



CITY of NOVI CITY COUNCIL

**Agenda Item K
July 13, 2015**

SUBJECT: Approval of an Accounts Receivable Agreement with Detroit Edison Company for the relocation of power poles located outside of the existing right-of-way in the amount of \$15,513.19, as part of the 11 Mile Road Pathway Construction project; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$15,520 for this budget line item.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division *BTC RJA*

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 15,513.19
AMOUNT BUDGETED	\$ 0 (\$406,100 Remaining Budget in FY14-15)
APPROPRIATION REQUIRED	\$ 15,520.00
LINE ITEM NUMBER	202-202.00-865.672

BACKGROUND INFORMATION:

One of the projects scheduled for construction this season will be the construction of a six-foot wide pathway along the south side of 11 Mile Road and a 10-foot pathway along the north side between Meadowbrook and Town Center Drive. The design is complete and the project is currently out for bids.

Engineering staff have been working diligently with Detroit Edison, AT&T and Brighthouse to facilitate the relocation of several overhead and underground facilities along 11 Mile Road in order to accommodate the new pathways. Most of the utilities were located within the existing right-of-way and will be relocated at no cost to the City. There are two power poles that are located outside of the existing right-of-way in existing easements in favor of Detroit Edison that require relocation. The cost to relocate the poles is \$15,513 and since they are outside of the existing right-of-way, the cost must be borne by the City.

This project was funded in FY14-15 for construction in 2015; therefore, a rollover budget amendment resolution is included for consideration to roll over the funds to this line item for FY15-16. The construction award will be presented for City Council consideration at an upcoming meeting. The relocations will occur concurrent with construction which is set to be completed by the end of fall.

RECOMMENDED ACTION: Approval of an Accounts Receivable Agreement with Detroit Edison Company for the relocation of power poles located outside of the existing right-of-way in the amount of \$15,513.19, as part of the 11 Mile Road Pathway Construction project; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$15,520 for this budget line item.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Markham				

	1	2	Y	N
Council Member Mutch				
Council Member Poupard				
Council Member Wrobel				

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following Budget Amendment for the Accounts Receivable Agreement with Detroit Edison Company for the relocation of power poles located outside of the existing right-of-way as part of the 11 Mile Road Pathway Project is authorized:

	INCREASE (DECREASE)
MAJOR STREET FUND	
APPROPRIATIONS	
Capital Outlay	15,520
TOTAL APPROPRIATIONS	\$ 15,520
Net Increase (Decrease) to Fund Balance	\$ (15,520)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held on July 13, 2015

Maryanne Cornelius
City Clerk

Location Map

11 Mile Pathways

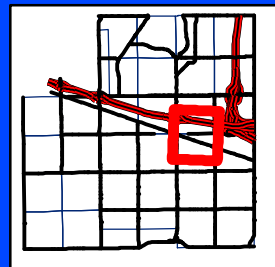


Map Author: Brian Coburn
 Date: 12-12-14
 Project:
 Version #:

Amended By:
 Date:
 Department:

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



City of Novi
 Engineering Division
 Department of Public Services
 26300 Lee BeGole Drive
 Novi, MI 48375
 cityofnovi.org



1 inch = 791 feet



Accounts Receivable Agreement
No. 43132404



"DTE Energy" and "Customer" make this agreement for consideration of the promises in the Agreement.

"DTE Energy" is:

The DTE Energy Company
8001 Haggerty Rd
Belleville, MI 48111

"Customer" is:

City of Novi
Benjamin Croy
26300 Lee Begole Dr.
Novi, MI 48375

Background Statement: Customer requests DTE Energy to perform the work indicated below in the vicinity of 11 Mile Rd. At Lee Begole Dr.. To do this, DTE Energy requires that payment be made in the amount indicated below. Under Michigan Public Service Commission rules, DTE Energy is permitted to require payment before performing this work.

**DTE Energy and Customer agree to the following terms:
See details of this contract under the Terms and Conditions section**

Payment for the requested work is \$15,513.19.

The type of work to be performed:

Relocation of two DTE poles along the north side of 11 Mile Rd., west of Lee Begole Dr. One of the two poles is an underground primary cable pole, which will involve modifying the underground cable. Overhead Charges = \$12480.48. Underground charges = \$3032.71.

In return for the above payment, The DTE Energy Company agrees to perform the requested work, providing all necessary permits and rights-of-way can be secured. This job will not be scheduled until DTE Energy receives payment for the above work.

Notwithstanding anything herein to the contrary, the installation, ownership, and maintenance of electric services and the rates, fees, and charges to be made shall be subject to and in accordance with the orders and rules and regulations adopted and approved from time to time by the Michigan Public Service Commission.

DTE Energy:(sign) _____ **Title:** Supervisor **Date:** 6-15-2015
Patrick W Lawrie

Customer:(sign) _____ **(print)** _____ **Date:** _____
(sign) _____ **(print)** _____ **Date:** _____

Terms and Conditions
Accounts Receivable Agreement

1. **MPSC Rules** - This Agreement is subject to the Michigan Public Services Commission ("MPSC") Rules, including but not limited to, Rule C6.1, "Extension of Service", Rule C6.2, "Overhead Extension Policy", Rule C6.3, "Underground Distribution Systems"; and Rule C6.5 "Miscellaneous Customer Requests", which are incorporated herein by reference.
2. **Description of Work** - DTE Energy or one of its contractors shall install or remove the underground or overhead conductors and any associated overhead or underground equipment required for the request, (collectively, the "Work"). DTE Energy will only install electric service and is not responsible for any other utility service including, but not limited to, cable television, or other communication services. Customer shall contact those companies responsible for the installation of services other than electrical service.
3. **Customer Staking Requirements**
 - a. Prior to commencement of the Work, Customer shall visually identify, by either exposing or clearly staking through the use of flags or other appropriate identification device, all private underground property, including but not limited to:
 - a. private electrical lines
 - b. sprinkler systems
 - c. invisible fences
 - d. swimming pool hardware
 - e. septic tanks and fields
 - f. fiber optic lines
 - g. security systems
 - h. heated sidewalk and driveway equipment
 - i. burial sites of pets
 - j. geothermal systems
 - k. private water mains and lines
 - l. solar power equipment
 - m. privately owned gas
 - n. propane and petroleum lines
 - o. any other underground equipment not previously listed.
 - b. If Customer refuses the route suggested by DTE Energy for the Work and requests an alternative route, which is mutually agreed to by Customer and DTE Energy, Customer shall stake the alternative route as provided in paragraph 3(a) above.
 - c. If Customer fails to clearly stake all private underground property, then Customer releases DTE Energy from any and all liability for property damage related to the installation, operation or maintenance of the Work, including, but not limited to, loss of trees, shrubs or other landscape.
4. **Total Payment** - By executing this Agreement, Customer agrees to pay DTE Energy the "Total Payment" calculated on page 1 of this agreement.
5. **Termination prior to Commencement of Work** - If Customer fails to complete any obligations under this Agreement within six (6) months from the date DTE Energy receives full payment or the Total payment, then, upon written notice, DTE Energy may cancel this Agreement and a refund may be issued to Customer, less all reasonable costs incurred by DTE Energy.
6. **Failure to Execute Agreement; Changes to Agreement:** If the Customer fails to execute this Agreement and pay the Total payment due to DTE Energy within six (6) months of the date of this Agreement, then this Agreement shall become null and void. Further, Customer shall not make any changes to this Agreement, including but not limited to handwritten changes or striking any language. In the event Customer makes any changes to this Agreement without the specific written consent of DTE Energy, then this Agreement shall become null and void.
7. **Damages and Limitation on Liability** - If Customer, its contractors, agents, and/or employees cause damage to the Work, then Customer shall reimburse DTE Energy for all costs related to that damage. DTE Energy reserves the right to retain portions of the Refundable Construction Advance to offset such damages.

DTE Energy's sole liability to Customer, its employees, agents, subcontractors and to all other persons arising out of or related to the performance of the Work, whether in contract, under any claims warranty, in tort, or otherwise shall be limited to either DTE Energy repairing or replacing the Work at its own expense or, at DTE Energy's option, refund the money paid for the Work. The foregoing shall be Customer's sole remedy. In no event will DTE Energy or its contractors be liable under this Agreement or under any cause of action relating to the subject matter of this Agreement, whether based on contract, warranty, tort (including negligence), strict liability, indemnity or otherwise, for any incidental or consequential damages including but not limited to loss of use, interest charges, inability to operate full capacity, lost profits or other similar claims of Customer.
8. **Set Off** - DTE Energy shall be entitled at any time to set off any sums owing by Customer or any of Customer's affiliated companies with common ownership, to DTE Energy or any of DTE Energy's affiliated companies, against sums payable by DTE Energy.
9. **Assignment and Notices** - Customer shall not assign this Agreement without DTE Energy's prior written consent. All notices required by this Agreement must be in writing and sent by U.S. mail or delivered in person to the addresses listed on page 1 of this Agreement.
10. **Saving Clause** - Each term and condition of this Agreement is deemed to have an independent effect and the invalidity of any partial or whole paragraph or section shall not invalidate the remaining paragraphs or sections. The obligation to perform all of the terms and conditions shall remain in effect regardless of the performance of any invalid term by the other party.

11. Governing Law and Jurisdiction - This Agreement shall be construed in accordance with the law of the State of Michigan, without regard to conflict of law principals. The parties agree that any action with respect to this Agreement shall be brought in a court of competent jurisdiction located in the State of Michigan and the parties hereby submit themselves to the exclusive jurisdiction and venue of such court for the purpose of such action.

12. Entire Agreement - This Agreement together with the DTE Energy Rate Book on file with the MPSC, the Electrical Service Installation Guide, which is available at:

www.dteenergy.com/businessCustomers/buildersContractors/electricService/standards.html

and, if applicable, the Certificate of Grade (referred to herein collectively, as the "Contract Documents") constitutes the entire Agreement between the parties regarding this transaction. Any agreements, negotiations or understanding of the parties prior to or contemporaneous to the date of the Agreement, whether written or oral, are superseded hereby. In the event of a conflict between the Contract Documents, then the Contract Document shall control in the order stated above.

8001 Haggerty Rd
Belleville, MI 48111



Monday, June 15, 2015

City of Novi
Benjamin Croy
26300 Lee Begole Dr.
Novi, MI 48375

Regarding: 11 Mile Rd. At Lee Begole Dr., Novi Township

Enclosed are two (2) copies of the Accounts Receivable Agreement for your signature. The payment for this work is \$15,513.19 based on:

Relocation of two DTE poles along the north side of 11 Mile Rd., west of Lee Begole Dr. One of the two poles is an underground primary cable pole, which will involve modifying the underground cable. Overhead Charges = \$12480.48. Underground charges = \$3032.71.

Please return the signed agreement to me with a check made payable to DTE Energy. Keep the "Customer Copy" document for your records. To ensure proper credit, the Agreement number should be indicated on your remitted check. When we receive the signed agreement and your check, we will proceed to schedule the work.

If you have any questions regarding this job, please feel free to contact me at the phone number or e-mail address indicated below.

Sincerely,

Christopher Mira
Planner
734-397-4025
mirac@dteenergy.com

enclosures:
Two copies of the Accounts Receivable Agreement



JOHNSON ROSATI SCHULTZ JOPPICH PC

27555 Executive Drive Suite 250 ~ Farmington Hills, Michigan 48331
Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrslaw.com

www.johnsonrosati.com

June 30, 2015

Brian Coburn, Engineering Manager
CITY OF NOVI
Department of Public Services
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

Re: Eleven Mile Road Pathway Project – DTE Pole Relocation
Accounts Receivable Agreement

Dear Mr. Coburn:

We have received and reviewed the Accounts Receivable Agreement provided by DTE Energy (DTE) in connection with the City's request to relocate DTE's existing poles on the north side of Eleven Mile Road, west of Lee Begole Dr. Because the poles are located outside of the public right-of-way within an existing DTE easement over private property, MPSC Rules require the City to pay for the relocation.

The Accounts Receivable Agreement recites the scope of work to be completed by DTE and the total cost of the work to be paid by the City prior to DTE initiating the work. It also includes City obligations for staking prior to DTE undertaking the work set forth in the Agreement.

The Agreement limits DTE's liability to the City for the work to the cost of DTE repairing or replacing the work under the Agreement. Because the relocation is occurring outside of the public right-of-way and DTE is undertaking the work itself it is most likely that DTE would be held liable for its own actions in connection with the work and recovery would be sought directly through DTE and its insurer rather than through the City. In all events, the City may be liable for errors in staking or other actions directly undertaken by City employees or contractors relating to the work. We have no objection to this limitation on the basis that in reality, the parties would likely be directly responsible for their own actions.

Finally, the Agreement incorporates MPSC Rules C6.1 through C6.5 (excluding C6.4) into the Agreement, which we have enclosed. The Rules primarily address policies for extensions and the cost of extensions.

Brian Coburn, Engineering Manager
June 30, 2015
Page 2

We see no legal impediment to the City approving the enclosed Accounts Receivable Agreement for the relocation of the two DTE poles in question.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.



Elizabeth Kudla Saarela

EKS

Enclosures

C: Maryanne Cornelius, Clerk
Rob Hayes, Public Services Director
Ben Croy, Civil Engineer
Thomas R. Schultz, Esquire

(Continued from Sheet No. C-24.00)

C5 CUSTOMER RESPONSIBILITY (Contd.)

C5.7 Non-Transmitting Meter Provision (Residential Only)

Rates: Initial fee: \$67.20 per request

Monthly Charge: \$9.80 per month

A Customer electing to have a non-transmitting meter(s) and who already has a transmitting meter installed at their premise will have their meter changed to a non-transmitting meter. A Customer, who has not had their current meter replaced by a transmitting meter at the time they request to have a non-transmitting meter, will temporarily retain their current meter until such a time as transmitting meters in their area are installed and subsequently will receive a non-transmitting meter. A Customer who has not had their current meter replaced by a transmitting meter and requests a non-transmitting meter will pay the initial fee at the time they request this option but will not pay the monthly charge until transmitting meters are installed in their area.

Customers electing this provision will be physically unable to access all of the benefits of having a transmitting meter. All charges and provisions of the customer's otherwise applicable tariff shall apply.

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS

C6.1 Extension of Service

This section of the rules and regulations sets forth the terms and conditions under which the Company will construct and extend its facilities to serve new loads and replace, relocate or otherwise modify its facilities.

Upon application for new or increased service, the Company will make extensions or alterations of its electric supply facilities under the following conditions, provided that the service applied for will not disturb or impair the service to existing customers.

(Continued on Sheet No. C-25.00)

Issued June 11, 2013
N. A. Khouri
Vice President
Regulatory Affairs

Detroit, Michigan



Effective for service rendered on
and after May 15, 2013

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Michigan Public Service Commission
dated May 15, 2013
In Case No. U-17053

(Continued from Sheet No. C-24.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.1 Extension of Service (Contd.)

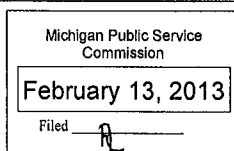
A GENERAL

- (1) Each installation shall be a separate distinct unit and any further extension therefrom shall have no effect upon any agreement under which previous installations were constructed.
- (2) The Company normally provides overhead construction for its electric supply lines. Underground construction will be provided at the option of the Company for its own convenience, where necessary for public safety and where overhead construction is impractical.
- (3) Where the Company, for its own convenience, installs its facilities underground, the differential between estimated overhead construction costs and underground costs of such installation will be borne by the Company. All other costs will be governed by the Company's Overhead Extension Policy.
- (4) Existing rules issued by the Commission require that distribution systems in a new residential subdivision and commercial distribution and service lines in the vicinity of or on the customer's property and constructed solely to serve a customer or a group of adjacent customers be placed underground. Commercial distribution specifically includes, but is not limited to, apartment house complexes and shopping centers.
- (5) An exception to the foregoing mandatory requirement for undergrounding may be made, where, in the Company's judgment, any of the following conditions exist:
 - (a) Such facilities would serve General Service customers having loads of temporary duration; or
 - (b) Such facilities would serve General Service customers in areas where little aesthetic improvement would be realized if such facilities were placed underground; or
 - (c) Such facilities would serve General Service customers in areas where it is impractical to design and place such facilities underground because of uncertainty of the size and character of the loads to be served therefrom.
- (6) Refunds of refundable construction advances will be made without interest for a period of five (5) years after completion of the line extension. Refunds will not be made until the original customer(s) estimated revenues are exceeded by actual revenues as a result of the line extension. All line extensions will be reviewed yearly for refunds. The Company shall have no further obligation to refund the remaining portion of the construction advance. Any unrefunded construction advance will be considered a non-refundable contribution in aid of construction.

(Continued on Sheet No. C-26.00)

Issued February 6, 2013
N. A. Khouri
Vice President
Regulatory Affairs

Detroit, Michigan



Effective for service rendered on
and after November 1, 2012

Issued under authority of the
Michigan Public Service Commission
dated October 9, 2007
in Case No. U-15152

(Continued from Sheet No. C-25.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

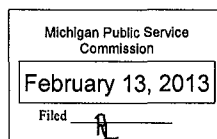
C6.1 Extension of Service (Contd.)

- (7) The Company reserves the right to make special contractual arrangements as to the provision of necessary service facilities, duration of contract, customer advances for construction, contributions in aid of construction, deposits, amounts of refunds, minimum bills, service charges or other service conditions. This applies to existing customers and prospective customers whose load requirements exceed the capacity of the available system in the area or whose load characteristics or special service needs require unusual or additional investments by the Company or where there is not sufficient assurance of the permanence of the use of the service.
- (8) The Company will construct electric distribution facilities and extensions only in the event that it is able to obtain or use the necessary materials, equipment and supplies. Subject to the review by the Commission, the Company reserves the right to allocate the use of such materials, equipment and supplies as it may have on hand from time to time among the various customers and prospective customers of the same class.
- (9) If temporary overhead or underground facilities are required, Section C6.5A "Temporary Service," shall apply.
- (10) Except where specifically stated otherwise, line extension policy is based on overhead construction and any financial participation by the customers for underground facilities shall be in addition to other charges provided for in these rules.
- (11) Prior to commencement of construction, the applicant shall make a refundable construction advance based on the Company's overhead extension policy, plus a non-refundable contribution in aid of construction as required by the underground extension rules when applicable. Refunds will be based on the overhead extension refund policy and shall apply only to that portion related to the refundable construction advance.
- (12) When a primary extension to serve an applicant or group of applicants must cross adjacent land on which underground construction is required by the property owner (such as on State or Federal lands) the applicant's shall make a non-refundable contribution in aid of construction equal to the estimated difference in cost between the underground and equivalent overhead facilities. The Company may establish a per foot charge to be considered the difference in cost. Such charge shall be adjusted from time to time to reflect the Company's actual construction cost experience.

(Continued on Sheet No. C-27.00)

Issued February 6, 2013
N. A. Khouri
Vice President
Regulatory Affairs

Detroit, Michigan



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dated October 9, 2007
in Case No. U-15152

(Continued from Sheet No. C-26.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.1 Extension of Service (Contd.)

- (13) The applicant shall furnish without cost to the Company, all necessary rights-of-way and line clearance permits in a form satisfactory to the Company. The Company will provide the necessary easement forms, and solicit their execution. The applicant(s), as a condition of service, will be ultimately responsible for obtaining all easements and permits as required by the Company, for construction, operation, maintenance and protection of the facilities to be constructed. Where State or Federal lands are to be crossed to extend service to an applicant or group of applicants, the additional costs incurred by the Company for rights-of-way and permit fees shall be borne by the applicant(s). If the applicant is unable to secure satisfactory easements and/or permits, the Company shall extend its facilities along an alternate route selected by the Company. The applicant will be required to make a non-refundable contribution in aid of construction for all additional costs incurred.
- (14) Scheduling of construction shall be done on a basis mutually agreeable to the Company and the applicant. The Company reserves the right not to begin construction until the customer has demonstrated to the Company's satisfaction his intent to proceed in good faith with installation of his facilities by acquiring property ownership, obtaining all necessary permits, starting construction, and/or, in the case of mobile homes, meeting the Company's requirements for permanency.
- (15) The Company reserves the right to make the final determination of selection, application, location, routing and design of its facilities. Where excessive construction costs are incurred by the Company at the request of the customer, the customer may be required to make a non-refundable contribution in aid of construction to the Company for such excess costs.

C6.2 Overhead Extension Policy

A Customers on Rates D1 and D2

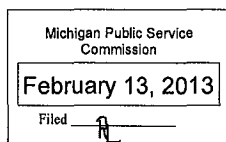
- (1) Overhead Extension Policy - Application for electric service which requires the construction of an extension to the Overhead System will be granted under the following conditions;
- (a) Standard Allowance - For each residence, the Company will construct single-phase distribution line extensions at its own cost a distance of 600 feet, of which no more than 250 feet will be on private property (lateral extension).

If the distribution line is constructed such that it can be available to serve only two premises (joint lot line construction), such extension shall be considered as a lateral extension, and the customer(s) requesting service shall each be granted up to 250 feet of free footage. For purposes of this policy, secondary voltage distribution lines shall not be considered as a line extension.

(Continued on Sheet No. C-28.00)

Issued February 6, 2013
N. A. Khouri
Vice President
Regulatory Affairs

Detroit, Michigan



Effective for service rendered on
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(Continued from Sheet No. C-27.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.2 Overhead Extension Policy (Contd.)

- (b) Charges - Single phase overhead line extensions in excess of the above footage will require a refundable construction advance of \$6.50 per foot, measured from pole to pole, plus a non-refundable contribution for the estimated line clearance cost for such excess footage. There may also be a non-refundable contribution in aid of construction equal to the cost of securing right of way. Three-phase extensions will be on the same basis as Commercial and Industrial.
- (c) Measurement - The length of any extension will be measured along the route of the extension from the Company's nearest facilities from which the extension can be made to the point of connection with the service drop.

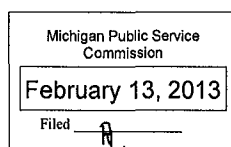
Should the Company for its own reasons choose a longer route, the applicant will not be charged for the additional distance, however, if the customer requests special routing of the line, the customer will be required to pay a non-refundable contribution in aid of construction for the extra cost resulting from the special routing.

- (d) Refunds - During the five (5) year period immediately following the date the line extension is completed, the Company will make refunds of the refundable construction advance paid for a financed extension under provisions of Paragraph (2) above. The amount of any such refund shall be equal to two (2) times the estimated average annual revenue or \$500 (whichever is greater) for each additional standard allowance customer subsequently connected directly to the facilities financed by the original customer. Directly connected residential customers are those which do not require the construction of more than 600 ft. of single phase line extension or 250 feet on private property. Directly connected commercial or industrial customers are those which do not require payment of a refundable construction advance. Such refunds will be made only to the original customer and will not include any amount of non-refundable contribution in aid of construction for underground service made under the provisions of the Company's underground service policy. The refund shall not exceed the total refundable construction advance. The refundable construction advance shall not bear interest.
- (2) Underground Extension Policy - The Company will extend its primary or secondary distribution system from existing overhead or underground facilities. When any such extension is made from an existing overhead system the property owner may be required to provide an easement(s) for extension of the overhead system to a pole on his property where transition from overhead to underground can be made.

(Continued on Sheet No. C-29.00)

Issued February 6, 2013
N. A. Khouri
Vice President
Regulatory Affairs

Detroit, Michigan



Effective for service rendered on
and after November 1, 2012

Issued under authority of the
Michigan Public Service Commission
dated October 9, 2007
in Case No. U-15152

(Continued from Sheet No. C-28.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.2 Overhead Extension Policy (Contd.)

- (a) Charges - Prior to commencement of construction, the applicant shall make a non-refundable contribution in aid of construction equal to the difference between the estimated overhead construction costs and the estimated underground construction costs, plus a refundable construction advance based on the Company's overhead extension policy, which provides for a standard allowance of 600 feet of which no more than 250 feet will be on private property. Underground services will be installed as indicated in Section C6.4.
- (b) Refunds - Refunds will be based on the overhead extension refund policy and shall apply only to that portion related to the refundable construction advance.

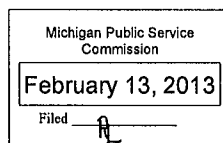
(3) Commercial and Industrial Customers – Less than 1,000 kW

- (a) Standard Allowance - Except for non-refundable contribution in aid of construction for underground service made under the provisions of Rules C6.3 and C6.4, the Company will finance the construction cost necessary to extend its facilities to serve commercial or industrial customers when such investment does not exceed two (2) times the estimated annual revenue anticipated to be collected from customers initially served by the extension.
- (b) Charges - When the estimated cost of construction of such facilities exceeds two (2) times the estimated annual revenue as defined in Paragraph (a), the applicant shall be required to make a refundable construction advance for the entire amount of the excess construction costs.
- (c) Refunds - During the five (5) year period immediately following the date the line extension is completed, the Company will make refunds of the refundable construction advance paid for a financed line extension. The total refund shall not exceed the total refundable construction advance. The refundable construction advance shall not bear interest. Such refunds shall be computed as follows:
- (i) Original Customer - At the end of the first complete 12-month period immediately following the date of completion of the line extension, the Company will compute two (2) times the actual revenue provided by the original customer in the 12-month period. Any amount by which twice the actual annual revenue exceeds the Company's initial estimated revenue will be made available for refund to the original customer.
- (ii) Additional New Customers - Refunds for additional new customers directly connected to the financed extension during the refund period will be made as follows:

(Continued on Sheet No. C-30.00)

Issued February 6, 2013
N. A. Khouri
Vice President
Regulatory Affairs

Detroit, Michigan



Effective for service rendered on
and after November 1, 2012

Issued under authority of the
Michigan Public Service Commission
dated October 31, 2012 in Case No. U-17055
and October 9, 2007 in Case No. U-15152

(Continued from Sheet No. C-29.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.2 Overhead Extension Policy (Contd.)

The amount of any such refund shall be equal to two (2) times the actual annual revenue or \$500 (whichever is greater) for each standard allowance customer subsequently connected directly to the facilities financed by the original customer. Directly connected residential customers are those which do not require the construction of more than 600 feet of single phase line extension or 250 feet on private property. Directly connected commercial and industrial customers are those which do not require payment of a refundable construction advance. Refunds will not be made until the original customer(s) estimated revenues are exceeded by actual revenues as a result of the line extension.

(4) Commercial and Industrial Customers - 1,000 kW and larger

- (a) ~~Standard Allowance~~ – Except for non-refundable contribution in aid of construction for underground service made under the provisions of Rules C6.3 and C6.4, and reserving the Company's rights under C6.1(7), the Company will finance the construction cost necessary to extend its facilities to serve commercial or industrial customers 1,000 kW and larger when such investment does not exceed the allowance calculated using the Standard Allowance Table below. The Company may require the customer to contract for a minimum demand or minimum bill as a condition for providing the allowance.

Standard Allowance –Commercial and Industrial Customers 1,000 kW and Larger*

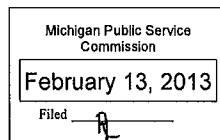
Rate Schedule	Full Service Contract Term, Years					No Full Service Contract
	1	2	3	4	5	
D6, D6.1, D7, D4	\$115 / kW	\$220 / kW	\$320 / kW	\$410 / kW	\$500 / kW	\$60 / kW
D6.2, D3	\$90 / kW	\$175 / kW	\$250 / kW	\$320 / kW	\$390 / kW	\$60 / kW
D8, R1.1, R1.2	\$80 / kW	\$150 / kW	\$215 / kW	\$275 / kW	\$330 / kW	\$60 / kW
R10 Stack	\$50 / kW	\$90 / kW	\$130 / kW	\$170 / kW	\$205 / kW	\$60 / kW
R10 MISO	\$15 / kW	\$30 / kW	\$40 / kW	\$50 / kW	\$60 / kW	\$60 / kW

*Allowances are based on the anticipated average Maximum Demand in kW during the contract term

(Continued on Sheet No. C-31.00)

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(Continued from Sheet No. C-30.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.2 Overhead Extension Policy (Contd.)

- (b) Charges - When the estimated cost of construction of such facilities exceeds the allowance calculated using the Standard Allowance Table as defined in Paragraph (a), the applicant shall be required to make a non-refundable construction advance prior to the commencement of construction for the entire amount of the excess construction costs, in addition to any other non-refundable contributions that are required.
- (c) In lieu of the standard allowance and provisions provided under C6.2 (4), commercial or industrial customers 1,000 kW and larger will be permitted to elect the standard allowance and provisions provided under section C6.2 (3).

C6.3 Underground Distribution Systems

This portion of the rules provides for the extension and/or replacement of underground electric distribution facilities.

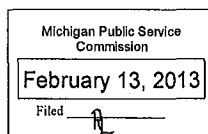
A General

- (1) Existing rules issued by the Commission require that distribution systems in a new residential subdivision and commercial distribution and service lines in the vicinity of or on the customer's property and constructed solely to serve a customer or a group of adjacent customers be placed underground. Commercial distribution specifically includes, but is not limited to, apartment house complexes and shopping centers.
- (2) An exception to the foregoing mandatory requirement for undergrounding may be made, where, in the Company's judgment, any of the following conditions exist:
 - (a) Such facilities would serve General Service customers having loads of temporary duration; or
 - (b) Such facilities would serve General Service customers in areas where little aesthetic improvement would be realized if such facilities were placed underground; or
 - (c) Such facilities would serve General Service customers in areas where it is impractical to design and place such facilities underground because of uncertainty the size and character of the loads to be served therefrom.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

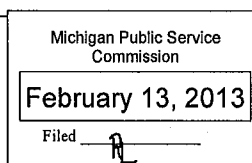
C6.3 Underground Distribution Systems (Contd.)

- (3) Residential subdivisions and other areas where commercial distribution and service lines are constructed solely to serve a customer or a group of adjacent customers, as covered by the rules of the Commission requiring mandatory undergrounding of electric distribution facilities, shall be designated underground districts. In addition, those areas where the owner has requested underground service shall also be designated as underground districts. The Company may designate portions of existing subdivisions as underground districts where, in the Company's opinion, such designation would be desirable for aesthetic or technical reasons. All future applicants for service in the underground districts are subject to the applicable provisions of these rules.
- (4) The Company, at the request of the developer, will install an underground electric distribution system for all new residential subdivisions, mobile home parks, multiple occupancy building complexes, and commercial subdivisions, in cooperation with the developer or owner, evidenced by a signed agreement, and in compliance with the specific conditions in this Rule.
- (5) The Company reserves the right to refuse to install its facilities underground in cases where, in the Company's opinion, such construction would be impractical or present a potential detriment to the service to other customers.
- (6) The Company will not undertake the replacement of existing overhead lines and above-surface equipment with underground installations or provide underground installations for transmission lines, subtransmission lines, distribution feeders and above-surface electric equipment associated with switching stations except where agreements for reimbursement are made in accordance with MPSC R-460.516, "Replacement of Existing Overhead Facilities".
- (7) The Company will furnish, install, own and maintain the entire underground electric distribution system including the pre-meter portion of the service lateral cable. Generally, the trenches will be occupied jointly by facilities of the Company and other utilities where satisfactory agreement for reimbursement exists between the Company and the other utilities.
- (8) The service normally available from the system will be at secondary voltage, single phase, three wire, 60 Hz. Three phase service will be made available for schools, pumping stations, and other installations only under terms of a separate agreement. Certain related equipment, such as pad-mounted transformers, switching equipment and service pedestals may be above grade. The area must be suitable for the direct burial of cable.
- (9) The developer or owner must provide for recorded easements or rights-of-way acceptable to the Company. The easements are to be coordinated with other utilities and will include easements for street lighting cable.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

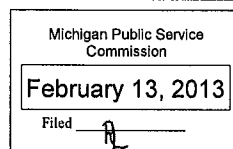
C6.3 Underground Distribution Systems (Contd.)

- (10) The developer or owner must provide for grading the easement to finished grade and for clearing the easement of trees, large stumps and other obstructions sufficiently to allow trenching equipment to operate. Survey stakes indicating easements, lot lines and grade must be in place. The developer or owner must certify to the Company that the easements are graded to within four (4) inches of final grade before the underground distribution facilities are installed.
- (11) The developer or owner will be responsible for all costs of relocating Company facilities to accommodate changes in grade or other changes after the underground equipment is installed, and also be responsible for any damage to Company facilities caused by his operations or the operations of his contractors. An amount equal to the total costs involved, including overheads, is required for relocation or rearrangement of facilities whether specifically requested by the developer or owner, or due to the facilities becoming endangered by a change in grade, or other changes.
- (12) The general policy of the Company is that real estate developers, property owners or other applicants for underground service shall make a non-refundable contribution in aid of construction to the Company in an amount equal to the estimated difference in cost between underground and equivalent overhead facilities. Methods for determining this cost differential for specific classifications of service are provided herein. In cases where the nature of service or the construction conditions are such that these provisions are not applicable, the general policy stated above shall apply.
- (13) Where unusual construction costs are incurred by the Company due to physical obstacles such as, but not limited to: rock, surface water, frost, other utility facilities, heavy concentration of tree roots, patios, roadway crossings or other paved areas, the applicant(s) shall make a non-refundable contribution in aid of construction equal to the estimated difference in cost of the underground installation and that of equivalent overhead facilities. In no case shall this contribution be less than the per foot charges stated in this Rule for the type of service involved. The Company reserves the right to refuse to place its facilities under road or railroad rights-of-way or waterways in cases where, in the Company's judgment, such construction is impractical.
- (14) In the Lower Peninsula, an additional non-refundable contribution in aid of construction of \$1.00 per trench foot shall be added to trenching charges for practical difficulties associated with winter construction in the period from December 15 to March 31 inclusive. This charge will not apply to jobs which are ready for construction and for which the construction meeting has been held prior to November 1.

(Continued on Sheet No. C-34.00)

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(Continued from Sheet No. C-33.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.3 Underground Distribution Systems (Contd.)

B Distribution for Residential Subdivisions

(1) General

- (a) Distribution facilities in all new residential subdivisions and existing residential subdivisions in which electric distribution facilities have not already been constructed shall be placed underground, except that a lot facing a previously existing street or county road and having an existing overhead distribution line on its side of the street or county road shall be served with an underground service from these facilities and shall be considered a part of the underground service area.
- (b) The Company will install an underground distribution system, including primary and secondary cable and all associated equipment, to provide service to the lot line of each lot in the subdivision.

(c) For purposes of definition, all one-family and two-family buildings on individual lots are residential.

(d) The developer of a new residential subdivision shall cause to be recorded with the plat of the subdivision a public utility easement approved by the Company for the entire plat. Such easement shall include a legal description of areas within the plat which are dedicated for utility purposes and also other restrictions as shall be determined by the Company for construction, operation, maintenance and protection of its facilities.

(e) Where sewer lines will parallel Company cables, taps must be extended into each lot for a distance of one (1) foot beyond the easement prior to installation of the cables.

(2) Charges - Prior to commencement of construction, the owner or developer will pay to the Company an amount equal to the estimated cost of construction of the distribution system, but not less than the non-refundable contribution in aid of construction determined by multiplying the sum of the lot front footage for all lots in the subdivision by \$3.00, except for those lots served by an underground service from an overhead distribution line as previously stated in this rule.

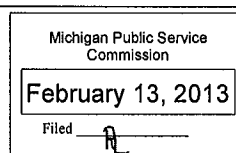
(3) Refunds - The balance of the charges (refundable construction advance) shall be made available to the developer or owner on the following basis:

During the five (5) year period immediately following completion of the distribution construction, the Company will refund two (2) times the estimated average annual revenue or \$500 (whichever is greater) for each permanent residential customer connected within the subdivision. Such refunds will be made only to the original developer or owner and in total shall not exceed the refundable construction advance. The refundable construction advance shall bear no interest.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

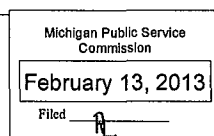
C6.3 Underground Distribution Systems (Contd.)

- (4) Measurement - The front foot measurement of each lot to be served by a residential underground distribution system will be made along the contour of the front lot line. The front lot line is that line which usually borders on or is adjacent to a street. However, when streets border on more than one side of a lot, the shortest dimension will be used. In case of a curved lot line which borders on a street or streets and represents at least two sides of the lot, the front foot measurement will be considered as one-half the total measurement of the curved lot line. The use of the lot front foot measurement in these rules shall not be construed to require that the underground electric distribution facilities be placed at the front of the lot.
- (5) Service Laterals - The Company will install, own, operate and maintain an underground service lateral as defined in Section C6.4.
- (6) Extension of Existing Distribution Systems in Platted Subdivisions - Any such extension shall be considered a distinct, separate unit, and any subsequent extensions therefrom shall be treated separately.
- (a) Charge - Prior to commencement of construction the applicant shall make a non-refundable contribution in aid of construction in an amount equal to \$3.00 per lot front foot for the total front footage of all lots which can be directly served in the future from the distribution system installed to serve the initial applicant. All subsequent applicant(s) for service on these lots shall be required to make a non-refundable contribution in aid of construction in the amount of \$3.00 per lot front foot for all lots owned by the subsequent applicant(s) which can be directly served from the original distribution extension.
- (b) Refunds - The Company will refund to the original applicant the amounts contributed in aid of construction by subsequent applicants as provided in Paragraph 1 above. The total amount refunded shall not exceed the amount of the original contribution, and will be made only to the original applicant. The Company will endeavor to maintain records for such purposes but the original applicant is ultimately responsible to duly notify the Company of refunds due; any refund not claimed within five (5) years after the date of completion of distribution constructions shall be forfeited. Refunds made under the provisions of this paragraph shall be in addition to refunds made under the Company's overhead line extension policy.
- (c) Measurements - The lot front footage used in computing charges and contributions in Paragraph 1 above shall be measured the same as for new subdivisions.
- (d) Service Laterals - The Company will install, own, operate and maintain an underground service lateral as defined in Section C6.4.

(Continued on Sheet No. C-36.00)

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.3 Underground Distribution Systems (Contd.)

C Distribution for Mobile Home Parks

(1) General

- (a) For purposes of this rule, the definition of a mobile home park is a parcel or tract of land under the control of a person(s) upon which three or more mobile homes are located on a continual non-recreational basis not intended for use as a temporary trailer park.
- (b) Distribution facilities in new mobile home parks shall be placed underground. Extension from existing overhead systems in mobile home parks will be placed underground at the option of the park owner.
- (c) This service is limited to mobile home parks in which the service is metered by the Company at secondary voltage.
- (d) Company cables shall be separated by at least five feet from paralleling underground facilities which do not share the same trench. The park owner's cable systems, such as community antenna systems, should be in separate trenches, if possible. Subject to an agreement with the Company these cable systems may occupy the same trench. The park owner must agree to pay a share of the trenching cost plus the extra cost of the additional backfill, if required, and agree to notify the other using utilities when maintenance of his cable requires digging in the easement.
- (e) The park owner must provide for each mobile home lot a meter pedestal of a design acceptable to the Company.

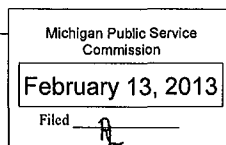
(2) Charges - The park owner shall be required to make a non-refundable contribution in aid of construction as follows:

- (a) Prior to commencement of construction, the owner or developer will pay to the Company an amount equal to the estimated cost of construction of the distribution system, but not less than the non-refundable contribution in aid of construction determined by multiplying the sum of the lot front footage for all lots in the park by \$3.00, except for those lots served by an underground service from an overhead distribution line as previously stated in this rule.
- (b) Service Loops or Laterals - The Company will install, own, operate and maintain an underground service lateral as defined in Section C6.4.
- (c) Transformers - \$7.50 per kVA, for the total nameplate kVA installed.

(Continued on Sheet No. C-37.00)

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(Continued from Sheet No. C-36.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.3 Underground Distribution Systems (Contd.)

- (d) Measurements - The lot front footage used in computing charges and contributions shall be measured the same as for new subdivisions.

D Distribution for Condominiums and Apartment House Complexes

- (1) This service is limited to multiple occupancy buildings in which service is metered by the Company at secondary voltage. These include, but are not limited to, low-rise apartments, townhouses, condominiums and cluster housing where space is available for pad-mounted transformers and other above-grade equipment and the area is suitable for the direct burial installation of cable. Where the developer and/or the Company are concerned that the easement area could be developed with patios, etc., special facilities such as conduit may be required to allow the Company to maintain the system. If special facilities are required, the developer will be responsible for providing them.

(2) Charges

- (a) Primary and Secondary - The owner will pay to the Company, prior to construction, a non-refundable contribution in aid of construction arrived at by multiplying the total length of trench feet required for distribution facilities by \$4.30 plus \$7.50 per kVA (nameplate) of transformer capacity to be installed.
- (b) Service Laterals - The Company will install, own, operate and maintain an underground service lateral as defined in Section C6.4.

E Distribution for Commercial and Industrial Subdivisions

The Company will install underground facilities to serve commercial and industrial customers and other installations within designated underground districts in cooperation with the developer or owner, evidenced by a separate signed agreement, subject to the following specific conditions:

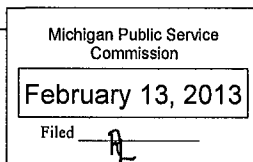
(1) General

- (a) Where overhead lines are allowed by MPSC Rules for a specific installation and are objected to by a person or municipality, the Company, where feasible, will honor a request or directive that such lines be constructed underground. The objecting party shall be responsible for the payment of the additional cost of the underground facilities.
- (b) When required, the developer or owner must provide suitable space and the necessary foundations and/or vaults for equipment and provide trenching, back-filling, conduits and manholes acceptable to the Company for installation of cables on his property.

(Continued on Sheet No. C-38.00)

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.3 Underground Distribution Systems (Contd.)

(c) Distribution facilities in the vicinity of new industrial loads and built solely to serve such loads will be placed underground at the option of the applicant. This includes service to all buildings used primarily for the assembly, processing or manufacturing of goods.

(2) Charges

(a) Distribution System - For standard installation of distribution facilities, the applicant(s) shall make a non-refundable contribution in aid of construction in the amount equal to the total length in feet multiplied by \$4.30.

(b) Transformers - Transformers will be charged on an installed basis of \$7.50 per kVA.

(c) Service Laterals - The Company will install, own, operate and maintain an underground service lateral as defined in Section C6.4.

(3) Measurement

(a) Trench length shall be determined by measuring along the centerline of the trench.

Primary and Secondary Extensions shall be measured along the route of the primary and secondary cable from the transition pole to each transformer or other termination. No additional charge will be made for secondary or service cable laid in the same trench with primary cable.

C6.4 Underground Service Connections

The Company will install, own, operate and maintain underground service connections in cooperation with the developer or owner, evidenced by a separate signed agreement, subject to the following charges:

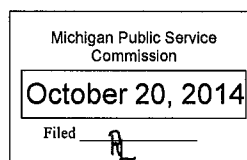
A Residential Subdivisions

The applicant shall make a non-refundable contribution in aid of construction for a standard 3/0 aluminum service in the amount of \$300 for trench lengths up to 200 feet. For any additional trench length in excess of 200 feet the non-refundable contribution will be increased by \$3.90 per foot for each additional foot added. When required, larger services will be provided, and the additional cost will be included in the non-refundable contribution in aid of construction. The trench length is measured from the Company's electrical connection, to the customer's meter.

(Continued on Sheet No. C-39.00)

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.4 Underground Service Connections (Contd.)

B Residential Outside Subdivisions and Mobile Home Parks

The applicant shall make a non-refundable contribution in aid of construction for a standard 3/0 aluminum service in the amount equal to the product of the trench length in feet multiplied by \$3.90. When required, larger services will be provided, and the additional cost will be included in the non-refundable contribution in aid of construction.

C Apartment House Complexes and Condominiums

The applicant shall make a non-refundable contribution in aid of construction in the amount equal to the product of the trench length in feet multiplied by \$4.30.

No charge will be made for service laterals laid in the same trench with primary or secondary cables.

D Commercial and Industrial

The developer or owner must provide suitable space and provide trenching, backfilling and conduits acceptable to the Company for installation of service cables on his property.

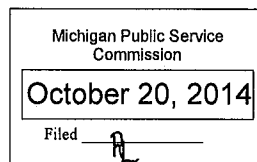
(1) Outdoor Pad-Mounted Installation:

- (a) The Company will furnish, install, own and maintain the pre-meter portion of the individual service lateral between the distribution facilities and self-contained meter locations.
- (b) When a commercial or industrial building is divided in such a manner as to require several self-contained meter locations (as described above), the owner shall be required to make provisions for a common pre-meter feed either by grouping meters in a manner and location acceptable to the Company, or by installing a Company approved secondary connection cabinet at a Company approved location. The owner shall install one (1) 4" conduit for every 400 amps or part thereof of capacity, based on the rating of the secondary connection cabinet, plus one (1) additional 4" conduit for each secondary connection cabinet. The Company will furnish, install in the customers conduits, own and maintain an appropriately sized lateral from the Company's distribution facilities to the agreed upon common point regardless of cable size or number of sets. Service laterals installed in this manner must be coordinated with and approved by the Company prior to installation of the conduit and other equipment.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.4 Underground Service Connections (Contd.)

Changes to the configuration, size and number of self-contained meter locations or any proposed load additions to existing secondary connection cabinet installations must be coordinated with the Company. Combining of self-contained meters into one current transformer installation may be accommodated in specific instances where the service lateral cables and the secondary connection cabinet ratings are not exceeded. These combinations and changes must be approved on an individual basis. If the combination/change cannot be made, the service will be provided as indicated in (d) below.

- (c) Where service laterals are installed by the Company as in (a) and (b) above, the owner or developer will pay to the Company an amount arrived at by multiplying the horizontal length of the service lateral in feet by \$10.00.
- (d) Where service laterals are required for situations not covered in (a) and (b) above, the customer will furnish and install the service lateral in a manner suitable to the Company. The Company will make connection of the customer furnished lateral to its distribution system.

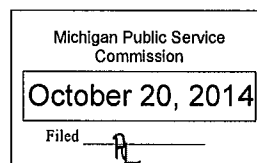
(2) Indoor Transformer Installations:

Service can be furnished with Company-owned transformers at remote locations fed from customer-owned primary cables in the building. The transformers will be installed by the customer. The cables will be furnished, installed, owned and maintained by the customer and will be terminated in primary switching equipment located near the service entrance point of the building. The Company will furnish, install, own and maintain the entire underground electric distribution system from the property line to and including the primary switch equipment. The customer will furnish, install, own and maintain the secondary cable between the transformer secondary terminals and the tenant meter location. The meters must be grouped and installed in a manner acceptable to the Company. The load at each transformer location must be sufficient to justify the use of one standard Company transformer or multiples thereof. Standard Company transformer sizes and secondary voltages for this application are: 167 kVA single-phase 120/240 V, 300 kVA three-phase 208Y/120 V and 300 kVA three-phase 480Y/277 V. Fuse cabinets and associated equipment will be furnished, owned and maintained by the Company at each transformer location. The fuse cabinets and associated equipment will be paid for and installed by the customer. The transformer locations must be suitable for the installation of dry type transformers and must be accessible for operation and maintenance. The installations must be approved by the Company and must meet code requirements.

(Continued on Sheet No. C-41.00)

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(Continued from Sheet No. C-40.00)

C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.4 Underground Service Connections (Contd.)

Suitable access and means shall be provided for transformer, fuse cabinet and associated equipment replacement. The customer shall be responsible for all damages and personal liability arising out of or in connection with the installation of the Company's transformers, fuse cabinets and associated equipment and shall also take reasonable steps to prevent damage to the transformers, fuse cabinets and associated equipment when they are installed on his property.

The owner will pay the following charges to the Company:

- (a) \$4.30 per trench foot of cable on private property between the primary switching equipment and the property lines nearest the point of connection to the Company distribution system-plus any other Company charges for unusual conditions.
- (b) The installed cost of the primary switchgear.
- (c) \$15 per kVA for all dry type transformers and \$7.50 per kVA for pad-mount transformer.
- (d) The delivered cost of the fuse cabinet and associated equipment.
- (e) The developer or owner must provide suitable space and necessary foundations for pad-mounted transformer and the primary switchgear, etc., and he must provide for any trenching, conduit, or manholes acceptable to the Company.

(3) Metered Primary Voltage:

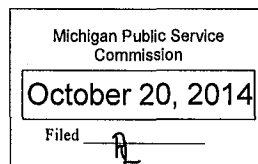
For underground primary (high voltage) services, the Company will extend its conduit to the property line. The customer will pay for the underground overhead cost differential for that portion of the off-site facilities that may be required to serve the customer. That part of the service connection on private property inside the property line will be owned and maintained by the customer. The design, construction and material for high voltage service shall be acceptable to the Company. In the case of commercial and industrial subdivisions, the costs, requirements, and agreements between the developer or owner and the Company will be set forth in Distribution for Commercial Subdivisions.

Subtransmission underground cables feeding Company-owned substations on private property will be furnished and maintained by the Company. The customer will provide trenching and install and maintain the conduit and manholes for these cables.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.4 Underground Service Connections (Contd.)

(4) Measurement:

Service laterals shall be measured from the pole or underground secondary terminal to which the service lateral is connected along the route of the lateral trench or conduit to the point of connection to the customer's facilities. No charge will be made for service laterals laid in the same trench with primary or secondary cables.

C6.5 Miscellaneous Customer Requests

A Temporary Service

(1) The Company will furnish temporary service including a line extension, service connection and a transformer, as required. The applicant for the service shall pay the total cost including overheads of furnishing, installing and removing such temporary service equipment in excess of any salvage realized, in addition to charges for electric service rendered. The charges for electric service will be billed to the applicant at the applicable metered rate. When the applicant requires the installation of a transformer, the monthly charge for electric service render will not be less than the following:

(a) 48¢ per kVA of installed transformer capacity for the first 10kVA.

(b) 12¢ per kVA of installed transformer capacity in excess of 10kVA.

(2) The contract is an open order, terminable on three days written notice by either the applicant or the Company.

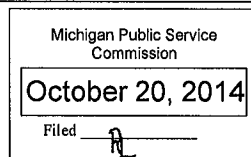
(3) When an unauthorized connection has been made which provides unmetered service to the customer, the Company shall charge the total cost including overheads as stated above for the "Temporary Service Connection," plus an amount to cover the Company's estimation of kilowatthour usage at the applicable rate.

B Moving of Buildings or Equipment

(1) When the Company is requested to assist in the moving of buildings or equipment through, under or over the Company's lines, the Company will require the mover to pay, in advance of providing such assistance, the estimated cost including direct costs and applicable overhead costs. The amount of the contribution required will be based upon the Company's estimate of the probable cost, but in no event will the required contribution be less than one crew hour. Upon completion of moving assistance, the Company will determine actual costs and will bill or credit the mover according to the difference between actual costs and

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.5 Miscellaneous Customer Requests (Contd.)

the contribution, except that the minimum actual cost will not be less than one crew hour. In the event that the move is cancelled, or changed to require a re-study, twenty percent (20%) of the charge will be retained by the Company as a non-refundable amount to cover preparing for and planning the move. If the building mover proceeds with the move without a Company escort, the total charge will be retained by the Company as a non-refundable amount to cover preparing for and planning the move plus a post move patrol of the route to identify any damages to the system caused by the mover. The building mover is also responsible to make payment for all work required to repair damages resulting from the move. Actual costs will be determined in accordance with the following:

- (2) Within regular working hours:
 - (a) Average trade-grade wage rate applicable to employee(s) involved.
 - (b) Actual material used.
 - (c) Appropriate overhead charges.
- (3) Outside regular working hours:
 - (a) Overtime trade-grade rate applicable to employee(s) involved.
 - (b) Actual materials used.
 - (c) Appropriate overhead charges.

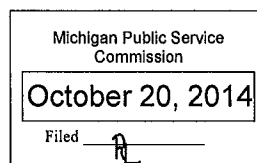
C Relocation of Facilities

- (1) The Company will cooperate with political subdivisions in the construction, improvement or rehabilitation of public streets and highways. It is expected that the Company will receive reasonable notice so that any required relocation work can be properly scheduled.
- (2) If the Company's overhead or underground facilities are located within the confines of the public right-of-way, the Company will make the necessary relocation at its own expense except when:
 - (a) The facilities were originally installed within the confines of the public right-of-way at the request of the political entity.
 - (b) Existing facilities are within the confines of a new public right-of-way obtained after the construction of the Company's facilities.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

C6.5 Miscellaneous Customer Requests (Contd.)

- (c) The facilities provide public service such as lighting, traffic signals, etc.
- (3) If the Company's overhead or underground facilities are located on private property, the political subdivision must agree in advance to reimburse the Company for all expenses including overheads involved in relocating its facilities.
- (4) When the Company is requested to relocate its facilities for reasons other than road improvements, payment may be required for the relocation from the firm, person or persons requesting the relocation. Before actual relocation work is performed, the Company will estimate the cost of moving the facilities and an advance nonrefundable contribution in aid of construction in the amount of the estimate must be received from the firm, person or persons requesting such relocation. A contribution in aid of construction will not be required in instances where:
- (a) The relocation is made for the convenience of the Company.
- (b) The relocation is associated with other regularly scheduled conversion or construction work at the same location and can be done at the same time.

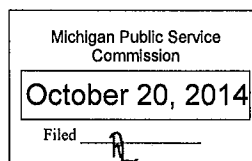
C6.6 Adjustment of Bills Because of Meter Errors

- A If a meter creeps, if a metering installation is found upon any test to have an average error of more than 2.0%, if a demand metering installation is found upon any test to have an average error of more than 1.0% in addition to the errors allowed under B-6.6, or if a meter registration has been found to be in error due to apparent tampering by person or persons known or unknown, an adjustment of bills for service for the period of inaccuracy shall be made in the case of over-registration and may be made in the case of under-registration.
- B The amount of the adjustment shall be calculated on the basis that the metering equipment should be 100% accurate with respect to the testing equipment used to make the test. For single-phase watt-hour meters, the average accuracy shall be the arithmetic average of the percent registration at light load and at heavy load, giving the heavy load registration a weight of 4 and the light load registration a weight of 1. For polyphase meters, the average accuracy shall be the arithmetic average of the percent registration at light load given a weight of 1 and at heavy load and 100% power factor given a weight of 4 and at heavy load and 50% lagging power factor given a weight of 2.
- C If the date when the error in registration began can be determined, such date shall be the starting point for determination of the amount of the adjustment and shall be subject to subrule (I) of this rule.

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C6 DISTRIBUTION SYSTEMS, LINE EXTENSIONS AND SERVICE CONNECTIONS (Contd.)

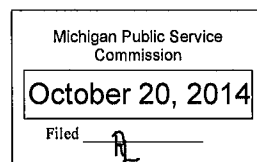
C6.6 Adjustment of Bills Because of Meter Errors (Contd.)

- D If the date when the error in registration began cannot be determined, it shall be assumed that the error has existed for a period equal to 1/2 of the time elapsed since the meter was installed or 1/2 of the time elapsed since the last test, whichever is later, except as otherwise provided in subrule (f) of this rule and subject to subrule (l) of this rule.
- E Recalculation of bills shall be on the basis of the corrected monthly consumption.
- F The error in registration due to creep shall be calculated by timing the rate of creeping and by assuming that this creeping affected the registration of the meter for 25.0% of the time since the meter was installed or since the last test, whichever is later.
- G If the average error cannot be determined by test because of failure of part or all of the metering equipment, it is permissible to use the registration of check metering installations, if any, or to estimate the quantity of energy consumed based on available data. The customer shall be advised of the failure and of the basis for the estimate of the quantity billed. The same periods of error shall be used as explained in this rule.
- H If the recalculated bills indicate that more than \$1.00 is due an existing customer or that \$2.00 is due a person who is no longer a customer of the Company, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded.
- I Refunds shall be made to the 2 most recent consumers who received service through the meter found to be in error. In the case of a previous consumer who is no longer a customer of the utility, a notice of the amount due shall be mailed to such previous consumer at his or her last known address, and the Company shall, upon demand made within 3 months thereafter, refund the same.
- J If the recalculation of billing indicates that an amount due the utility is equal to or more than the amounts set forth in subrule (h) of this rule as minimum refunds, the utility may bill the customer for the amount due, subject to subrule (l) of this rule.
- K Each utility may establish a policy whereby the minimum sum above which it will commence billing for amounts due to under-registration is more than the amounts set forth in subrule (h) of this rule as minimum refunds. The minimum sum established in the utility policy shall be applied in all cases of under- registration to determine whether the customer will be billed for the amount due the utility because of under-registration.

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