



**AUTHORIZED GROUP ADMINISTRATOR AGREEMENT OF
NATURAL GAS GROUP TRANSPORTATION
SERVICE PROGRAM
PART I
PARTIES**

Date of Agreement: _____
("Group Administrator")

CONSUMERS ENERGY COMPANY ("Company")
a Michigan Corporation

One Energy Plaza _____
Jackson, Michigan 49201 (Street Address)

(City, State, Zip Code)

This Agreement is entered into by the Company and Group Administrator to establish the rights, duties, and obligations of Group Administrator under the Company's Group Transportation Service Program ("Program"). In consideration of the mutual commitments contained herein, the Company and Group Administrator agree as follows:

1. This Agreement shall be effective on the date stated above and shall continue in effect for a term of one (1) year, and month-to-month thereafter, until terminated by (i) mutual consent of the parties, (ii) either party giving the other at least thirty (30) days' notice of its desire to terminate prior to expiration of any monthly period, or (iii) the Company as provided in Part II hereof.
2. Group Administrator acknowledges that supplier _____ ("Supplier") has established group _____ ("Group") with the Company under this Program and that Supplier has identified Group Administrator as the party responsible for administering the Group, and those transportation customers enrolled in the Group, on behalf of Supplier, thereby providing Group Administrator with the responsibility of aggregating the receipts and deliveries of those transportation customers enrolled in the Group and providing the Company with a single supply nomination on behalf of those transportation customers.
3. Group Administrator agrees to accept the responsibilities of administering Supplier's Group under this Program, subject to the terms of this Agreement and as set forth in the Company's Natural Gas Rate Book ("Gas Rate Book"), as approved by the Michigan Public Service Commission ("MPSC"), under Section G – Group Transportation Service Program Standards and Billing Practices. This Agreement consists of this PART I, PARTIES, and PART II, TERMS & CONDITIONS, OF AUTHORIZED GROUP ADMINISTRATOR AGREEMENT OF NATURAL GAS GROUP TRANSPORTATION SERVICE PROGRAM.
4. Group Administrator agrees to accept the responsibility of administering the Group, including, but not limited to, (i) submitting transportation customer enrollment forms in a timely manner to the Company, (ii) determining the Group's need for pipeline capacity and obtaining such capacity in whatever manner and from whatever source Group Administrator deems appropriate, (iii) managing the gas balances of the Group, (iv) nominating the daily quantity of gas to be delivered to the Company on behalf of the Group, (v) causing to be delivered to the Company gas in accordance with the scheduled daily volumes as set forth in the Company's Gas Rate Book, (vi) resolving all applicable monthly fees and penalties associated with the aggregation of supply for the Group, and (vii) managing all other administrative duties and obligation of the Group, as further set forth in the Company's Gas Rate Book.
5. Company agrees to provide gas delivery service to the transportation customers enrolled within Group Administrator's Group, and other services, subject to this Agreement and Section G of the Company's Gas

Rate Book. In doing so, the Group Administrator may deliver, or cause to be delivered, and the Company shall, subject to the provisions in the Company's Gas Rate Book, accept quantities of gas up to the group maximum daily quantity, as specified herein. Deliveries to the Company may be made by or on behalf of the Group Administrator at existing interconnections between the gas transmission facilities of the Company and other pipeline systems, and the Company shall be responsible for transporting such gas for the Group from the points of receipt to the transportation customers enrolled within the Group. The Company shall retain a percentage of all gas received for transportation customers in the Group to compensate it for the Company's use and lost and unaccounted for on the Company's system, which shall not be included in the quantity available for delivery to the transportation customers of the Group. This percentage will correspond to the Fuel Use and Lost and Unaccounted For percentage in Section G of the Company's Gas Rate Book.

6. The contracted Group Annual Contract Quantity ("GACQ") for the Group is the sum of the individual contracted transportation customer Annual Contract Quantities enrolled by the Group Administrator in the Group, as defined in section E1.1 of the Company's Gas Rate Book.
7. The Group Authorized Tolerance Level ("GATL") for the Group is:
 - A. 4.0% of ACQ
 - B. 6.5% of ACQ
 - C. 7.5% of ACQ
 - D. 8.5% of ACQ
 - E. 9.5% of ACQ
 - F. 10.5% of ACQ

The Group's GATL shall be 8.5% of GACQ unless the Group contracts for a different percent. All of the transportation customers in the Group shall have the same underlying contractual ATL, as defined in section E1.1 of the Company's Gas Rate Book.

8. The Group Maximum Daily Quantity ("GMDQ") for the Group is the sum of the Maximum Daily Quantities of all transportation customers enrolled in the Group, as defined in section E1.1 of the Company's Gas Rate Book.
9. Group Administrator may also be subject to a Group Minimum Daily Quantity ("GMinDQ"), which may be implemented at the Company's sole discretion, as provided in Section G of the Company's Gas Rate Book. The GMinDQ will be expressed as a percentage of the GMDQ, and, if required, the Group Administrator would be responsible for delivering the GMinDQ. The required GMinDQ will be posted on the Company's Informational Posting Website ("IPW") by April 1 of each year and will be effective for the following November through March period.
10. Group Administrator shall provide the Company a cash deposit as set forth in Section G of the Company's Gas Rate Book, or, in the alternative, an irrevocable letter of credit from a financial institution, surety bond, or a parental guarantee satisfactory to the Company in not less than the amount of the cash deposit.
11. Company shall endeavor to render a monthly billing statement to the Group Administrator on or before the last business day of each calendar month for service during the prior calendar month. Such statements will include, but not be limited to, the applicable monthly fees for the Group administrative fee and customer account maintenance fee, as well as any unauthorized gas usage charges, failure fees, or load balancing charges incurred by the Group.
12. Group Administrator agrees to pay the Company all applicable monthly fees under the Program, and resolve all other fees and penalties associated with the aggregation of supply for the Group, as set forth in Section G of the Company's Gas Rate Book. The Group Administrator will not be responsible for the payment of any master or contiguous customer charges, remote meter charges, transportation rates, or any applicable surcharges subject to the transportation customers' Gas Transportation Rate Schedule and Gas Transportation Service Contract, which shall remain the responsibility of the transportation customer.

13. Group Administrator's contract will be terminated with the Company, and the transportation customers

enrolled in the Group will be removed from the Group, if Group Administrator's cumulative unpaid Group administrative fees, customer account maintenance fees, unauthorized gas usage charges, load balancing charges, and Group failure fees exceed any cash deposit or alternative assurance with the Company. In that event, transportation customers will be removed from the Group but shall retain their individual status as transportation customers with the Company, and Group Administrator must transfer any gas retained by the Company to another Group or transportation customer taking service under a Transportation Service Rate Schedule within sixty (60) days. If the Group Administrator has not withdrawn or transferred all the gas retained by the Company within sixty (60) days, the Company will cash out the remaining balance at a rate of \$1.00 per Mcf.

- 14. This Agreement will be governed by and construed in accordance with the laws of the State of Michigan.
- 15. Neither party shall assign this Agreement without the prior written consent of the other party. Any attempted assignment without such written consent shall be void and shall not release the assigning party from any of its obligations under this Agreement. Nothing herein contained shall prevent or restrict either party from pledging, granting a security interest in, or assigning as collateral all or any portion of such party's interest in this Agreement to secure any debt or obligation of such party under any mortgage, deed of trust, security agreement or similar instrument.

GROUP ADMINISTRATOR ACKNOWLEDGES AND AGREES (i) THAT IT HAS RECEIVED AND READ PART I AND PART II OF THIS AGREEMENT; (ii) THAT IT AGREES TO ENTER INTO THIS AGREEMENT WITH THE COMPANY; AND (iii) THAT IT WILL COMPLY WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT, APPLICABLE RULES UNDER THE COMPANY'S GAS RATE BOOK, AND ANY OTHER APPLICABLE LAWS TO THE PROGRAM DURING THE ENTIRETY OF THIS AGREEMENT.

CONSUMERS ENERGY COMPANY

By: _____
(Consumers Energy Signature)

(Print or Type Name)

(Title)

(Group Administrator Name)

By: _____
(Group Administrator Signature)

(Print or Type Name)

(Title)

AUTHORIZED GROUP ADMINISTRATOR AGREEMENT
PART II
TERMS AND CONDITIONS

1. DEFINITIONS

As used in this Agreement, the terms shall have the same meanings as set forth in Section G of the Company's Gas Rate Book.

2. GENERAL

- A. Group Administrator shall be responsible for all applicable monthly fees under the Program, including, but not limited to, the Group administrative fee and the customer account maintenance fee, which the Company will provide through monthly billing statements. Furthermore, Group Administrator shall be responsible for resolving all other fees and penalties on behalf of the Group, including, but not limited to, any applicable unauthorized gas usage charges, load balancing charges, fuel use and lost and unaccounted for gas charges, or GMinDQ failure fees as set forth in the Company's Gas Rate Book. Authorized gas will not be available under the Program. Transportation customers enrolled in the Group will remain subject to both the obligations of the Company's Gas Transportation Rate Schedule under Section E of the Company's Gas Rate Book, through which the transportation customers are taking service, and the transportation customer's Gas Transportation Service Contract, including any applicable rates and charges under such Rate Schedule and Service Contract, which shall not become the responsibility of the Group Administrator. Any transportation customer with an account in arrears will not be eligible to enroll in a Group or participate in the Program.
- B. Group Administrator shall provide the Company a cash deposit as set forth in Section G of the Company's Gas Rate Book. The initial deposit shall be provided to the Company by the last business day of the calendar month prior to the month in which the Group Administrator's transportation customers commence service in the Group. The cash deposit is subject to changes or adjustments as set forth in the Gas Rate Book. In the alternative to a cash deposit, the Group Administrator may provide an irrevocable letter of credit from a financial institution, surety bond, or a parental guarantee satisfactory to the Company in not less than the amount of the cash deposit and in a form acceptable to the Company.
- C. Group Administrator agrees to accept responsibility for submitting enrollment forms to the Company on behalf of those transportation customers who have voluntarily agreed to participate in the Program and join the Group. Enrollment forms must be submitted by the Group Administrator, and received by the Company, by the first business day of the calendar quarter preceding the transportation customer's enrollment in the Group and must be processed with an effective date corresponding to the first day of the calendar quarter, as specified under Section G of the Company's Gas Rate Book. Within 10 business days after receipt of an enrollment form, the Company will notify the Group Administrator of the current enrollment status.
- D. Group Administrator shall ensure that a transportation customer enrolling in the Group is submitting all of their transportation accounts into the Group at the time of enrollment. In doing so, the transportation customer is agreeing to be enrolled in only one group at any time and will not be eligible to designate receipts of natural gas from any source other than the Group Administrator. The Group should also be limited to a max enrollment of 100 contract accounts. Furthermore, Group Administrator shall ensure that all transportation customers enrolled in the Group have the same Authorized Tolerance Level ("ATL"). At the time a transportation customer is enrolled in the Group, any volumes in a transportation customer's ATL will transfer into the GATL. At the time a transportation customer disenrolls from the Group, the ATL of the disenrolled transportation customer will follow that transportation customer, and the GATL will be reduced by the amount of the disenrolled transportation customer's ATL. If a transportation customer wishes to enroll other accounts that are not included in their Gas Transportation Service Contract, the Gas Transportation Service Contract must first be amended before the accounts can be included in the Group. If a transportation customer acquires additional transportation accounts after enrollment in the Group, the transportation customer must notify the Company to ensure the newly acquired transportation accounts are included in the Group. In the event that the Group has reached the 100 contract account enrollment

limit, any transportation customer enrolled within the Group will not be permitted to include newly acquired accounts within their Gas Transportation Service Contract and the Group, and all transportation accounts in excess of the 100 contract account enrollment limit shall be removed from the Company's Transportation Service Program and placed on an applicable General Service Rate Schedule.

3. CURTAILMENT OF GAS BY CONSUMERS

A. Curtailement of Receipt of Interstate Gas by the Company

The Company represents that, at the time of execution of this Agreement, its facilities are adequate to receive gas as herein provided for. If the total demand placed on said facilities is such that it cannot be fully satisfied, then any reduction in the quantities to be received hereunder shall be in accordance with the following priorities listed in the order of lowest to highest priority:

- (a) Interruptible gas volumes for the Company's Off-System Customers
- (b) Interruptible gas volumes other than those covered in (a) above
- (c) Firm transportation gas volumes
- (d) Firm sales gas volumes

The Company shall give Group Administrator prior notice of any curtailment in the acceptance of the receipt of gas by the Company to the extent that such notice is possible and practicable.

B. Curtailement of Gas Redeliveries by the Company

Any curtailment of gas transportation service hereunder shall be in accordance with the Company's Gas Rate Book and with all other applicable procedures and priorities approved by the MPSC, or any successor body.

4. GAS RATE BOOK

Applicable gas service rate tariff sheets and provisions of the Company's Gas Rate Book, including, but not limited to, Section G – Group Transportation Service Pilot Program Standards and Billing Practices, are incorporated herein by reference and should be adhered to during the entirety of the Program. If any amendments to, supplements of, additions to, or replacements for the Gas Rate Book including, but not limited to, the portions referenced in this Agreement, are filed with and approved by the MPSC or any successor body, they shall become a part of this Agreement to the extent applicable to the subject matter of this Agreement.

5. NOTICES

All notices and payments covered by this Agreement shall be addressed to the Company at the applicable address stated below:

For Payments:

Consumers Energy Company
Addressed in accordance with
instructions set forth on the invoice

All Other Notices:

Consumers Energy Company
Attn: Gas Transportation Services Department
1945 W. Parnall Road
Jackson, Michigan 49201

All notices, payments and invoices covered by this Agreement shall be addressed to Group Administrator at the applicable address stated below:

Payments/Invoices:

All Other Notices:

The address of either party may be changed by the addressee giving at least thirty (30) days' written notice to the other party.

All nominations shall be submitted in accordance with Section G of the Company's Gas Rate Book. transportation customers enrolled in the Group are required to enroll in the electronic billing program, business e-Bill, or other electronic invoice delivery program as determined by the Company. It is the responsibility of the transportation customer to give access to the Group Administrator to view the transportation customer's bill.

6. QUALITY AND USE OF GAS/OPERATIONAL FLOW ORDERS/INDEMNIFICATION

Group Administrator represents and warrants that the gas supplied hereunder shall meet the requirements of Rule G3, Gas Quality, of the applicable Gas Rate Book. Group Administrator represents and warrants that the gas it supplies hereunder is for the use of the transportation customers in the Group. Group Administrator further agrees to comply with all operational flow orders issued by the Company. Furthermore, to the extent, if any, that the Company's reliance on the foregoing representations, warranties, and agreements subjects it to any actions, suits, or proceedings brought before or instituted by any authority having jurisdiction, or results in any damage to its system or its customers, Group Administrator shall indemnify and hold the Company harmless against all losses, costs, and expenses resulting from or on account of said unauthorized use and/or failure to deliver gas meeting the specified requirements and/or failure to comply with operational flow orders. Group Administrator agrees that the Company shall not be liable for any costs, expenses, or damages of any nature that may be incurred by Group Administrator in complying with any operational flow order.

7. GOOD FAITH/INDEMNIFICATION

The Group Administrator agrees to abide by the terms and conditions of the Program and to act in good faith with respect to all aspects of the Program. Failure to follow the terms and conditions of the Program, including, but not limited to, failure to (i) provide any required cash deposit, irrevocable letter of credit from a financial institution, surety bond, or a parental guarantee satisfactory to the Company in not less than the amount of cash deposit; or (ii) pay any fees or charges within twenty one (21) days of the date of billing; or (iii) to exercise good faith with respect to the Program will result in the Group Administrator having its status suspended and/or terminated and, subject to Rule G9, Group Administrator Contract Termination, of the Company's Gas Rate Book, the transportation customers within the Group shall be removed from the Group but shall retain their individual status as transportation customers of the Company. Group Administrator shall indemnify and hold Company harmless from and against all losses, costs, and expenses resulting from or on account of any failure by Group Administrator to act in good faith with regard to participation in the Program. Further, if Group Administrator fails to comply with any of the terms and conditions of the Program and such failure causes the Company's average cost of gas to serve retail customers to increase, Group Administrator shall be liable for and shall indemnify and hold Company harmless against all such costs.

8. TERMINATION

In the event the Program is terminated for any reason, Company will give thirty (30) days' notice to Group Administrator, and the Group Administrator must transfer any gas retained by the Company to a transportation customer taking service under a Transportation Service Rate Schedule within sixty (60) days. If Group Administrator has not withdrawn or transferred all of the gas retained by the Company within 60 days, the Company will cash out the remaining balance to Group Administrator at a rate of \$1.00 per Mcf. This Agreement shall automatically terminate if Group Administrator has not enrolled any customers within

twelve (12) months of the date of this Agreement. The indemnity and hold harmless requirements set forth above in Sections 6 and 7 shall survive termination of this Agreement.

9. COUNTERPARTS AND ELECTRONIC DOCUMENTS

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.