

CONSUMERS ENERGY COMPANY

Explanation of Gas Charges for Residential, Commercial and Industrial Customers

01/21/10

CHARGE	DESCRIPTION
Gas Cost Recovery Charges:	Gas Cost Recovery (GCR) charges are applicable to company full-service customers only. Company full-service customers take gas supply service (includes transmission costs) and delivery service (includes customer-related and distribution costs) from the company. Gas Customer Choice customers receive gas supply service from a Supplier and delivery service from the company. Gas Cost Recovery charges are authorized by the Michigan Public Service Commission (MPSC).
Delivery Charges: <ul style="list-style-type: none"> • Customer Charge • Distribution Charge • Excess Peak Demand • Energy Optimization Surcharge • Interim Rate Increase, Subject to Refund • PEM and OPEB Surcharge 	<p>Delivery charges are applicable to company full-service, Gas Customer Choice customers and transportation customers. Delivery service includes both customer-related and distribution services that are provided by the company. Delivery charges are authorized by the MPSC.</p> <ul style="list-style-type: none"> • A MPSC-authorized fixed monthly charge that reflects the costs of metering, meter reading, billings and other customer-related operating costs, exclusive of demand and energy consumption. • A MPSC-authorized charge based upon the quantity of gas or thousand cubic feet (Mcf) used by the customer. This charge recovers costs not recovered through the fixed customer charge and those costs related to delivering gas from the transmission system or storage fields to the customer's premises, including operating and maintenance expenses. • A MPSC-authorized charge applicable to Rate A-1 Multifamily Dwelling Service customers. The Mcf used for billing equals all Mcf in excess of 45 Mcf in the peak month. The peak month is the month within the last 12 months where the greatest consumption occurred. This charge essentially raises the "fixed cost" in proportion to the increased consumption that occurs in a centrally metered residential unit that is not recognized through the customer charge. • Pursuant to Section 89 of 2008 PA 295, the rates for distribution service are adjusted to allow for recovery of the cost of the energy optimization plan approved by the Michigan Public Service Commission in Case No. U-15805/U-15889. Visit www.consumersenergy.com/eeprograms to learn more about energy efficiency programs and rebates. • A self-implemented rate increase effective on an interim basis for service rendered on and after November 19, 2009. Upon issuance of a final order in Case No. U-15986, the Company which reconcile the amount collected during the interim period with the amount authorized by the MPSC in the final order. If the amount collected exceeds the amount authorized, a refund will be issued to applicable customers. • The PEM and OPEB Surcharge reconciles the Company's actual pension and other post employment benefits expenses with the amount authorized by the MPSC. This charge is effective for the February 2010 Billing Month and was approved by the Michigan Public Service Commission in Case No. U-15041-R.