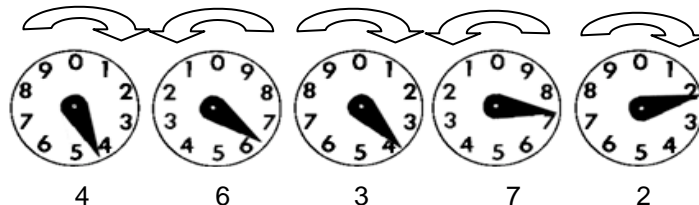
Interest and Refunds

Security deposits earn interest at a rate set by the MPSC. We refund your deposit, including interest, when you establish good credit by paying your electric bills on or before the due date for 12 consecutive months. This deposit refund is applied to your bill. If it exceeds the bill amount, it will carry forward as a credit balance towards your next bill. We will, upon request, issue a check to you for the credit balance. If you discontinue service before you have established good credit, we credit the amount of your deposit, with interest, to your final bill. If it exceeds the final bill, we will issue a check to you for the balance.

Reading Your Meter

Customers desiring to read their own meter, or to check a bill for accuracy, should follow these simple instructions. Your meter has either four or five dials numbered in opposite directions. Each dial represents one number in the meter reading.

Example:



(Note: For four dial meters – do not use the dial on the far left.)

1. Stand directly in front of the meter.
2. Record each dial carefully, starting from the right and moving to the left.
3. Draw hands exactly. Please do not round up or down.

This meter read is 46372.

To find out how much energy you have used over a given period of time, just subtract the meter reading taken at the beginning of the period from your present meter reading. The difference is the number of kilowatt hours of electricity which you have used since the last reading (pre-addressed postcards will be furnished for this purpose upon request.)

Some residential meters are digital. Reading a digital meter is easy.

To read your digital meter, please follow these instructions:

1. Read your meter from **left to right**.



The meter in this example reads as: '2', '5', '3', '8', '4'.

Estimated Meter Readings

We read your meter each month to determine the amount of energy used and then prepare your monthly bill. On occasion it may be necessary to estimate your meter reading, such as extreme weather conditions or emergencies. If this happens, where practical, we'll leave a postcard asking that you read the meter and return the postcard to us. If we receive your postcard in time, we'll use your meter reading to prepare your bill. Estimated readings are identified on your bill with a code. NOTICE: The MPSC requires that we read your meter at least once a year, regardless of whether you have supplied postcard readings.

If your estimated usage seems too low or too high, or if you'd prefer to read the meter each month, please contact us. If we haven't been able to read the meter or don't receive meter reading information from you before the bill is prepared, we'll estimate your energy usage for the month.

Your Monthly Utility Bill

Once a month you will receive a bill (either paper or electronically) for your use of electric energy. The rates the Company charges its customers have been approved by the Michigan Public Service Commission and a copy of the rates can be obtained from the Alpena Power Company office or online at www.alpenapower.com. If you have a question about our service or want to check the accuracy of your bill, or you did not receive a bill, please contact Customer Service by calling (989) 358-4900 or (866) 358-4900 (out of the area). You may also write to us at 401 N 9th Avenue, P. O. Box 188, Alpena, Michigan 49707 or email us at solutions@alpenapower.com.

Please note that you are responsible for paying for your electric usage on or before your bill's due date. A bill that is transmitted by APC will contain all of the following information:

- The beginning and ending meter readings and dates for the billing period
- The units of energy consumed during the billing period and the units of energy consumed during the comparable period the prior year
- A designation of the rate
- The due date
- Any previous balance
- The amount due for energy usage
- The amount due for other authorized charges such as surcharges or the PSCR Factor (Power Supply Cost Recovery Factor is the adjustment by which certain increased or decreased costs of providing the electric energy to customers is passed. These costs will include purchases of power from other utilities and the costs of fuel used in generating electricity)
- The amount of tax
- The total amount due
- That the rate schedules, the explanation of rate schedules, and the explanation of how to verify the accuracy of the bill will be provided by the company upon request
- That the customer should contact the company regarding an inquiry or complaint about the bill before the due date
- The address and telephone number of the utility at which the customer may initiate any inquiry or complaint regarding the bill or the service provided by the utility
- That the utility is regulated by the Michigan Public Service Commission

Payment of Your Monthly Bill

Payment in full of your monthly utility bill is due twenty-one (21) days after the date your bill is issued. If your current bill becomes delinquent, a 2% late charge (net of taxes) will be added. Please notify us if you are 65 years of age or older and you will avoid this charge.

APC offers several ways to pay your bill: Online service is available 24 hours a day 7 days a week by visiting www.alpenapower.com you can view your account, pay your bill with credit card, e-check, or sign up for automatic monthly checking or savings withdrawal.

If you prefer to pay by mail, we recommend you pay by check or money order. To ensure your payment is received and processed by the due date, please allow 3-5 working days for U.S. Postal Service delivery.

APC has area bill payment centers for your convenience. Please visit our website for a listing of these banks and credit unions and remember to allow 3-5 days for payment to reach us from the payment center. All payments should be received at APC by the due date to avoid a late charge.

Budget Payment Plan

Call APC at (989) 358-4900 to enroll or receive additional information. The Budget Plan is available to all residential customers. This plan does not reduce your costs. Your estimated costs for the fiscal year are divided into equal monthly payments. Your budget amount will be a pre-determined amount using the average of your past year's dollar charges. If you have not been at the residence for a year, the amount will be determined according to the previous customer at that address. There will be a mid-year evaluation of your budget, and changes made in your budget amount if we feel they are necessary. Reconciliation will be in May. If you end the budget year with a credit balance, the credit amount will be applied to the next bill(s) unless you request a refund. If you have a balance due, that full amount will be due in May.

Energy Gift Certificate

Need a gift for someone? You can purchase energy gift certificates at our office for any amount you wish. This will be applied to the APC customer of your choice. Call (989) 358-4900.

Kill-A-Watt EZ Power Meter

APC has a device you may use for up to two weeks to help measure power consumption of household appliances and determine the cost of power consumed. It will work on any appliance you can plug into a normal outlet. It will not test devices needing a 220 volt power source. Please call (989) 358-4900 for more information. A deposit is required that will be refunded to you upon return of the device.

Landlord/Tenant Program

If you own or are purchasing property for a rental, you may wish to notify us and complete our Landlord form. This will give us the authority to put power back into your name as the owner in the event your tenant moves out. It may prevent winter problems of frozen pipes, etc. In the event the Company needs to turn off power for non-payment of your tenant, we will attempt to notify you beforehand. If you participate in this program, it is your responsibility to let us know when you are no longer the landlord.

CREDIT DEPARTMENT

ELECTRIC SHUT-OFF POLICIES

Bill Payment Problems

Alpena Power Company does not want to shut-off your electric service for non-payment. Please contact us immediately if you have a payment problem and our Credit Department will try to work out satisfactory payment arrangements with you. Information on energy assistance and conservation measures is also available by calling (989) 358-4900.

Medical Emergency

Shut-off for non-payment shall be temporarily postponed for twenty-one days if you produce a physician's certificate which identifies the medical emergency, or a notice from a public health or social service official, stating that shut-off of service will aggravate your existing medical emergency, (or that of another permanent resident of your household). The certificate shall identify the medical condition, any medical or life supporting equipment being used, and the specific time period during which the shut-off of service will aggravate the medical emergency. The utility shall extend the postponement for further periods of not more than 21 days, not to exceed a total postponement of shut-off of service for 63 days, only if you produce a physician's certificate for each extension period. If shut-off has occurred, service may be restored provided you furnish APC with a physician's certificate.

Military: Shut-off Protection on Active Duty

If you or your spouse is the customer of record and is called to full-time active military service by the President of the United States or the Governor of Michigan during a time of declared national or state emergency or war, you may apply for shut-off protection for up to 90 days and you may request an extension of this protection by re-applying.

You must provide verification of active duty status. At the end of active duty, you must notify us of your status. You will still be required to pay for the energy you used during your participation in this program. We will set up a payment plan for all past-due amounts to be paid within one year.

Winter Protection

The Winter Protection Plan (WPP) may protect low income customers and seniors age 65 and older from service shut-off and high payments during the winter (November 1 through March 31). If you qualify, you'll pay a percentage of your estimated annual bill each month along with a portion of your past due bills.

To help assure that all Michigan residents have adequate heat throughout the winter, state and local agencies and utilities have joined in a cooperative effort to provide Michigan residents with information about energy assistance & conservation programs.

Contact *Alpena Power Company* immediately if you have a payment problem. Our collection department (989) 358-4901 will gladly work out payment arrangements with you. **Remember...** You are encouraged to call as soon as you know you will be unable to pay your bill rather than waiting until you have a shut-off notice. APC representatives can advise you about available payment plans and assistance programs.

The following outlines **Home Heating Assistance and Energy Conservation Programs** available for Winter Protection, *November 1 through March 31*.

1.) MICHIGAN PUBLIC SERVICE COMMISSION (MPSC) WINTER PROTECTION PLAN

Alpena Power Company (989) 358-4900

2.) HOME HEATING CREDIT

Michigan Department of Treasury (517) 636-4486

3.) EARNED INCOME TAX CREDIT

Michigan Department of Treasury (800) 829-3676

4.) CRISIS ASSISTANCE PROGRAM State Emergency Relief Program (SER)

Alpena County Department of Human Services (DHS) (989) 354-7200

5.) VETERANS ASSISTANCE

Veterans Trust Office (989) 354-9671

6.) LOW-INCOME HOME WEATHERIZATION

NE MI Community Service Agency (NEMCSA) (989) 358-4713 or (866) 270-0687

7.) APC MEDICAL EMERGENCY

Alpena Power Company (989) 358-4900

Assistance may be obtained from the following agencies and organizations after first contacting DHS:

St. Vincent DePaul (989) 657-0717

Salvation Army (989) 358-2769

Call Us For Help (989) 358-2769 and local Churches.

Settlement Agreement

If you are having difficulty paying your bill by the due date, we can work out a reasonable, extended settlement agreement with you. You and our Company representative must sign the agreement before it is considered valid. Payments will be based on:

- the size of the delinquent amount
- your ability to pay
- the time that your debt has been outstanding
- the reasons that you have not paid the bill
- your payment history

You will receive a copy of the signed agreement for your records. As long as you keep the terms of the agreement, your service will not be shut-off for the amount indicated. If you default on your agreement, your service may be shut-off after proper notification. Current bills should also be paid by the current bill due date.

Reconnection of Service After Shut-off

If your service has been shut-off for non-payment and you wish to have your service restored, you must pay the entire amount that is delinquent, plus a reconnect charge and security deposit (or guarantor).

Reasons for Possible Disconnection

Alpena Power Company may discontinue your service for any of the following reasons:

- you have not paid a past due bill that accrued within the last six years.
- you have failed to pay a deposit or obtain a guarantor as permitted by the rules approved by the MPSC
- you or others have caused the unauthorized use, diversion, or interference with the utility service situated or delivered on or about your premises
- you have failed to comply with the terms and conditions of a settlement agreement
- you have refused to arrange access, at reasonable times, for the purpose of inspection, meter reading, maintenance, or the replacement of equipment that is installed upon your premises, or for the removal of a meter
- you have misrepresented your identity for the purpose of obtaining utility service
- you have violated any rules of APC approved by the MPSC so as to adversely affect your safety or any other person's safety or the integrity of the utility system
- you have been a household member when another current household member incurred an undisputed past-due bill that remains unpaid.

Ten Day Shut-off Notice

When your account becomes delinquent, a ten-day shut-off notice will be mailed to you. This notice states that your electric service is subject to shut-off if not paid in our office by the date indicated. You are urged to contact our Collection Department and make payment arrangements before the expiration date on the notice.

Physical Shut-off of Service for Nonpayment

Shut-off will be between the hours of 8 a.m. and 4 p.m. When our field Representative arrives at your home to shut-off your service for nonpayment, and you can provide a valid receipt that the past due bill has been paid, service will continue. If you haven't paid the delinquent amount your service will be discontinued.

Meter Tampering

It is unlawful to tamper with, or in any way alter, the operation of an APC electric meter. State law provides strict penalties for such infractions. The customer is responsible for the cost of unauthorized use, investigation costs, and a tampering charge as currently authorized by the MPSC.

Complaint/Hearing Procedures

Your first contact should be with APC located at 401 N. 9th Avenue, Alpena, MI 49707, (989) 358-4900. Our representative will investigate your complaint and respond back to you. Alpena Power Company will try to solve your problem. This may include telephone calls, meetings, and visits to your home or business.

Settlement Agreement

There may be occasions when it is desirable for both of us to enter into a Settlement Agreement. A Settlement Agreement is a written statement, signed by you and our representative, describing how a dispute is to be handled. The Settlement Agreement is used to resolve many types of problems; for example, payment arrangements for past due bills, providing access to the meter or for preventing service shut-offs.

When a Settlement Agreement involves bill payment arrangements, the following facts are considered:

- The amount past due, the length of time the amount has been outstanding, and the reason it has not been paid.
- Your ability to pay and your past payment history.

You will be given a copy of any Settlement Agreement you sign; we are both committed to the terms of the agreement. If you follow the agreement, your utility service will continue as before. If you fail to follow the agreement, your service can be shut-off.

If a Settlement Agreement with you is in progress or if you have defaulted on a previous agreement within the past 12 months, under the rules of the MPSC, we do not have to enter into an additional Settlement Agreement. Additionally, you need to be aware that when you sign a Settlement Agreement, you waive your right to have a hearing before a Utility Hearing Officer on any matter included in the agreement.

Hearing Procedures

If you are not satisfied with our attempt to resolve your complaint, you will have the opportunity for a hearing before a Utility Hearing Officer. The Utility Hearing Officer is a neutral third party who hears and decides the dispute. The Company's hearing procedures, including the actions of the Utility Hearing Officer, are reviewed by the MPSC to ensure the impartiality and integrity of the hearing process.

Before the Hearing

If you request an Informal Hearing, a representative from our Customer Service Department will contact you to make arrangements. You need to notify us of your decision to have the hearing within five (5) business days from the date you are contacted.

If the hearing is about the amount of your bill, you must pay the portion of the bill that is not in dispute, or if the disputed amount cannot be agreed upon you must pay 50 percent of the disputed amount not to exceed \$100. The payment is due within ten (10) business days from the date of your hearing notice. If you do not make the payment on time, your service maybe shut-off in accordance with these rules.

Normally, hearings are held during regular business hours at the APC office. If the time or location is not convenient, other arrangements can be made. The Informal Hearing will be held within 30 business days of the request. You will be officially notified of the agreed upon date, time and place at least ten (10) business days before the hearing. Not less than two (2) days before the hearing, both parties (you and APC) have the right to review a list of all witnesses who will testify and any evidence relevant to the issues to be raised at the meeting. Utility Hearing Officers do not handle legal property damage claims or monetary claims.

A customer must apply for such relief through civil court. Failure of the customer, or the utility, to attend the hearing without a good reason, or without having requested an adjournment, constitutes a waiver of the right of that party to the hearing.

At the Hearing

The hearing is informal. You can bring anyone you choose to assist you. However, all testimony is given under oath and you, or a licensed Michigan attorney, must be there to present your position. Otherwise, you lose your right to the hearing and any past-due amount on your account, including the disputed amount, must be paid. With the Utility Hearing Officer presiding, both parties present their evidence, witnesses and testimony. We may also examine each other's evidence and question each other's witnesses.

The Utility Hearing Officer collects a written statement of each party's position in the dispute. Copies of all the written evidence presented are also collected. Before rendering a decision, the Utility Hearing Officer offers both parties a final opportunity to enter into a Settlement Agreement. If the parties do not reach agreement, the Utility Hearing Officer writes a "complaint determination" based on the oral and written facts presented at the hearing. A copy of the Utility Hearing Officer's decision is given to both parties within seven (7) business days. If the decision of the Utility Hearing Officer is in your favor, any excess money paid is refunded with interest. If the decision is in our favor, you have seven (7) business days after a Utility Hearing Officer issues the written complaint determination to follow the steps outlined in the decision or appeal.

Right to Appeal Hearing Decisions

Michigan Public Service Commission

Executive Secretary
4300 W. Saginaw Highway
PO Box 30221
Lansing, Michigan 48909

Toll-Free Telephone: (800) 292-9555

Telephone: (517) 241-6180

Web site: <http://michigan.gov/mpsc>

Your informal appeal is referred to a Complaint and Information Officer of the MPSC who reviews the hearing record and investigates the matter further if needed.

The Complaint and Information Officer issues a written decision and sends a copy of the decision to both parties within 30 days from the time the hearing record was received.

Each party has 10 days to follow the steps outlined in the decision. If either party is still dissatisfied, a final appeal may be filed for a formal hearing before the MPSC. The formal hearing process does not delay paying the amount in dispute unless the MPSC agrees that it should.

SPECIAL SERVICES

Service Interruption Information

An outage can be caused by storm damage, lightning, downed trees, or even a squirrel on the lines. If you see a downed power line, stay away from it and report it to APC immediately at (989) 358-4900 or toll free (866) 358-4900.

If you have a power outage, check your fuses/circuit breakers first. If your equipment is not the problem, call Alpena Power Company at (989) 358-4900 or toll free (866) 358-4900. Don't assume someone else will call. The quicker we know where the problem is located, the quicker our service representatives can respond to correct the problem.

Upgrades & Underground Services

For disconnection of service for siding or upgrade, or underground services, please contact our Engineering Department at (989) 358-4951 or (989) 358-4948. (If you are calling from outside the area: toll free (866) 358-4900 ext. 4951 or ext. 4948.)

Electrical Safety

Visit our web site at www.alpenapower.com. Don't take chances with electricity. Follow these common sense safety rules:

- Make sure the power is off before going into a flooded basement.
- Double check the location of overhead lines before trimming a tree, raising an antenna, or using long-handled pool cleaning tools. It's easy to misjudge the height of the lines.
- Stay away from downed power lines.
- If a downed line falls on your car, stay in the car until help arrives! If you must leave the car, jump out so that your body is not in contact with the car and the ground at the same time.
- Make sure ladders are securely positioned at a safe distance from electrical lines and connections when making outdoor or house repairs.
- Teach your children to respect electricity.
- Train them to stay away from overhead lines when climbing trees and flying kites.

Tree Trimming

Fallen trees and branches account for a measureable amount of the annual outage minutes that occur in the APC service territory. Our tree trimming policy has resulted in a significant decline in outage minutes and helps support our exceptional reliability rating.

APC contracts tree trimming professionals to trim a percentage of its service territory annually, therefore trimming our entire service territory every five years. APC contracts tree trimming professionals who carry APC identification. If you are not sure who is on your property trimming trees, please ask to see their identification. When trimming distribution lines, our policy is to trim 15 feet on either side of the line. When trimming transmission lines we will trim 25-50' on either side of the line depending on the voltage carried by those transmission lines.

If there is a tree on your property interfering with APC power lines, please call:

Locally(989) 358-4900

Long distance(866) 358-4900

APC is not responsible for wind damaged trees and debris on your property. Please contact your insurance company.

Miss Dig

Miss Dig is a statewide alert system that notifies all utilities of work to be done near their underground lines. (800) 482-7171 or 811 should be called first, anytime you plan to dig! Miss Dig should be called **BEFORE** you dig. This number can be called at any time. A seventy-two (72) hour advance notice should be given for most work. However, Miss Dig can be contacted any time for emergency purposes.