

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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|  |   |                  |
|--|---|------------------|
| In the matter, on the Commission's own motion, | ) |                  |
| regarding the regulatory reviews, revisions,   | ) |                  |
| determinations, and/or approvals necessary for | ) | Case No. U-21564 |
| <b>SEMCO ENERGY, INC.</b> , to fully comply    | ) |                  |
| with Public Act 295 of 2008, as amended by     | ) |                  |
| Public Act 342 of 2016.                        | ) |                  |
| _____  | ) |                  |

At the September 5, 2024 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair  
Hon. Katherine L. Peretick, Commissioner  
Hon. Alessandra R. Carreon, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On April 30, 2024, SEMCO Energy Gas Company (SEMCO), a division of SEMCO Energy, Inc., filed an application in this case, with supporting testimony and exhibits, for authority to reconcile its energy waste reduction plan costs and revenues for the year ended December 31, 2023, along with other requested relief, in compliance with Public Act 295 of 2008 as amended by Public Act 342 of 2016, and as recently amended by Public Act 229 of 2023.

A prehearing conference was held on June 11, 2024, before Administrative Law Judge James M. Varchetti. SEMCO and the Commission Staff participated in the proceeding. The Association for Businesses Advocating Tariff Equity also appeared at the prehearing but later withdrew its request to intervene. Subsequently, the parties filed a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. SEMCO Energy Gas Company shall file, within 30 days of the date of this order, tariff sheets consistent with the settlement agreement. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, SEMCO Energy Gas Company shall promptly file the final tariff sheets in this docket.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at [LARA-MPSC-Edockets@michigan.gov](mailto:LARA-MPSC-Edockets@michigan.gov) and to the Michigan Department of Attorney General - Public Service Division at [sheacl@michigan.gov](mailto:sheacl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

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Alessandra R. Carreon, Commissioner

By its action of September 5, 2024.

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Lisa Felice, Executive Secretary

## STATE OF MICHIGAN

## BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own )  
 motion, regarding the regulatory reviews, )  
 revisions, determinations, and/or approvals )  
 necessary for **SEMCO ENERGY, INC.**, to )  
 fully comply with Public Act 295 of 2008, as )  
 amended by Public Act 342 of 2016. )

Case No. U-21564

**SETTLEMENT AGREEMENT**

Pursuant to Section 78 of the Administrative Procedures Act of 1969, MCL 24.278, and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission ("Commission"), R 792.10431, the undersigned Parties hereby stipulate and agree as follows:

This Settlement Agreement between SEMCO Energy Gas Company ("SEMCO" or the "Company") and Commission Staff ("Staff") (collectively, the "Parties") is intended by the Parties as a final settlement and resolution of all issues before the Commission regarding SEMCO's Energy Waste Reduction ("EWR") Plan reconciliation for the period ended December 31, 2023.

1. On April 30, 2024, SEMCO filed its application with the Commission, including supporting testimony and exhibits of its witnesses, to reconcile its EWR Plan costs and revenues for the 12-month period ended December 31, 2023.

2. SEMCO's application, testimony, and exhibits demonstrate that reconciling the EWR Plan costs and revenues for the year ended December 31, 2023, results in a cumulative under-recovery, among all rate classes and inclusive of the prior year's roll forward and accrued interest, of (\$1,309,653). SEMCO proposes that the calculated

under-recovery be carried forward into 2024, on a class basis, and used as beginning balances for the 2024 reconciliation.

3. SEMCO proposed 2024 EWR Plan adjustments including updated 2024 energy savings targets using 2021, 2022, and 2023 actual sales volumes and plan year budget, and outlined carryover energy savings from the 2023 EWR Plan according to provisions in 2008 PA 295, as amended by 2016 PA 341 and 2016 PA 342, to be available for use in meeting 2024 energy savings targets.

4. A prehearing was held on June 11, 2024, before Administrative Law Judge James M. Varchetti (“ALJ”). Staff appeared at the prehearing and the Association for Businesses Advocating Tariff Equity (“ABATE”) verbally withdrew its request to intervene.

5. Staff’s audit of SEMCO’s 2023 EWR Plan reconciliation and annual report tested the over/under recovery account balances along with specified EWR program balances. Staff also reviewed the surcharges the Company charged its customers for the 2023 program year. Staff determined that no modifications should be made to the Company’s filing. Staff also reviewed the programs offered which enabled the Company’s customers to reduce their energy waste subsequently reducing their overall energy bills. Staff was able to review the collections for these programs and amounts spent to implement the EWR programs and asserts they are reasonable and prudent. SEMCO was not only able to achieve its legislative target but was able to substantially exceed it. Staff agrees that the Company met or exceeded all expectations to earn the performance incentive payment as set forth in its incentive mechanism structure.

6. Subsequent to the prehearing and audit, the Parties entered settlement discussions in an attempt to effectively resolve the matters before the Commission. As a

result of those settlement discussions, the Parties have agreed to resolve all issues in this case as set forth in the following paragraphs.

a. The Parties agree SEMCO's filing is reasonable and prudent and that the EWR Plan costs and revenues for the year ended December 31, 2023, result in a cumulative under-recovery, among all rate classes, inclusive of the prior year roll forward and accrued interest, of (\$1,309,653). The Parties also agree that SEMCO's portfolio of EWR programs for each customer class was cost-effective in 2023 with an overall Gas Program Portfolio USRCT score of 2.37.

b. The Parties agree that the Commission should approve the revised EWR Plan surcharges which reflect the cumulative Over/(Under) recoveries from the 2023 EWR Plan, 2023 Performance Incentive, and 2025 EWR Plan (as Amended) cost recovery. SEMCO will recover these costs on a volumetric basis beginning January 1, 2025, through December 31, 2025.

c. SEMCO's tariffs have been updated in a manner consistent with this Settlement Agreement and the Company's Amended 2024-2025 EWR Plan settlement agreement in Case No. U-21328, which are being simultaneously executed by the Parties. The revised tariffs are, thus, being submitted in this case as **Attachment 1** (for 2024) and **Attachment 2** (for 2025), and are also being submitted in the Company's Amended 2024-2025 EWR Plan proceeding (Case No. U-21328). The Parties agree that the Commission should approve the revised tariffs set forth in **Attachments 1 and 2**.

d. The Parties agree that the changes to the 2024 energy savings targets and financial incentive mechanism proposed in this case are superseded

by the changes to the 2024 and 2025 energy savings targets and financial incentive mechanism as provided for in the in Company's Amended 2024-2025 EWR Plan filing (and terms of settlement) in Case No. U-21328.

e. The Parties agree that, consistent with the Commission's August 30, 2023 Order in Case No. U-21319, the cumulative uncollected 2020 and 2021 Performance Incentives were netted against the 2022 EWR Program Cost Over/(Under) collection totaling (\$1,504,895) and was included as part of the 2023 starting balance.

f. The Parties agree that SEMCO's 2022 Performance Incentive award is reasonably being recovered over the twelve-month period ending December 31, 2024, consistent with the Commission's August 30, 2023 Order in Case No. U-21319.

g. The Parties agree that SEMCO has met or exceeded all goals and parameters established in its 2023 Commission-approved EWR Plan. Therefore, the Commission should authorize SEMCO to recover a performance incentive of \$3,051,229 ("2023 Performance Incentive") based on the methodology described in this Settlement Agreement, and available to SEMCO under 2008 PA 295, as amended by 2016 PA 341 and 2016 PA 342. SEMCO will recover the 2023 Performance Incentive beginning on January 1, 2025, continuing for a period of 12 months.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties and resolves all issues in this case. All offers of settlement and discussions relating to this Settlement Agreement are

considered privileged under Michigan Rule of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to this settlement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the terms of the Settlement Agreement and the order approving it.

8. This Settlement Agreement is based on the facts and circumstances of this 2023 EWR Reconciliation proceeding (in conjunction with the settlement terms of the Company's Amended 2024-2025 EWR Plan proceeding – Case No. U-21328) and is intended for the final disposition of Case No. U-21564. So long as the Commission approves this Settlement Agreement without any modification, the Parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise set forth herein, the Parties agree and understand that this Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings or appeals related thereto.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement.

10. It is the opinion of the Parties that approval of this Settlement Agreement by the Commission would be in the public interest, consistent with applicable law, will aid in



the expeditious conclusion of the issues in this case, and will minimize the time and expense associated with litigating this matter.

11. The Parties agree to waive Section 81 of 1969 PA 306, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

12. The Parties respectfully request that the Commission promptly issue an order accepting and approving this Settlement Agreement. If the Commission issues an order accepting and adopting the Settlement Agreement without modification, no party will appeal, challenge, or contest the Commission's Order accepting and approving this Settlement Agreement. If the Commission does not accept and approve this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

13. The stipulations and agreements contained in this Settlement Agreement shall constitute the record needed to support the Commission order in this case.

**MICHIGAN PUBLIC SERVICE COMMISSION  
STAFF**



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Nicholas Q. Taylor (P81020)  
Alena M. Clark (P73252)  
Michigan Public Service Commission  
7109 W. Saginaw, 3rd Floor  
Lansing, MI 48917  
(517) 284-8140

Dated: August 21, 2024

Dated: August 21, 2024

**SEMCO ENERGY GAS COMPANY**

Theresa A.  
G. Staley

Digitally signed by: Theresa A.G.  
Staley  
DN: CN = Theresa A.G. Staley  
email = TASTaley@dykema.com C  
= US  
Date: 2024.08.21 14:37:13 -04'00'

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Richard J. Aaron (P35605)  
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Dykema Gossett PLLC  
201 Townsend St., Suite 900  
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(517) 374-9100

## **ATTACHMENT 1**

Effective until December 31, 2024

Surcharge Rates per Dth

|   | Low-<br>Income  | Residential     | GS-1            | GS-2            | GS-3            | TR-1            | TR-2            | TR-3            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2022 Reconciliation, Inc.<br>Fin. Incentive (U-21319) | \$0.0597        | \$0.0691        | \$0.3898        | \$0.3898        | \$0.3898        | \$0.0466        | \$0.0466        | \$0.0466        |
| 2024 EWR Amended Plan<br>Budget (U-21328)             | \$0.1062        | \$0.2718        | \$5.6916        | \$5.6916        | \$5.6916        | \$0.2934        | \$0.2934        | \$0.2934        |
| <b>Total EWR</b>                                      | <b>\$0.1659</b> | <b>\$0.3409</b> | <b>\$6.0814</b> | <b>\$6.0814</b> | <b>\$6.0814</b> | <b>\$0.3400</b> | <b>\$0.3400</b> | <b>\$0.3400</b> |
| Distribution/Transportation<br>Rate (U-20479)         | \$2.2451        | \$2.2451        | \$1.9556        | \$1.5226        | \$1.1966        | \$1.0334        | \$0.8563        | \$0.4669        |
| <b>Total Billed Rate</b>                              | <b>\$2.4110</b> | <b>\$2.5860</b> | <b>\$8.0370</b> | <b>\$7.6040</b> | <b>\$7.2780</b> | <b>\$1.3734</b> | <b>\$1.1963</b> | <b>\$0.8069</b> |

**SECTION D  
GAS SALES SERVICE  
SURCHARGES**

Energy Waste Reduction Program Clause – This clause permits, pursuant to Section 89(2) of 2016 PA 295, recovery of the actual costs of implementing its approved energy waste reduction plan. This charge is to be on a volumetric basis for all customers

Energy Waste Reduction  
Surcharge  
Case No. **U-21328**  
**Effective until December 31, 2024**

| Rate Class  | All Dth per Month       |   | Distribution Charge |   | Billed Distribution Charge   |
|-------------|-------------------------|---|---------------------|---|------------------------------|
| Residential | <b>\$0.3409</b> per Dth | + | \$2.2451 per Dth    | = | <b>\$2.5860</b> per Dth      |
| Low-Income  | <b>\$0.1659</b> per Dth | + | \$2.2451 per Dth    | = | <b>\$2.4110</b> per Dth      |
| Rate Class  | 0 - 9 Dth per Month     |   | Distribution Charge |   | Billed Distribution Charge   |
| GS-1        | <b>\$6.0814</b> per Dth | + | \$1.9556 per Dth    | = | <b>\$8.0370</b> per Dth      |
| GS-2        | <b>\$6.0814</b> per Dth | + | \$1.5226 per Dth    | = | <b>\$7.6040</b> per Dth      |
| GS-3        | <b>\$6.0814</b> per Dth | + | \$1.1966 per Dth    | = | <b>\$7.2780</b> per Dth      |
| Rate Class  | > 9 Dth per Month       |   | Distribution Charge |   | Billed Distribution Charge 2 |
| GS-1        | \$0.0001 per Dth        | + | \$1.9556 per Dth    | = | \$1.9557 per Dth             |
| GS-2        | \$0.0001 per Dth        | + | \$1.5226 per Dth    | = | \$1.5227 per Dth             |
| GS-3        | \$0.0001 per Dth        | + | \$1.1966 per Dth    | = | \$1.1967 per Dth             |

\*Low Income EWR Residential Monthly Credit qualifications are listed on Sheet D-7.00

Continued on Sheet D-2.01

Issued xxxxxx  
Mark Simone  
President  
Port Huron

Effective for bills rendered  
on and after xxxxx. Issued under  
authority of the Michigan Public Service  
Commission dated August 30, 2023 in case U-21319 and xxxx  
in case U-21328.

Continued From Sheet E-21.00

(b) Unauthorized Positive Imbalance - weather or not a DBR is declared:

The price for an Unauthorized Positive Imbalance of gas, purchased by the Company, will be the lesser of 80% of the Daily Index price or the Company's currently effective Commodity GCR rate on the Day of the sale.

- d. The Daily Index Price will be the daily average of the MichCon city-gate midpoint price and the Consumers city-gate midpoint price as published in Platts Gas Daily. If Platts Gas Daily discontinues reporting of one or both of these prices, the Company may substitute a comparable reporting service and/or city-gate pricing index.
  - e. Daily Cash-Outs will be netted together by Shipper over the effective Monthly billing period.
  - f. Daily Cash-Outs for a Pool will be billed directly to the Pool's Agent.
3. Payment of any Balancing Costs or penalties by Shippers, Authorized Agents or Pooling Agents does not (a) eliminate an imbalance, (b) constitute a sale of gas, (c) entitle Shipper or Shipper's Authorized Agent(s) to maintain an imbalance, or (d) allow Shipper or Shipper's Authorized Agent(s) to store gas on the Company's system. Imbalances are resolved on a daily basis under the Daily Cash-Out provision. It shall be the responsibility of the Shipper or Shipper's Authorized Agent(s) to adjust receipts of gas to and deliveries of gas from the Company to balance their accounts on a daily basis.
4. All Balancing Recovery Costs will be credited to the Cost of Gas Sold under the Company's Booked Cost of Gas Sold provisions (Rule C7.2).

F. Surcharges and Credits

Gas service under this rate may be subject to surcharges and/or credits as shown below:

1. Energy Waste Reduction

- a. Energy Waste Reduction Program Clause – This clause permits, pursuant to Section 89(2) of 2008 PA 295, recovery of the actual costs of implementing its approved energy waste reduction plan. This charge is to be on a volumetric basis for all customers. Special contract customers will be billed in the sales and transportation rate class most appropriate to their volumetric throughput.

b. Energy Waste Reduction Surcharge  
**Effective until December 31, 2024**

| Rate Class | Up to 2500<br>Dth/Month | Transportation<br>Charge | Billed<br>Transportation<br>Charge | MPSC Order<br>Number |
|------------|-------------------------|--------------------------|------------------------------------|----------------------|
| TR-1       | <b>\$0.3400</b> per Dth | \$1.0334 per Dth         | <b>\$1.3734</b> per Dth            | <b>U- 21328</b>      |
| TR-2       | <b>\$0.3400</b> per Dth | \$0.8563 per Dth         | <b>\$1.1963</b> per Dth            | <b>U- 21328</b>      |
| TR-3       | <b>\$0.3400</b> per Dth | \$0.4669 per Dth         | <b>\$0.8069</b> per Dth            | <b>U- 21328</b>      |

**Continued On Sheet No. E-23.00**

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authority of the Michigan Public Service  
Commission dated August 30, 2023 in case U-21319 and xxxx  
in case U-21328.

M.P.S.C. No. 1 – Gas  
SEMCO Energy Gas Company  
(EWR Plan Case U-21328)

Revised Sheet No. E-23.00  
Cancels Revised Sheet No. E-23.00

Continued From Sheet E-22.00

| Rate Class | >2,500 Per Dth   | Transportation Charge | Billed Transportation Charge 2 | MPSC Order Number |
|------------|------------------|-----------------------|--------------------------------|-------------------|
| TR-1       | \$0.0001 per Dth | \$1.0334 per Dth      | \$1.0335 per Dth               | <b>U-21328</b>    |
| TR-2       | \$0.0001 per Dth | \$0.8563 per Dth      | \$0.8564 per Dth               | <b>U-21328</b>    |
| TR-3       | \$0.0001 per Dth | \$0.4669 per Dth      | \$0.4670 per Dth               | <b>U-21328</b>    |

## 2. Facility Improvement Demand Surcharge

All gas Transported for rates under classes TR-1, TR-2, TR-3, or by special contract, including subsidiary accounts under a principle transportation account, are subject to the Facility Improvement Demand Surcharge as indicated.

| Billing Years: April 1-March 31 | Rate per Dth |
|---------------------------------|--------------|
| 2022-2023                       | \$0.0748     |
| 2023-2024                       | \$0.0358     |
| 2024-2025                       | \$0.0339     |
| 2025-2026                       | \$0.0104     |
| 2026-2027                       | \$0.0104     |

## G. Infrastructure Reliability Improvement Program ("IRIP")

The IRIP program consists of projects that will specifically target and mitigate system vulnerabilities reducing the potential impact to customers of an unexpected weather event or isolated damage impeding supply. The customer surcharges identified below will be in effect beginning January 2023 as approved in U-20479 until new rates are established in a future contested case addressing the IRIP.

| Rate Class | Amount               | MPSC Order Number |
|------------|----------------------|-------------------|
| TR-1       | \$182.57 per Month   | U-20479           |
| TR-2       | \$922.30 per Month   | U-20479           |
| TR-3       | \$4,609.49 per Month | U-20479           |

## E9. OFF-SYSTEM TRANSPORTATION SERVICE - (OSTS)

### A. Availability

1. This Rate Schedule is available to all entities (hereinafter referred to as "OSTS Shipper") desiring to Transport gas through the Company's utility pipeline system to an Off-System location, when:
  - a. OSTS Shipper and Company have executed an Off-System Transportation Service Agreement for service under this Rate Schedule indicating, among other terms and conditions, the specific Point of Receipt where OSTS Shipper shall cause gas to enter the Company's utility pipeline system and the specific Point of Delivery where the OSTS Shipper will cause gas to exit the Company's utility pipeline system; and

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President  
Port Huron

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Commission dated August 30, 2023 in case U-21319 and xxxx  
in case U-21328.

## **ATTACHMENT 2**



Effective January 1, 2025

Surcharge Rates per Dth

|   | Low-<br>Income  | Residential     | GS-1            | GS-2            | GS-3            | TR-1            | TR-2            | TR-3            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2023 Reconciliation, Inc.<br>Fin. Incentive (U-21564) | \$0.0677        | \$0.0708        | \$0.4324        | \$0.4324        | \$0.4324        | \$0.0375        | \$0.0375        | \$0.0375        |
| 2025 EWR Amended Plan<br>Budget (U-21328)             | \$0.2476        | \$0.4368        | \$5.1786        | \$5.1786        | \$5.1786        | \$0.3781        | \$0.3781        | \$0.3781        |
| <b>Total EWR</b>                                      | <b>\$0.3153</b> | <b>\$0.5076</b> | <b>\$5.6110</b> | <b>\$5.6110</b> | <b>\$5.6110</b> | <b>\$0.4156</b> | <b>\$0.4156</b> | <b>\$0.4156</b> |
| Distribution/Transportation<br>Rate (U-20479)         | \$2.2451        | \$2.2451        | \$1.9556        | \$1.5226        | \$1.1966        | \$1.0334        | \$0.8563        | \$0.4669        |
| <b>Total Billed Rate</b>                              | <b>\$2.5604</b> | <b>\$2.7527</b> | <b>\$7.5666</b> | <b>\$7.1336</b> | <b>\$6.8076</b> | <b>\$1.4490</b> | <b>\$1.2719</b> | <b>\$0.8825</b> |

**SECTION D  
GAS SALES SERVICE  
SURCHARGES**

Energy Waste Reduction Program Clause – This clause permits, pursuant to Section 89(2) of 2016 PA 295, recovery of the actual costs of implementing its approved energy waste reduction plan. This charge is to be on a volumetric basis for all customers

Energy Waste Reduction  
Surcharge  
Case No. **U-21564**

**Effective January 1, 2024**

| <u>Rate Class</u> | <u>All Dth per Month</u>    |   | <u>Distribution Charge</u> |   | <u>Billed Distribution Charge</u>   |
|-------------------|-----------------------------|---|----------------------------|---|-------------------------------------|
| Residential       | <b>\$0.5076</b> per Dth     | + | \$2.2451 per Dth           | = | <b>\$2.7527</b> per Dth             |
| Low-Income        | <b>\$0.3153</b> per Dth     | + | \$2.2451 per Dth           | = | <b>\$2.5604</b> per Dth             |
| <u>Rate Class</u> | <u>0 - 9 Dth per Month</u>  |   | <u>Distribution Charge</u> |   | <u>Billed Distribution Charge</u>   |
| GS-1              | <b>\$5.6110</b> per Dth     | + | \$1.9556 per Dth           | = | <b>\$7.5666</b> per Dth             |
| GS-2              | <b>\$5.6110</b> per Dth     | + | \$1.5226 per Dth           | = | <b>\$7.1336</b> per Dth             |
| GS-3              | <b>\$5.6110</b> per Dth     | + | \$1.1966 per Dth           | = | <b>\$6.8076</b> per Dth             |
| <u>Rate Class</u> | <u>&gt; 9 Dth per Month</u> |   | <u>Distribution Charge</u> |   | <u>Billed Distribution Charge 2</u> |
| GS-1              | \$0.0001 per Dth            | + | \$1.9556 per Dth           | = | \$1.9557 per Dth                    |
| GS-2              | \$0.0001 per Dth            | + | \$1.5226 per Dth           | = | \$1.5227 per Dth                    |
| GS-3              | \$0.0001 per Dth            | + | \$1.1966 per Dth           | = | \$1.1967 per Dth                    |

\*Low Income EWR Residential Monthly Credit qualifications are listed on Sheet D-7.00

Continued on Sheet D-2.01

Issued xxxxxx  
Mark Simone  
President  
Port Huron

Effective for bills rendered  
on and after xxxxx. Issued under  
authority of the Michigan Public Service  
Commission dated xxx in case U-21564 and xxxx in case U-  
21328.

Continued From Sheet E-21.00

(b) Unauthorized Positive Imbalance - weather or not a DBR is declared:

The price for an Unauthorized Positive Imbalance of gas, purchased by the Company, will be the lesser of 80% of the Daily Index price or the Company's currently effective Commodity GCR rate on the Day of the sale.

- d. The Daily Index Price will be the daily average of the MichCon city-gate midpoint price and the Consumers city-gate midpoint price as published in Platts Gas Daily. If Platts Gas Daily discontinues reporting of one or both of these prices, the Company may substitute a comparable reporting service and/or city-gate pricing index.
  - e. Daily Cash-Outs will be netted together by Shipper over the effective Monthly billing period.
  - f. Daily Cash-Outs for a Pool will be billed directly to the Pool's Agent.
3. Payment of any Balancing Costs or penalties by Shippers, Authorized Agents or Pooling Agents does not (a) eliminate an imbalance, (b) constitute a sale of gas, (c) entitle Shipper or Shipper's Authorized Agent(s) to maintain an imbalance, or (d) allow Shipper or Shipper's Authorized Agent(s) to store gas on the Company's system. Imbalances are resolved on a daily basis under the Daily Cash-Out provision. It shall be the responsibility of the Shipper or Shipper's Authorized Agent(s) to adjust receipts of gas to and deliveries of gas from the Company to balance their accounts on a daily basis.
4. All Balancing Recovery Costs will be credited to the Cost of Gas Sold under the Company's Booked Cost of Gas Sold provisions (Rule C7.2).

F. Surcharges and Credits

Gas service under this rate may be subject to surcharges and/or credits as shown below:

1. Energy Waste Reduction

- a. Energy Waste Reduction Program Clause – This clause permits, pursuant to Section 89(2) of 2008 PA 295, recovery of the actual costs of implementing its approved energy waste reduction plan. This charge is to be on a volumetric basis for all customers. Special contract customers will be billed in the sales and transportation rate class most appropriate to their volumetric throughput.
- b. Energy Waste Reduction Surcharge

| Rate Class | Up to 2500<br>Dth/Month | Transportation<br>Charge | Billed<br>Transportation<br>Charge | MPSC Order<br>Number |
|------------|-------------------------|--------------------------|------------------------------------|----------------------|
| TR-1       | <b>\$0.4156</b> per Dth | \$1.0334 per Dth         | <b>\$1.4490</b> per Dth            | <b>U- 21564</b>      |
| TR-2       | <b>\$0.4156</b> per Dth | \$0.8563 per Dth         | <b>\$1.2719</b> per Dth            | <b>U- 21564</b>      |
| TR-3       | <b>\$0.4156</b> per Dth | \$0.4669 per Dth         | <b>\$0.8825</b> per Dth            | <b>U- 21564</b>      |

Continued On Sheet No. E-23.00

Issued xxxxxx  
Mark Simone  
President  
Port Huron

Effective for bills rendered  
on and after xxxxx. Issued under  
authority of the Michigan Public Service  
Commission dated xxx in case U-21564 and xxxx in case U-  
21328.

M.P.S.C. No. 1 – Gas  
SEMCO Energy Gas Company  
(EWR Rec Case U-21564)

Revised Sheet No. E-23.00  
Cancels Revised Sheet No. E-23.00

Continued From Sheet E-22.00

| Rate Class | >2,500 Per Dth   | Transportation Charge | Billed Transportation Charge 2 | MPSC Order Number |
|------------|------------------|-----------------------|--------------------------------|-------------------|
| TR-1       | \$0.0001 per Dth | \$1.0334 per Dth      | \$1.0335 per Dth               | <b>U-21564</b>    |
| TR-2       | \$0.0001 per Dth | \$0.8563 per Dth      | \$0.8564 per Dth               | <b>U-21564</b>    |
| TR-3       | \$0.0001 per Dth | \$0.4669 per Dth      | \$0.4670 per Dth               | <b>U-21564</b>    |

## 2. Facility Improvement Demand Surcharge

All gas Transported for rates under classes TR-1, TR-2, TR-3, or by special contract, including subsidiary accounts under a principle transportation account, are subject to the Facility Improvement Demand Surcharge as indicated.

| Billing Years: April 1-March 31 | Rate per Dth |
|---------------------------------|--------------|
| 2022-2023                       | \$0.0748     |
| 2023-2024                       | \$0.0358     |
| 2024-2025                       | \$0.0339     |
| 2025-2026                       | \$0.0104     |
| 2026-2027                       | \$0.0104     |

## G. Infrastructure Reliability Improvement Program ("IRIP")

The IRIP program consists of projects that will specifically target and mitigate system vulnerabilities reducing the potential impact to customers of an unexpected weather event or isolated damage impeding supply. The customer surcharges identified below will be in effect beginning January 2023 as approved in U-20479 until new rates are established in a future contested case addressing the IRIP.

| Rate Class | Amount               | MPSC Order Number |
|------------|----------------------|-------------------|
| TR-1       | \$182.57 per Month   | U-20479           |
| TR-2       | \$922.30 per Month   | U-20479           |
| TR-3       | \$4,609.49 per Month | U-20479           |

## E9. OFF-SYSTEM TRANSPORTATION SERVICE - (OSTS)

### A. Availability

1. This Rate Schedule is available to all entities (hereinafter referred to as "OSTS Shipper") desiring to Transport gas through the Company's utility pipeline system to an Off-System location, when:
  - a. OSTS Shipper and Company have executed an Off-System Transportation Service Agreement for service under this Rate Schedule indicating, among other terms and conditions, the specific Point of Receipt where OSTS Shipper shall cause gas to enter the Company's utility pipeline system and the

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Commission dated xxxx in case U-21564 and xxxx in case U-  
21328.


# PROOF OF SERVICE

STATE OF MICHIGAN )

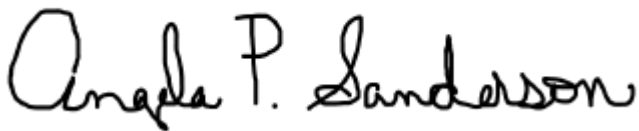
Case No. U-21564

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on September 5, 2024 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

  
Brianna Brown

Subscribed and sworn to before me  
this 5<sup>th</sup> day of September 2024.



Angela P. Sanderson  
Notary Public, Shiawassee County, Michigan  
As acting in Eaton County  
My Commission Expires: May 21, 2030

**Service List for Case: U-21564**

---

| <b>Name</b>                          | <b>On Behalf Of</b>      | <b>Email Address</b>             |
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| Richard J. Aaron                     | SEMCO Energy, Inc.       | raaron@dykema.com                |
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| Theresa A. Staley                    | SEMCO Energy, Inc.       | tastaley@dykema.com              |

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Realgy Energy Services

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