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June 11, 2013

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
4300 W. Saginaw
Lansing, MI 48917

Re: Case No. U-17278: In the Matter of the application of Consumers Energy Company for a partial waiver of the Consumer Standards and Billing Practices for Electric and Gas Residential Service and approval of a Clear Control Pilot Program

Dear Ms. Kunkle:

Enclosed for filing in the above-captioned proceeding is the **"Application of Consumers Energy Company."** This is a paperless filing and is therefore being filed only in a PDF format.

Sincerely,

Bret A. Totoraitis

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the application of)
CONSUMERS ENERGY COMPANY)
for a partial waiver of the Consumer)
Standards and Billing Practices for Electric)
and Gas Residential Service and approval)
of a Clear Control Pilot Program.)
_____)

Case No. U-17278

APPLICATION OF CONSUMERS ENERGY COMPANY

Consumers Energy Company (“Consumers Energy” or the “Company”) respectfully requests that the Michigan Public Service Commission (“MPSC” or the “Commission”) waive certain requirements of the Consumer Standards and Billing Practices for Electric and Gas Residential Service Rules (“Residential Billing Rules”), 2007 AACRS, R 460.102 *et seq.*, and approve the Company’s Clear Control Pilot Program. In support of its Application, Consumers Energy respectfully represents as follows:

1. Consumers Energy is, among other things, engaged as a public utility in the business of generating, purchasing, distributing, and selling electric energy to approximately 1.8 million retail customers in the State of Michigan. The retail electric system of Consumers Energy is operated as a single utility system in which the same rates and tariffs are applicable. Consumers Energy is also engaged as a public utility in the business of purchasing, storing, transporting, distributing, and selling natural gas to approximately 1.7 million customers in the State of Michigan. The natural gas system of Consumers Energy is an integrated and interconnected system and is operated as a single utility system in which the same rates and tariffs are applicable.

2. Consumers Energy’s retail electric business is subject to the jurisdiction of the Commission pursuant to certain provisions of 1939 PA 3, as amended, MCL 460.1 *et seq*; 1909 PA 106, as amended, MCL 460.551 *et seq*; and 1909 PA 300, as amended, MCL 462.2 *et seq*; and the Commission’s Rules of Practice and Procedure, as amended, 1992 AACCS, R460.17701 *et seq*.

3. Consumers Energy’s retail natural gas business, including its retail transportation, storage, and distribution business, is subject to the jurisdiction of the Commission pursuant to various statutory provisions of 1909 PA 300, as amended, MCL 462.2 *et seq*; 1919 PA 419, as amended, MCL 460.54 *et seq*; 1939 PA 3, as amended, MCL 460.1 *et seq*; and 1982 PA 304, as amended, MCL 460.6h(1) *et seq*. Pursuant to these statutory provisions, the Commission has power and jurisdiction to regulate Consumers Energy’s retail natural gas sales, transportation, storage, and distribution rates.

4. Consumers Energy is interested in exploring innovative ways to help its low-income customers better manage their consumption of electricity and natural gas and their energy bills. The Company’s experience shows that certain customers have difficulty understanding which choices contribute most to higher energy bills and may not be aware of simple cost-cutting measures they could employ to reduce consumption. The Company believes that many of these same customers have difficulty managing their energy bills in part because they lack the information they need to make more efficient energy choices and in part because the traditional energy billing model is not well adapted to their particular economic circumstances.

5. The Company, working in conjunction with The Heat and Warmth Fund (“THAW”), proposes to implement a voluntary pilot program for a small group of

low-income customers in the Flint portion of Consumers Energy’s electric and natural gas service territory. The pilot program, known as the Clear Control Pilot Program, will allow the Company to evaluate whether different ways of providing customer information on energy use and a different paradigm for customer billing can help these customers reduce consumption (reducing their costs) while simultaneously improving their payment performance (avoiding arrearages, late payment fees, and shutoffs). If the program proves successful, the Company anticipates a future filing in which Consumers Energy would seek to expand, and if appropriate, modify the program for additional customers.

6. The basic features of the program are as follows:

- **Program Term** – The program would run for ten months, starting July 1, 2013, or the first day of the month following Commission approval, whichever is later.
- **Program Participants** – The pilot group would include 30 active volunteers to participate in the program and would identify 30 other customers to serve as a control group for comparison of the results. All pilot participants would be Department of Human Services assistance-eligible, have the capacity to receive text messages or e-mails, and have an existing Consumers Energy account in their own name. The control group members will not be contacted and are only being used for comparison purposes.
- **In-Home Kickoff** – Pilot participants will receive an initial in-home energy audit, including individually tailored recommendations for low-cost, high impact changes to reduce energy bills.
- **Enhanced Usage Information** – The Company will perform daily meter readings of participant meters, and participants will receive daily text messages informing them of the previous day’s use shown in terms of the dollars spent that day and the total balance accrued for the billing period so far. Such “real time” information is intended to facilitate the pilot participants’ understanding of what behaviors might be increasing or reducing energy consumption on a day-by-day basis.
- **Shorter Billing Schedule** – Pilot participants will receive a bill by e-mail twice per month. Pilot participants will have 14 calendar days to pay their bill from the date of the e-mail. If the 14th day falls on a Saturday, Sunday or holiday, the due date will be the next business day. This shorter billing and payment schedule is designed to better match the way that most customers

receive the income they need to pay utility bills as well as bringing the consequences of energy consumption closer to the obligation to pay for that energy.

- **Predictable Shut-Off and Turn-On** – Pilot participants who fail to pay their bill within the 14 days allotted would receive a notice by text, identifying the exact day and time that power will be shut off. Shut-off will occur within one or two days, excluding Sunday and holidays, without further notice. Service will be turned back on within 24 hours of the full balance being paid. No reconnect fees or deposit will be required for reconnection of service.
- **Personal Energy Hotline** – Pilot participants will have access to a direct phone line to, and periodic check-in calls from, a dedicated THAW representative who can help answer energy, pilot, billing, and other questions.

7. As an incentive for participating in the program, volunteers will receive some or all of the following:

- **Energy Efficiency Upgrades** – Pilot participants will receive up to \$1,500 of energy efficiency upgrades to their homes funded through THAW.
- **Spot Aid** – Pilot participants will have access to up to a total of \$250 of pre-approved “Spot Aid” which can be instantly applied in any increment at any time by contacting a THAW representative. Spot Aid will help the pilot participants avoid preventable crises by bridging the gap between what they are able to pay in any given month and the full amount they owe. Any pilot participants with unused Spot Aid at the end of the program will have the remaining amount applied to their account.
- **Arrearage Relief** – Pilot participants will be removed from the Company’s ordinary dunning cycle for any arrearages owed at the beginning of the program. Pilot participants will receive an immediate 50% reduction of their existing arrearages. Pilot participants who pay the full amount of 80% or more of their bills on time during the pilot program will have any remaining arrearages reduced to \$0 at the end of the program.

8. The full details, requirements, conditions, and restrictions of the Clear Control Pilot Program are set forth in the Participant Consent Form and Clear Control Pilot Program Terms and Conditions Sheet attached to this Application as Attachments A and B, respectively. A mock-up of the Company’s proposed semi-monthly bill is attached as Attachment C.

9. Also attached to this Application are proposed tariff sheets governing the Clear Control Pilot Program to be incorporated into the Company's natural gas and electric tariff books – Attachments D and E, respectively.

10. In order to implement the Clear Control Pilot Program, the Company will need greater flexibility in terms of the application of existing Commission rules governing residential customer billing and shut-off procedures. Rule 69(3) of the Commission's Residential Billing Rules allows the Commission to temporarily waive any of the rules in the public interest. R460.169(3). Rule 69(3) states:

“Upon written request of a person, utility, or on its own motion, the commission may temporarily waive any requirements of these rules when it determines the waiver will further the effective and efficient administration of these rules and is in the public interest.”

11. In order to facilitate the Clear Control Pilot Program, Consumers Energy is requesting waiver of the following Residential Billing Rules for the limited purpose of this pilot program (i.e. these rules would continue to apply to the Company's remaining offerings unless otherwise waived by existing or future orders of the Commission):

- a. **Rule 20(1).** Rule 20(1) requires a utility, among other things, to permit a customer a period of not less than 21 days after a bill was sent to pay the bill. Consumers Energy seeks a limited waiver of this rule in order to allow the Company to require payment of pilot participant bills within 14 days.
- b. **Rule 20(6).** Rule 20(6) requires the utility to provide notice of extended payment options to eligible low-income customers of a combination utility as part of a disconnect notice. Consumers Energy seeks a limited waiver of this rule in order to allow the Company to shut-off service without providing the option of an extended payment plan.
- c. **Rule 23(1).** Rule 23(1) establishes a lengthy list of detailed requirements regarding the information to be included on customer bills. Consumers Energy seeks a limited waiver of this rule in order to allow the Company to use the alternative billing format attached to this Application as Attachment C, or a substantially similar format, for its semi-monthly e-mail billings under the pilot.

- d. **Rule 38(1).** Rule 38(1) prohibits a utility from shutting off utility service to a customer unless the utility has first sent notice in the manner provided by the rule at least ten days before the date of the proposed shut-off. Consumers Energy seeks a limited waiver of this rule to allow the Company to utilize the abbreviated notice procedures for shut-off under the pilot program.
- e. **Rule 39.** Rule 39 establishes detailed requirements regarding the information that must be included on a notice of shut-off. Consumers Energy seeks a limited waiver of this rule to allow the Company to utilize the concise electronic notice of shut-off prescribed by the pilot program terms and conditions.
- f. **Rule 40(1).** Rule 40(1) provides, among other things, that shut-off shall occur only between the hours of 8 a.m. and 4 p.m. Consumers Energy seeks a limited waiver of this rule to allow the utility to complete shut-off anytime within 24 hours after a participant's failure to make full payment under the pilot program.
- g. **Rule 41.** Rule 41 provides detailed procedural requirements concerning the number and nature of contacts that a utility must make the day before and the day of a shut-off when shut-off occurs on-site. Consumers Energy seeks a limited waiver of this rule to allow the Company to utilize the abbreviated notice and shut-off procedures under the pilot program.
- h. **Rule 42.** Rule 42 provides detailed procedural requirements concerning the number and nature of contacts that a utility must make the day before and the day of a shut-off when shut-off occurs remotely. Consumers Energy seeks a limited waiver of this rule to allow the Company to utilize the abbreviated notice and shut-off procedures under the pilot program.

12. Approval of the relief requested in this Application will not increase rates or charges for any customer. Therefore, Consumers Energy respectfully requests the Commission to approve the relief requested on an *ex parte* basis without the time and expense of a public hearing.

WHEREFORE, Consumers Energy respectfully requests that the Commission:

- (A) Accept this Application for filing;
- (B) Enter an order approving the Clear Control Pilot Program as set forth in the Company's proposed tariff and waiving Rules 20(1), 20(6), 23(1), 38(1), 39, 40(1), 41, and 42 of the Commission's Consumer Standards and Billing

Practices for Electric and Gas Residential Service Rules as they pertain to the pilot program;

- (C) Approve the Company's tariffs attached to this Application as Attachments D and E;
- (D) Determine that the relief requested herein should be granted *ex parte* without the time and expense of a public hearing; and
- (E) Grant such other and further relief as is lawful and appropriate.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

Dated: June 11, 2013

By: _____
Ronn J. Rasmussen
Vice President Rates and Regulation
Consumers Energy Company

Bret A. Totoraitis (P72654)
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Jackson, Michigan 49201
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(517) 788-0835

Attachment A

**PARTICIPANT CONSENT FORM
CLEAR CONTROL PILOT PROGRAM ("PILOT")**

Project Sponsors: Consumers Energy, The Heat and Warmth Fund

1. I agree to take part in the above PILOT as described in the Clear Control Pilot Terms and Conditions sheet ("Terms and Conditions"). I have read the Participant Information Sheet and the Terms and Conditions sheet, which are attached to this form. I understand what my role will be in the PILOT and my questions have been answered to my satisfaction.
2. I understand that I am free to withdraw from the PILOT at any time, for any reason.
3. I understand that my personal information and identity will be treated as confidential and safeguarded as described herein. For purposes of this PILOT, only project personnel, project partners, and the project sponsor will have access to my personal information and data collected over the course of the pilot. The data collected during the pilot may be shown at project meetings, research conferences and related events reporting on the results of this PILOT. However, neither my name nor other identifying information will ever be associated with the showing of such data.
4. I am free to ask questions at any time before and during the PILOT by calling the Clear Control Project Hotline below.
5. I have been provided a copy of this form, the Participant Information sheet, and the Terms and Conditions sheet.

Name of participant (print) _____ Signed _____ Date _____

Name of witness (print) _____ Signed _____ Date _____

YOU WILL BE GIVEN A COPY OF THIS FORM TO KEEP

If you wish to withdrawal from the PILOT, please contact the Clear Control Hotline or Email:

Clear Control Project Hotline: 1-877-720-3230

Email support@clearcontrol.org

Attachment B



1. Program Summary

The Clear Control Pilot Program is a 30 person pilot program developed and executed by Consumers Energy in collaboration with The Heat and Warmth Fund for gas and electric customers in Consumers Energy's Flint service territory. The pilot will begin on the later of July 1, 2013 or the first day of the month following Michigan Public Service Commission approval, whichever is later, and conclude 10 months later. The purpose of the pilot is to test and improve upon a new energy billing and usage information experience for low income customers to promote self sufficiency of low income customers by reducing energy consumption and increasing energy self-sufficiency.

This pilot will track 60 customers: 30 participants who will receive program services and incentives under the terms and conditions set forth in these Terms and Conditions, as well as 30 similar "control" customers whose usage and payment patterns will be monitored throughout the term of the pilot, but who will not receive any of the program services or incentives described in these Terms and Conditions. "Control" customers will receive a credit on their account not to exceed \$100 at the end of the pilot as compensation for sharing consumption, payment, shut off status, and demographic information during the pilot and completing a survey.

2. Rationale

Clear Control is meant to gather evidence in support of the design of a more effective service delivery experience for low income customers. While pilot program staff will monitor behavioral metrics like energy usage, staff will also conduct qualitative research during and at the end of the pilot to understand what happened, why, and for whom.

3. Definitions

As used in these Terms and Conditions:

- 3.1. "Arrears" means the total past due balance on a customer's Consumers Energy electric or natural gas utility account that accrued before the date of a customer's enrollment in the pilot. "Arrears" does not include any fees or amounts due for line extensions, construction, theft or damages. "Arrears" does not include amounts charged on the customer's current energy bill for new electric or natural gas utility service charges during the most recent billing period.
- 3.2. "Clear Control" or "the pilot" means the Clear Control Pilot Program described in section 1.

- 3.3. "Consumers Energy" or "the Company" means Consumers Energy Company, or its agents or designees.
- 3.4. "Holiday" means the following days each year: Martin Luther King, Jr. Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve, Christmas Day, New Year's Eve, and New Year's Day.
- 3.5. "Participant" means an eligible customer of Consumers Energy who is enrolled in Clear Control pursuant to section 5 and whose enrollment has not been terminated under section 7.
- 3.6. "Program staff" means the personnel assigned by Consumers Energy or THAW to administer the Clear Control Pilot Program, and may include personnel from either Consumers Energy, THAW, or both, or such agents as they may employ for any purpose directly related to the pilot.
- 3.7. "Smart meter" means equipment provided by Consumers Energy capable of advanced metering.
- 3.8. "THAW" means The Heat and Warmth Fund.

4. Eligibility Criteria

- 4.1. In order to be eligible to participate in the pilot, Consumers Energy customers must meet all of the following criteria:
- (1) Low income: Michigan Department of Human Services ("DHS") eligible client defined as being at or below 150% of the federal poverty line,
 - (2) be a City of Flint resident,
 - (3) have an active Consumers Energy account in the customer's name,
 - (4) have no more than \$1,500 in arrears with Consumers Energy,
 - (5) have a cell phone that can receive short message service (SMS/text) messages,
 - (6) have access to email,
 - (7) have the right to authorize installation of a "smart" meter at the home,
 - (8) have a demonstrated history of consistent payments defined as paying more than 50% of usage billed in the 12 months prior to enrollment,
 - (9) have paid in full the new charges on the customer's most recent bill,
 - (10) opt out of any existing Consumers Energy billing or payment plans.

At the sole discretion of the Company, Consumers Energy may require a customer applying to participate in the pilot to provide satisfactory evidence demonstrating that the customer meets one or more of the foregoing qualifications in order to be

considered for participation in the pilot. Refusal or failure to provide such information when requested shall result in a customer's rejection for participation in the pilot. Consumers Energy reserves the right to make all final determinations regarding a customer's eligibility to participate in the pilot.

4.2. Notwithstanding the provisions of subsection 4.1, any customer who meets one or more of the following criteria is ineligible for participation in the pilot:

- (1) a customer whose household includes senior citizens, children less than 5 years old, or persons with a serious medical condition,
- (2) a customer whose home needs energy savings improvements that exceed the \$1,500 allowable benefit or needs services not offered by Consumers Energy contractors or agents,
- (3) a customer who has arrears that are the result of a large balance transfer,
- (4) a customer who has a history of theft or fraud on his or her account,
- (5) a customer who has a threat of violence flag on his or her account,
- (6) a customer who has an aggressive or viscous dog.

4.3. If Consumers Energy receives requests from 30 or fewer eligible customers to participate in the pilot, all eligible customers will be selected for participation. In the event that Consumers Energy receives requests to participate from a number of eligible customers in excess of the 30 customers required, participants will be selected from among the eligible customers who have requested to participate at random. Participation in the pilot remains subject to the successful completion of the enrollment process described in section 5. Selection at this stage does not guarantee participation, and selection may continue on a rolling basis until all pilot program slots are filled.

5. Enrollment

- 5.1. After reviewing the preliminary information collected from each customer who has expressed an interest in participating in the pilot, program staff will make a preliminary determination regarding the customer's eligibility to participate in the pilot. Program staff will notify each customer of its preliminary determination concerning eligibility.
- 5.2. Consumers Energy will select potential participants for enrollment in the pilot as described in subsection 4.3. In order to become enrolled in the pilot, customers must schedule and complete an in-home kickoff within 30 days of preliminary eligibility confirmation.
- 5.3. The in-home kickoff will consist of an in-home visit and walkthrough by program staff to verify eligibility information. During the in-home kickoff program staff will explain

pilot operations, administer a brief survey, receive customer consent to these terms and conditions, and review the home for potential energy savings improvements.

- 5.4. If the Company's review during the in-home kick-off confirms the customer's eligibility to participate in the pilot, Consumers Energy will provide a written confirmation of enrollment. The customer will be deemed enrolled in the pilot on the date of the written confirmation of eligibility following the in-home kickoff. If the Company's review during the in-home kickoff reveals that the customer is not eligible to participate in the pilot, the customer will not be allowed to complete enrollment or become a participant.

6. Pilot Operations

- 6.1. After a participant's enrollment, Consumers Energy may install a smart meter capable of working with the Company's advanced metering infrastructure and its supporting critical systems on the participant's home. If a customer does not own his or her home, the customer must obtain written approval from the owner of the home to install the smart meter before the enrollment process can be completed.
- 6.2. Upon enrollment, Consumers Energy will place a dunning lock on the participant's account. The dunning lock will cancel any current disconnect orders for the participant. The dunning lock will remain in effect on the participant's account until the participant's enrollment is terminated.
- 6.3. Consumers Energy will forgive fifty percent (50%) of each participant's arrears upon enrollment in the pilot. Each participant who completes the full term of the pilot and timely pays the full amount due on eighty percent (80%) of the participant's bills sent during the pilot will have the remaining fifty percent (50%) balance of the participant's arrears forgiven at the conclusion of the pilot.
- 6.4. At the in-home kickoff, program staff will provide an energy audit of the customer's home and give energy efficiency recommendations. By performing the energy audit described in this subsection, neither Consumers Energy, THAW, nor their agents shall be deemed to undertake any duty to discover or inform any person about any dangerous conditions that may exist in the home. Subject to subsection 6.5, program staff will schedule a return visit to the home during which program staff will provide the participant with complimentary insulation and air sealing improvements to the home not to exceed \$1,500 in value. Improvements may include energy efficient light bulbs, pipe wrapping, air sealing building shell, and minor structural repairs. The provision of complimentary insulation and air sealing improvements will be contingent on the needs of the home, to be determined at the sole discretion of Consumers Energy.

- 6.5. If a participant does not own his or her home, the participant will not be eligible to receive complimentary insulation and air sealing improvements unless the participant first obtains written approval from the owner of the home.

Billing

- 6.6. While enrolled in the pilot, Consumers Energy will send each participant a bill via email twice a month for electric and natural gas utility service provided since the date of the last bill. The bill will be in a form approved by the Michigan Public Service Commission for use in the pilot. Payment in full will be due within 14 days of the billing date. Due to rounding, semi-monthly bills may not equal the cumulative total of the daily energy usage updates described in subsection 6.15. Bills will be adjusted as needed every two weeks.
- 6.7. Participant billing dates will be the 4th and the 18th of each month of the pilot. If Consumers Energy is unable, for any reason, to send a participant's billing e-mail on the billing date established under this subsection, Consumers Energy will adjust the bill due date to provide the participant with a minimum of 14 days to pay the bill from the date of the billing e-mail.
- 6.8. Participants will not receive a monthly paper bill while enrolled in the pilot.

Payments and Shut Off

- 6.9. Participants can make payments by any method currently available to non-participating Consumers Energy customers. Participants who use HP Easy Pay over the phone will initially be charged the standard fee for the HP Easy Pay service (currently \$6.25, but it may be subject to change during the term of the pilot program). The standard fee for HP Easy Pay service will be reimbursed as a credit on the participant's Consumers Energy account. A participant will be deemed to have paid his or her bill only when payment is received by Consumers Energy. Payments will be credited Monday through Friday excluding holidays.
- 6.10. If a participant fails to pay the full amount due on any bill by midnight of the due date, Consumers Energy will send the participant a notification via text message that a shut off order has been issued for the account. Consumers Energy may shut off utility service within 24 hours after any portion of the bill becomes overdue without any further notification. Once full payment of the current balance due is paid for an account that has been shut off, Consumers Energy will issue a turn on order for the account, and turn on will occur within 24 hours of payment being received. Shut offs and turn ons may only occur Monday through Friday, excluding holidays.
- 6.11. While enrolled in the pilot, participants will immediately have access to Spot Aid financial assistance up to a total amount of \$250 per participant. Participants can

use Spot Aid in \$25 increments. Spot Aid can only be applied to a participant's account as credit for the participant's current energy usage bills. To use Spot Aid, a participant must contact Clear Control program staff by calling the Clear Control participant hotline described in subsection 6.17. Spot Aid will be credited to the participant's account within 24 hours. At the conclusion of the pilot, a participant's unused Spot Aid will be applied as a credit to the participant's Consumers Energy account. If a participant opts out of the pilot before the end of the program, the participant forfeits any unused balance of Spot Aid allocated to that participant. Participants may not access energy assistance from The Heat and Warmth Fund while enrolled in the pilot program.

- 6.12. Disputes regarding the status of a participant's payment (i.e. whether or not a full payment has been made), will be resolved according to Consumer's Energy's normal dispute resolution procedures. Consumers Energy reserves the right to continue utility service, even if payment is not received by midnight of the due date, under appropriate circumstances at the sole discretion of the Company.

Communications

- 6.13. Program staff will provide customers in the pilot the following documents at or before the in-home kickoff: 1) Participant Information Sheet, 2) Pilot Program Terms & Conditions, and 3) Participant Application for Enrollment Form.
- 6.14. Upon enrollment in the pilot, program staff will send each participant a welcome email and text message. For the duration of a participant's enrollment, program staff will also send the participant: (1) daily energy usage and payment reminders via text message, (2) and electronic bills via e-mail. By enrolling in the pilot, participants agree to accept text message and e-mail communications from Consumers Energy for the duration of the participant's enrollment. Participants will be solely responsible for any fees or charges accruing to the participant's cellular telephone, internet, or other electronic subscription services related to text messages or e-mails sent by Consumers Energy, THAW, or program staff.
- 6.15. A payment reminder text message will be sent approximately 3 days prior to the payment due date and another one will be sent on the payment due date. A shut off notice will be sent once any portion of a participant's utility bill becomes overdue.
- 6.16. Consumers Energy will send a daily energy usage update, represented in terms of the dollars of energy that the participant used on the previous day, via text message Monday through Friday, excluding holidays. Daily energy usage updates will not include information regarding the volume of electricity or natural gas consumed. The energy usage update sent on Monday of each week will include the total weekend usage (Friday through Sunday). Consumers Energy will send a participant notice when the Company issues a shut off or turn on order for the participant's account.

Consumers Energy may also send a participant periodic text messages regarding the availability of Spot Aid and the balance of Spot Aid available on the participant's account. Participants may opt out of receiving daily energy usage updates by contacting program staff. Participants may not opt out of other notifications related to the pilot program, such as shut off warnings.

- 6.17. For the duration of the pilot program, THAW will maintain a Clear Control participant hotline. The Clear Control participant hotline will be available to assist participants with issues related to pilot operations and incentives and to answer participants' questions about the pilot and about energy efficiency matters. Program staff will be available by calling the hotline, 1 (877) 720-3230, Monday through Friday, 8 am to 5 pm. A voice messaging system will be available to participants calling the Clear Control participant hotline outside of normal hours or if a representative is not available. Participants may also contact program staff via email at support@clearcontrol.org.
- 6.18. For each participant who completes the pilot, program staff will schedule an in-person meeting to: (1) explain the Company's normal billing rules and dunning cycle and discuss participant concerns about reverting back to the normal system, (2) discuss final summary of pilot performance, (3) address matters related to settling of accounts after the pilot, and (4) conduct a participant research interview. Program staff may provide some form of nominal compensation in order to incentivize maximum participant compliance with the exit meeting, as Consumers Energy and THAW jointly deem necessary and appropriate.

7. Termination of Enrollment

- 7.1. A customer's enrollment in the pilot will terminate at the earliest of the following events:
- (1) at the end of the pilot program as set forth in section 1.
 - (2) upon written notice of removal by Consumers Energy.
 - (3) upon notice that the customer opts out of further participation in the pilot.
- 7.2. Consumers Energy may remove participants from the pilot under any of the following circumstances:
- (1) if the customer experiences an extended period of shut-off under the terms of the pilot.
 - (2) if the customer dies.
 - (3) if there is an incident of account fraud or energy theft related to the customer's account.
 - (4) if the customer's household circumstances change during the term of the pilot in any manner that would have rendered the customer ineligible for

participation had the household circumstances existed at the time of enrollment.

For purposes of this section, an “extended period of shut-off” means a service shut-off pursuant to subsection 6.10 lasting 60 consecutive days or longer. In the event a customer experiences an extended period of shut-off, THAW will refer the customer to an energy assistance program.

- 7.3. A Customer may opt out of the pilot at any time, for any reason, without prejudice or penalty, and revert back to the customer’s normal dunning cycle. Any holds on remaining arrears will be released by Consumers Energy.
- 7.4. For each participant whose enrollment terminates before the end of the pilot, Consumers Energy will attempt to recruit a new participant from the initial database of eligible participants created during the initial recruitment process.

8. Force Majeure.

Neither Consumers Energy nor THAW shall be liable for interruptions in the services provided as part of the pilot, or for any loss or damage of any kind or character occasioned thereby, due to causes or conditions beyond their reasonable control, and such causes or conditions shall be deemed to specifically include, but not be limited to, the following: acts or omissions of customers or third parties; operation of safety devices except when such operation is caused by the negligence of the Company or THAW; absence of an alternate supply of service; failure, malfunction, breakage, necessary repairs or inspection of machinery, facilities or equipment when the Company has carried on a program of maintenance consistent with the general standards prevailing in the industry; act of God; war; action of the elements; storm or flood; fire; riot; labor dispute or disturbances; or the exercise of authority or regulation by governmental or military authorities.

9. Changes to Pilot Program

- 9.1. Consumers Energy reserves the right to make improvements or enhancements to the pilot. Consumers Energy may add or remove functionalities or features of the pilot at any time, including suspending or terminating the pilot altogether.
- 9.2. Consumers Energy may modify these terms and conditions at any time during the pilot program. Consumers Energy will provide participants at least two business days’ notice of any changes to these terms and conditions and will post any changes on the Clear Control website (www.clearcontrol.org). Changes to these terms and conditions will not apply retroactively, but may be effective immediately after the notice period. Participants who do not agree to changes in the terms and conditions proposed by the Company may opt out of the pilot before the new terms and conditions take effect.

10. Regulation by Michigan Public Service Commission

- 10.1. The natural gas and electric utility service provided by Consumers Energy, including the services provided as part of the pilot, are public utility services regulated by the Michigan Public Service Commission ("MPSC").
- 10.2. Except as specifically modified by these Terms and Conditions, all rules and regulations of the MPSC, including the currently effective tariffs of Consumers Energy as approved by the MPSC, remain in effect and continue to govern all aspects of the Company's relationship with the pilot participants.

Attachment C



Name: **Customer One**
124 Main Street
Jackson MI 49201

Account Number **103004226585**
Due Date: 06/04/13
Total Due: \$81.13

For Gas or Electric Emergencies call 1-800-477-5050

Questions concerning this invoice, please call 1-800-xxx-xxxx.

Please Mail Payment To:
Consumers Energy
Lansing MI 48937-0001

PLEASE USE UPPER PORTION WITH YOUR PAYMENT

1	Name:	Customer Name				
2	Contract Acct:	Acct Number				
3						
4						
5						
6						
7						
8						
9	Billing Period: 3/9/13-3/25/13	Previous Month's Read	Current Month Read			
10	Electric kWh Rate Code: 1000S	7712	8012	[A]	300 kWh	
11	Gas Mof Rate Code: 250	4552	4555	[B]	4.30 Mof	
12						
13						
14						
15	ELECTRIC CHARGES					
16	KWH - ENERGY (First 300 kWh)			Use [A]	300	0.079797 \$23.94
17	KWH - ENERGY (Over 300 kWh)					\$0.00
18	POWER SUPPLY COST RECOVERY FACTOR CREDIT			Use [A]	300	0.001600 \$0.48
19	RENEWABLE ENERGY			Use [A]		\$0.28
20	ELECTRIC DISTRIBUTION CHARGES					
21	SYSTEM ACCESS					\$3.50
22	DISTRIBUTION			Use [A]	300	0.037196 \$11.16
23	OTHER SURCHARGES					\$0.42
24	ENERGY EFFICIENCY			Use [A]	300	0.002280 \$0.68
25	ELECTRIC INTERIM SURCHARGE			Use [A]	207	0.004020 \$0.83
26	SECURITIZATION			Use [A]	300	0.001387 \$0.42
27	SECURITIZATION TAX			Use [A]	300	0.000882 \$0.20
28						
29	Total Electric Charges					\$41.89
30						
31	GAS CHARGES					
32	CUSTOMER CHARGE					\$5.25
33	GAS DISTRIBUTION			Use [B]	4.30	2.605400 \$11.20
34	ENERGY EFFICIENCY			Use [B]	4.30	0.224300 \$0.96
35	GAS COST RECOVERY			Use [B]	4.30	4.619200 \$19.88
36	GAS DECOUPLING CHARGE			Use [B]	4.30	0.001387 \$0.01
37						
38	Total Gas Charges					\$37.28
39						
40	Total Charges					\$79.17
41	Applicable Tax					\$3.17
42						\$82.34
43	True Up Balance					
44	Total Balance Due					
45						
46						
47	This spreadsheet is in accordance with an agreed upon arrangement					
48	between Consumers Energy, Clear Control and Customer Name.					
49						

Attachment D

RESIDENTIAL SERVICE SECONDARY RATE RS

(Continued From Sheet No. D-11.20)

Monthly Rate: (Contd)

Residential Dynamic Pricing Pilot: (Contd)

Residential Dynamic Pricing Rebate (RDPR) (Contd)

The Company may call up to eight critical peak events in the summer months of June through September, excluding weekends and holidays, for the on-peak hours of 2:00 PM to 6:00 PM. During a critical peak event, customers under the RDPR will be credited the critical peak rebate for incremental energy reductions. The customer's incremental energy reduction will be the difference between a customer's baseline hourly consumption and their recorded hourly consumption during a critical peak event. The customer's baseline consumption is the hourly average consumption from the prior five non-event business days. Customers will be notified by 6:00 PM the day before a critical peak event is expected to occur. Receipt of such notice is the responsibility of the participating customer.

Power Supply Charges: These charges are applicable to Full Service Customers.

Summer Energy Charge

		<u>\$/kWh</u>
Off-Peak	\$0.064402	for the hours of 12:00 AM to 7:00 AM and 11:00 PM to 12:00 AM
Mid-Peak	\$0.080056	for the hours of 7:00 AM to 2:00 PM and 6:00 PM to 11:00 PM
On-Peak	\$0.181093	for the hours of 2:00 PM to 6:00 PM
Critical Peak Pricing	\$(0.500000)	for the hours of 2:00 PM to 6:00 PM during a critical peak event day

Clear Control Pilot Program

The Clear Control Pilot Program is a voluntary pilot available to up to 30 eligible Full Service residential customers taking service under the Company's Residential Service Secondary Rate RS tariff. Customer eligibility to participate is determined solely by the Company upon receipt of a completed Clear Control Pilot Consent Form and agreement to the Clear Control Pilot Program Terms and Conditions. Customers selected to participate in the Clear Control Pilot Program are not eligible to participate in the Net Metering Program, the Green Generation Program, the Shut Off Protection Plan, the Winter Protection Plan or any type of Budget Payment Plan offered by the Company. The Company reserves the right to specify the term or duration of the pilot.

(Continued on Sheet No. D-12.00)

Issued XXXXXX XX, 2013 by
J. G. Russell,
President and Chief Executive Officer,
Jackson, Michigan

Effective for service rendered on
and after XXXXXX XX, 2013

Issued under authority of the
Michigan Public Service Commission
dated XXXXXX XX, 2013
in Case No. U-17XXX

Attachment E

RESIDENTIAL SERVICE RATE A

Availability

Subject to any restrictions, this rate is available to any customer desiring gas service for any usual residential use in private family dwellings; tourist homes, rooming houses, dormitories, nursing homes and other similarly occupied buildings containing sleeping accommodations for up to six persons; or multifamily dwellings containing two households served through a single meter.

This rate is not available for resale service, multifamily dwellings containing more than two living units served through a single meter or for tourist homes, rooming houses, dormitories, nursing homes and similarly occupied buildings containing sleeping accommodations for more than six persons or for any other Non-Residential usage.

Residences in conjunction with commercial or industrial enterprises and mobile home parks may take service on this rate only under the Rules and Regulations contained in the Company's Gas Rate Book.

Monthly Rate

Customer Charge

\$10.50 per customer per month, plus

Income Assistance Service Provision:

When service is supplied to a Principal Residence Customer, where the total household income does not exceed 150% of the Federal Poverty level, verified by confirmation of an authorized State or Federal agency, a credit shall be applied during all billing months.

The monthly credit for the residential Income Assistance Service Provision shall be applied as follows:

Income Assistance Credit: \$(10.50) per customer per month

Clear Control Pilot Program

The Clear Control Pilot Program is a voluntary pilot available to up to 30 eligible Full Service residential customers taking service under the Company's Residential Service Rate A tariff. Customer eligibility to participate is determined solely by the Company upon receipt of a completed Clear Control Pilot Consent Form and agreement to the Clear Control Pilot Terms and Conditions. Customers selected to participate in the Clear Control Pilot Program are not eligible to participate in the Shut Off Protection Plan, the Winter Protection Plan or any type of Budget Payment Plan offered by the Company. The Company reserves the right to specify the term or duration of the pilot.

Distribution Charge

\$2.6054 per Mcf for all Mcf purchased.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-2.00.

General Terms and Surcharges

This rate is subject to all general terms and conditions shown on Sheet No. D-1.00, surcharges shown on Sheet No. D-1.10, and any applicable charges shown on Sheet No. D-1.20.

Minimum Charge

The minimum charge shall be the customer charge included in the rate.

(Continued on Sheet No. D-8.10)

Issued XXXXXX XX, 2013 by
J. G. Russell,
President and Chief Executive Officer,
Jackson, Michigan

Effective for service rendered on
and after XXXXXX XX, 2013

Issued under authority of the
Michigan Public Service Commission
dated XXXXXX XX, 2013
in Case No. U-17XXX