

UNITED STATES OF AMERICA  
BEFORE THE  
ATOMIC ENERGY COMMISSION

In the Matter of )  
 )  
Consumers Power Company ) Docket Nos 50-329A  
(Midland Plant, Units 1 and 2) ) and 50-330A

JOINT PETITION TO INTERVENE  
AND REQUEST FOR HEARING

**ANTI-TRUST**

1. The following named parties: City of Traverse City, Michigan and the Traverse City Light and Power Department; City of Grand Haven, Michigan, Board of Light and Power; City of Holland, Michigan, Board of Public Works; City of Zeeland, Michigan, and the Zeeland Board of Public Works; City of Coldwater, Michigan, Board of Public Utilities; the Michigan Municipal Electric Association (collectively referred to as the "Michigan Municipals"); and Northern Michigan Electric Cooperative, Inc. ("Northern Michigan"), hereby petition to intervene in the above-captioned proceedings as full parties in interest in accordance with Section 189 of the Atomic Energy Act of 1954, as amended ("the Act") and Section 2.714 of the Commission's Rules of Practice, 10 C.F.R. Part 2. Further,

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pursuant to Notice published in the Federal Register on September 4, 1971, the joint petitioners request hearing on the antitrust aspects of the application by the Consumers Power Company ("Applicant"). The petitioners request full participation as parties in any hearing which is held concerning such antitrust matters.

2. The Michigan Municipal Electric Association ("Association") is an organization comprised of officials of thirty-four (34) municipal electric departments or utility boards in the State of Michigan. The Association's objective, among others, is that of assisting member utilities in the production, distribution and use of electricity for public service and resisting any pressures brought that are harmful to its members' mutual well-being or that encourage the sale of municipal utility systems.

3. There are twenty-three municipally owned utility systems serving approximately 490,000 kw of loads in areas adjacent to the area served by the Applicant, sixteen of which own generating capacity. Five of the municipal systems, including Traverse City, Grand Haven and Zeeland, are interconnected with the Wolverine Electric Cooperative and

Northern Michigan. <sup>\*</sup>/ Fourteen municipal systems are served by the Applicant under electric rate schedules filed with the Federal Power Commission. <sup>\*\*</sup>/ The average cost of power and energy furnished by the Applicant to eleven of these systems ranged from 10.8 to 15.1 mills per kwh. <sup>\*\*\*</sup>/ Since 1960 the Applicant has made offers or proposals to purchase five municipally-owned systems and has acquired two, Grayling, Michigan (1961) and Allegan, Michigan (1968). <sup>\*\*\*\*</sup>/

4. The Michigan Municipals are parties whose interests may be affected by the proceeding. Each of the individual Cities and the member systems represented by the Association in this joint petition for leave to intervene owns and operates a municipal electric utility distributing and selling electricity at retail in or about their respective communities. Each of the Cities owns generating facilities to serve all or part of its power needs. Holland and Coldwater

<sup>\*</sup>/ Amendment No. 19, Consumers Power Co. Application Docket Nos. 50-329A, 50-330A, pp. 7, 7-1, 7-2.

<sup>\*\*</sup>/ Index of Filed Electric Rate Schedules, Bureau of Power, Federal Power Commission, September 30, 1970.

<sup>\*\*\*</sup>/ Amendment No. 19, Docket Nos. 50-329A, 50-330A, pp. 17-1, 17-2.

<sup>\*\*\*\*</sup>/ Id. at pp. 19, 19-1.

additionally are customers of the Applicant under emergency <sup>\*</sup>/<sub>and short term firm power contracts respectively.</sub>

5. Northern Michigan, Traverse City, Grand Haven and Wolverine Electric Cooperative, Inc. <sup>\*\*</sup>/<sub>("Wolverine")</sub> are parties to the Michigan Municipals and Cooperatives Power Pool Agreement ("MMCPP Agreement") and petitioner Zeeland, and the Power and Light Departments of Lowell and Hart, Michigan are associates of Wolverine under the MCPP Agreement. <sup>\*\*\*</sup>/<sub>Northern Michigan purchases short term, firm power under contract with the Applicant and is the only MCPP member interconnected with the Applicant.</sub> <sup>\*\*\*\*</sup>/

6. Northern Michigan is a generating and transmission ("G & T") cooperative serving three distribution cooperatives whose territories (together with the four cooperatives served

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<sup>\*</sup>/<sub>Appendix A, Holland contract, Applicant's FPC Electric Rate Schedule 15.</sub>

Appendix B, Coldwater contract, Applicant's FPC Electric Rate Schedule 3.

<sup>\*\*</sup>/<sub>Wolverine Electric Cooperative, Inc. as a member of the MCPP group is vitally concerned with this proceeding and has indicated its intention to seek intervention. It is unable to join in the petition at this time because formal authorization to do so must await affirmative action at its Board of Directors next meeting scheduled for October. Wolverine serves the O & A, Oceana, Tri-County and Western Michigan Electric Cooperatives. See Appendix E.</sub>

<sup>\*\*\*</sup>/<sub>The MCPP Agreement is attached hereto as Appendix C.</sub>

<sup>\*\*\*\*</sup>/<sub>Appendix D, Northern Michigan contract, Applicant's FPC Electric Rate Schedule 16.</sub>

by Wolverine) encompass the north and west portions of Michigan's Lower Peninsula. <sup>\*</sup> From 42,639 kw of generating capacity installed on Northern Michigan's integrated system it produced net generation of 248 million kilowatt-hours ("kwh"); it received 11 million from MMCPP members and purchased 3.2 million kwh from the Applicant during the calendar year 1970. It delivered 253 million kwh to the distribution coops and the MMCPP pool members. <sup>\*\*</sup> Wolverine and Northern Michigan in the aggregate generated approximately 427 million kwh in 1969 and operated 1059 miles of transmission lines. <sup>\*\*\*</sup>

7. Traverse City for the year ended June 30, 1970 had installed generating capacity of 35,650 kw, sales of approximately 96.6 million kwh to 5,675 customers including MMCPP pool members. <sup>\*\*\*\*</sup>

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<sup>\*</sup> See map, Appendix E.

<sup>\*\*</sup> Power System Statement, FPC Form 12, year ended December 31, 1970.

<sup>\*\*\*</sup> 1969 Annual Statistical Report, Rural Electrification Borrowers, USDA, REA Bulletin 1-1, pp. 249-150

<sup>\*\*\*\*</sup> FPC Form 1-M, City of Traverse City, Light and Power Department, Annual Report for year ended June 30, 1970.

8. Grand Haven has installed generating capacity of 33,630 kw. During the year ended June 1970 it sold in excess of 118 million kwh to an average of 7,075 customers including sales for resale to the other MMCPP pool participants. <sup>\*</sup> For the same fiscal year Holland had installed capacity of 77,250 kw and made sales to 11,646 customers totaling 177 million kwh, including 6.69 million kwh of sales for resale to the Applicant at an average price of <sup>\*\*</sup> 6 mills per kwh.

9. Coldwater for the current year ended June 30, 1971 sold in excess of 66 million kwh to 4,720 customers from its own installed capacity of 16,625 kw. In contrast to Holland's sales in 1970 to the Applicant, Coldwater supplemented its own energy generated with purchases of 12.7 million kwh from the Applicant at an average cost of <sup>\*\*\*</sup> 15.48 mills per kwh. The Applicant states in its letter dated June 9, 1971 to the Department of Justice modifying data provided in Amendment No. 19 to its

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<sup>\*</sup>/ FPC Form 1-M, City of Grand Haven, Board of Light and Power, Annual Report for year ended June 30, 1970.

<sup>\*\*</sup>/ FPC Form 1-M, City of Holland, Board of Public Works, Annual Report for year ended June 30, 1970.

<sup>\*\*\*</sup>/ FPC Form 1-M, City of Coldwater, Board of Public Utilities, Annual Report for year ended June 30, 1971.

application that its system bulk power costs for energy in 1970 were 5.7 mills per kwh at the delivery point from the primary (345kv/138kw) transmission system. For 1977 this figure is projected to be 4.6 mills. The total (demand and energy) cost of 1977 bulk power supply at the transmission delivery points is estimated to be 13.0 mills. (See June 9, 1971 letter, p. 1, and Amendment No. 19, pp. 9-10.)

10. The Department of Justice by letter dated June 28, 1971 to the Commission deals extensively with the competitive interests of the Michigan Municipals, Northern Michigan and Wolverine, and bases its recommendation that a hearing be held on antitrust issues primarily on the activities of the Applicant with respect to these joint petitioners in contrast with its dealings with the Detroit Edison Company and other large investor-owned systems outside of the State of Michigan.

11. By letter to the Applicant dated May 24, 1971, Traverse City sought to explore participation opportunities in the Midland project. Subsequent but inconclusive discussion was held between representatives of the Applicant and Traverse City on July 7, 1971. Each individual utility petitioning to intervene would seek to participate in the Midland project and secure rights to wheel such power across the Applicant's transmission system.

12. The complete dominance of the Applicant and Detroit Edison in bulk power supply matters in the Lower Peninsula of Michigan, <sup>\*</sup> coupled with the water barrier of Great Lakes to the west and north leaves the individual petitioners in a position of being unable to look elsewhere for bulk power supply coordination. The City of Lansing, Michigan is the only smaller utility system owning generation which has prospective access (in 1972) to the high voltage, interconnected transmission system of the Applicant. <sup>\*\*</sup> The Dow Chemical Company and the Wolverine Power Company both have access to the Electric Power Pooling Agreement ("Michigan Pool") between the Applicant and Detroit Edison. <sup>\*\*\*</sup> No such arrangements exist for the petitioners to coordinate their operations with the Applicant through participation in the Michigan Pool.

13. The Michigan Municipals and Northern Michigan submit that opportunity for access to bulk power supply and coordination must comport with the policies and laws governing activities of public utilities as articulated in Gainesville

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<sup>\*</sup> Department of Justice letter dated June 9, 1971, pp.1-2

<sup>\*\*</sup> See Amendment No. 19. pp. 5-6, 6-1 through 6-5, and Attachment B.

<sup>\*\*\*</sup> See Amendment No. 19, p. 6-5; Attachment C.

Utilities Dept. v. Florida Power Corp., \_\_\_\_\_ U. S. \_\_\_\_\_,  
39 L.W. 4601 (May 24, 1961), and United States v. Otter Tail  
Power Co., U. S. Dist. Ct., 6th Div. Minn., Docket 6-69-Civ-139,  
Memorandum and Order, September 9, 1971. A hearing should be  
held to determine if the granting of instant application will  
maintain a situation inconsistent with the antitrust laws  
and policies.

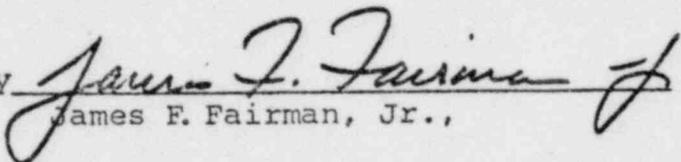
WHEREFORE and for the foregoing reasons the Michigan  
Municipals and Northern Michigan pray that:

- (1) an order be entered by the Commission granting  
their intervention as full parties to the  
proceeding;
- (2) hearings be held on the antitrust matters raised  
herein and in the Department of Justice letter  
to the Commission dated June 28, 1971;
- (3) the application be conditioned to avoid violation  
of or inconsistency with the antitrust provisions  
of the Act and other provisions of the antitrust  
laws of the United States; and

(4) the petitioners be granted such other relief as to which it may be shown they are entitled.

Respectfully submitted,

City of Traverse City, Michigan,  
and the Traverse City Light and Power  
Department; City of Grand Haven,  
Michigan, Board of Light and Power;  
City of Holland, Michigan, Board of  
Public Works; City of Zeeland,  
Michigan and the Zeeland Board of  
Public Works; City of Coldwater,  
Michigan, Board of Public Works;  
The Michigan Municipal Electric  
Association; and Northern Michigan  
Electric Cooperative, Inc.

By   
James F. Fairman, Jr.,

Their Attorney

Law Offices of:

George Spiegel  
2600 Virginia Avenue, N. W.  
Washington, D. C. 20037

October 4, 1971

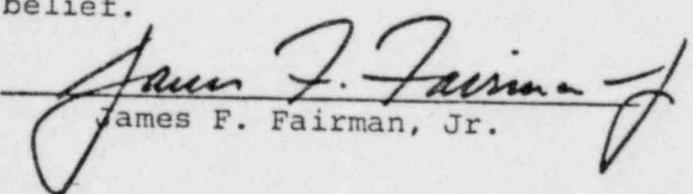
UNITED STATES OF AMERICA  
BEFORE THE  
ATOMIC ENERGY COMMISSION

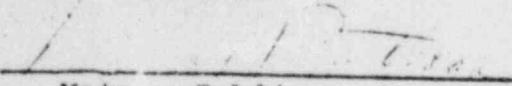
In the Matter of )  
 ) Docket Nos. 50-329A  
Consumers Power Company ) and 50-330A  
(Midland Plant, Units 1 and 2) )—  
—

AFFIDAVIT

James F. Fairman, Jr., being first duly sworn, deposes and says that he is an attorney for the City of Traverse City, Michigan and the Traverse City Light and Power Department; City of Grand Haven, Michigan, Board of Light and Power; City of Holland, Michigan, Board of Public Works; City of Zeeland, Michigan, and the Zeeland Board of Public Works; City of Coldwater, Michigan, Board of Public Utilities; the Michigan Municipal Electric Association and Northern Michigan Electric Cooperative, Inc. and that as such he has signed the foregoing Joint Petition to Intervene and Request for Hearing for and on behalf of said parties; that he is authorized by the parties so to do; that he has read said Petition and Request and is familiar with the contents thereof; and that the matters and things therein set forth are true and correct to the best of his knowledge, information or belief.

Subscribed and sworn to  
before me this 4th day of  
October, 1971.

  
James F. Fairman, Jr.

  
Notary Public

My commission expires: September 30, 1974

UNITED STATES OF AMERICA  
BEFORE THE  
ATOMIC ENERGY COMMISSION

In the Matter of )  
 ) Docket Nos. 50-329A  
Consumers Power Company ) and 50-330A  
(Midland Plant, Units 1 and 2) )

CERTIFICATE OF SERVICE

I hereby certify that copies of the Joint Petition to Intervene and Request for Hearing in the above-captioned matter were served upon the following, first class or air mail, this 4th day of October, 1971:

Algie A. Wells, Esq., Chairman  
Atomic Safety and Licensing  
Board Panel  
U. S. Atomic Energy Commission  
Washington, D. C. 20545

Mr. Stanley T. Robinson, Jr.  
Chief, Public Proceedings Branch  
Office of the Secretary of the  
Commission  
U. S. Atomic Energy Commission  
Washington, D. C. 20545

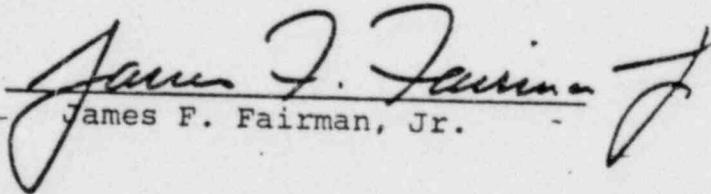
Robert E. Leidquist, Esq.  
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Joseph J. Saunders, Esq.  
U. S. Department of Justice  
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Lowenstein & Newman  
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James F. Fairman, Jr.

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George Spiegel  
2600 Virginia Avenue, N. W.  
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WPC ELECTRIC RATE  
 SCHEDULE NO. 15  
 FILING DATE: 12 21-67  
 EFFECTIVE DATE: 1-21

RE

DEC 21 9 31 AM '67

AGREEMENT FOR ELECTRIC SERVICE  
CONSUMERS POWER COMPANY  
AND THE  
CITY OF HOLLAND, MICHIGAN

AGREEMENT, made and entered into this 15th day of November, 1967, between CONSUMERS POWER COMPANY, a corporation authorized to transact business in Michigan and having its principal office therein at Jackson, Michigan, herein termed "Consumers Power," and the CITY OF HOLLAND, MICHIGAN, a Michigan municipal corporation, by its BOARD OF PUBLIC WORKS, herein termed "Holland."

WITNESSETH: That, in consideration of the mutual agreements herein to be kept and performed by the parties hereto, it is agreed as follows:

1. EMERGENCY CAPACITY AND ENERGY TO BE FURNISHED

Subject to the provisions hereof, each of the parties hereto recognizes a mutual interest and advantage in maintaining a continuous and uninterrupted supply of electric power and energy available to customers of both the parties hereto. In each event of an emergency on either party's electric system, the other party shall make available to the party suffering the emergency all of its electric generating capability in excess of its requirements for its own system load and its prior obligations to supply firm and emergency capacity to third parties pursuant to agreements in effect on December 1, 1967, up to the limit of the rated capacity of the existing interconnection between the parties hereto at the time of the emergency. The present rated capacity of the aforesaid interconnection is 14,000 kw. By mutual agreement in writing, the rated capacity of the aforesaid interconnection may be increased during the term of this Agreement to a capacity level and at a cost that is equitable to both parties. Except as otherwise provided herein, either party may enter into future interconnection agreements with third parties. As used in this Agreement, the term "third party" refers to any person, firm, corporation, government agency, or other entity fulfilling electric utility responsibility in its power supply activities.

2. CHARACTER OF SERVICE

All electric energy to be furnished by either party hereunder shall be alternating current, three phase, 60 cycles per second, at approximately 46,000 volts.

3. POINT OF DELIVERY

The point of delivery of all electric energy to be furnished by either party hereunder shall be at the Holland side of Consumers Power's 46 kv air-break switch located in Holland's 46/12.5 kv substation which is located at Holland's James DeYoung Plant at Third Street and Pine Avenue, Holland, Michigan.

#### 4. METERING

The electric energy to be furnished by either party to the other hereunder shall be metered at 7,200/12,500 volts wye. Consumers Power shall furnish, install and maintain suitable and adequate meters and metering equipment for the measurement of maximum demands and kilowatt-hours delivered by Holland to Consumers Power and by Consumers Power to Holland. A location for Consumers Power's meters and metering equipment, suitable to Consumers Power, shall be provided by Holland and adequate protection afforded to avoid damage thereto, tampering or interference with such meters and metering equipment. Consumers Power shall inspect and test its meters annually, and shall keep them within accepted standards of accuracy. If Holland desires more frequent tests, it shall bear one half of the expense thereof. Each party shall have access to and the right to participate in the inspection and testing of such meters by its proper representatives. Each party shall also have the right to read any of said meters at all reasonable times.

Consumers Power shall furnish to Holland the kilowatt-hour and demand data each month which reflect the basis for determination of charges made pursuant to the provisions of Section 7 hereof.

#### 5. FACILITIES TO BE FURNISHED

##### (a) By Consumers Power

In addition to its said meters and metering equipment, Consumers Power shall furnish and maintain, at its expense, all transmission lines and other equipment on the Consumers Power side of the point of delivery described in Section 3 hereof.

##### (b) By Holland

Holland shall furnish and maintain, at its expense, its said 46/12.5 kv substation and all other equipment on the Holland side of the point of delivery described in Section 3 hereof. In addition, Holland shall provide Consumers Power with the necessary rights of way over Holland's streets and property for Consumers Power's transmission lines from Holland's corporate limits to said point of delivery.

Neither party shall have any obligation to inspect the other party's facilities nor any responsibility with respect to the installation, repair, maintenance, replacement, relocation, removal or operation of the other party's facilities.

#### 6. PLANNING AND OPERATING COMMITTEES

##### (a) Planning Committee

There is hereby created a Planning Committee composed of two members. Each of the parties hereto shall designate, in a written

communication to the other party, one of the members of said Planning Committee and an alternate who shall act in his stead whenever such member is unable to act. Either party may change its designated representative or alternate at any time by written communication to the other party. The duties of said Planning Committee shall include:

(1) Exchange of data on load forecast and planned generation capabilities on the respective systems of the parties for a period at all times extending four years into the future.

(2) Determination and redetermination of mutual emergency capacity as contemplated in Section 7 hereof.

(3) Consideration of any engineering matters as may, from time to time, arise in connection with this Agreement.

(b) Operating Committee

There is hereby created an Operating Committee composed of two members. Each of the parties hereto shall designate, in a written communication to the other party, one of the members of said Operating Committee and an alternate who shall act in his stead whenever such member is unable to act. Either party may change its designated representative or alternate at any time by written communication to the other party. The duties of said Operating Committee shall include:

(1) All matters related to the day-to-day operation of the interconnection between the two parties, including development of operating procedures as contemplated in Section 10 hereof.

(2) Computation of all billings.

(3) All matters relating to operating conditions during emergency situations.

(4) The accrediting of Holland's maximum net demonstrated capability after reviewing field tests of two-hour duration.

(c) Expenses

The expenses for the establishment and maintaining of the Planning and Operating Committees shall be the responsibility of each party as regards its own personnel. Any expenses jointly incurred by either of said committees in carrying out their respective duties, other than for the parties' personnel, shall be shared equally by the parties hereto.

(d) Authority to Amend or Supplement Agreement

Neither of said committees shall have authority to amend or supplement this Agreement in any respect, it being the intent hereof

that any amendment or supplement to this Agreement shall be made only by the parties hereto.

7. CHARGES FOR CAPACITY AND ENERGY TO BE FURNISHED

(a) For Mutual Emergency Capacity and  
Emergency Energy To Be Furnished

Five (5) megawatts of mutual emergency capacity shall be in effect hereunder during the period from December 1, 1957 to December 1, 1963. On or about July 1, 1963, and on or about July 1 of each year thereafter during the term hereof, the Planning Committee shall determine the mutual emergency capacity to be in effect hereunder during the twelve-month period commencing on the 1st day of December next following each such determination. In the event of any addition to, or retirement of, Holland's electric generating capability, the Planning Committee shall immediately redetermine the mutual emergency capacity to be in effect hereunder during the remainder of the period in which such addition or retirement occurs. Each determination and redetermination of the mutual emergency capacity in effect hereunder shall be made by the Planning Committee in accordance with Supplement A hereto and shall be reflected in this Agreement by means of an appropriate supplement hereto.

No capacity charge shall apply to the mutual emergency capacity in effect at any time hereunder nor to any electric energy delivered by either party to the other because of emergencies (herein called "emergency energy") to the extent that the emergency energy is delivered at a rate of delivery not in excess of the mutual emergency capacity in effect at the time of its delivery. Any emergency energy, which is delivered at a rate of delivery not in excess of the mutual emergency capacity in effect at the time of its delivery, shall be (i) returned in kind and in a manner satisfactory to the party which delivered the emergency energy to the end that such emergency energy deliveries and return energy deliveries will approximately equalize during each calendar month or (ii) at the delivering party's option, be paid for at the rate of six mills per kilowatt-hour.

(b) For Other Emergency Capacity and  
Emergency Energy To Be Furnished

Any emergency energy which is delivered by either party to the other at a rate of delivery in excess of the mutual emergency capacity in effect at the time of its delivery shall be paid for by the receiving party in accordance with the following rate, to wit:

Capacity Charge

\$1.90 per month per kva for the first 2,200 kva of  
billing demand,  
\$1.70 per month per kva for all over 2,200 kva of  
billing demand.

### Energy Charge

- .7¢ per kwh for the first 6,000,000 kwh of such emergency energy used per month.
- .6¢ per kwh for all over 6,000,000 kwh of such emergency energy used per month.

### Determination of Billing Demand

A billing demand shall be established only if the kilovolt-amperes supplied during the one-hour period of maximum use in the billing month is in excess of the mutual emergency capacity then in effect, and such billing demand shall be the highest average one-hour demand created during such month in excess of the mutual emergency capacity then in effect.

### Tax Clause

In the event Holland levies special taxes, excise taxes, income taxes, license fees, or rentals against Consumers Power's electric property, or its electric operations, or the production and/or sale of electric energy, Consumers Power's bills for electric service to Holland shall be increased to cover such special charges which are attributable to this interconnection with the Holland Municipal electric system. In the event of any new or increased specific tax or excise imposed by governmental authority upon Consumers Power's generation or sale of electric energy, Consumers Power's bills for electric service to Holland shall be increased to cover the portion of such increased costs which is allocable to the electric service furnished by Consumers Power to Holland hereunder.

### (c) For Incidental Energy Delivered

Any incidental energy which is delivered by either party to the other shall be returned in kind or paid for at the rate of six mills per kilowatt-hour, at the option of the delivering party, as is provided for emergency energy under Subsection (a) of this Section 7.

## 8. BILLING

(a) Promptly after the beginning of each calendar month, each of the parties hereto shall render a bill to the other party for any charges which are payable by such other party for services rendered during the preceding month under the terms of this Agreement.

(b) All bills shall be paid within twenty (20) days from the date of rendering. If any bill is not paid within said twenty (20) day period, two percent (2%) of the amount thereof shall be added to such bill as a delayed payment charge.

## 9. PARALLEL OPERATION

It is contemplated by the parties hereto that their respective systems will normally be operated in parallel. Each party agrees to install and properly maintain suitable approved protective appliances and devices and to provide sufficient trained personnel to protect its equipment and service from injury or interruption which might be caused by a flow of current to or from the lines of either party, and to assume any loss, liability or damage caused by a lack of such protection.

## 10. OPERATING PROCEDURES

Operating procedures for implementation of day-to-day operations will be developed by the Operating Committee to cover the following requirements:

(a) Each party will endeavor to control the supply of kilovars so that the quantity passing from either system to the other will, under normal operating conditions, be as close to zero as practical.

(b) Spinning reserve requirements will be maintained by each party on an equitable basis.

## 11. CONNECTIONS WITH OTHERS

It is agreed that the electric energy to be supplied by Consumers Power to Holland hereunder shall be used solely to meet a part of the requirements of Holland in the operation of its electrical system located in and near the City of Holland, Michigan, and shall in no event be shared with or transmitted or resold to any third party as defined in Section 1 hereof. It is further agreed that without the written consent of Consumers Power, Holland shall make no interconnection with any person, firm, corporation, government agency or other entity which might result in either party hereto becoming engaged, directly or indirectly, in the transmission or sale at wholesale of electric energy in interstate commerce. If Holland violates any of the provisions of this Section 11, Consumers Power may, at its option, terminate this Agreement forthwith by giving written notice of its intention so to do.

## 12. LIABILITY

Except as to the capacity and energy charges payable under Section 7 hereof, neither party shall be liable to the other for damages for any act, omission or circumstance occasioned by or in consequence of any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or by any other cause or causes beyond such party's control, including any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party hereto.

Notwithstanding the provisions of the foregoing paragraph or any other provision of this Agreement to the contrary, each party shall at all times assume all liability for, and shall indemnify and save the other party harmless from any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses for injury to or death of any person or persons whatsoever, or for any loss, destruction of or damage to any property of third persons, firms, corporations, or other entities, arising out of or resulting from, either directly or indirectly, its own facilities, or arising out of or resulting from, either directly or indirectly, any electric energy furnished by it hereunder after such energy has been delivered by it to the other party.

13. TERM

This Agreement shall be in effect for a term of nine (9) years commencing on December 1, 1967; provided, however, that if at any time the mutual emergency capacity, as determined or redetermined by the Planning Committee pursuant to Section 7 hereof, shall equal zero or less, this Agreement shall thereupon automatically terminate without further action by either party. This Agreement may be cancelled at any time by mutual agreement of the parties in writing.

14. CANCELLATION OF PREVIOUS CONTRACT

This Agreement supersedes and cancels, as of the effective date hereof, the agreement between Consumers Power and Holland with relation to the supply of electric energy dated October 6, 1955.

15. GOVERNMENTAL AUTHORITY

This Agreement is subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction over the subject matter of this Agreement.

16. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto. This Agreement shall not be transferred or otherwise alienated by either party

without the other party's written consent, which consent shall not unreasonably be withheld.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

APPROVED BY THE BOARD  
7/5/50  
CONSUMERS POWER COMPANY  
LEGAL DEPARTMENT

CONSUMERS POWER COMPANY

By /s/ B. G. Campbell  
Vice President

Approved: \_\_\_\_\_

CITY OF HOLLAND

By /s/ Nelson Bosman  
Its Mayor

/s/ D. W. Schipper  
Its Clerk

Approved: \_\_\_\_\_

/s/ G. W. Cunningham  
City Attorney

CITY OF HOLLAND

BY-ITS BOARD OF PUBLIC WORKS

By /s/ Randall C. Bosch  
President

By /s/ Henry S. Maentz  
Vice President

SUPPLEMENT A  
TO AGREEMENT FOR ELECTRIC SERVICE BETWEEN  
CONSUMERS POWER COMPANY AND THE CITY OF  
HOLLAND DATED November 15, 1967

As specified in Section 7 of the Agreement, the method for determining and redetermining the megawatt value of mutual emergency capacity is as follows:

1. Holland's reserve will be determined and redetermined in accordance with the formula:

$$R = C - L$$

where:

R = Holland's reserve.  
C = Holland's maximum net demonstrated capability.  
L = Holland's estimated peak hourly demand for the appropriate period.

2. Holland's reserve responsibility will be determined and redetermined in accordance with the formula:

$$RR = \frac{C_1 + 0.5C_2 - 0.15L}{2} + 0.15L$$

where:

RR = Holland's reserve responsibility.  
C<sub>1</sub> = Maximum net demonstrated capability of Holland's largest unit.  
C<sub>2</sub> = Maximum net demonstrated capability of Holland's second largest unit.  
L = Holland's estimated peak hourly demand for the appropriate period. (Same as in 1 above.)

3. The mutual emergency capacity shall be determined and redetermined by subtracting Holland's reserve responsibility (RR as computed in 2 above) from Holland's reserve (R as computed in 1 above). The value of mutual emergency capacity to be utilized for the appropriate period shall be rounded to the nearest megawatt.

REGISTRATION DATE  
SCHEDULE NO. 13  
SUPPLEMENT NO. 1  
FILING DATE 7/25/69  
EFFECTIVE DATE 4/2/69

SUPPLEMENTAL AGREEMENT NO. 1  
TO  
AGREEMENT FOR ELECTRIC SERVICE  
BETWEEN  
CONSUMERS POWER COMPANY  
AND THE  
CITY OF HOLLAND, MICHIGAN

SUPPLEMENTAL AGREEMENT NO. 1, made this 7th day of May, 1969, between CONSUMERS POWER COMPANY, a Michigan corporation, having its principal office at Jackson, Michigan, and the CITY OF HOLLAND, MICHIGAN, a Michigan municipal corporation, by its BOARD OF PUBLIC WORKS.

WHEREAS, the parties hereto have entered into a contract dated November 15, 1967, for the interchange of electric services, and

WHEREAS, said parties desire to amend the first paragraph of Subsection (a) of Section 7 of said contract as hereinafter set forth.

NOW THEREFORE, it is agreed as follows:

1. The first paragraph of Subsection (a) of Section 7 of said contract, reading as follows:

"Five (5) megawatts of mutual emergency capacity shall be in effect hereunder during the period from December 1, 1967 to December 1, 1968. On or about July 1, 1968, and on or about July 1 of each year thereafter during the term hereof, the Planning Committee shall determine the mutual emergency capacity to be in effect hereunder during the twelve-month period commencing on the 1st day of December next following each such determination. In the event of any addition to, or retirement of, Holland's electric generating capability, the Planning Committee shall immediately redetermine the mutual emergency capacity to be in effect hereunder during the remainder of the period in which such addition or retirement occurs. Each determination and redetermination of the mutual emergency capacity in effect hereunder shall be made by the Planning Committee in accordance with Supplement A hereto and shall be reflected in this Agreement by means of an appropriate supplement hereto."

is hereby amended to read as follows:

"Five (5) megawatts of mutual emergency capacity shall be in effect hereunder during the period from December 1, 1967 to April 2, 1969, and nineteen (19) megawatts of mutual emergency capacity shall be in effect hereunder during the period from April 2, 1969 to December 1, 1969. On or about July 1, 1969, and on or about July 1 of each year thereafter during the term hereof, the Planning Committee shall determine the mutual emergency capacity to be in effect hereunder during the twelve-

This filing is made subject to the jurisdictional reservation contained in the transmittal letter to the Federal Power Commission, dated July 22, 1969.

month period commencing on the 1st day of December next following each such determination. In the event of any addition to, or retirement of, Holland's electric generating capability after April 9, 1969, the Planning Committee shall immediately redetermine the mutual emergency capacity to be in effect hereunder during the remainder of the period in which such addition or retirement occurs. Each determination and redetermination of the mutual emergency capacity in effect hereunder shall be made by the Planning Committee in accordance with Supplement A hereto and shall be reflected in this Agreement by means of an appropriate supplement hereto."

2. Except as herein otherwise provided, said contract dated November 15, 1967, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement on the day and year first above written.

APPROVED BY IC ORM

CONSUMERS POWER COMPANY

CONSUMERS POWER COMPANY

By

*R. J. Campbell*  
Vice President

Approved:

CITY OF HOLLAND

By

*Nelson L. Brown*  
Its Mayor

*Bill Schipper*  
Its Clerk

Approved:

*W. L. Cunningham*  
City Attorney

CITY OF HOLLAND

BY ITS BOARD OF PUBLIC WORKS

By

*Henry W. ...*  
President

By

*E. ...*  
Superintendent

This filing is made subject to the jurisdictional reservation contained in the transcription letter to the Federal

Nov 28 5 58 PM '67

CONSUMERS POWER COMPANY  
CONTRACT FOR ELECTRIC SERVICE

SCHEDULED 3  
FILED 11-28-67  
15 29-67

AGREEMENT, made and entered into this 4th day of April, 1966, between CONSUMERS POWER COMPANY, a corporation authorized to transact business in Michigan, and having its principal office therein at Jackson, Michigan, herein termed the Company, and the CITY OF COLDWATER, a municipal corporation located in Branch County, Michigan, herein termed the City.

WITNESSETH:

That, in consideration of the mutual agreements herein to be kept and performed by the parties hereto, it is agreed as follows:

1. ENERGY TO BE FURNISHED:

Subject to the terms and conditions hereof, the City agrees to purchase and accept from the Company, and the Company agrees to supply and sell to the City, electric energy as auxiliary or standby to the City's electric generating plant located in said City of Coldwater, Michigan, and which is used by the City to supply electric energy to its distribution system, but not in excess of 5000 kilovolt-amperes, being the capacity reserved by the Company for the City's use. The Company will, at the written request of the City made at least thirty (30) days in advance, permit an increase in such reserved capacity provided the Company has power available.

2. CHARACTER OF SERVICE:

The supply of electric energy to be furnished by the Company to the City shall be alternating current, three phase, 60 cycles per second, at approximately 8320 volts.

3. POINT OF DELIVERY:

The point of delivery for all electric energy to be supplied hereunder shall be at the 8320 volt side of the Company's 46,000/8320 volt transformer substation located on the east side of Bennett Street adjacent to the south end of the Municipal Steam Plant in the City of Coldwater.

4. METERING:

The Company shall furnish, install and maintain suitable and adequate meters and metering equipment for the measurement of maximum demands and kilowatt-hours delivered. Metering shall be at 8320 volts at the point of delivery described in Section 3 hereof. The Company shall periodically inspect and test its meters and keep them within accepted standards of accuracy. The City shall have access to and the right to participate in the inspection and testing of such meters by its proper representatives. It shall also have the right to read any of said meters at all reasonable times. Said meters shall be tested annually by the Company, and if the City desires more frequent tests, it shall bear one-half of the expense thereof.

5. EQUIPMENT TO BE FURNISHED:

(a) By the Company:

In addition to its said meters and metering equipment, the Company shall furnish and maintain all transmission lines and other equipment for the delivery of energy to the point of delivery described in Section 3 hereof. The Company, its agents and employees shall have full right and authority of ingress and egress at all times on and across the premises of the City for the purpose of constructing, operating, maintaining, replacing, relocating, repairing, moving and removing its said transmission lines and equipment. Said right of ingress and egress, however, shall not unreasonably interfere with the use of the premises of the City.

(b) By the City:

The City shall furnish, without cost to the Company, a suitable site on the City's property for the Company's said 46,000/8320 volt substation together with all necessary rights of way over the City's streets and property for the Company's transmission lines from the City's corporate limits to said substation site. The City shall also furnish and maintain, at its expense, all facilities beyond said point of delivery. The Company shall have no obligation to inspect the City's said facilities nor have any responsibility with respect to the installation, repair, maintenance, replacement, relocation, removal or operation of said facilities.

6. RATE:

The City agrees to pay for such electric energy delivered to it hereunder in accordance with the following rate, to-wit:

Capacity Charge:

\$2.00 per month per kva for the first 2200 kva of billing demand,

\$1.80 per month per kva for all over 2200 kva of billing demand.

Energy Charge:

.7¢ per kwh for the first 6,000,000 kwh used per month,

.6¢ per kwh for all over 6,000,000 kwh used per month.

Fuel Cost Adjustment Charge:

When the weighted average cost of all fuel in storage at the Company's interconnected electric generating stations, at the end of each of the three months immediately preceding the month covered by the City's bill, is more or less than 33.0 cents per million Btu, there shall be a corresponding increase or decrease of .0012 cent per kilowatt-hour in the charge for all kilowatt-hours included in such bill, for each full 0.1 cent per million Btu increase above or decrease below 33.0 cents per million Btu.

Minimum Charge:

The capacity charge included in the rate, but in no case less than \$5000 per month.

Delayed Payment Charge:

Two per cent (2%) of the total monthly bill if not paid within twenty (20) days from date rendered.

Tax Clause:

In the event the City levies special taxes, excise taxes, income taxes, license fees or rentals against the Company's electric property, or its electric operations, or the production and/or sale of electric energy, bills for electric service to the City shall be increased to offset such special charges, and thereby prevent other customers from being compelled to share such local increases. Bills shall also be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the Company's generation or sale of electric energy.

Determination of Maximum Demand:

The maximum demand or rate of use of electric energy for each month shall be the greatest average load in kilovolt-amperes during any fifteen-minute period of such month as registered by suitable instruments installed by the Company to make such determination.

Determination of Billing Demand:

The billing demand for each month shall be the maximum demand for such month but not less than 60% of the highest billing demand for the preceding eleven months, nor less than 2000 kilovolt-amperes.

7. LOAD BALANCE AND USE OF SERVICE:

The City shall so arrange its circuits and operations as to avoid a current unbalance between the three phases of more than 15% between the high and low phases. The City and its customers shall so use the service as not to disturb or interfere with the Company's service to its other customers. No type of electrically operated device which could cause objectionable operating conditions on the Company's system shall be attached by the City without the consent of the Company.

8. PARALLEL OPERATION:

Permission is hereby given by the Company to the City to operate the City's electric generating plant in parallel with the Company's system. The City agrees to install and properly maintain suitable approved appliances and devices and to provide sufficient trained personnel to protect

its equipment and service and the equipment and service of the Company from injury or interruptions which might be caused by a flow of current from the Company's lines to the City's connections or from a flow of current from the City's plant to the Company's lines, and to assume any loss, liability or damage caused by a lack of such protection.

The electric measuring instruments from which information is taken for billing purposes will be equipped with ratchets or attachments to prevent a credit to the City for any current which its plant may generate and send back into the Company's lines.

9. CONNECTIONS WITH OTHERS:

It is agreed that the electric energy to be supplied by the Company to the City hereunder shall be used solely to meet a part of the requirements of the City in the operation of its electrical system located in the State of Michigan. It is further agreed that without the written consent of the Company, the City shall make no interconnection with any person, firm, corporation, government agency or other entity which might result in either party hereto becoming engaged, directly or indirectly, in the transmission or sale at wholesale of electric energy in interstate or foreign commerce. If the City makes such an interconnection without such written consent, the Company may, at its option, terminate this agreement forthwith by giving written notice of its intention so to do.

10. LIABILITY:

Except as to the capacity and minimum charges payable by the City, prescribed in said rate, neither party shall be liable to the other for damages for any act, omission or circumstance occasioned by or in consequence of any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or by any other cause or causes beyond such party's control, including any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party hereto.

Notwithstanding the provisions of the foregoing paragraph or any other provision of this agreement to the contrary, the City shall at all times assume all liability for, and shall indemnify and save the Company harmless from any and all damages, losses, claims, demands, suits, recoveries, costs and expenses for injury to or death of any person or persons whomsoever, or for any loss, destruction of or damage to any property of third persons, firms, corporations, or other entities, arising out of or resulting from, either directly or indirectly, the City's facilities, or arising out of or resulting from, either directly or indirectly, the electric energy sold hereunder after it has been delivered by the Company to the City.

11. BILLING:

The Company shall render to the City, within a reasonable time after the first of each month, proper billing for electric energy furnished during the preceding month. Such accounts shall be paid by the City within twenty (20) days after date rendered.

12. TERM:

This agreement will extend for an initial term of three (3) years from the 1st day of July, 1966, and from year to year thereafter until terminated by mutual consent or by either party giving the other at least twenty-four (24) months' written notice of its desire to terminate the same at the expiration of said initial term or at the expiration of any yearly period thereafter.

13. SUCCESSORS AND ASSIGNS:

This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto. This agreement shall not be transferred by the City or otherwise alienated without the Company's written consent.

14. CANCELLATION OF PREVIOUS CONTRACT:

This agreement supersedes and cancels, as of the effective date hereof, the agreement between the Company and the City with relation to the supply of electric energy dated as of January 12, 1953.

IN WITNESS WHEREOF, this agreement has been executed on behalf of said City, by its Mayor and City Clerk, acting under authority of resolution of the City Council, and has been executed on behalf of said Company by its duly authorized official, as of the day and year first above written.

APPROVED AS TO FORM  
HSC  
CONSUMERS POWER COMPANY  
LEGAL DEPARTMENT

CONSUMERS POWER COMPANY

By *B. D. Campbell*  
Vice President

CITY OF COLDWATER

By *W. C. H. Fry*  
Its Mayor

Attest:  
*Burdette Harris*  
City Clerk

MICHIGAN MUNICIPALS AND COOPERATIVES

POWER POOL AGREEMENT

B E T W E E N

WOLVERINE ELECTRIC COOPERATIVE, INC.

NORTHERN MICHIGAN ELECTRIC COOPERATIVE, INC.

GRAND HAVEN BOARD OF LIGHT AND POWER

CITY OF TRAVERSE CITY

THIS AGREEMENT, made this 21 day of August, 1968 by and between Wolverine Electric Cooperative, a Michigan corporation, Northern Michigan Electric Cooperative, a Michigan corporation, Grand Haven Board of Light & Power, a municipal corporation, and City of Traverse City, a municipal corporation, such parties being herein referred to individually as a "Party" and any other electric system that may become a party to this agreement by unanimous consent of existing parties.

WITNESSETH

00.1 WHEREAS, the Parties are the owners or operators of electric generating and transmission facilities and are engaged in the business of generating and transmitting electric energy to the general public or to other electric distributing agencies; and

00.2 WHEREAS, the operating areas of the Parties closely adjoin each other and are wholly within the State of Michigan, and their systems are already interconnected by transmission lines and are operating in synchronism or are capable of being interconnected, and additional transmission facilities to accomplish additional interconnections between the systems are contemplated; and

00.3 WHEREAS, the Parties recognize the many benefits to the Parties and their consumers which will result by coordinating the installation and operation of generating and transmission facilities of the Parties and desire to study continually the benefits that may result to the Parties and their consumers from such coordination:

NOW THEREFORE, the Parties mutually understand and agree as follows: -

ARTICLE I. TERM OF AGREEMENT

1.01 This Agreement (which includes Service Schedules "A" through "E", inclusive) shall become effective and binding upon the Parties hereto

at such time as all the Parties hereto have executed this Agreement and such execution by any Party has been approved by any regulatory authority or agency having jurisdiction over such Party, and such execution by any Party which is a borrower from the Rural Electrification Administration has also been approved by said Rural Electrification Administration. Any Party may terminate its participation in this Agreement by (five years) written notice to the other Parties hereto.

## ARTICLE II. OBJECTIVES

2.01 It is the intent of this Agreement that the Parties collectively shall provide capacity adequate to carry the total Annual System Demands of all the Parties and normally to provide adequate Reserve Capacity. Toward this end the objectives of this Agreement are to promote and encourage to the maximum practical extent coordination in the operation of the systems of the Parties, and to provide a means whereby the Parties may realize and share in the mutual benefits which can be obtained by such coordination and operation. The Parties shall endeavor to coordinate their planning and construction of additional generating and transmission facilities.

## ARTICLE III. DEFINITIONS

For the purpose of this Agreement, and of the Service Schedules which are a part hereof, the following definitions shall apply.

3.01 System Demand of a Party shall mean that number of kilowatts which is equal to the kilowatt hours required in any clock hour attributable to energy required by such Party during such hour for supply of firm energy to the Party's consumers, including system losses, and also including any wheeling losses occurring on other systems and supplied by such Party for transmission of such firm energy, but excluding station uses. The System Demand of a Party shall not include the energy delivered by such Party to another Party under the terms of this Agreement or to any other electric supplier or suppliers under contract for a specific amount of firm power.

3.02 Annual System Demand of a Party shall mean the highest system demand of such Party occurring during the 12-month period ending with the current calendar month.

3.03 Equalization Firm Power shall mean power and energy which is sold or purchased by the Parties on the basis that it is continuously available for a period of 6 months or more subject to the provisions of Service Schedule "A".

3.04 Generating Capability of a Party for any month shall mean that amount of kilowatts, less station use, that all the generating facilities operated by such Party as owner or lessee could normally supply simultaneously, under such conditions as may be established by the Planning Committee. The capability of the generating units of a Party which are temporarily out of service for maintenance or repair shall be included in the generating capability of such Party.

3.05 Accredited Capability of a Party for any month shall mean:

- (a) The generating capability of such party, plus
- (b) the value in kilowatts assigned to such Party's purchases under Service Schedule "A" hereof, and to commitments for firm power from other electric suppliers under separate contracts now existing or hereinafter created, and minus
- (c) any firm commitment of such Party expressed in kilowatts to deliver power to another Party under Service Schedule "A" hereof or to any other electric supplier or suppliers under separate contract or contracts now existing or hereinafter created for a specific amount of firm power.

The Accredited Capability for each Party shall be determined and assigned by the Planning Committee in accordance with the provisions of Paragraph 8.04 hereof.

3.06 Reserve Capacity of a Party for any month shall mean the excess in kilowatts of such Party's Accredited Capability over such Party's maximum System Demand for such month.

3.07 Spinning Reserve shall mean the amount of unloaded Generating Capability which is synchronized with the interconnected systems of the Parties and which is available upon demand.

3.08 An Emergency Outage shall mean the first six hours of any unanticipated, unscheduled outage of generating or transmission facilities.

3.09 A Scheduled Outage shall mean any outage of generating or transmission facilities which is scheduled in advance and shall include that portion of any unanticipated, unscheduled outage which continues after the first six hours thereof.

3.10 Emergency Energy shall mean energy which is supplied under this Agreement by any Party to any other Party during and as required by an Emergency Outage on such other Party's system, but which is not supplied under another provision of this Agreement.

3.11 Scheduled Outage Energy shall mean energy which is supplied under this Agreement by any Party to any other Party as a result of a Scheduled Outage on such other Party's system but which is not supplied under another provision of this Agreement.

3.12 Economy Energy shall mean energy which is supplied at a savings from one Party's generating facilities which would not otherwise be fully utilized, but which can be utilized by another Party to reduce generation from units having higher operating costs or to avoid starting or operating generating units.

3.13 Average Production Cost per kilowatt hour of the supplying Party's system for a month shall be:

(a) The total cost of all fuel consumed by the generating units in such month divided by the net kilowatt hours produced by the unit in such month, plus

(b) 2 Mills per kilowatt hour which represents the average monthly production cost, other than fuel, of the unit, plus

(c) An amount, to be determined by the Operating Committee, which amount shall represent the cost per kilowatt hour of incremental losses on the supplying Party's system and on any other system or systems of electric suppliers not Parties hereto incurred in delivering Equalization Firm Power hereunder.

3.14 Incremental Cost of a supplying Party for operating generating facilities to supply energy for some other Party shall be based on the following factors:

(a) The Incremental Cost of the fuel and labor required to generate the energy necessary to supply (1) the scheduled delivery to the receiving Party's system, plus (2) the incremental losses incurred on the supplying Party's system, plus (3) the energy supplied to any intervening system or systems as compensation for losses.

(b) The Incremental Cost of starting and operating any generating units which must be started as a result of supplying such energy.

(c) The Incremental Cost of maintenance, which shall initially be 0.20 mill per kilowatt hour for all energy supplied until such time as some other amount may be agreed upon by the Operating Committee.

(d) The Incremental cost per kilowatt hour for any particular transaction shall be the total of such costs divided by the kilowatt hours scheduled for delivery to the receiving Party, either directly by the supplying party or through an intervening system or systems.

3.15 Decremental Cost of a receiving Party for avoiding the operation of generating facilities through the purchase of energy from some other Party shall be based on the following factors:

(a) The cost of the fuel and labor which such Party avoided by means of such purchase.

(b) The Decremental Cost of avoiding the starting and operating of a generating unit or units.

(c) The Decremental Cost of maintenance, which shall initially be 0.20 mills per kilowatt hour for all generation avoided until such time as some other amount may be agreed upon by the Operating Committee.

(d) The Decremental Cost per kilowatt hour shall be the total of such costs divided by the number of kilowatt hours scheduled for delivery to the receiving Party, either directly by the supplying Party or through an intervening system or systems.

ARTICLE IV. RELATION TO OTHER AGREEMENTS AND OBLIGATIONS

4.01 Nothing contained in this Agreement shall obligate any Party,

(a) To provide any facilities for which it is unable to obtain necessary financing, or

(b) To enter into any contract or to amend or cancel any existing contract without the approval, if such approval is required, of the holder of such Party's loan contract, mortgage or bond indenture, or

(c) To make any use of its facilities in a manner which would be in violation of the terms of any existing indebtedness whether such indebtedness is by agreement, bond, contract, note or ordinance.

ARTICLE V. ADMINISTRATIVE AND COMMITTEE ORGANIZATION

5.01 The coordination of all power pool operations and power pool activities of the Parties pursuant to this Agreement shall be carried on by and under the direction of an Operating Committee and a Planning Committee. Unanimous affirmative vote or consent by all members of either of said Committees shall be required to authorize any action,

5.02 The Operating Committee shall consist of a representative of each of the Parties, designated by each Party as its authorized representative.

5.03 The Planning Committee shall consist of a representative of each of the Parties, designated by each Party as its authorized representative.

5.04 Each Party shall evidence appointments to the Operating Committee and the Planning Committee by written notice to the other Parties hereto and by similar notice any Party may at any time change its representative or alternate on such Committees. Any representative, by written notice to the other members of the Committee of which he is a member, may authorize an alternate to act temporarily in his place.

5.05 Each member of the above Committees shall have the option of inviting other members of his organization or others, as his advisors, to attend meetings of the Committee of which he is a member.

5.06 The expenses of each member of the above Committees and of his advisors shall be borne by the Party he represents.

5.07 Expenses incurred by the Planning Committee or Operating Committee in addition to those herein above mentioned shall be shared in a manner agreed to by the Parties.

5.08 Each of the above Committees shall select annually one of its members to act as Chairman, it being the intent that the office of Chairman be rotated among the members. The Chairman shall appoint such other officers as are deemed necessary.

5.09 Minutes of the Committee meetings shall be recorded and copies thereof furnished to each member.

5.10 Recommendations or determinations of the Operating Committee or Planning Committee shall be submitted to the Parties to the Agreement for such action as may be required or necessary.

5.11 The Planning Committee and Operating Committee shall hold regularly scheduled meetings at least twice annually following the summer and winter peak load periods of the Parties and at other times upon call of the Chairman or upon call of at least two of the Committee members. At least five days' written notice shall be given to each member of a Committee of any meeting of such Committee whenever possible.

#### ARTICLE VI. PLANNING COMMITTEE

6.01 Each Party agrees that it will endeavor to coordinate its plans for the installation of additional generating capacity and the associated purchase or sale of power and energy, and the construction of additional high voltage transmission facilities with those of the other Parties hereto. Such coordination shall be carried on through the Planning Committee. The Planning Committee shall determine and recommend such practices, rules, and procedures as may be required to coordinate the planning of the systems of the Parties pursuant to this Agreement.

6.02 The representative of each Party on the Planning Committee shall supply to each other member of the Planning Committee, at least one month in advance of the regularly scheduled semi-annual meeting of the Committee, a monthly load and capability forecast of such Party's system in such form as the Planning Committee may specify for the period of at least five years in advance or for such other period in advance as the Planning Committee may specify.

6.03 The Planning Committee shall review the load and capability forecasts and the Reserve Capacity Obligations of the Parties periodically, and collect other statistical data and other information which would be of assistance to the Parties.

6.04 The Planning Committee will make coordinating studies of the plans of the Parties for the construction of generating and transmission facilities and will coordinate, arrange for, or conduct such transmission network studies of the systems of the Parties as may be required in determining the need for and the best location for additional generating units, the need and best location for additional transmission facilities.

6.05 In the event the Planning Committee finds that there is need for additional generating or transmission facilities, the Committee shall determine and recommend to each of the Parties a plan covering:

(a) The size of the generating unit to be installed or the voltage and capacity of each new high voltage transmission facility.

(b) The location of such facilities.

(c) The time when such facilities should be placed in operation.

(d) The Party or Parties which should install such facilities, and

(e) The purchase and sales between Parties under Services Schedule "A" to enable each of the Parties to maintain its Accredited Capability equal to or greater than its Annual System Demand and to meet its Reserve Capacity Obligation.

6.06 In making such recommendations, the Planning Committee shall give due consideration to the size and anticipated rate of growth of each Party's load, the size of each Party's largest generating unit, the excess Reserve Capacity of each Party, and the equitable staggering of future investments by the Parties for generating and transmission facilities in order to obtain maximum economy and benefits from interconnected systems operation.

6.07 In the event that, from time to time, the studies indicate that additional generation or transmission facilities may be delayed by the purchase or sale of Equalization Firm Power by the Parties hereto, the Planning Committee shall recommend to each of the Parties hereto, the amount and type of power and energy each Party hereto shall sell or purchase and the period of such sale or purchase. If such recommendations are approved by each of the Parties involved in the purchase and sale, the agreements necessary to implement the recommendations shall be entered into by the said Parties. --

6.08 In the event the Planning Committee does not agree on the recommendations to be submitted pursuant to Paragraphs 6.05, 6.06 and 6.07, it shall submit alternate recommendations to each Party for its decision. Such recommendations shall include a list of the advantages and disadvantages of such alternatives.

6.09 The Planning Committee shall also perform such other duties as may be requested of it by the Operating Committee and will make available to the Operating Committee all statistical data and other information it has collected.

#### ARTICLE VII. OPERATING COMMITTEE

7.01 The Operating Committee shall determine and recommend to each of the Parties such practices, rules and procedures as may be required to coordinate the operations of the Parties, and shall coordinate such operations so as to effect overall economy of operations consistent with reliability of service and shall also recommend methods, standards, and procedures for the determination of costs for all transactions.

7.02 At least one month in advance of the regularly scheduled semi-annual meeting of the Committee, the representative of each Party shall supply to each other member of the Committee, a monthly load and capability forecast for such Party's system in such form as the Committee may designate covering the ensuing period of 18 months or for such other period as the Committee may specify.

7.03 The Operating Committee shall review the Spinning Reserve Obligation of the Parties periodically, and shall obtain and process periodically operating data of the Parties and of other interconnected systems and such other information which would be of assistance to the Parties or is deemed necessary by the members of the Committee.

7.04 The Operating Committee shall make studies of matters pertinent to the interconnected operation of the systems of the Parties and arrange for conducting such transmission network studies as may be necessary in the performance of its duties hereunder.

7.05 The Operating Committee shall endeavor to coordinate the maintenance schedules of the Parties so as to maintain at all times an adequate amount of operable Reserve Capacity on the combined systems of the Parties. Any Party requiring Scheduled Outage Energy shall follow the schedules and procedures prescribed by the Operating Committee for obtaining such energy.

7.06 The Operating Committee shall make available to the Planning Committee all statistical data and other information collected and perform such duties as may be required by the Planning Committee.

7.07 The Operating Committee shall determine and recommend the procedures to be followed by the Parties in restoring the Spinning Reserves of the pool in the event of a large generator failure or other comparable contingency. Such procedures shall be reviewed periodically by the Operating Committee.

ARTICLE VIII. MAINTENANCE OF ADEQUATE CAPABILITY

8.01 Each Party expects and is expected to maintain utility responsibility for its own load and, as a part of such responsibility, shall maintain during each month Accredited Capability in an amount equal to or greater than its maximum System Demand for such month and shall also maintain at all times Reserve Capacity in an amount equal to or greater than such Party's Reserve Capacity Obligation, as hereinafter defined.

8.02 The Parties shall maintain, as a minimum a required Reserve Capacity equal to the net capability of the largest generating unit operated by any of the Parties of this Agreement. The responsibility for maintaining this Reserve Capacity shall be shared on an equitable basis as provided in paragraph

8.03. The required Reserve Capacity of the Parties may be changed by unanimous agreement of the Parties.

8.03 The Reserve Capacity Obligations of each Party, for any month, shall be determined by the following formula:

$$RCO = \frac{D}{S} \times RR, \quad \text{Where:}$$

- RCO = Reserve Capacity Obligation of a Party
- D = Annual System Demand of the Party
- S = Sum of Annual System Demand of all Parties to this Agreement
- RR = Required Reserve Capacity of the Parties

8.04 The Planning Committee shall determine the Accredited Capability for each Party in accordance with such rules as it shall determine and recommend on the following basis: In respect to generating facilities, the Accredited Capability shall include the net power output in kilowatts which can be obtained from such facilities under average conditions of operation and with the equipment in a good state of repair, subject to limitations, if any, upon the amount of power output which can be delivered to the interconnected systems of the Parties.

8.05 In the event the Planning Committee determines (pursuant to Paragraph 5.10) that the load and capability forecast of a Party indicates that during any month such Party will not have adequate Accredited Capability to meet its Reserve Capacity Obligation, such Party shall make arrangements to obtain additional Accredited Capability equal to or greater than the amount and for the period recommended by the Planning Committee so that during such month it will have sufficient capacity to meet its Reserve Capacity Obligation. In the event a Party's actual maximum System Demand during the current month is greater than its previously estimated maximum System Demand for such month as a result of abnormal permanent load growth and as a result thereof such Party is unable to meet its Reserve Capacity Obligation, such Party shall immediately make arrangements for additional Accredited Capability and in an amount as determined by the Planning Committee so that it will then have sufficient capacity to meet its Reserve Capacity Obligations.

8.06 The Reserve Capacity of all Parties which is in excess of their Reserve Capacity Obligation, shall be made available to the Parties of the Agreement. Those parties who do not have sufficient Reserve Capacity to meet their Reserve Capacity Obligation may purchase additional Accredited Capability from other Parties of this Agreement in accordance with Service Schedule A. All Parties with excess Reserve Capacity shall be permitted to share in sales on a pro-rata basis.

#### ARTICLE IX. INSTALLATION OF ADDITIONAL FACILITIES

9.01 It is the intent hereof to provide for an equitable staggering of future investments in generating capacity and other facilities in order to obtain maximum economy and benefits from interconnected system operation. It is understood that the thermal generating units installed by any Party hereafter should be the largest, most economical size practicable, taking into consideration the size of the installing Party's system, the loads of the Parties, the anticipated growth of such loads, the transmission facilities required to transmit the output thereof to such loads, or to supply such load when the unit is not in service, and the ability of the systems of the Parties and their

interconnections with other interconnected systems to withstand the instantaneous loss of such unit without causing unstable operation. It is also understood that, in general, the amount of additional thermal generating capacity to be installed by any Party shall be in proportion to the load growth of such Party and that the installation of specific generating units shall be rotated between the Parties so as to accomplish this overall intent.. Whenever the recommendation of the Planning Committee is that a Party construct and install any additional generating or transmission facilities such Party shall not be deemed committed to such construction or installation until it has elected to accept such recommendation and either has executed such separate independent agreements as may be necessary to provide for the manner in which the capability, use, annual cost and benefits of such additional generating unit will be shared or has executed a separate agreement covering construction, operation, and maintenance of any additional interconnection or transmission lines so recommended, and the obligations of those who will benefit from the same with reference thereto.

9.02 When it becomes necessary to add generating and or transmission facilities all Parties of this Agreement will study the benefits that may result to the Parties by jointly financing the installation of the optimum capacity.

9.03 Pursuant to all other provisions of this Agreement, the Parties hereto shall have the following rights in lieu of wheeling charges:

(a) Upon notice as required, the Parties hereto shall have the right to lease or sublease that part or parts of any remaining capabilities of any transmission system; and

(b) Nothing in this Agreement shall be construed as prohibiting the Parties of this Agreement from having the right to build transmission facilities for the benefit of the Parties hereto.

#### ARTICLE X. MAINTENANCE OF ADEQUATE SPINNING RESERVE

10.01 The total Spinning Reserve of the Parties at any time shall be equal to or greater than the largest net generated output on any generating unit in operation at such time on the interconnected systems. As soon as practicable

after the occurrence of an emergency, the total Spinning Reserve of the Parties shall be restored following procedures therefor determined and recommended by the Operating Committee.

10.02 The Spinning Reserve obligation of a Party at any time shall be equal to a percentage of the net output on the largest generating unit in the system based on the ratio of the Party's largest unit net capability to the sum of the Parties largest unit net capability and the ratio of the Party's Annual System Demand to the sum of the Parties non-coincidental Annual System Demand, equal weight given to each ratio.

Initially the percentages shall be 18 for the City of Traverse City, 16 for Grand Haven Board of Light and Power, 32 for Wolverine Electric Cooperative and 34 for Northern Michigan Electric Cooperative.

10.03 To assure that there will be an adequate amount of Spinning Reserve on the systems of the Parties at all times, the Operating Committee shall designate the load dispatcher of one of the Parties as the Spinning Reserve coordinator. Whenever a Party is unable to meet its Spinning Reserve Obligation, such Party shall immediately advise the Spinning Reserve coordinator and immediately arrange for some other Party having excess Spinning Reserve to supply its deficiency under Service Schedule "C".

#### ARTICLE XI. SERVICES TO BE RENDERED

11.01 The various specific services to be rendered in furtherance of the purposes of this Agreement are covered by Service Schedules "A" through "E" inclusive, of the Agreement as follows:

- "A" Equalization Firm Power Interchange Service
- "B" Emergency and Scheduled Outage Interchange Service
- "C" Spinning Reserve Interchange Service
- "D" Economy Energy Interchange Service
- "E" Wheeling Services and Losses

ARTICLE XII. SERVICE OBLIGATIONS

12.01 Lowell Light & Power, Hart Light & Power, Zeeland Light & Power will be considered as Associates to Wolverine Electric Cooperative who is a Party to this Agreement. All interchanges of power and energy between said Associates shall be considered as transactions between such Associates and Wolverine. It is agreed that settlement for all transactions hereunder shall be between Wolverine and said Associates. Charges for said power and energy to be recommended by Operating Committee. Approval for said recommendation to be by Wolverine and said Associates.

12.02 It is recognized that the systems of the Parties hereto are now or may hereafter from time to time be interconnected with other systems and that the interconnection agreements, mutual assistance agreements and pool agreements may presently exist or may be agreed to in the future and that such agreements are necessary and may be beneficial to all Parties in an interconnected system. It is understood that the Parties to this Agreement intend to assist each other to the maximum extent of their capabilities, but it is recognized that deliveries under such interconnection agreements, mutual assistance agreements or pool agreements with others may limit the capacities available to Parties to this Agreement under the terms hereof.

12.03 Subject to the limitations set forth in Paragraph 12.10, any Party, upon request by any other Party, shall supply to such other Party Emergency Energy up to the full amount of its Available Accredited Capability provided that such request conforms with the provisions of Service Schedule "B".

12.04 Subject to the limitations set forth in paragraph 12.10, Any Party upon request by any other Party, shall supply to such other Party scheduled Outage Energy up to the full amounts of its Available Accredited Capability not required to maintain its Spinning Reserve Obligation; provided, that the delivery thereof shall conform with the provisions of Service Schedule "B", and provided further that a Party must use its Available Accredited Capability before requesting Scheduled Outage Energy.

12.05 Any Party, if requested to do so by any other Party, shall endeavor to procure through its interconnections with other electric suppliers not signatory hereto, Emergency Energy or Scheduled Outage Energy in addition to that which can be supplied by the Parties which may be available under agreements covering such interconnections from a source or sources which will result in the lowest cost to the receiving Party and shall arrange for the delivery of such Emergency Energy or Scheduled Outage Energy to such receiving Party, provided, that the delivery thereof can be made, in the sole judgment of the Party procuring such service, without endangering its facilities or interfering with its obligations to its Consumers, other Parties or other electric suppliers.

12.06 Any Party whose transmission facilities are required to wheel Emergency Energy from the supplying Party to the receiving Party shall transmit such energy up to such amounts as will not, in the sole judgment of the wheeling Party, endanger its facilities or interfere with its obligations to its consumers, other Parties or other electric suppliers.

12.07 Subject to the limitations set forth in Paragraph 12.10, any Party upon request by any other Party shall supply such other Party Spinning Reserve up to the full amount of its Available Accredited Capability not required to maintain its Spinning Reserve Obligation, provided that the delivery thereof shall conform with the provisions of Service Schedule "C", and provided further, a party shall not be obligated to supply Spinning Reserve if the requesting Party is not making full use of its Available Accredited Capability.

12.08 Subject to the limitations set forth in Paragraph 12.10, any Party, when called upon to do so by any other Party, shall supply Economy Energy to such other Party, provided such call conforms with the provisions of Service Schedule "D" and provided further, that no Party shall be obligated to supply Economy Energy to any other Party unless the difference between the Decremental Cost of the receiving Party and the Incremental Cost of the Supplying Party exceeds one (1) mill per kilowatt hour.

12.09 Subject to the limitations set forth in Paragraph 12.10, each Party hereto agrees that it will permit wheeling of power and energy over its transmission facilities for deliveries of power and energy as scheduled between the Parties hereto for specific transactions under Service Schedules "A" through "E", inclusive of this Agreement. Nothing herein shall be construed as obligating any of the Parties hereto to wheel power and energy for others not Parties of this Agreement.

12.10 The obligations set forth in Paragraphs 12.03, 12.04, 12.07, 12.08 and 12.09 are each subject to the limitations that the Party on which the request is made as therein stated shall not be obligated to use Available Accredited Capability if it is at the time being used to supply the requirements of its consumers, including obligations now existing or hereafter created to other Parties or to other electric suppliers and shall not be obligated to deliver power and energy over its transmission facilities, if in the sole judgment of said Party, such delivery will endanger its facilities or interfere with its obligations, now existing or hereafter created, to its consumers or to other electric suppliers.

#### ARTICLE XIII. SERVICE CONDITIONS

13.01 The systems of the Parties shall be operated interconnected continuously under normal system conditions, and the Parties shall cooperate in keeping the frequency of the interconnected systems of the Parties at 60 cycles as closely as is practicable, in keeping the interchange of power and energy between the systems of the Parties as closely as is practicable to the scheduled amounts and in maintaining mutually satisfactory voltage levels. Each Party shall be responsible for the reactive volt-ampere requirements of its system but reactive volt-amperes may be interchanged between systems from time to time, subject to agreement between the Parties involved, when benefit to one system may be gained thereby without causing hardship to another system.

13.02 The systems of the Parties shall normally be so maintained and operated as to minimize, in accordance with good practice, the likelihood of a disturbance originating in the system of one Party from causing impairment to the service of the system of any other Party or of any other system with which the systems of the Parties are interconnected.

13.03 It is recognized that unintentional interchange of power and energy between interconnected systems will occur because of the impossibility of continuously controlling generation exactly equal to the load. It also is recognized that due to the manner in which the systems of the Parties are interconnected with each other and with other systems, a portion of the power and energy scheduled for delivery between any two of such interconnected systems may not flow directly from the supplier thereof to the receiver thereof over the intended route through the transmission systems of the Parties, but may result in inadvertent flows through other systems. Therefore, because of these conditions:

(a) All intentional power and energy deliveries between the system of one Party and the system of another Party shall be scheduled in advance.

(b) It shall be the responsibility of each Party to maintain the net power and energy flowing into and out of its system during each hour so that deliveries are, as near as practicable, equal to the net scheduled amount. The difference between the net scheduled deliveries and the actual net deliveries shall be balanced out in kind in accordance with principles and practices established by the Operating Committee.

(c) When there is a scheduled power and energy delivery by one Party to some other Party and a portion thereof actually flows through other systems which are not a part of the most Direct Route, the portion of the power and energy flowing through such other systems will be considered as having been delivered by the scheduled supplier thereof by the Most Direct Route to the extent that the amount scheduled over the Most Direct Route plus the normal loads on the facilities constituting said Most Direct Route shall not exceed the capacity of such facilities.

(d) If any portion of the power and energy scheduled for delivery between any two of such interconnected systems flows through the system of another Party, such Party is entitled to be compensated for the net incremental losses in its system, if any, occasioned by such inadvertent flow, by being furnished without cost an amount of power and energy estimated by such methods as are practicable to be equal to such net incremental losses.

(e) It is not the intent to grant any Party the right generally to use the system of any other Party as an intermediary

in power and energy flows, nor shall consent by a Party to any such inadvertent flow through its system in a particular case create any rights in a Party to the continuance of such flows, and where and to the extent that such inadvertent flow is objectionable to a Party experiencing such flow, the Parties shall cooperate to prevent such flow from occurring normally and to minimize inadvertent flows of this character.

#### ARTICLE XIV. METERING

14.01 All metering equipment required for recording the deliveries of power and energy between the systems of each Party and the systems of the other Parties with which is is interconnected shall be determined by the Operating Committee and shall be maintained by the Parties owning such metering equipment, in accordance with good practice.

14.02 Should any such metering equipment at any time fail to register, or should the registration thereof be so erratic as to be meaningless, the power and energy delivered shall be determined from the best information available.

#### ARTICLE XV. RECORDS

15.01 In addition to meter records, the Parties shall keep such log sheets and other records (determined by the Operating Committee) as may be needed to afford a clear history of the various movements of power and energy between the systems of the Parties involved both in transactions hereunder and in transactions between Parties hereto under other agreements between such Parties, and to effect such differentiation as may be needed in connection with settlements in respect to such transactions. The originals of all such meter records and other records shall be open to inspection by representatives of the Parties concerned and by the Operating Committee.

15.02 Each Party shall furnish to the Operating Committee appropriate data from meter registrations and from other sources on such time bases as are determined by the Operating Committee when such data is needed for settlements, special tests, operating records, or for other purposes consistent with

the objectives hereof. As promptly as practicable after the end of each month, each Party shall render to the other Parties concerned statements setting forth appropriate data from meter registrations and other sources in such detail and with such segregation as may be needed for operating records and for settlements hereunder.

#### ARTICLE XVI. BILLINGS AND PAYMENTS

16.01 For billing purposes, the amount of energy delivered pursuant to this Agreement by a supplying Party to a receiving Party, or delivered to the receiving Party through an intervening wheeling Party during any period, shall be the amount scheduled for delivery at a point or points where the system of the receiving Party connects with the system of the supplying Party or with the system of the wheeling Party.

16.02 Billing for any transaction involving generation or transmission capacity pursuant to this Agreement, including any wheeling charges pertaining to such transactions, shall be based upon the amount of such capacity committed in advance for delivery at a point or point where the systems of the receiving Party connects with either the system of the supplying Party or with the system of the wheeling Party.

16.03 All bills shall be for the "Net Balance in Money", and shall include a statement setting forth in such detail as may be necessary the amounts of power transactions during the billing period. The term "Net Balance in Money" as used herein shall mean the net compensation due one party to another properly debiting and crediting charges for all transactions under this Agreement during the billing period.

16.04 All bills for services supplied pursuant to this Agreement shall be rendered monthly by the supplying Party to the purchasing Party, not later than fifteen days after the end of the period to which such bills are applicable. Unless otherwise agreed upon by the Operating Committee, such periods shall be from 12:01 a.m. of the first day of one month to 12:01 a.m. of the first day

of the succeeding month. Bills shall be due and payable within fifteen days from the date such bills are rendered and payment shall be made when due and without deduction. Interest on any unpaid amount from the date due until the date which payment is made shall accrue at the rate of one-half of one per cent per month or fraction thereof.

16.05 All bills pertaining to Economy Energy transactions involving a wheeling party or parties shall be rendered monthly in a manner to be determined by the Operating Committee.

16.06 In the event a party desires to dispute all or any part of the charges submitted by some other party, it shall nevertheless pay the full amount of the charges when due and give notification in writing within six months from the date of the statement, stating the grounds on which the charges are disputed, and the amount in dispute. In the event the Parties involved cannot resolve the dispute within 30 day notification in writing the matter shall be referred to the Operating Committee for review and recommendations.

#### ARTICLE XVII. UNCONTROLLABLE FORCE

17.01 A Party hereto shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of uncontrollable forces. The term "uncontrollable forces" shall be deemed for the purposes hereof to mean storm, flood, lightning, earthquake, fire explosion, failure of facilities not due to lack of proper care of maintenance, civil disturbance, labor disturbance, sabotage, war, national emergency, restraint by court or public authority, or other causes beyond the control of the Party affected, which such Party could not reasonably have been expected to avoid by exercise of due diligence and foresight and by provision of reserves in accordance with the requirements of this Agreement. Any Party unable to fulfill any obligation by reason of uncontrollable forces will exercise due diligence to remove disability with reasonable dispatch.

ARTICLE XVIII. WAIVERS

18.01 . Any waiver at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or matter. Any delay short of the statutory period of limitation in asserting or enforcing any right shall not be deemed a waiver of such right, except as provided in Paragraph 16.06 of this Agreement.

ARTICLE XIX. NOTICES

19.01 Any formal notice, demand, or request required or authorized by this Agreement shall be deemed properly given if mailed, postage prepaid, to the executive office for the Party concerned.

19.02 Any notice or request of a routine character in connection with delivery of power and energy, or in connection with operation of facilities shall be given in such manner as the Operating Committee from time to time shall arrange.

ARTICLE XX. SUCCESSORS AND ASSIGNS

20.01 This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed in their respective corporate names by their duly authorized executive-officers and their corporate seals to be hereunto affixed and attested by their Secretaries.

By: Howard Pung  
Secretary

WOLVERINE ELECTRIC COOPERATIVE, INC.

Leo LaPointe  
President

By: C. Victor Lyon  
Secretary

NORTHERN MICHIGAN ELECTRIC COOPERATIVE,

William Korthase  
President

By: William Swier, Jr.  
Clerk

GRAND HAVEN BOARD OF LIGHT & POWER

William M. Creason  
Mayor

By: F. A. Mc Call  
Clerk

CITY OF TRAVERSE CITY

Roger Kephart  
Mayor

SERVICE SCHEDULE A  
EQUALIZATION FIRM POWER INTERCHANGE SERVICE

Section 1. Service to be Provided

1.01 This Schedule provides for the sale of Equalization Firm Power between Parties of this Agreement. Equalization Firm Power shall mean power and energy which is sold on the basis that it is continuously available.

Section 2. Conditions of Service

2.01 This schedule shall be available for the sale of Equalization Firm Power on a 6 month basis or longer.

2.02 Equalization Firm Power shall be supplied through transmission facilities which have adequate capacity for transmitting such power and energy, and when wheeling over an intervening Party's system is required, arrangements shall be made for such wheeling for the same period of time as the purchase arrangement.

Section 3. Scheduling of Deliveries

3.01 It shall be the responsibility of the purchasing Party to initiate scheduled deliveries of power and energy hereunder, and the scheduled rate of delivery shall not exceed the amount being purchased under this schedule. Due consideration shall be given to scheduling of deliveries hereunder, both with relation to rate of change of delivery and continuity of delivery so as not to cause undue hardship on the supplying Party's system.

Section 4. Schedule of Rates

4.01 The receiving Party shall pay to the Supplying Party for Equalization Firm Power furnished during any month under this Schedule an amount determined from the following schedule of rates:

Service Schedule A - contd.

Demand Charge - For a minimum of 1000 kilowatts or additional multiples of 500 kilowatts committed by the supplier at the rate of \$1.25 per kilowatt per month.

Energy Charge - For all energy supplied from the supplying Party's system a charge per kilowatt hour of whichever is the greater:

- i. 6 mills, or
- ii. The Average Production Cost for the month of the supplying Party's system for both the energy delivered to the purchasing Party and the energy supplied by the selling Party to any intervening Party or Parties as compensation for losses.

4.02 In the event that service cannot be supplied on the effective date of an Agreement to sell Equalization Firm Power under this Service Schedule due to causes specified in Article XVII, the purchasing Party shall be entitled, until such time as the supplying Party has made its full investment in the generating equipment from which the service hereunder will be supplied to a reduction in the demand charge in the ratio that the balance due upon the purchase price of such equipment bears to the total cost thereof. Except as herein provided, the full demand charge shall remain due and payable irrespective of the existence of causes specified in Article XVII.

4.03 The prices set forth above shall be reviewed by each of the Parties with a view to possible change thereof whenever any Party so requests in writing.

4.04 In the event Equalization Firm Power hereunder is supplied through the system of an intervening Party or Parties, the provisions of Service Schedule E shall also apply.

SERVICE SCHEDULE B

EMERGENCY AND SCHEDULED OUTAGE ENERGY INTERCHANGE SERVICE

Section 1. Service to be Provided

1.01 This Schedule provides for the supply of energy by any one Party to any other Party during Emergency Outages or Scheduled Outages of generating or transmission facilities or both.

Section 2. Scheduling of Deliveries

2.01 Deliveries of Emergency Energy shall be scheduled as soon as possible after the occurrence of an Emergency Outage in accordance with principles and practices determined and recommended by the Operating Committee.

Schedule 3. Schedule of Rates

3.01 The receiving Party shall pay to the supplying Party for Emergency Energy furnished during any month under this Schedule from the supplier's generating facilities, 1 cent per kilowatt hour, provided however, that the supplier of such Emergency Energy may, at its option, require the purchaser thereof to return such energy at such times and under such conditions that the supplying Party will not experience a loss due to the transaction, or under conditions mutually agreeable to both Parties, in lieu of having the purchaser thereof pay the amounts specified herein.

3.02 The receiving Party shall pay to the supplying Party for scheduled outage energy furnished during any month under this Schedule from the supplier's generating facilities an amount of whichever is the greatest:

- a. 6.5 mills per kilowatt hour for both the energy delivered to the purchasing Party and the energy supplied by the selling Party to any intervening system or systems as compensation for losses, or
- b. 110 percent of the Incremental Cost of producing such energy, or

Service Schedule A - contd.

Demand Charge - For a minimum of 1000 kilowatts or additional multiples of 500 kilowatts committed by the supplier at the rate of \$1.25 per kilowatt per month.

Energy Charge - For all energy supplied from the supplying Party's system a charge per kilowatt hour of whichever is the greater:

- i. 6 mills, or
- ii. The Average Production Cost for the month of the supplying Party's system for both the energy delivered to the purchasing Party and the energy supplied by the selling Party to any intervening Party or Parties as compensation for losses.

4.02 In the event that service cannot be supplied on the effective date of an Agreement to sell Equalization Firm Power under this Service Schedule due to causes specified in Article XVII, the purchasing Party shall be entitled, until such time as the supplying Party has made its full investment in the generating equipment from which the service hereunder will be supplied to a reduction in the demand charge in the ratio that the balance due upon the purchase price of such equipment bears to the total cost thereof. Except as herein provided, the full demand charge shall remain due and payable irrespective of the existence of causes specified in Article XVII.

4.03 The prices set forth above shall be reviewed by each of the Parties with a view to possible change thereof whenever any Party so requests in writing.

4.04 In the event Equalization Firm Power hereunder is supplied through the system of an intervening Party or Parties, the provisions of Service Schedule E shall also apply.

Service Schedule B - contd.

c. 110 percent of the Average Cost to the Purchasing Party had it produced such energy with the generating unit which is out of service, which average cost shall include but not be limited to the following:

- i. Fuel cost saved
- ii. Operation costs saved
- iii. Maintenance cost of 0.2 mill per kilowatt hour

provided, however, that the supplier of such Scheduled Outage Energy may, at its option, require the purchaser thereof to return such energy at such times and under such conditions that the supplying Party will not experience loss due to the transaction, or under conditions mutually agreeable to both Parties, in lieu of having the purchaser thereof pay the amount specified herein.

3.03 In the event Emergency Energy or Scheduled Outage Energy must be supplied through the system of an intervening Party or Parties, the provisions of Service Schedule F shall apply.

3.04 For any Emergency Energy or Scheduled Outage Energy which the supplying Party is called upon to procure from electric suppliers not signatory hereto for delivery to the receiving Party, the receiving Party shall pay to the supplying Party 110 percent of the cost of procuring such energy, but not less than the rates specified herein, in addition to wheeling and loss compensation as set forth in Service Schedule E.

SERVICE SCHEDULE C

SPINNING RESERVE INTERCHANGE SERVICE

Section 1. Service to be Provided

1.0. A Party may arrange for some other Party to supply part or all of its Spinning Reserve Obligation.

Section 2. Schedule of Rates

2.01 Except as otherwise agreed to by the Parties concerned, a Party supplying a portion or all of some other Party's Spinning Reserve Obligation during any month shall be paid by the purchasing Party an amount of whichever is greater of the following:

- a. 110 percent of the Incremental Cost of supplying such spinning reserve, or
- b. The Incremental Cost of supplying such Spinning Reserve plus one-half of the overall savings of such transaction, where overall savings shall be equal to the difference between the Incremental Cost of the selling Party and the Decremental Cost of the purchasing Party, where Incremental and Decremental Costs, for the purpose of this Schedule only, shall be determined as follows:
  - i. Incremental Cost of the supplying Party shall be based on the costs incurred in starting and operating any generating unit or units which must be started as a result of supplying such spinning reserve.
  - ii. Decremental Cost of the purchasing Party shall be based on the costs avoided by not starting and operating a generating unit or units.

2.02 In the event there are repetitive transactions between certain Parties involving similar Incremental and Decremental Costs, flat rates may be established for such transactions by the representatives of the Parties concerned.

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SERVICE SCHEDULE D

ECONOMY ENERGY INTERCHANGE SERVICE

Section 1. Service to be Provided

1.01 This schedule provides for the supplying of Economy Energy by any Party to any other Party when it is economical and practical to do so under the conditions set forth hereinafter and in Paragraph 12.08 of the Agreement.

Section 2. Conditions of Service

2.01 It is the intent hereof that, insofar as is practicable, Economy Energy from available sources having the lowest Incremental Costs shall be used to displace generation having the highest Incremental Costs and so on until such transactions are no longer economical; provided that:

- (a) Economy Energy shall not be scheduled in amounts which will overload the transmission facilities of some other Party or endanger the operation of the interconnected systems of the Parties.
- (b) The receiving Party shall be entitled to purchase Economy Energy only against its operable generating facilities.
- (c) Economy Energy transactions between Parties which are directly interconnected shall take precedence over transactions between Parties which require the wheeling services of an intervening Party, providing the net savings are equal or greater.

Section 3. Scheduling of Deliveries

3.01 Negotiations for Economy Energy transactions will normally be initiated by the Party which desires to purchase said Economy Energy. Prior to the scheduling of deliveries, the Parties concerned, will agree on hour by hour amounts of energy to be delivered.

Section 4. Schedule of Rates

4.01 The overall savings of an Economy Energy transaction shall be equal to the difference between the Incremental Cost of the supplying Party and the Decremental Cost of the receiving Party. Losses to be paid for the use of such shall be taken into account in determining the overall savings of the transaction. In the event that a Party is participating in more than one Economy Energy transaction, the Incremental Cost or Decremental Cost of such Party shall be based upon the total of all Economy Energy transactions of the Party.

4.02 The receiving Party shall pay the supplying Party for the Economy Energy supplied during each month an amount equal to the Incremental Cost of the energy so supplied, plus one-half of the overall savings of such transactions.

4.03 In the event there are repetitive transactions involving the same Parties, flat rates may be established by mutual agreement of the representatives of the Parties concerned, provided that such flat rates are based on the above method of determining savings.

SERVICE SCHEDULE F

WHEELING SERVICES AND LOSSES

Section 1. Service to be Provided

1.01. This Schedule provides for the use of the transmission system of any of the Parties for wheeling power and energy as scheduled between Parties hereto, for specific transactions under Service Schedules "A", "B" and "C" of this Agreement, from the system of one Party to the system of any other Party, and wheeling charges shall only be made for wheeling through a system not a Party to the purchase and sale transaction.

1.02 In wheeling transactions where transmission capacity must be reserved for a specified period of time, the wheeling charges as hereinafter provided in this schedule are based wholly on transmission capacity thus reserved for the agreed period of purchase irrespective of whether power and energy are actually scheduled or delivered.

Section 2. Schedule of Rates

2.01 All charges for wheeling energy pursuant to this Service Schedule shall be based on the amount of energy scheduled for delivery at a point or points where the system of the receiving Party connects with the system of the wheeling Party. There shall be no wheeling charge for unintentional interchange or for inadvertent flows.

2.02 For wheeling Emergency power and energy during the first six hours of an emergency pursuant to Service Schedule B, no charges will be made by a Party for the use of its facilities, other than loss compensation, as provided in Section 3, of this Schedule.

2.03 For wheeling scheduled outage energy, pursuant to Service Schedule B, the purchasing Party shall pay the wheeling Party a total of 1 mill per kilowatt hour.

Service Schedule E - contd.

2.04 For wheeling Equalization Firm Power pursuant to Service Schedule A, the purchasing Party shall pay to the wheeling Party monthly, a capacity charge of 35¢ per kilowatt per month of transmission capacity reserved for such wheeling.

2.05 In consideration of the benefits available to the Parties hereunder, the Parties agree that whenever wheeling transactions are recognized as being mutually advantageous to the Parties involved, the wheeling fee for such transactions may be established by mutual agreement of the Parties concerned.

Section 3. Compensation for Losses

3.01 Whenever a Party schedules the delivery of power and energy over the system of an intervening Party to this Agreement, the amount of power and energy to be furnished to the intervening Party as compensation for losses shall be determined in accordance with formula established by the Operating Committee.

RECEIVED

APR 15 8 35 AM '68  
FEDERAL POWER COMMISSION

Consumers Power Corp  
FPC ELECTRIC RATE  
SCHEDULE NO. 16  
FILING DATE: 3-15-68  
EFFECTIVE DATE: 4-15-68

U. S. DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

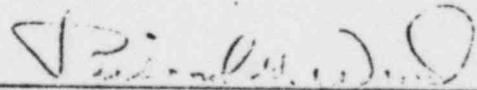
REA BORROWER DESIGNATION Michigan 47 Cheboygan

THE WITHIN Contract for Electric Service dated December 20,  
1967, with Consumers Power Company (Alba)

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE  
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE  
PURPOSES OF SUCH CONTRACT.

DATED

DEC 28 1967



FOR THE ADMINISTRATOR

CONSUMERS POWER COMPANY  
CONTRACT FOR ELECTRIC SERVICE

MAR 15 8 35 AM  
FEDERAL POWER COMMISSION

AGREEMENT, made and entered into this 20th day of December, 1967, between CONSUMERS POWER COMPANY, a corporation authorized to transact business in Michigan, and having its principal office therein at Jackson, Michigan, herein termed the Company, and the NORTHERN MICHIGAN ELECTRIC COOPERATIVE, INC., a corporation authorized to transact business in Michigan, and having its principal office therein at Boyne City, Michigan, herein termed the Customer.

WITNESSETH:

That, in consideration of the mutual agreements herein to be kept and performed by the parties hereto, it is agreed as follows:

1. ENERGY TO BE FURNISHED:

Subject to the terms and conditions hereof, the Customer agrees to purchase and accept from the Company, and the Company agrees to supply and sell to the Customer, electric energy as auxiliary or standby to the Customer's electric generating plants located in the State of Michigan, which are used by the Customer to supply electric energy to its electric transmission system, but not in excess of 1,000 kilovolt-amperes, being the capacity reserved by the Company for the Customer's use. The Company will, at the written request of the Customer made at least thirty (30) days in advance, permit an increase in such reserved capacity provided the Company has power available.

2. CHARACTER OF SERVICE:

The supply of electric energy to be furnished by the Company to the Customer shall be alternating current, three phase, 60 cycles per second, at approximately 133,000 volts.

3. POINT OF DELIVERY:

The point of delivery for all electric energy to be supplied hereunder shall be at a pole owned and installed by the Customer adjacent to its Alba Substation and located in the Northwest 1/4 of Section 23, Township 30 North, Range 6 West, Chossonia Township, Antrim County, Michigan, which said pole is located approximately 1,500 feet South of the North line of said Section 23 and approximately 200 feet West of the West North and South one-eighth line of said Section 23.

4. METERING:

The Company shall furnish, install and maintain suitable and adequate meters and metering equipment for the measurement of maximum demands and kilowatt-hours delivered. Said meters and metering equipment shall be located in the Customer's said Alba Substation. Metering shall be at 69,000 volts and 2 per cent deducted from the meter readings

The above is made subject to the provisions of the Federal Power Act, 16 U.S.C. 838-845, and the regulations thereunder.

thus obtained for billing purposes. The Company shall periodically inspect and test its meters and keep them within accepted standards of accuracy. The Customer shall have access to and the right to participate in the inspection and testing of such meters by its proper representatives. The Customer shall also have the right to read any of said meters at all reasonable times. Said meters shall be tested annually by the Company, and if the Customer desires more frequent tests, it shall bear one-half of the expense thereof.

5. EQUIPMENT TO BE FURNISHED:

(a) By the Company:

In addition to its said meters and metering equipment, the Company shall furnish and maintain all electric lines and other equipment for the delivery of energy to the point of delivery described in Section 3 hereof. The Company, its agents and employees, shall have full right and authority of ingress and egress at all times on and across the premises of the Customer for the purpose of constructing, operating, maintaining, replacing, relocating, repairing, moving and removing its said electric lines and equipment. Said right of ingress and egress, however, shall not unreasonably interfere with the use of the premises of the Customer.

(b) By the Customer:

The Customer shall furnish, without cost to the Company, a suitable location in the Customer's said Alba Substation for the Company's metering equipment and adequate protection afforded to avoid damage thereto or any tampering or interference with said metering equipment. The Customer shall also furnish and maintain all facilities beyond the point of delivery described in Section 3 hereof. The Company shall have no obligation to inspect the Customer's said facilities nor have any responsibility with respect to the installation, repair, maintenance, replacement, relocation, removal or operation of said facilities.

6. RATE:

The Customer agrees to pay for such electric energy delivered to it hereunder in accordance with the following rate, to wit:

Capacity Charge:

\$1.20 per month per kva for the first 2200 kva of billing demand,

\$1.60 per month per kva for all over 2200 kva of billing demand.

Energy Charge:

.7¢ per kWh for the first 6,000,000 kWh used per month,  
.6¢ per kWh for all over 6,000,000 kWh used per month.

Fuel Cost Adjustment Charge:

When the weighted average cost of all fuel in storage at the Company's interconnected electric generating stations, at the end of each of the three months immediately preceding the month covered by the Customer's bill, is more or less than 33.0 cents per million Btu, there shall be a corresponding increase or decrease of .0012 cent per kilowatt-hour in the charge for all kilowatt-hours included in such bill, for each full 0.1 cent per million Btu increase above or decrease below 33.0 cents per million Btu.

Minimum Charge:

The capacity charge included in the rate but in no case less than \$5,000 per month.

Delayed Payment Charge:

Two per cent (2%) of the total monthly bill if not paid within twenty (20) days from date rendered.

Tax Clause:

Bills shall be increased within the limits of political subdivisions which levy special taxes, licence fees or rentals against the Company's property, or its operation, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local increases. Bills shall also be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the Company's generation or sale of electric energy.

Determination of Maximum Demand:

The maximum demand or rate of use of electric energy for each month shall be the greatest average load in kilovolt-amperes during any fifteen-minute period of such month as registered by suitable instruments installed by the Company to make such determination.

Determination of Billing Demand:

The billing demand for each month shall be the maximum demand for such month but not less than 60% of the highest billing demand for the previous eleven months.

7. LOAD BALANCE AND USE OF SERVICE:

The Customer shall so arrange its circuits and operations as to avoid a current unbalance between the three phases of more than fifteen per cent (15%) between the high and low phases. The Customer and its customers shall so use the service as not to disturb or interfere

with the Company's service to its other customers. No type of electrically operated device which could cause objectionable operating conditions on the Company's system shall be attached by the Customer without consent of the Company.

8. PARALLEL OPERATION:

Permission is hereby given by the Company to the Customer to operate the Customer's electric generating plants in parallel with the Company's system. The Customer agrees to install and properly maintain suitable approved appliances and devices and to provide sufficient trained personnel to protect its equipment and service and the equipment and service of the Company from injury or interruptions which might be caused by a flow of current from the Company's lines to the Customer's connections or from a flow of current from the Customer's plants to the Company's lines, and to assume any loss, liability or damage caused by a lack of such protection.

The electric measuring instruments from which information is taken for billing purposes will be equipped with ratchets or attachments to prevent a credit to the Customer for any current which its plants may generate and send back into the Company's lines.

9. CONNECTIONS WITH OTHERS:

It is agreed that the electric energy to be supplied by the Company to the Customer hereunder shall be used solely to meet a part of the requirements of the Customer in the operation of its electrical system located in the State of Michigan. It is further agreed that without the written consent of the Company, the Customer shall make no interconnection with any person, firm, corporation, government agency or other entity which might result in either party hereto becoming engaged, directly or indirectly, in the transmission or sale at wholesale of electric energy in interstate or foreign commerce. If the Customer makes such an interconnection without such written consent, the Company may, at its option, terminate this agreement forthwith by giving written notice of its intention so to do.

10. LIABILITY:

Except as to the capacity and minimum charges payable by the Customer, prescribed in said rate, neither party shall be liable to the other for damages for any act, omission or circumstance occasioned by or in consequence of any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or by any other cause or causes beyond such party's control, including any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party hereto.

Notwithstanding the provisions of the foregoing paragraph or any other provision of this agreement to the contrary, the Customer shall at all times assume all liability for, and shall indemnify and save the Company harmless from any and all damages, losses, claims, demands, suits, recoveries, costs and expenses for injury to or death of any person or persons whatsoever, or for any loss, destruction of or damage to any property of third persons, firms, corporations, or other entities, arising out of or resulting from, either directly or indirectly, the Customer's facilities, or arising out of or resulting from, either directly or indirectly, the electric energy sold hereunder after it has been delivered by the Company to the Customer.

11. BILLING:

The Company shall render to the Customer, within a reasonable time after the first of each month, proper billing for electric energy furnished during the preceding month. Such accounts shall be paid by the Customer within twenty (20) days after date rendered.

12. TERM:

This agreement will extend for an initial term of two (2) years from the first day of January, 1963, and from year to year thereafter until terminated by mutual consent or by either party giving the other at least twelve (12) months' written notice of its desire to terminate the same at the expiration of said initial term or at the expiration of any yearly period thereafter.

13. SUCCESSORS AND ASSIGNS:

This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto. This agreement shall not be transferred by the Customer or otherwise alienated without the Company's written consent.

14. GOVERNMENTAL AUTHORITY:

-This contract is subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

IN WITNESS WHEREOF, this agreement has been executed on behalf of each of said parties by their duly authorized officers as of the day and year first above written.

APPROVED AS TO FORM

WEC  
CONSUMERS POWER COMPANY  
TREASURER

CONSUMERS POWER COMPANY

By B. J. Campbell  
Vice President

NORTHERN MICHIGAN ELECTRIC COOPERATIVE, INC.

By William K. Kase  
President

By P. H. L.

This filing is made subject to the jurisdictional reservation contained in the original letter to the Federal Power Commission, dated November 22, 1967.

Notwithstanding the provisions of the foregoing paragraph or any other provision of this agreement to the contrary, the Customer shall at all times assume all liability for, and shall indemnify and save the Company harmless from any and all damages, losses, claims, demands, suits, recoveries, costs and expenses for injury to or death of any person or persons whatsoever, or for any loss, destruction of or damage to any property of third persons, firms, corporations, or other entities, arising out of or resulting from, either directly or indirectly, the Customer's facilities, or arising out of or resulting from, either directly or indirectly, the electric energy sold hereunder after it has been delivered by the Company to the Customer.

11. BILLING:

The Company shall render to the Customer, within a reasonable time after the first of each month, proper billing for electric energy furnished during the preceding month. Such accounts shall be paid by the Customer within twenty (20) days after date rendered.

12. TERM:

This agreement will extend for an initial term of two (2) years from the first day of January, 1953, and from year to year thereafter until terminated by mutual consent or by either party giving the other at least twelve (12) months' written notice of its desire to terminate the same at the expiration of said initial term or at the expiration of any yearly period thereafter.

13. SUCCESSORS AND ASSIGNS:

This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto. This agreement shall not be transferred by the Customer or otherwise alienated without the Company's written consent.

14. GOVERNMENTAL AUTHORITY:

-This contract is subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

IN WITNESS WHEREOF, this agreement has been executed on behalf of each of said parties by their duly authorized officers as of the day and year first above written.

APPROVED AS TO FORM  
NISC  
CONSUMER POWER COM. IN  
TRANSACT N.

CONSUMERS POWER COMPANY

By B. J. Campbell  
Vice President

NORTHERN MICHIGAN FIBERCOOP COOPERATIVE, INC.

By William K. ...  
President

By R. H. ...

This filing is made subject to the jurisdictional requirements contained in the first initial letter to the Federal Power Commission, dated November 22, 1957.

RECEIVED  
SEP 9 1968  
GENERAL POWER  
DIVISION

62-161-11-6  
FPC ELECTRIC RATE  
SCHEDULE NO. 112  
FILED DATE: 9-9-68  
EFFECTIVE DATE: 9-9-68

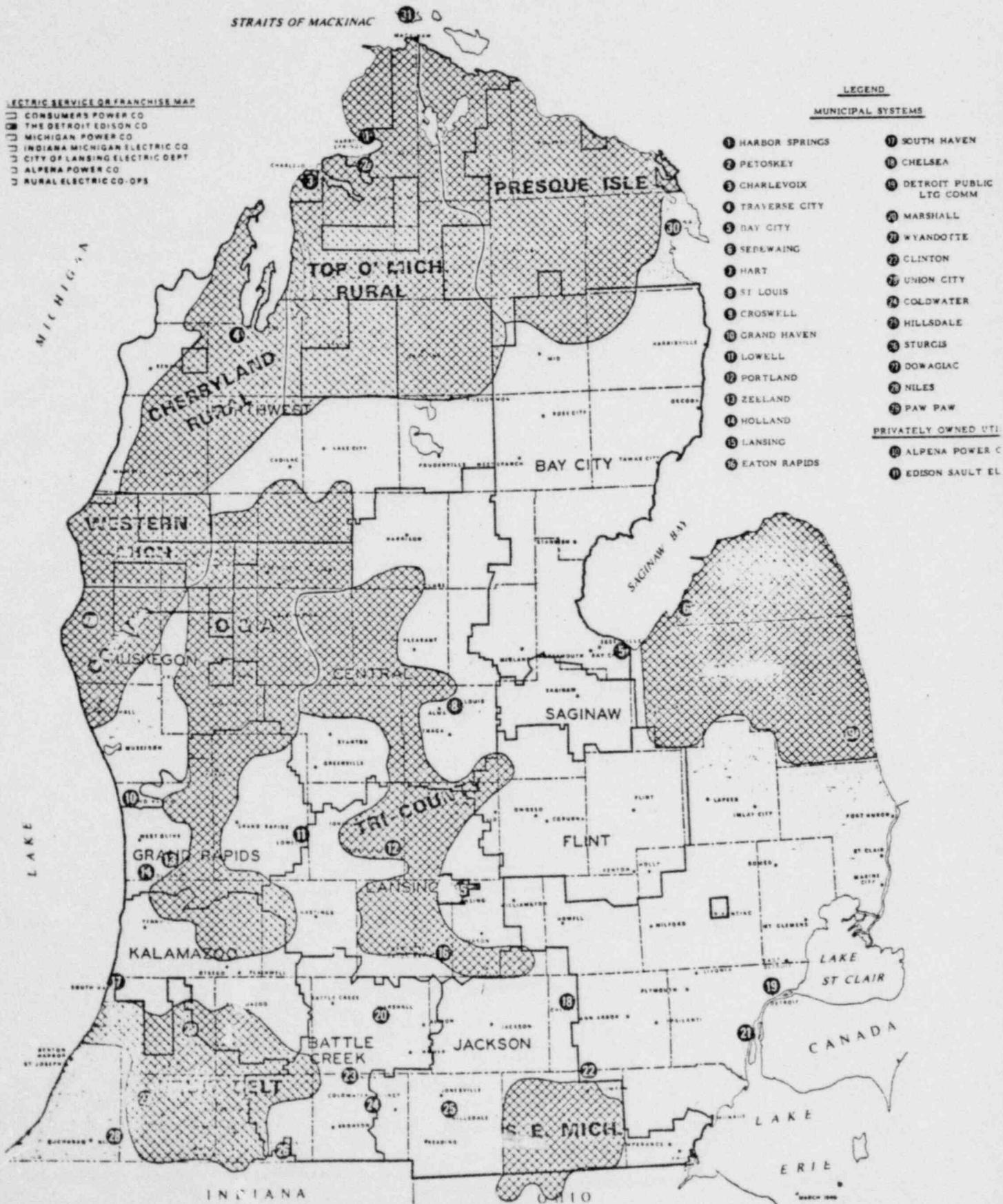
FEDERAL ENERGY COMMISSION  
Wholesale Contracts

Northern Michigan  
Electric Coop., Inc.

Derivation of Net Capacity Charge for the

Rate Schedule Designation:	<u>FPC #16</u>
Type of Purchase:	<u>Partial</u>
Gross Capacity Charge (Monthly):	\$1.90 per Kva - First 2,000 Kva of Billing Demand \$1.70 per Kva - For Excess Kva of Billing Demand
Add Partial Purchase Adjustment:	\$ .10 per Kva
Add Multiple Metering Adjustment:	None
Deduct Transformer Ownership Credit:	
Supply Voltage 138 Kv	\$ .20 per Kva
Net Capacity Charge (Monthly):	\$1.80 per Kva - First 2,000 Kva of Billing Demand \$1.60 per Kva - For Excess Kva of Billing Demand

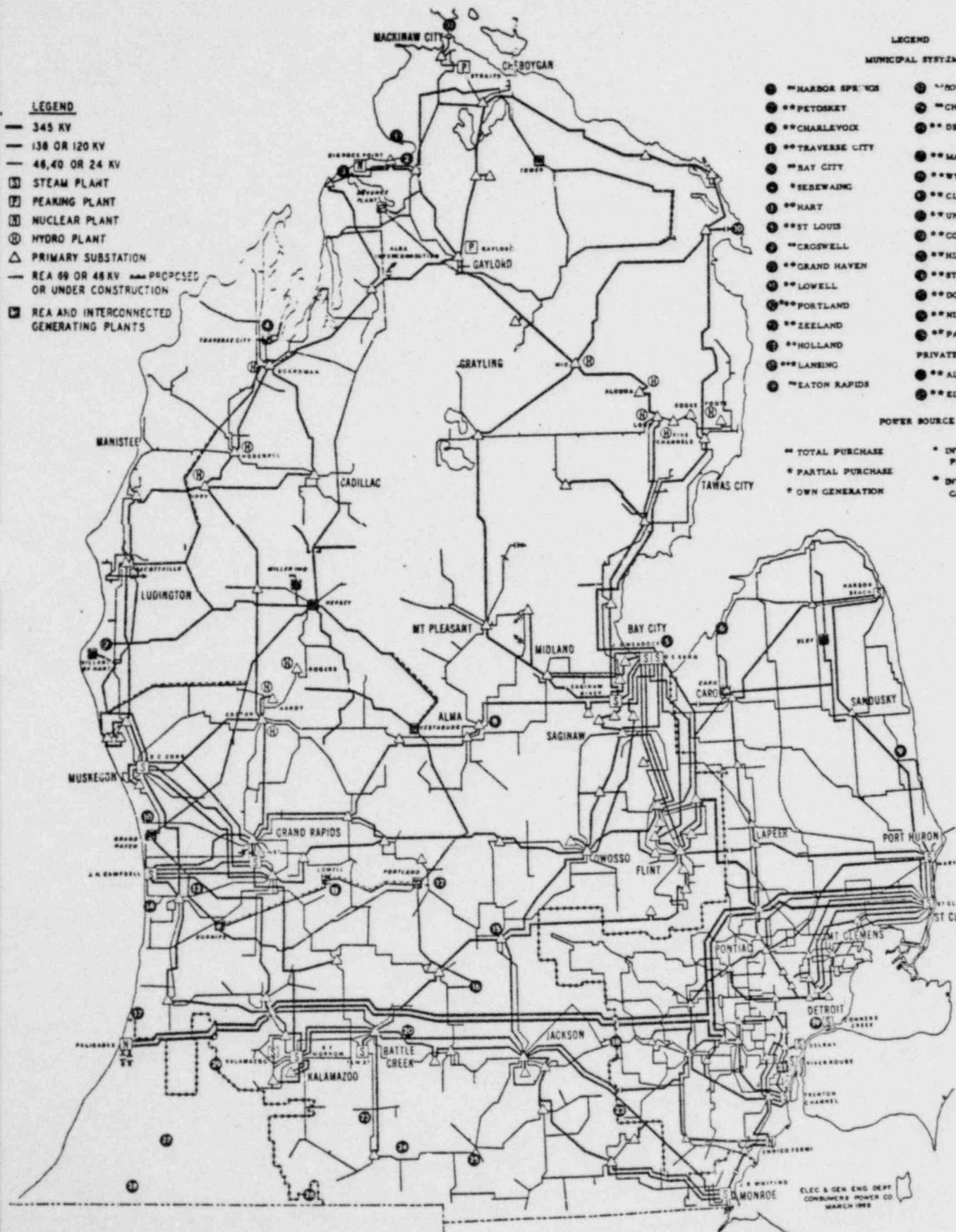
# FRANCHISE SERVICE AREA OF PRIVATELY OWNED UTILITIES GENERAL SERVICE AREA OF RURAL ELECTRIC COOPERATIVES AND MUNICIPAL SYSTEMS



# CONSUMERS POWER COMPANY AND THE DETROIT EDISON COMPANY ELECTRIC TRANSMISSION LINES AND RURAL ELEC. CO-OP TRANSMISSION LINES AND CITIES HAVING MUNICIPALLY OWNED FACILITIES

- LEGEND**
- 345 KV
  - 138 OR 120 KV
  - 48, 40 OR 24 KV
  - ☐ STEAM PLANT
  - ☐ PEAKING PLANT
  - ☐ NUCLEAR PLANT
  - ⊕ HYDRO PLANT
  - △ PRIMARY SUBSTATION
  - REA 69 OR 48 KV PROPOSED OR UNDER CONSTRUCTION
  - ☑ REA AND INTERCONNECTED GENERATING PLANTS

- LEGEND**
- MUNICIPAL SYSTEMS**
- |                  |                           |
|------------------|---------------------------|
| ① HARBOR SPRINGS | ⑩ SOUTH HAVEN             |
| ② PETOSKEY       | ⑪ CHELSEA                 |
| ③ CHARLEVOIX     | ⑫ DETROIT PUBLIC LTC COMM |
| ④ TRAVERSE CITY  | ⑬ MARSHALL                |
| ⑤ BAY CITY       | ⑭ WYANDOTTE               |
| ⑥ SEBEWING       | ⑮ CLINTON                 |
| ⑦ HART           | ⑯ UNION CITY              |
| ⑧ ST LOUIS       | ⑰ COLDWATER               |
| ⑨ CROSWELL       | ⑱ HILLSDALE               |
| ⑩ GRAND HAVEN    | ⑲ STURGIS                 |
| ⑪ LOWELL         | ⑳ DOWAGIAC                |
| ⑫ PORTLAND       | ㉑ NILES                   |
| ⑬ ZEELAND        | ㉒ PAW PAW                 |
| ⑭ HOLLAND        |                           |
| ⑮ LANSING        |                           |
| ⑯ EATON RAPIDS   |                           |
- PRIVATELY OWNED UTILITIES**
- ALPENA POWER CO
  - EGMON SAULY ELEC
- POWER SOURCE**
- ☐ TOTAL PURCHASE
  - ☐ PARTIAL PURCHASE
  - ☐ OWN GENERATION
  - ☐ INTERCONNECTION - PRIVATE UTILITY
  - ☐ INTERCONNECTION - CO-OP



ELEC & GEN ENGR DEPT  
CONSUMERS POWER CO  
MARCH 1962