

DTE GAS - SEVERE GAS OPERATIONS PLAN
EUT Customer and Supplier Communication Package

In 2013-2014, DTE Energy experienced record setting colder-than-normal temperatures, above planned peak day consumption, and strained system operations.

Since the 2014-2015 winter season DTE Gas has provided an annual communication package for its EUT customers, EUT gas suppliers and, agents that provided customer guidelines related to DTE Gas system operations during non-normal gas circumstances.

In preparation for the 2016-2017 winter season DTE Gas is providing/resubmitting this communication package for its EUT customers, their gas suppliers and agents which provides customer guidelines related to DTE Gas system operations during non-normal gas circumstances for the upcoming year. The only substantive revisions made to this communication package are the percentages listed in Table 1, Page 3 of this document.

This communication package provides:

- Severe Gas Operations – Level 1: Guidelines for Gas Operations during Critical Conditions Operational
- Severe Gas Operations – Level 2: Guidelines for Gas Operations during an Operational Flow Order
- DTE Gas Contact Information
- Q&A Summary
- Messaging Templates Examples

The DTE Gas – Severe Gas Operations Plan is Effective August 1, 2016

Severe Gas Operations – Level 1 Guidelines for Gas Operations during Critical Conditions Operations (CCO)

A Critical Conditions Operations announcement may occur when DTE Gas is experiencing constrained operating conditions or identifies the potential for such.

Critical Conditions Operations is a precautionary measure intended to avoid the issuance of an Operational Flow Order or Curtailment of gas services.

Operational Expectations:

Under the CCO conditions, DTE will request its EUT Customers to voluntarily balance their daily supply with daily usage during specified Gas Days.

DTE will formally request all customers to voluntarily increase or decrease their nominated gas deliveries. These requested gas deliveries will be identified and communicated during the event.

CCO Communication Process:

DTE will provide notification of a CCO in the form of the Messaging Templates A and B listed in the Appendix to this document.

DTE EUT Customers and suppliers will be notified and updated of Critical Conditions Operations status through the following channels of communication:

1. Direct email communication
2. DTE eNominator pop-up message
3. Webpage communication <http://mcsts.dteenergy.com/index.html>
4. Direct contact via phone call to Suppliers and to EUT Customer contacts, as needed

Severe Gas Operations – Level 2 Guidelines for Gas Operations during Operational Flow Order (OFO)

OFO implementation may occur when DTE Gas is experiencing significant constrained operating conditions or identifies the potential for such.

When DTE Gas is in constrained operating conditions, it is necessary to limit the storage activity of its customers by implementing an OFO. An OFO invokes daily-balancing upon customers to protect the gas operating system by effectively identifying and managing its gas receipts. Ensuring EUT Customers deliver the appropriate gas quantity enables DTE to safeguard its gas operating system.

Operational Expectations:

During an OFO, “Daily Balancing” is defined as adherence to a specified minimum or maximum quantity of gas supply nominated and delivered to the Receipt Point(s). This specified minimum or maximum quantity is defined as the Operational Flow Order Daily Quantity (“OFODQ”), which will result in DTE providing notification of the Maximum or Minimum gas supply required of each EUT customer.

During an OFO, DTE will provide notice of one of the following operational expectations:

- **OFODQ Min:** A minimum quantity of gas supply that will be required (nominated and delivered) by an EUT customer in the event of extreme cold weather or when DTE Gas operations are threatened by insufficient gas on its system
- **OFODQ Max:** A maximum quantity of gas supply that will be allowed (nominated and delivered) by an EUT customer in the event of extreme warm weather or when DTE Gas operations are threatened by excess gas on its system.

The OFODQ Max and OFODQ Min will be equal to a percentage of the EUT Customer’s Contractual Maximum Daily Quantity (MDQ); further reference Question 5 on page 5 of this document.

- **OFODQ Min** = MDQ x OFODQ Min% per Table 1 below results in the minimum quantity to nominate and deliver during an invoked OFO
- **OFODQ Max** = MDQ x OFODQ Max% per Table 1 below results in the maximum quantity to nominate and deliver during an invoked OFO

Table 1: August 2016 – July 2017 OFODQ Percentages

2016 Gas Operations August 2016 thru July 2017	OFODQ Min % Minimum Flow Requirements	OFODQ Max % Maximum Flow Requirements
August	53%	20%
September	86%	18%
October	93%	19%
November	98%	22%
December	80%	23%
January	88%	25%
February	84%	26%
March	79%	23%
April	66%	20%
May	56%	18%
June	55%	13%
July	52%	17%

Unauthorized Gas Usage during an OFO: During an OFO where DTE has provided notification of an OFODQ Min requirement, a Customer will be deemed non-compliant with daily balancing during any Gas Day that Customer has not nominated and delivered to the Receipt Point(s) quantities of natural gas equal to or greater than their OFODQ Min.

- **OFODQ Min Notification:** On any Gas Day during an OFO, Customer will be subject to an Unauthorized Gas Usage penalty per Section E4.5 of the DTE Gas Rate Book for the difference between Customer's OFODQ Min less Customer's actual nomination (this difference will not be less than zero). DTE will charge each non-compliant Customer Unauthorized Gas Usage Charges per the DTE Gas Rate Book provision (Section E4.5).
- **OFODQ Max Notification:** Any nomination that is greater than a Customer's OFODQ Max any Gas Day will be rejected.

OFO Communication Process:

When gas system operations permit, DTE will provide notification of an OFO twenty-four (24) hours in advance of the Gas Day an OFO is implemented.

DTE EUT suppliers and customers will be notified of current gas operations and operational status changes through the following channels of communication:

1. Direct email communication
2. DTE eNominator pop-up message
3. Webpage communication <http://mcsts.dteenergy.com/index.html>
4. Direct contact via phone call to Suppliers and to EUT Customer contacts, as needed

DTE GAS CONTACT INFORMATION

If there are any questions regarding this DTE Gas Plan of Operations, please feel free to contact your Gas Account Manager or the Gas Nominations Group listed below:

Gas Major Accounts

<u>Account Managers-Southeast Michigan</u>	<u>Cell Phone</u>	<u>Work Phone</u>
Eric Bruski	(313) 235-0372	(313) 400-1628
Samantha Cook	(313) 235-1130	(313) 570-4433
Eric Harris	(313) 235-9184	(313) 600-3586
Julie Jozwiak	(313) 235-1591	(313) 600-3725
Scot McColl	(313) 235-1675	(313) 400-1611

TBD, Principal Supervisor – SE Michigan

<u>Account Managers-Greater Michigan</u>	<u>Cell Phone</u>	<u>Work Phone</u>
Andrew Hascher	(616)307-7127	(616) 307-7127
Zachary Kerfoot	(231) 932-2847	(231) 499-7331
Brad Radel	(616) 502-7673	(616) 502-7673
Michael Siroky	(616) 954-4610	(616) 250-9993
Adam Scripps	(616) 541-3269	(616) 541-3269
Ric Werner	(616) 954-4604	(616) 240-2091
Bentley Whitman	(231) 753-6143	(231) 753-6143
Michael Youngblood	(616) 954-4635	(616) 260-1231

Bradley Leiter, Principal Supervisor – Greater Michigan (616) 307-3153 (C)

Escalation Contacts:

Alesia Smith, Principal Supervisor, Fulfillment (313) 235-4607 (O), (313) 268-0188 (C)
Wayne Fox, Manager, Gas Major Accounts (231) 757-3922 (O), (231) 690-1128 (C)

Gas Nomination Services

Sheryl Maloney	(313) 235-1038
Cynthia Reppke	(313) 235-1037
Douglas Lowney	(313) 235-1403

Kelly Fedele, Manager, Gas Nominations (313) 235-1015

Q&A - DTE Severe Gas Operations for EUT Customers

Q1. What are the three levels of Severe Gas Operations on the DTE Gas system?

The three Severe Levels of Gas Operations are:

- Level 1 – Critical Conditions Operations (CCO)
- Level 2 – Operational Flow Orders (OFO)
- Level 3 – Curtailment

Q2. What are the steps DTE Gas will take during a Level 1 – Critical Conditions Operations & Level 2 – Operational Flow Order?

SEVERE GAS OPERATIONS	Provisions	Action Items
<p>LEVEL 1 -</p> <p>CRITICAL CONDITIONS OPERATIONS</p> <p>(Contractual Provision)</p>	<p>Voluntary</p>	<p>Request increase or decrease in deliveries to system from End User Transportation (EUT) Customers on voluntary basis to stabilize DTE Gas Operations. Customers will be provided guidance on the volume of gas desired by DTE (% of MDQ)</p> <p><i>See Appendix</i></p>
<p>SEVERE GAS OPERATIONS</p> <p>LEVEL 2 –</p> <p>OPERATIONAL FLOW ORDERS</p> <p>(Tariff Provision)</p>	<p>Mandatory</p>	<p>Elevate to Severity Level 2 of DTE Gas Operations –</p> <p>Operation Flow Order (OFO)</p> <p>Invoke “Daily Balancing” for EUT Customers by mandating the minimum or maximum quantity of gas to be delivered to DTE as a percentage of the contract MDQ and defined as the Operational Flow Order Daily Quantity (OFODQ). An OFO may be invoked at any time of the year to protect DTE’s Gas System Operations and service to its customers</p> <p>NOTE:</p> <p>If operating conditions warrant immediate Declaration of Level 2 – OFO, Step 1 will supersede Step 1 in Level 1.</p>
<p>SEVERE OPERATIONS</p> <p>LEVEL 3 –</p> <p>CURTAILMENT</p>	<p>Mandatory</p>	<p>Elevate to Severity Level 3 of DTE Gas Operations –</p> <p>CURTAILMENT</p>

Q3. How will the three levels of Severe Gas Operations be communicated to EUT Customers and Gas Suppliers?

DTE EUT Customers and Suppliers will be notified and updated of Critical Conditions Operations status through the following channels of communication:

1. Direct email communication
2. DTE eNominator pop-up message
3. Webpage communication <http://mcsts.dteenergy.com/index.html>
4. Direct contact via phone call to Suppliers and to EUT Customer contacts, as needed.

Q4. Please explain “Daily Balancing” if an OFO is implemented.

DTE defines Daily Balancing as adherence to a specified volume of gas nominated and delivered during an OFO. That specified volume will be called an Operational Flow Order Daily Quantity (OFODQ).

The OFODQ will be equal to a percentage of the EUT Customer’s Contractual MDQ or $OFODQ = \% \text{ of MDQ}$

Q5. How is the Operational Flow Order Daily Quantity (OFODQ) determined?

The OFODQ is the percentage of the Customer’s contractual MDQ that will be required to be delivered by each Customer each day during a declared OFO. A customer or their supplier may calculate a customer’s OFODQ by the following:

- Customers or their suppliers must access DTE’s eNominator system via the K-61 report to obtain and validate each Customer’s current MDQ.
- Customer or supplier must then multiply the percentage as stated in the OFO Implementation Notice by Customer’s current MDQ to obtain their OFODQ.

Q6. What is the difference between an OFODQ Min and an OFODQ Max?

An **OFODQ Max** is the maximum volume of gas supply that a EUT customer will be allowed to deliver in the event of extreme warm weather or when DTE Gas operations are threatened by excess gas on its system. If a customer places a gas nomination that exceeds its OFODQ Max, the eNominator system will reject the nomination.

An **OFODQ Min** is the minimum volume of gas supply that a EUT customer will be required to deliver in the event of extreme cold weather or when DTE Gas operations are threatened by insufficient gas on its system. Any customer that does not deliver their OFODQ Min will be subject to Unauthorized Gas Usage Charges.

Q7. How will Customers having Seasonal, Standby Service, or Intermittent Operations be handled during an OFO?

Please contact your DTE Gas Account Manager.

Q8. Will customers or suppliers be compensated by DTE for gas supplies nominated if a voluntary CCO notification is implemented?

No. The request for customers and their suppliers to deliver gas during a CCO is purely voluntary.

Q9. Will customers or suppliers be compensated by DTE for gas supplies nominated if an OFO is implemented?

No.

Q10. Are customers required to maintain month end storage balance requirements during OFO event?

Yes, EUT Customers are required to adhere to the parameters identified in Section E14 Load Balancing Storage of the DTE Gas Rate Book.

Q11. Are customers required to adhere to storage injections and withdrawals month-end parameters during an OFO event?

Yes, EUT Customers are required to adhere to the parameters identified in Section E14 Load Balancing Storage of the DTE Gas Rate Book.

Q12. What is considered Unauthorized Gas Usage during an OFO?

Customers will be deemed non-compliant with daily balancing during any Gas Day that DTE has invoked an OFO and customer has not delivered to the Receipt Point(s) quantities of natural gas equal to or greater than Customer's OFODQ for that Gas Day. On any Gas Day during an OFO, Customer will be subject to an Unauthorized Gas Usage penalty per Section E4.5 of the DTE Gas Rate Book for any gas volumes less than Customer's OFODQ minimum.

EXCERPT from DTE Gas Rate Book, Section E4.5

*Customers not balancing deliveries to Company, with use, and authorized storage withdrawal volumes, on any Gas Day during an OFO will be subject to a penalty equal to the **highest price reported for MichCon, Michigan, Consumers Energy and Chicago LDCs during the applicable Month**(emphasis added) as reported in Gas Daily or, in the event that Gas Daily discontinues its reporting of such prices, any comparable reporting service, plus \$1.00 per 100 cubic feet or \$10.00 per MMBtu, if applicable, plus Customer's contracted Transportation Charge, for all gas taken by Customer in excess of the cumulative volume delivered to Company (less the allowance for gas in kind) on behalf of Customer.*

Q13. Q12. How will the Unauthorized Gas Usage Charge appear on my bill for non-compliance during an OFO?

The OFODQ penalty will appear as an MISC Charge on the EUT customer month-end gas transportation invoice. All applicable surcharges, taxes, and distribution charges will be applied to the non-compliant gas volumes.

Q14. When will this plan of operation be communicated to the Regulatory Community, specifically the MPSC?

DTE Energy shared their plan of operation and Customer and Supplier communication plan with the MPSC on December 5, 2014.

APPENDIX – Messaging Templates

Messaging Template A: Suppliers – Voluntary Request for Balancing Notices

Messaging Template B: EUT Customers – Voluntary Request for Balancing Notice

Messaging Template C: Suppliers – OFO Implementation Notice

Messaging Template D: EUT Customers – OFO Implementation Notice

EXAMPLE

MESSAGING TEMPLATE: A



To: All DTE Energy EUT Gas Suppliers
Today's Date: XX/XX/XXXX
Notice Effective Date: XX/XX/XXXX

SUBJECT: Voluntary Request for Balancing Notice (for EUT Suppliers)

This Request for a *voluntary increase* in gas deliveries is a step prior to Curtailment or implementation of an Operational Flow Order (per Section C3.2 of the Rate Book). DTE Gas System operating conditions are such that DTE Gas is requesting its End User Transportation customers to voluntarily deliver *(no more than/at least) x% of their MDQ effective for Month, Gas Day x through Month, Gas Day y.* Failure to do so may result in an issuance of an Operational Flow Order (OFO) or Curtailment. EUT customers who are willing to voluntarily bring in supply in excess of their Maximum Daily Quantity (MDQ) limits may contact Joe Murray, Transportation Specialist, at 313-235-5447 or Sheryl Maloney, Sr Transportation Specialist, at 313-235-1038. Joe Murray will effectuate the MDQ. No additional notice or approval is required for the MDQ increases or minimum deliveries during this Voluntary Request for Balancing Notice.

DTE requests that gas Suppliers proactively watch for updated operational notices on DTE's eNominator system, Gas Noms webpage, and direct email notices during this critical period. If you have questions, please contact Sheryl Maloney at 313-235-1038 or Cynthia Reppke at 313-235-1037.

Customer's with "special operating conditions" (e.g. Special Contracts, Balancing Events, Standby Service, seasonal service) as determined by DTE will be provided a Customer specific notice based on Customer's contract and special operating conditions.

EXAMPLE

MESSAGING TEMPLATE: B



To: All DTE Energy EUT Customers

Today's Date: XX/XX/XXXX

Notice Effective Date: XX/XX/XXXX

SUBJECT: Voluntary Request for Balancing Notice (for EUT Customers):

EUT Customers: The below notice was issued to all EUT supplier's on the DTE Gas system. Please ensure good communication with your supplier. We very much appreciate your assistance and support during this critical period. DTE requests that EUT gas Customers proactively watch for updated operational notices via direct email or phone calls during this critical period. If you have questions, please contact your DTE Gas Account Manager.

Notice issued to all EUT suppliers.

This Request for a voluntary **increase** in gas deliveries is a step prior to Curtailment or implementation of an Operational Flow Order (per Section C3.2 of the Rate Book). DTE Gas System operating conditions are such that DTE Gas is requesting its End User Transportation customers to voluntarily delivery **(no more than/at least) x% of their MDQ effective for Month, Gas Day x through Month, Gas Day y.** Failure to do so may result in an issuance of an Operational Flow Order (OFO) or Curtailment. EUT customers who are willing to voluntarily bring in supply more than their Maximum Daily Quantity (MDQ) limits may contact Sheryl Maloney, Sr Transportation Specialist, at 313-235-1038 or Cynthia Reppke, Sr. Transportation Specialist at 313-235-1037. They will effectuate the MDQ increase. No additional notice or approval is required for the MDQ increases during this Voluntary Request for Balancing Notice.

DTE requests that gas Suppliers proactively watch for updated operational notices on DTE's eNominator system, Gas Noms webpage, and direct email notices during this critical period.

Customer's with "special operating conditions" (eg, Special Contracts, Balancing Events, Standby Service, seasonal service) as determined by DTE will be provided a Customer specific notice based on Customer's contract and special operating conditions.

EXAMPLE

MESSAGING TEMPLATE: C

To: All DTE Energy EUT Gas Suppliers

Today's Date: XX/XX/XXXX

Notice Effective Date: XX/XX/XXXX



OPERATIONAL FLOW ORDER Implementation Notice (for EUT Suppliers)

DTE GAS HAS IMPLEMENTED AN OPERATIONAL FLOW ORDER
EFFECTIVE **Month, Gas Day x** through **Month, Gas Day y or Further Notice**

An Operational Flow Order (OFO) invokes daily-balancing upon EUT customers and authorizes DTE to limit the daily storage injection or withdrawal volumes of EUT Customers. Those EUT Customers not balancing deliveries to DTE, with use, and authorized storage injection or withdrawal volumes on any Gas Day during the OFO are subject to a penalty equal to the highest price reported for DTE Gas (formerly MichCon), Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily, plus \$10.00 per MMBtu.

Operational Flow Order Daily Quantity (OFODQ): EUT Customers are required to balance deliveries to Company, with use on any Gas Day during an OFO per Section E4.5 of the DTE Gas Rate Book. Customers will have complied with the daily balancing requirements of Section E4.5 of the Rate Book if Customer has nominated an OFODQ on DTE's nomination system of **(no more than/at least) x% of their MDQ for the duration of this OFO.**

Insert one of the following statements:

If this is an "at least" notification, include the following statement: Customers who do not flow at least x% of their MDQ per this OFO are subject to Unauthorized Gas Usage penalties.

Or,

If this is a "no more than" notification, then include the following statement: Nominations will be rejected for Customers who nominate a MDQ more than x% of their MDQ per this OFO.

Customer's with "special operating conditions" (e.g. Special Contracts, Balancing Events, Standby Service, seasonal service) as determined by DTE will be provided a Customer specific notice based on Customer's contract and special operating conditions.

DTE requests that EUT gas Suppliers proactively watch for updated operational notices on DTE's eNominator system, Gas Noms webpage, and direct email notices during this critical period. If you have questions, please contact Sheryl Maloney at 313-235-1038 or Cynthia Reppke at 313-235-1037.

EXAMPLE



MESSAGING TEMPLATE: D

To: All DTE Energy EUT Customers
Today's Date: XX/XX/XXXX
Notice Effective Date: XX/XX/XXXX

SUBJECT: OPERATIONAL FLOW ORDER IMPLEMENTATION NOTICE (for EUT Customers)

EUT Customers: The below notice was issued to all EUT natural gas supplier's on the DTE Gas system. Please ensure good communication with your gas supplier. We very much appreciate your assistance and support during this critical period. DTE requests that gas EUT Customers proactively watch for updated operational notices via direct email or phone calls during this critical period. If you have questions, please contact your DTE Gas Account Manager.

DTE GAS HAS IMPLEMENTED AN OPERATIONAL FLOW ORDER
EFFECTIVE **Month, Gas Day x** through **Month, Gas Day y or Further Notice**

An Operational Flow Order (OFO) invokes daily-balancing upon customers and authorizes DTE to limit the daily storage injection or withdrawal volumes of EUT Customers. Those EUT Customers not balancing deliveries to DTE, with use, and authorized storage injection or withdrawal volumes on any Gas Day during the OFO are subject to a penalty equal to the highest price reported for DTE Gas (formerly MichCon), Michigan, Consumers Energy and Chicago LDCs during the applicable Month as reported by Gas Daily, plus \$10.00 per MMBtu.

Operational Flow Order Daily Quantity (OFODQ): EUT Customers are required to balance deliveries to Company, with use on any Gas Day during an OFO per Section E4.5 of the DTE Gas Rate Book. Customers will have complied with the daily balancing requirements of Section E4.5 of the Rate Book if Customer has nominated an OFODQ on DTE's nomination system of **(no more than/at least) x% of their MDQ for the duration of this OFO.**

Insert one of the following statements:

If this is an "at least" notification, include the following statement: EUT Customers who do not flow at least x% of their MDQ per this OFO are subject to Unauthorized Gas Usage penalties.

Or,

If this is a "no more than" notification, then include the following statement: Nominations will be rejected for EUT Customers who nominate a MDQ more than x% of their MDQ per this OFO.

Customer's with "special operating conditions" (eg, Special Contracts, Balancing Events, Standby Service, seasonal service) as determined by DTE will be provided a Customer specific notice based on Customer's contract and special operating conditions.

DTE requests that gas EUT Suppliers proactively watch for updated operational notices on DTE's eNominator system, Gas Noms webpage, and direct email notices during this critical period.