



NEWS RELEASE

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LANSING, August 16. The Michigan Public Service Commission today approved a settlement agreement and ordered SEMCO Energy Gas Company to refund \$713,175, plus interest, for total refund of \$947,406 to its natural gas customers through a credit on their September 2001 natural gas bills. The Commission approved the refund because SEMCO received a refund from Northern Natural Gas and Panhandle Eastern Pipeline based on a Kansas ad valorem property tax refund.

SEMCO's residential customers in the former Southeastern service territory using 120 thousand cubic feet (Mcf) of natural gas between March 31, 2000 and March 1, 2001 will see a credit of about \$1.46. SEMCO's residential customers in the former Michigan Gas Company territory using 120 Mcf during the same period will see a credit of about \$2.85. Because the refunds cover a period of time before Southeastern Michigan Gas Company and Michigan Gas Company merged to become SEMCO, the parties to the settlement agreed to refund money to customers according to which service territory they would be in today if the companies had not merged. Individual customer refunds will vary, based on actual natural gas use during the refund period. Commercial, industrial and transportation customer will also see a credit, based on their natural gas use during the refund period and their location within SEMCO's service territory.

MPSC staff, SEMCO, and the Association of Businesses Advocating Tariff Equity negotiated the settlement agreement.

SEMCO, headquartered in Port Huron, provides natural gas service to about 216,000 customers in Michigan.

The MPSC is an agency within the Department of Consumer and Industry Services.

Case No. 12889
August 16, 2001
(MPSC approves pipeline refund for SEMCO natural gas customers)
