

CAP Support Center 2400 Weiss St, Rm 113, Saginaw, MI 48602



October 15, 2012

Dear Secord Township neighbor,

Thank you for your interest on the natural gas project proposed by from Consumers Energy in your area. Below is the answer to the most common questions we receive. Please feel free to contact us if you need further information.

What are the benefits of having natural gas?

Switching to natural gas will help you:

- 1. **Save Money** Natural Gas is less expensive than propane. To figure your annual savings compared to a propane cost of \$2.00/gallon, multiply the average number of gallons of propane you use in a year by \$1.15. Average savings in energy costs are around \$1,380 per year.
- 2. **Simplify Your Life** Natural Gas provides continuous supply of fuel, eliminates expense from delivery and buying bulk quantities, burns cleaner and warms your home quickly and efficiently extending the life of appliances.
- 3. **Protect Your Loved Ones** Consumers Energy continuously inspects the infrastructure and responds to emergency calls 24/7.

How much will it cost to connect?

A contribution per customer is required prior to construction equal to the following components:

Description	Lump sum	Financing option*
Connection Fee	\$200.00	N/A
Main Contribution	\$2,632.10	\$31.91 per month / 120 months

The financing option only applies to the main contribution. Financing is offered by Consumers Energy at a rate of 7.98% (weighted rate of long-term debt, preferred stock and common equity as authorized by the Michigan Public Service Commission (MPSC)). Conveniently, the monthly charge is included in your utility bill and it starts within six (6) months after the project construction is completed. Additional payments can be made at any time. Plus there is no penalty for early pay off.

There may be additional charges related to your specific service, all of them payable in a lump-sum. After we achieve the minimum participation for the project to be designed and constructed, you could request one of our Customer Energy Specialists to visit your home to help you determine what would be applicable (e.g. excess footage at \$9.68 per foot).

Why should you choose to participate in this Natural Gas Main Extension Project?

A minimum of 50% participation will be required for the project to be approved for design and construction. If the 50% participation is not met, the project will be cancelled. The minimum participation for the proposed project in your area is 685 applicants. Even though this number seems high, we have received a high level of interest from neighbors. If natural gas seems a good choice for you, we encourage you to sign up. You have nothing to lose.

How to sign up?

If you decide to participate, please complete and return the application attached before **November 30, 2012**. You could either:

- E-mail to: cap_support_ctr@cmsenergy.com Please type: "24 1301 application" in the subject line, or
- **Mail to** (envelope provided): Consumers Energy Gas Support Center, 2400 Weiss St, Rm 113, Saginaw, MI 48602-3890

What happens next?

Once the project achieves the 50% participation, our Customer Energy Specialists will design all the services in the route to allow planning for construction. You will be asked to provide the location of your privately owned facilities (i.e. sprinkler systems, septic tank, drain tiles, etc.) and preferred location for the meter. We will also ask you to help us validate your identity in order to fulfill the Fair and Accurate Credit Transactions Act (FACTA).

In the meantime, we recommend you to get in contact with a heating/cooling contractor to evaluate your appliances/fuel lines and determine the conversion costs. Our experience indicates that most appliances and propane fuel lines can be converted.

Save \$\$\$ with Energy Star:

Consumers Energy offers rebates that will help you buy qualifying ENERGY STAR® products and save money month after month. Visit www.consumersenergy.com or call 1-866-234-0445 for details on how to get started.

Save time with our Online Services:

Consumers Energy customers can enjoy the convenience of all our online services at www.consumersenergy.com

Please call our toll free line **1(888) GAS- MAIN** or **1(888) 427-6246** with any questions, comments, or concerns regarding your application. **Hours of operation:** Monday through Friday 8:00 am to 4:30 pm (*Closed Saturdays, Sundays and holidays*).

Thank you for choosing Consumers Energy as your low-cost energy provider!

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Name of Applicant

Mailing Address (Street)

APPLICATION FOR FINANCED NATURAL GAS SERVICE

Applicant Applies for Natural Gas Service(s) at: Street Address

Questions? Please call us at 1(888) GAS- MAIN or 1(888) 427-6246 Monday through Friday 8:00 am to 4:30 pm (Closed Saturdays, Sundays and holidays).

City and Zip Code

Mailing Address (City, State, Zip)		Township			
Home Phone (Include Area Code)	Cell Phone (Include Area Code)	E-Mail Address			
CHECK APPROPRIATE BOX(ES):		NATURAL GAS WILL BE USED FOR:			
☐ Single Family Dwelling ☐ Mobile Home Units(s) ☐ Commercial or Farm ☐ Non-Dwelling (ie, Pole Barn)	☐ Multi-Family Dwelling Unit☐ Under Construction☐ Other	Heating (Units) Water Heating (Units) Cooking Clothes Dryer	☐ Pool Heater ☐ Garage, Barn, Etc. ☐ Fireplace ☐ Other		
EXISTING FUEL SOURCE:					
☐ Propane ☐ Electric Heat	Fuel Oil Other				
CUSTOMER ATTACHMENT PROGRAM (CAP) CHARGES		PLEASE COMPLETE, SIGN AND RETURN THIS APPLICATION IN ORDER TO ADD			
Connection Fee \$200.00					
	flain Contribution \$2,632.10 Financing is offered by Consumers Energy for the main contribution		YOUR PARTICIPATION TOWARDS THE		
only at a rate of 7.98% (weighted rate of long-term debt, preferred stock and common equity as authorized by the Michigan Public Service Commission (MPSC)). The monthly charge is included in your utility bill and it starts within six (6) months after the project construction is completed. Additional payments can be made at any time. There is no penalty for early pay off. Financing \$ 31.91 per month for 120 months		To help protect you from identity theft, please contact Consumers Energy at 1-800-477-5050 at your earliest convenience to validate the information listed above. In order to certify that you are the requesting customer, our			
Excessive Service Line Fee, if applicable		representative will ask you for your Social Security Number and/or valid Driver's License number at the time of setting up your billing account. This step is necessary to comply with Fair and Accurate Credit Transactions Act (FACTA)			
Winter construction (December 15 through April 15)					
Other Charges, if applicable					
The connection fee, excessive service line fee, winter construction and other changes cannot be financed and they must be paid before prior to construction. You will receive a bill and will have the opportunity to pay these charges via check or credit card.					
CUSTOMER ACKNOWLEDGES HAVING READ SAID TERMS AND CONDITIONS ATTACHED AND AGREES TO PAY THE COSTS DESCRIBED ABOVE.					
			CONSUMERS ENERGY		
Property Owner Printed Name		G.A.S. No	otification No		
Owner Signature (Required)		CAP Project No N 24 1301 Secord Twp	on-Energy Contract Account Number		
Date		Date B	y		



AGREEMENT FOR GAS MAIN EXTENSION CUSTOMER ATTACHMENT PROGRAM TERMS AND CONDITIONS

- Company's Tariff means the Rules and Regulations set forth in the Consumers Energy Company's Gas Rate Book, as approved by the Michigan Public Service Commission. CAP means Customer Attachment Program as defined in Rule C8 of the Company's Tariff.
- 2. The customer has requested natural gas service at the location designated on the front of this document. Said location is within an area which the Company either has designated or is considering designating as a CAP area. If the service location is not included in a CAP area, in order to obtain gas service the Customer must pay the Company a deposit pursuant to Rule C8.
- 3. Subject to final approval of the project, the Company will provide the gas main extension necessary to provide gas service to the Customer's location designated on the front of this document. Instead of the customer paying main extension deposit, gas service at the location designated on the Application document will be subject to a CAP Surcharge in accordance with rule C8 of the Company's Tariff.
- 4. A copy of all applicable portions of the Company's Tariff will be provided to the Customer upon request.
- 5. This agreement is subject to the company's Tariff, including any future modifications, amendments, substitutions or replacements approved by the Michigan Public Service Commission.
- 6. This proposal shall be void unless the company notifies the Customer within ninety days after the issuance of this document that the Company has final approval to a CAP plan, including the location at which the Customer has requested service.
- 7. The Company shall make a reasonable effort to commence work on the main extension within a reasonable time and to pursue the same to completion with due diligence and dispatch subject, however, to any interruptions or stoppage which may occur for reasons beyond the control of the Company.
- 8. All main extension and other facilities furnished by the Company shall be the property of the Company and the customer shall not have any interest therein.
- 9. You must disclose to your Real Estate Agent and anyone who buys this property from you of a monthly CAP Surcharge balance. New buyers will be responsible for the remaining monthly CAP surcharge payments unless you have already fully paid off the CAP Surcharge balance.
- 10. You must disclose to your current renter(s) and any future renter(s) of this property from you of a monthly CAP Surcharge balance. Your renter(s) will be responsible for the remaining monthly CAP Surcharge payments unless you have already fully paid off the CAP Surcharge balance.
- 11. The CAP Financing Plan is only available to Consumers Energy Customers with satisfactory payment history.
- 12. Consumers Energy or its contractors will not be held liable for damages to any facilities that are not properly staked or exposed.



APPLICATION FOR FINANCED NATURAL GAS SERVICE GENERAL INFORMATION

CUSTOMER ATTACHMENT PROGRAM (CAP) CHARGES

Connection Fee: The minimum connection fee is \$200.

Main Contribution: Charges for installation are determined by main footage required; size of pipe needed, and average service length.

Customer may choose to pay for the Customer Attachment Program (CAP) contribution in one of two ways:

- 1. Single lump sum payment Lump sum to be billed prior to project construction and paid by check or credit card.
- 2. Financing A monthly surcharge for the Customer Main Contribution which includes a discount rate of 7.98%. The discount rate is a weighted rate of long-term debt, preferred stock and common equity as authorized by the Michigan Public Service Commission (MPSC). CAP charge will appear on customer's monthly energy bill until paid off. (First charge will appear within six months after project completion.)

Excessive Footage Allowance: Customer Attachment Policy excessive footage allowances and costs effective June 8, 2012 through February 28, 2013. An excessive service line fee will be charged.

Primary Home-\$200 connection fee and \$9.68 per foot for all footage over 299 feet.

<u>Larger Volume Meter</u> - If your total connected BTU load, excluding generator load, necessitates a 425 meter, the connection fee is \$200 and excess footage is \$9.68 per foot for all footage over 899 feet.

<u>High Volume Meter</u> - If your total connected BTU load, excluding generator load, necessitates a 800 meter, the connection fee is \$200 and excess footage is \$9.68 per foot for all footage over 1698 ft.

Mobile Home - \$200 connection fee plus \$9.68 per foot for all footage over 132 feet.

Seasonal Residence - \$200 connection fee plus \$9.68 per foot over 20 feet.

Winter Construction: An additional construction charge of \$3.00 per foot will be applied to gas facilities installed December 15 through April 15. Application for service must be received on or before November 1, the job site must be ready for construction and estimated payment must be received on or before December 1 to avoid the additional winter construction charge. If you are in the early stages of construction, make sure your basement/foundation is backfilled and the service route from the building to the property line is within 3" of final grade. If you cannot meet the above dates or conditions, you may wish to consider installing conduit for your gas service. Conduits that are properly installed and usable will eliminate the winter charge. Please include the \$3.00 per foot for winter construction with your payment if you cannot apply and be site ready before these dates. Winter construction charge applies to all footage, measured from the gas main to the meter location.

Other Direct Charges: Additional costs could include large meter costs, the cost of high pressure regulator, permit cost, inspection fees, right of way charges, directional boring costs, costs for pavement cuts and repairs, and other charges for construction difficulties.

BEFORE INSTALLATION

- According to public code, your meter cannot be located under or within 18" of an opening first floor window or within two feet of the side of doors which open
 or in front of basement windows and must be at least three feet from a power air intake and three feet from any source of ignition.
- The gas meter will be installed about two feet above final grade.
- The service line must be at least three feet away from a septic field and cannot run through it.
- NEW CONSTRUCTION ONLY: Before service is installed for new buildings, site must be within three inches of final grade, with footings or foundation installed and backfilled. If your home requires a large meter, the wall must be constructed before the service can be scheduled.
- Gas service piping should not be located under concrete and must be accessible from property line to meter. However, Consumers Energy is able to bore under sidewalks and driveways, and gas service may cross under them.
- For safety and accessibility, if the meter is to be located on the driveway-side of the residence, a minimum of three and a half feet is needed between driveway and building.
- We make arrangements with Miss Dig to have your property staked. However, this does not protect your privately owned facilities (ie, sprinkler systems
 drain tiles, etc.). It is your responsibility to give us an exact location of all private existing or proposed underground installations crossing or paralleling the
 route of our proposed construction. ANY UNDERGROUND CUSTOMER-OWNED FACILITIES MUST BE STAKED OR EXPOSED BY THE CUSTOMER.
 Consumers Energy and its contractors will take reasonable care to avoid damage to all underground facilities. However, we cannot accept responsibility for
 damages to facilities that are not properly located and staked on the jobsite.

METER SET INFORMATION

- For single-family residential homes, Consumers Energy will install the gas meter within 5 business days of the service installation. It is not necessary for you to call to request the meter. It will not be necessary for Consumers Energy to gain access to the home nor does the fuel line have to be tied into the meter bracket. The gas meter will be set and a short piece of piping with a closed brass valve will be attached to the back of the meter for your fuel line connection point. You can then schedule your mechanical contractor at a convenient time to connect the fuel line and turn on the appliances. If however, your fuel lines are tied into the bracket prior to the meter set, Consumers Energy will need access to the home. NOTE: The monthly meter charge of \$10.50 will begin when the meter is set.
- If, however, the home's gas consumption requires a larger capacity meter, is a mobile home, or a multi-family dwelling with multi meter stands, it will be necessary to call 1-800-477-5050 to have your meter installed. Your fuel lines must be tied into the meter bracket and at least one gas appliance must be connected. Consumers Energy must have access to the home for the meter to be completed. Advance notice of 48 hours is appreciated.

FINAL RESTORATION

· After gas service is installed, excavation will be backfilled. Final restoration is your responsibility.

SPECIAL NOTES

- Consumers Energy reserves the right to deny or terminate service to any customer who elects use of an alternate natural or well gas source.
- When converting from bottled gas, natural gas must be used exclusively on the premise.
- When converting from other fuels, your gas service should be installed before removing existing equipment.