

Natural gas rates

We itemize, or “unbundle,” charges on your bill for Gas Supply and Delivery. Your itemized charges for Gas Supply include costs to purchase the gas and transport it over pipelines to local distribution systems. Your itemized charges for Delivery include costs to deliver the gas to your home, as well as certain customer services.

The base gas charges are subject to a Gas Cost Recovery (GCR) factor to reflect changes in fuel costs. The current base GCR factor is \$0.42780 per therm.

Types of natural gas service

Standard service

All of our residential customers have Standard natural gas service.

Customer Charge	\$0.1643 per day	\$5.00 per month
Customer Charge Seasonal	\$0.3287 per day	\$10.00 per month
Energy Charge - Distribution		\$0.08564 per therm
Energy Waste Reduction Surcharge		\$0.0095 per therm*

** This surcharge is pursuant to Section 91(4) of 2008 PA 295, as amended by Public Act 342 of 2016, the adjustment of distribution service rates, via the application of an Energy Waste Reduction Surcharge, to allow recovery of the energy waste reduction alternative compliance payment made by the Company in compliance with Section 91(1) of 2008 PA 295. The energy waste reduction compliance payments and the associated surcharges are subject to a reconciliation mechanism.*

The monthly minimum charge is the Daily Customer Charge multiplied by the number of days in the billing period.

For more information

To learn more about Upper Michigan Energy Resources Corporation or the rate options available to you, please visit uppermichiganenergy.com or call 24-hour customer service at **800-450-7260**.



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Electric and natural gas rates

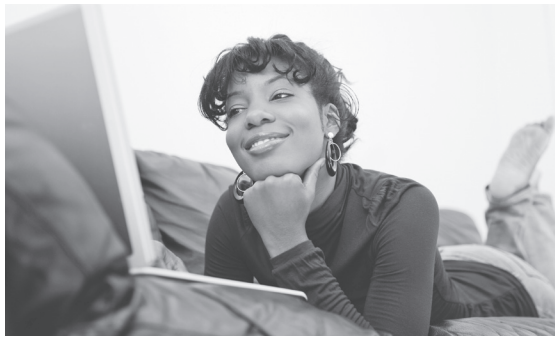
for Michigan residential customers

January 2018

The rates in this brochure reflect the authorized base rates of Upper Michigan Energy Resources Corporation for its Michigan residential customers.



Energy you can depend on



Rate options

We recommend you review the rate options and prices listed in this brochure. Your current rate description is listed on your bill. Compare this rate description to the other rate options described here. While you are the best judge of which rates are best for your situation, we'll be glad to help you compare rate options. Complete rate schedules are available upon request. You also may request energy use and weather-adjusted consumption data for the last 12 months. Visit uppermichiganenergy.com for more pricing information.

Michigan customer choice

Most Michigan electric customers have a Retail Access Service option, or choice to purchase their generation and transmission service from a licensed unregulated Alternative Electric Supplier (AES) at a price determined solely between the customer and the AES, with power delivered through the Company's distribution system. The AES will charge its customers for the energy and transmission services to transport the electricity across the high-voltage lines to your home. The utility will charge AES customers for the distribution services on the low-voltage lines. And, beginning in June 2018, the utility will charge AES customers for the availability of generation (capacity) if the AES has not secured generation capacity for your home. Customers may continue to buy their power supply from the local utility under Full Requirements Service at prices regulated by the Michigan Public Service Commission.

Electric rates

We itemize, or "unbundle," charges on your bill for Power Supply and Delivery. Your itemized charges for Power Supply include costs to generate or purchase the electricity and transport it over power lines to local distribution systems. Your itemized charges for Delivery include costs to deliver the electricity to your home, as well as certain customer services. The base energy charges are subject to a Power Supply Cost Recovery (PSCR) factor to reflect changes in fuel costs. The current PSCR factor is (\$0.00136) per kWh. The current cost base is \$0.04052 per kWh.

Types of electric service

Standard service (single phase)

Most of our residential customers have Standard electric service. With this service, customers pay three charges: a daily Fixed Charge, a charge per kWh for electricity used, and a charge for the Michigan Energy Waste Reduction Program. The total bill is based on the amount of electricity used each month.

Fixed Charge	\$0.3945 per day	\$12.00 per month
Energy Charge - Distribution	\$0.03433 per kWh	
Energy Charge - Power Supply	\$0.07844 per kWh	

Seasonal service

This service is the same as Standard service, except customers are normally billed only six months during the year. This option is designed for customers who do not use significant amounts of electricity during a specific six-month season. Charges for electricity used during that time will typically be accumulated and included on your first seasonal bill.

Fixed Charge Seasonal	\$0.789 per day	\$24.00 per month
Energy Charge - Distribution	\$0.03433 per kWh	
Energy Charge - Power Supply	\$0.07844 per kWh	

Optional electric rate choices

Time-of-Use (two-tier, single phase)

You may want to consider Time-of-Use rates if you can control the time of day you use electricity. This rate includes four charges: A daily Fixed Charge, a charge for electricity used during defined Peak hours, a charge for electricity used during defined Off-Peak hours and a per kWh charge for the Michigan Energy Optimization Program. The Time-of-Use rate more accurately reflects the price of electricity at the time it's used.

Fixed Charge	\$0.3945 per day	\$12.00 per month
Fixed Charge Seasonal	\$0.789 per day	\$24.00 per month
On-Peak Energy - Distribution	0.05704 per kWh	
On-Peak Energy - Power Supply	0.18913 per kWh	
Off-Peak Energy - Distribution	0.01426 per kWh	
Off-Peak Energy - Power Supply	0.04728 per kWh	

NatureWise Renewable Energy Program

With NatureWise, you can choose to support clean sources of energy, including wind and biogas. Your purchase of renewable energy has a positive effect on the environment and future generations.

100 kWh block of energy	\$2.40 per block
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Parallel generation

Customers with renewable energy generating systems who are interested in selling electrical energy to us should visit our website for more information or contact us for assistance in determining if you can benefit from these rates.

Outdoor lighting

Customers can get an outdoor lighting system for their home for a flat monthly rate. The rate includes the equipment, maintenance and the electricity used to operate it. For more details and rate information, please contact us or visit our website.