



Explanation of Unbundled Natural Gas Charges Residential, Commercial and Industrial Customers

(Revised for the June 2025 billing month)

Charge	Description
Gas Cost Recovery	Gas Cost Recovery (GCR) charges are only applicable to Consumers Energy's full-service customers. Full-service customers take both gas supply service (includes transmission costs) and delivery service (includes customer-related and distribution costs) from Consumers Energy. Gas Customer Choice customers receive gas supply service from an alternate gas supplier which is delivered to the customers by Consumers Energy. Gas Cost Recovery (GCR) charges are authorized by the Michigan Public Service Commission (MPSC). Consumers Energy makes no profit on the costs of gas sold to its full-service customers. The GCR is set at a rate, and adjusted periodically, to allow the Company to recover the cost of the supplied gas.
Delivery Charges	Delivery charges are applicable to all customers who receive gas through Consumers Energy's gas distribution system. Delivery service includes both customer-related and distribution services that are provided by the Company. Delivery charges are authorized by the MPSC.
<ul style="list-style-type: none"> Customer Charge 	<ul style="list-style-type: none"> An MPSC-authorized monthly charge approximately equal to the average costs of metering, meter reading, billings and other customer-related operating costs, exclusive of demand and energy consumption for each customer class.
<ul style="list-style-type: none"> Distribution 	<ul style="list-style-type: none"> An MPSC-authorized charge based upon the volume of gas (thousand cubic feet or 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.
<ul style="list-style-type: none"> Other Surcharges 	<ul style="list-style-type: none"> Per Public Act 342 of 2016, Section 89 (2), Energy Efficiency Program Surcharges shall not be itemized on or after January 1, 2021. Beginning with the January 2023 billing month, the Energy Efficiency Program Surcharge will be displayed on bills each month as "Other Surcharges".
<ul style="list-style-type: none"> Excess Peak Demand 	<ul style="list-style-type: none"> An 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 in which the greatest consumption occurred for each Multifamily Dwelling Service customer. This charge essentially recovers the additional "fixed cost" of providing service in proportion to the increased consumption that occurs in a centrally metered residential unit but which is not recognized through the customer charge.
<ul style="list-style-type: none"> Energy Efficiency 	<ul style="list-style-type: none"> 2016 Public Act 342 provides for the recovery of approved costs for Consumers Energy's Energy Efficiency Plan. The MPSC approved a per Mcf surcharge for customers to recover costs associated with the Company's Energy Efficiency Programs. Learn more about the energy efficiency programs and rebates at www.consumersenergy.com/eeprograms. *Please see "Other Surcharges" section above for new bill display beginning January 2023 billing month.
<ul style="list-style-type: none"> Non-Transmitting Gas Meter – Automated Meter Reading (AMR) Opt Out Charges 	<ul style="list-style-type: none"> An MPSC authorized charge applicable to Residential Service Rates A or A-1 and General Service Rates GS-1 who have the option to choose a non-transmitting Gas meter for a fee, as ordered on September 26, 2019 in Case No. U-20322. Beginning with the June 2020 bill month, a one-time <i>Manual Meter Exchange Fee</i> per billing meter will be assessed then in the July 2020 bill month the monthly MPSC authorized <i>Manual Meter Reading Fees</i> will commence for those customers who chose a Non-Transmitting Gas meter.
<ul style="list-style-type: none"> Home Products Credit 	<ul style="list-style-type: none"> An MPSC-authorized credit to share proceeds from the sale of the Home Energy Products Program over a three-year period. The Home Products Credit is effective beginning October 1, 2024 through September 30, 2027 and was authorized by an MPSC order on July 23, 2024 in Case No. U-21490.

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