STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the Petition of **Detroit Thermal LLC** for Declaratory Ruling Regarding the "Most Convenient Route" for 1300 Lafayette Project and Requirement of Certificate of Appropriateness	)))))	Case No. U-22170

PETITION OF DETROIT THERMAL LLC FOR DECLARATORY RULINGS

Pursuant to Section 63 of the Michigan Administrative Procedures Act (the "APA"), MCL § 24.263 and Rule 792.10448 of the Michigan Public Service Commission's (the "Commission") Rules of Practice and Procedure ("Rule 448"), Detroit Thermal LLC ("Detroit Thermal") respectfully petitions the Commission to make the following declaratory rulings:

1. Pursuant to the Energy Services Agreement between Detroit Thermal and 1300 Lafayette East Cooperative, Inc. ("1300 Lafayette"), which incorporates Detroit Thermal's Commission-approved Detroit Thermal MPSC Tariff No. 1, *Detroit Thermal, LLC – Schedule Rates, Rules Regarding Sale of Steam in City of Detroit* ("Tariff No. 1"),[1] the "most convenient route" for purposes of providing steam services to the residences 1300 Lafayette is through Lots 19-22 of the Lafayette Park Subdivision Plat ("Lafayette Park") using a slip-lined pipe within existing utility lines subject to Detroit Thermal's easement rights.

2. Detroit Thermal is not required to obtain a Certificate of Appropriateness from the Historic District Commission ("HDC") before undertaking work on utility infrastructure in any historic district.

[1] A true and accurate copy of Detroit Thermal MPSC Tariff No. 1 is attached hereto as **Exhibit ("Ex.") A**.

I. <u>INTRODUCTION AND FACTUAL SUMMARY</u>

Detroit Thermal is a public utility, as defined in 23 CFR § 645.105, that is regulated by the Commission and provides steam services for residential, commercial, and industrial heating and processing purposes to residents and other customers within the City of Detroit. *See* MCL § 247.183. As a public utility, Detroit Thermal has the statutory right to construct and maintain steam pipes and related infrastructure "upon, over, across, and under any public road…or public place." *Id*. Detroit Thermal provides steam services through its district energy heating system, which consists of three steam plants that generate and distribute steam using large industrial boilers. In addition, Detroit Thermal owns a distribution network of approximately thirty-nine (39) miles of steam pipes that delivers steam through various types of infrastructure, including tunnels located seventy (70) feet beneath the surface, underground manhole access vaults, drains, and other steam distribution infrastructure.

Tariff No. 1, originally approved by Commission on September 9, 2005, in MPSC Case No. U-13691—governs Detroit Thermal's provision of steam services and, among other requirements, directs Detroit Thermal to "furnish steam service pipe connections by the most convenient route from its steam service facilities to the customer's equipment." Ex. A, General Rule 5.[2] Detroit Thermal also holds permits authorizing utility construction, operation, maintenance, repair, and replacement activities within public streets, rights-of-way, and other public places. Pursuant to those permits and its associated easement rights, Detroit Thermal accesses and utilizes dedicated public easements, including those within Lafayette Park, for the

[2] Pursuant to Rule 12 (g) of the Commission's Filing Procedures for Electric, Wastewater, Steam and Gas, rules and regulations included in a utility rate book are "rules, regulations, practices, exceptions and conditions that the utility ***must observe when providing service*"**. Mich Admin Code R 460.2012(g) (emphasis added).

operation, maintenance, repair, replacement, and improvement of its steam distribution infrastructure.

In or about July 2024, 1300 Lafayette initiated discussions with Detroit Thermal regarding the provision of steam services for the high-rise residential building located at 1300 East Lafayette, Detroit, Michigan 48207 (the "Service Location"). To evaluate improvements necessary to provide steam to the Service Location, Detroit Thermal conducted due diligence, including a site walkthrough of Lafayette Park and a video inspection of existing underground utility infrastructure located within the dedicated public easement extending beneath the former Russell Street right-of-way through Lots 19-22 of Lafayette Park. *See* Affidavit of Richard J. Pucak ("Pucak Affidavit), ¶ 3, 6.[3] Based on that investigation—and consistent with its obligations under Tariff No. 1—Detroit Thermal determined that the most convenient route for providing steam services to the Service Location was to install a slip-lined pipe within an existing underground concrete-encased steam pipe. *Id.* ¶¶ 6-7. The proposed route utilizes an existing steam line that historically provided steam to the Service Location from the early 1960s until the mid-1980s and remains intact and unobstructed. *Id*. By utilizing existing underground infrastructure, the slip-lining route is more cost-effective and avoids the extensive excavation and open-trench construction required by alternative routes. *Id*.

Subsequently, Detroit Thermal and 1300 Lafayette entered into an Energy Services Agreement[4] (the "Agreement") under which Detroit Thermal agreed to provide steam services to the Site Location. To facilitate the provision of steam services, Detroit Thermal planned to excavate for existing steam pipe slip-lining and new steam pipe installation, install construction fencing/tree protection, restore concrete curbs/landscape/pavement (the "Project Plan"). Ex. B ¶6,

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[3] A true and accurate copy of the Pucak Affidavit is attached hereto as **Exhibit B**.
[4] A true and accurate copy of the Agreement is attached hereto as **Exhibit C**.

8. The existing steam pipe extends from Antietam Street on the north to Lafayette Street on the south, via a private easement granted to Detroit Thermal's predecessor, Detroit Edison, though Lot 19 and via a platted public easement though Lots 20–22 of Lafayette Park. *See* Ex. B, ¶ 1, 8. The Agreement—which incorporates Tariff No. 1 by reference—was approved by the Commission on February 11, 2025, in MPSC U-21850 *See* Ex. B, *Order.* After obtaining the necessary permits from the City of Detroit and the Detroit Department of Public Works, Detroit Thermal submitted the Project Plan to the HDC for approval.[5] The HDC approved the Project Plan by unanimous vote thereby authorizing Detroit Thermal to proceed with the utility work required to connect its steam services facilities to the Service Location.

II. DECLARATORY RULING APPLICABLE LAW

The Commission has authority to issue the requested declaratory rulings pursuant to Rule 448 and MCL § 24.263. *See* Mich Admin Code R 792.10448; MCL § 24.263. Rule 448 provides that "[a]ny person may request a declaratory ruling as to the applicability to an actual state of facts of a statute administered by the commission or of a rule or order of the commission, pursuant to sections 33 and 63 of the Act, MCL §§ 24.233 and 24.263." Mich. Admin. Code R. 792.10448. Under MCL § 8.3l, the term "person" extends to corporations. Detroit Thermal therefore qualifies as a "person" authorized to seek a declaratory ruling under Rule 448 and has a statutory right to seek the declaratory relief set forth in this Petition. Rule 448 and Section 63 of the APA likewise authorize the Commission to issue declaratory rulings regarding the applicability of Tariff No. 1, as well as other statutes, rules, and orders of the Commission to the facts presented in this Petition. *See La Salle Townhouses Co-op Ass'n v Detroit Edison Co*, 69 Mich App 7, 11 (1976)

[5] While much of Detroit Thermal's infrastructure is located within the many local historical districts established by the Detroit City Council, this is the only project where Detroit Thermal was asked and agreed to file an application for a "Certificate of Appropriateness" with the Detroit Historic District Commission.

("Ordinarily, a party aggrieved by the provisions of a tariff or code should seek relief by an attack upon those provisions before the Public Service Commission[.]") (citation and internal quotation omitted).

III. ISSUES PRESENTED

Detroit Thermal requests that the Commission issue a Declaratory Ruling addressing the following issues:

1. Whether Detroit Thermal's Project Plan to slip-line its steam pipe through existing underground pipes is the "most convenient route" to provide steam services to its customers as required by Tariff No. 1.
2. Whether Detroit Thermal must obtain a Certificate of Appropriateness from the HDC before undertaking utility infrastructure work within a historic district.

IV. ARGUMENT

A. Detroit Thermal chose the most "most convenient route" for providing steam services to the Service Location.

Michigan courts have long established that tariffs filed with the Commission have the full force of law. *See Grand Rapids Showcase Co v Postal Tel-Cable Co*, 215 Mich 30, 36 (1921). Further, MCL § 462.25 provides that:

> All rates, fares, charges, classification and joint rates fixed by the commission and all regulations, practices and services prescribed by the commission ***shall be in force and shall be prima facie, lawful and reasonable*** until finally found otherwise in an action brought for the purpose pursuant to the provisions of section 26 of this act, or until changed or modified by the Commission as provided for in section 24 of this act.

MCL § 462.25 (emphasis added). As a public utility company, Detroit Thermal must comply with all statutes, regulations, and Commission-approved tariffs—including Tariff No. 1— which has governed Detroit Thermal's provision of steam services since the Commission approved the Tariff on October 10, 2005. General Rule 5 of Tariff No. 1 requires Detroit Thermal to "furnish steam service pipe connections by the ***most convenient route*** from its steam service facilities to the customer's equipment." Ex. A (emphasis added). Neither Tariff No. 1 nor the applicable statutes define the term "convenient." In such circumstances, Michigan law provides that "[a]ll words and phrases shall be construed and understood according to the common and approved usage of the language…." MCL § 8.3a. Accordingly, the term "most convenient route" should be interpreted according to its ordinary meaning. Michigan courts have recognized the ordinary meaning of the word "convenient" to be "suitable or agreeable to the needs or purpose; well-suited with respect to facility or ease in use; favorable, easy, or comfortable for use." *Lease Acceptance Corp v. Adams*, 272 Mich App 209, 225 (2006) (citing *Random House Webster's Unabridged Dictionary* (1998)) (internal quotation omitted).

After evaluating three potential routes for connecting the Service Location to its steam service facilities, Detroit Thermal determined that the most convenient route—consistent with Tariff No. 1—would be through the existing underground steam utility infrastructure located within private and public easements between Antietam Street and Lafayette Street. *See* Ex. B, ¶ 6. Historically, the existing line provided steam service to the Service Location from the building's construction in the early 1960s until the mid-1980s, when the then-owner elected to replace Detroit Edison steam service with an on-site boiler system. *Id*. A video inspection of the existing steam infrastructure confirmed that the former steam line remains structurally intact and unobstructed. *Id.* Using the existing line, Detroit Thermal would install a new, smaller-diameter pipe within the existing larger-diameter pipeline through a process known as "slip-lining." *Id.* Slip-lining is a commonly accepted industry practice that Detroit Thermal has used to rehabilitate steam infrastructure in its other service territories. *Id*. Because the process utilizes existing underground infrastructure, it significantly reduces the need for extensive excavation and eliminates the open-trench construction that would otherwise be required. *Id*. By contrast, the two alternative routes would have required 600 to 1,000 feet of extensive excavation and open-trench construction, including the installation of new steam pipes, the construction of new manhole vaults, and the pouring of a new concrete conduit to encase the new piping. *Id.* at ¶ 4-5. As a result, those routes would have significantly increased project costs and construction time, involved a less direct connection, and caused substantially greater disruption to traffic and surrounding areas. *Id*. at ¶ 7.

Accordingly, under the ordinary meaning of the word "convenient," the slip-lining route is the most convenient route contemplated by Tariff No. 1. By utilizing existing underground infrastructure, the route is more cost-effective, minimizes extensive excavation and open-trench construction, shortens construction time, and avoids the substantial surface disruption associated with the alternative routes. Therefore, Detroit Thermal respectfully requests that the Commission issue a declaratory ruling that the slip-lining route proposed in the Project Plan is the "most convenient route" contemplated by Tariff No. 1 for connecting the Service Location to Detroit Thermal's steam service facilities.

B. Detroit Thermal is not required to obtain a Certificate of Appropriateness from the HDC before undertaking work on utility infrastructure in any historic district.

Michigan law grants the Commission broad and superior regulatory authority over public utilities including the authority to authorize and oversee the construction, operation, maintenance, and replacement of utility facilities. *See City of Taylor v Detroit Edison Co*, 475 Mich 109, 118 (2006) (the Legislature "created the [Commission]", gave it "broad regulatory authority over public utilities" and vested it with "*complete power and jurisdiction* to regulate all public utilities in the state except ... as otherwise restricted by law.") (emphasis in the original) (citation and internal quotation omitted). That authority necessarily includes approval and interpretation of utility tariffs, which Michigan courts have consistently held has the force and effect of law and are binding upon a public utility. *See Grand Rapids Showcase Co,* 215 Mich 30 at 36. Accordingly, the Commission's review is particularly important here because the Commission is the entity that approved Tariff No. 1, administers the regulatory framework under which it operates, and is uniquely qualified to determine the scope of a utility's authority over its facilities.

The ordinances at issue, which require public utilities to obtain a Certificate of Appropriateness from the HDC before performing work on utility infrastructure within a historic district, directly conflict with Detroit Thermal's rights and obligations established under Tariff No. 1. Determining whether a municipality may impose conditions on activities authorized by a Commission-approved tariff is a matter within the Commission's regulatory purview. As such, this dispute cannot be resolved without the Commission's authoritative interpretation of Tariff No. 1.

Local governments—including municipalities—derive their authority from the Michigan Legislature, unless the Constitution provides otherwise. *Id.* at 116. (citing Michigan Constitution art 7, §§ 22 and 29). Accordingly, a municipality may exercise only those powers granted by the Michigan Legislature or the Constitution and may not regulate in a manner that conflicts with state law. *See id* at 117, 123. (holding that while city ordinances may exercise "reasonable control over its highways, streets, alleys, and public places," it can only do so "in a manner and to the degree that the regulation does not conflict with state law."). Further, the Michigan Supreme Court has held that:

> A municipality is precluded from enacting an ordinance if 1) the ordinance is in direct conflict with the state statutory scheme or 2) if the state statutory scheme preempts the ordinance by occupying the field of regulation which the municipality seeks to enter, to the exclusion of the ordinance, even where there is no direct conflict between the two schemes of regulation.

People v Llewellyn, 401 Mich 314, 322 (1977). Therefore, a local ordinance which delegates power or imposes requirements that conflict with state law or with the statutes, rules, tariffs, and orders administered by the Commission, the ordinance is preempted and cannot be enforced against the regulated utility. Hence, local ordinances which require a local utility to obtain a Certificate of Appropriateness from a historic district that are contrary to state law—including rules, regulations, and orders of the Commission—are preempted and unenforceable. Accordingly, a public utility is obligated to comply with its Commission-approved tariff requirements, and conflicting local regulations—such as delegating utility regulatory power to a historic district—cannot negate those obligations.

At issue here is Detroit Municipal Code of Ordinances § 21-2-72 (the "Ordinance"), which provides that "[b]efore work commences within an historic district … the corporation, organization, institution, or agency of government proposing to do that work shall file an application for a permit with the Buildings, Safety Engineering, and Environmental Department." Detroit, Mich, Code § 21-2-72 (2019). As an initial matter, and for the reasons stated above and below, the Ordinance does not apply to Detroit Thermal. Detroit Thermal is a public utility subject to the exclusive regulatory jurisdiction of the Commission as delegated by the Legislature, and the HDC—as a local governing body—does not have the authority to regulate Detroit Thermal's operations. Accordingly, Detroit Thermal is not subject to the Ordinance's permitting requirements, and the HDC cannot lawfully require Detroit Thermal to obtain permits or approvals under the Ordinance before undertaking work on utility infrastructure. Notwithstanding, even if the Ordinance were otherwise applicable, it is unenforceable as applied to Detroit Thermal because it is preempted by two state statutes that occupy the field of public utility regulation vested in the Commission:

First, the Ordinance conflicts with MCL § 460.6, which vests the Commission with broad authority to regulate public utilities and grants public utilities statutory rights to construct, operate, maintain, and repair utility infrastructure.

Second, the Ordinance conflicts with MCL § 560.190(d), which provides that "public utilities shall have the right to trim or remove trees that interfere with their use of easements."

Accordingly, to the extent the Ordinance requires approvals that impede or restrict Detroit Thermal's exercise of rights granted under state law, Commission-approved tariffs, or Commission orders, the Ordinance is preempted by state law as articulated by the court in *City of Taylor* and *Llewellyn*.

1. The Ordinance is preempted by MCL § 460.6 because the Commission has the complete authority to regulate all public utilities.

The Ordinance conflicts with MCL § 460.6 because it purports to regulate activities that fall within the Commission's jurisdiction over public utilities. MCL § 460.6 provides that this Commission has "***complete power and jurisdiction to regulate all public utilities*** in the state" and is authorized to regulate "all services, rules, conditions of service, and all other matters pertaining to the… formation, operation, or direction of public utilities." MCL § 460.6 (emphasis added). In conflict with MCL § 460.6, the Ordinance requires a public utility to obtain approval from the HDC before commencing work within a historic district. In doing so, the Ordinance vests a local municipality with authority to dictate when and under what conditions a public utility may perform utility work, thereby intruding upon the Commission's regulatory authority under MCL § 460.6.

The Ordinance and state statute assigns regulatory authority over public utilities to different governmental entities—the Commission and the HDC. MCL § 460.6 vests the Commission with complete jurisdiction over the regulation of public utilities, whereas Detroit Ordinance § 21-2-72 purports to authorize the HDC to determine whether and under what conditions Detroit Thermal may undertake utility work within Lafayette Park. By imposing a local permitting requirement on utility activities otherwise governed by state law and Commission regulation, the Ordinance authorizes a local municipality to exercise regulatory control over utility activities that the Legislature has placed within the Commission's jurisdiction.

Accordingly, under the preemption principles articulated in *City of Taylor* and *Llewellyn*, MCL § 460.6 preempts the Ordinance—which impermissibly intrudes upon a field occupied by the Legislature and vested in the Commission's jurisdiction. The Commission—not the HDC—possesses authority over Detroit Thermal's utility operations and the work contemplated by the Project Plan. As such, generally and as it applies to the Ordinance, Detroit Thermal is not required to obtain a Certificate of Appropriateness from the HDC or any historic district before undertaking any work on its utility infrastructure.

2. The Ordinance is preempted by MCL § 590.190(d) which grants utility companies the right to trim or remove trees that interfere with their use of easements.

The Ordinance also directly conflicts with MCL § 560.190(d). Under the Ordinance, Detroit Thermal must apply for a permit before removing a tree within a historic district.[6] By contrast, MCL § 560.190(d) expressly provides that public utilities have the "right to trim or remove trees that interfere with their use of easements." As a public utility, Detroit Thermal possesses that statutory right, yet the Ordinance interferes with Detroit Thermal's ability to

[6] Detroit Thermal maintains that, notwithstanding the Ordinance, the Project Plan falls within the Ordinance's exemption for heavy civil construction. The proposed work involves Detroit Thermal's underground steam distribution infrastructure, including tunnels located approximately seventy (70) feet below ground and associated manhole access vaults, which are integral components of its utility system.

exercise that right. Stated differently, MCL § 560.190(d) expressly authorizes Detroit Thermal to trim or remove trees that interfere with its use of a public easement, whereas the Ordinance requires Detroit Thermal to first obtain municipal approval before exercising that right. Accordingly, because the Ordinance conditions or restricts Detroit Thermal's exercise of rights expressly granted by MCL § 560.190(d), the Ordinance is preempted and unenforceable as applied to Detroit Thermal. Thus, specifically and generally, during its utility work Detroit Thermal therefore is not required to obtain a Certificate of Appropriateness from the HDC or any historic district before trimming or removing trees that interfere with its use of a relevant easement.

C. Conclusion and Relief Sought

WHEREFORE, Detroit Thermal respectfully requests that the Commission issue declaratory rulings confirming the following:

1. Pursuant to the Energy Services Agreement between Detroit Thermal and 1300 Lafayette East Cooperative, Inc., which incorporates Detroit Thermal's Commission-approved Detroit Thermal MPSC Tariff No. 1, *Detroit Thermal, LLC – Schedule Rates, Rules Regarding Sale of Steam in City of Detroit*, the "most convenient route" for purposes of providing steam services to the residences 1300 Lafayette is through Lots 19-22 of the Lafayette Park Subdivision Plat using a slip-lined pipe within existing utility lines subject to Detroit Thermal's easement rights.
2. Detroit Thermal is not required to obtain a Certificate of Appropriateness from the Historic District Commission before undertaking work on utility infrastructure in any historic district.

Dated: August 6, 2026 Respectfully submitted, Arthur J LeVasseur

Arthur J. LeVasseur (P29394)
Fischer, Franklin & Ford
24725 W. 12 Mile Rd, Suite 230
Southfield, MI 48034
(313) 962-5210
levasseur@fischerfranklin.com
Attorney for Detroit Thermal, LLC

Exhibit A

Original Copy

Detroit Thermal, LLC

Schedule Rates, Rules Regarding Sale of Steam In City of Detroit

MPSC #1

Michigan Public Service Commission

October 10, 2005

Filed AL

DETROIT THERMAL, LLC

**SCHEDULE OF RATES AND RULES
GOVERNING THE SALE OF STEAM
IN THE CITY OF DETROIT**

Territory

The territory served by the steam system comprises an irregular strip in the center portion of the City of Detroit extending northward from the Detroit River approximately 3-1/4 miles, and varying, east and west of Woodward Avenue, from a width as narrow as one block to a width of about one mile at its widest part in the Downtown Business District.

Rules

All general rules, rates and contracts are subject to the approval of the Michigan Public Service Commission. Copies of the rules and rates for steam service as filed with and approved by the Michigan Public Service Commission (MPSC) are available at the Company's offices, 541 Madison Ave., Detroit, Michigan, 48226, for public inspection during regular business hours. The general rules or rates or charges may be revised, amended, supplemented or otherwise changed from time to time in accordance with approval of the MPSC, and such changes, when effective, shall have the same force as present general rules and rates and charges.

Michigan Public Service Commission
October 10, 2005
Filed RL

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Issued: **June 15, 2026**
By: **Richard Pucak**
Detroit Thermal, LLC
541 Madison
Detroit, MI 48226

Michigan Public Service Commission
June 16, 2026
Filed by: DW

Effective for service rendered on and after the **June 2026** billing month
Issued under the authority of
the Michigan Public Service Commission
Order dated **June 11, 2026**
Case No**. U-21984**

GENERAL RULES

1. APPLICATIONS

Application for service may be made at offices of the Company. If personal application is not convenient, the Company, in response to a request by mail or telephone, may provide service. However, the receipt of steam service shall bind the receiver as a customer of the Company subject to its general rules and rates and responsibility for the service used, whether such service is given under a signed agreement or not.

The Company reserves the right to reject application for service, or to place limitations on the amount and character of service, or to apply other charges if:

1. the use or pattern of steam consumption is unusual or of a peaking or backup nature, or
2. such service will adversely affect the steam service to existing customers, or
3. the cost of such service will involve excessive amounts of investment compared to revenue obtainable -therefrom, or
4. for any other good and sufficient reasons.

2. LIMITATIONS ON COMPANY REPRESENTATIVES

No representative of the Company has the authority to modify or change the general rules and rates or to bind the Company to any oral promises or representation contrary thereto. Any changes in general rules and rates for steam service must be mutually agreed upon by the customer and the Company and incorporated in written contract or rider.

3. APPLICATION OF STEAM SERVICE RATE SCHEDULE

The Steam Service Rate schedule is applicable to all customers that have not entered into a contract for steam service with the Company.

4. CHARACTER OF SERVICE

The Company will endeavor, but does not guarantee, to furnish continuous and adequate steam service, at minimum pressure of 10 pounds per square inch gauge. Service is subject to interruption by agreement, by accident, or by necessity of maintenance or system operation or other causes not under the control of the Company.

The Company will not be liable for damages, either direct or consequential, caused by any interruption of service or variation in steam pressure due to strike, accident, legal process or restriction, state or municipal interference, act of God, storm or flood, or other natural disasters or any cause whatsoever beyond its control except such as may result from failure of the Company to exercise reasonable care and skill in furnishing the service. The customer is advised to use its diligence to install and maintain suitable equipment if such occurrence might disrupt or damage its system operations, or equipment.

The customer must notify the Company, as soon as is possible, if its service is interrupted or is otherwise affected due to defects, leaks, trouble, accident, or any other cause.

(Continued on Sheet No. 6.00)

(Continued from Sheet No. 5.00)

5. SERVICE CONNECTION

The customer shall provide a sketch showing the size of the Company's service connection and the point in which the service will be brought for all buildings, which are to be connected to the Company steam service facilities, but such information does not constitute an agreement, or obligation, on the part of the Company to furnish service. In the case of a building having no basement, a pit for service connection must be provided by the customer when so indicated on the service sketch.

All meters and one service valve, on customer's property, and all service lines, on public property, will be furnished and maintained by and remain the property of Company.

The Company will furnish steam service pipe connections by the most convenient route from its steam service facilities to the customer's equipment.

The Company, upon request by prospective customers within the established service area, may make extensions of its steam distribution facilities at its own expense provided the extension will not require an investment out of proportion to the revenue obtainable therefrom.

The customers are prohibited from making any unauthorized connection to the Company's steam service facilities and/or from making use of service without authority. Any customer found to be using service without notifying the Company will be liable for charges estimated or calculated by the Company according to the information available. Furthermore, the service will be subjected to immediate discontinuance, without notice until the obligations of the Company are met.

6. CUSTOMER'S EQUIPMENT

With the exception of Company owned steam service facilities, all of the steam system within the customer's property line is the property of the customer who shall have sole responsibility for its safe installation, maintenance, and operation. The Company may furnish a primary pressure reducing valve if, in the Company's opinion, main pressure at that location of the steam system warrants such an installation.

The customer shall notify the Company of any changes in its system, which may affect its use of, or metering of, service. The Company has the right to seal any of the customer's equipment. No such seal shall be broken without the consent of the Company.

The Company reserves the right to refuse supply of service if, in its opinion:

(a) the customer has installed defective equipment, or
(b) the customer's equipment does not comply with the Company's rules and regulations defined herein, and City of Detroit and any other applicable safety standards, or
(c) the customer's equipment is in violation of the Company's standard requirements, or
(d) the customer's equipment might injuriously affect the equipment of the Company or as determined by the Company or in the opinion of the Company adversely affect Company's service to other customers.

(Continued on Sheet No. 7.00)

(Continued from Sheet No. 6.00)

7. OPERATION OF CUSTOMER'S EQUIPMENT

The customer is responsible for the operation of its system. Any abnormal operation which results in increased steam consumption or additional charges is not the fault of the Company. The steam service valve, which is furnished by the Company, and may be located in the customer's building, is intended for use by the Company and not by the customer. The customer shall install and operate its own shut-off valve.

It is the customer's responsibility to maintain its system so that steam does not reach the condensate meter, if this type of meter is used. The Company will maintain the customer's master steam trap in the condensate line for protection of its meter.

Although the Company is available to assist the customer in planning its system and selection of equipment, it is the customer's responsibility to make the final selection and installation, of its system.

It shall be the responsibility of the customer to notify the Company as soon as possible and repair, as soon as possible, any water or condensate leaks which would cause a condensate meter to register high or low, and to repair, within 10 days, any valve leak on a shuntflow meter system which would cause the meter to register low.

Emergency Service to shut off the steam service is available without charge. Minor adjustments to the customer's system will be made at a charge sufficient to cover the Company's cost of providing this service, but not less than $60.00 during regular working hours, or $100.00 outside regular working hours. List price will be charged for materials. No major alterations, installations, or repairs will be made by the Company without a prior written agreement between the Company and the customer.

8. COMPANY EQUIPMENT ON CUSTOMER'S PROPERTY

The Company will keep in repair and maintain its own property installed on the premises of the customer. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the customer at any time.

The customer shall be responsible for the safekeeping of the Company's property and shall not permit any person except an authorized Company representative to break any seals or do any work on any meter or other apparatus of the Company located on the customer's premises.

In the event it is found that the Company's equipment is being tampered or interfered with, the customer, being supplied through such equipment, will be liable for the amount which the Company estimates is due for service but not registered on the Company's meter, and for any repairs or replacements required along with the costs of inspections, investigations and protective installations. The Company may also, at its option, disconnect the service if such abuses occur.

9. RIGHT OF ACCESS TO CUSTOMER'S PROPERTY

As a condition of taking service, authorized employees and agents of the Company shall have access to the customer's property at all reasonable hours to install, inspect, read, repair, or remove the Company's

(Continued on Sheet No. 8.00)

(Continued from Sheet No. 7.00)

meters, and to install, operate, and maintain other Company property, and to determine the connected steam load, and to inspect if any unmetered service is being used. Failure to provide access for any of the above reasons may result in termination of service. Such right of access shall not be deemed to impose any duty upon the Company regarding the property of the customer.

Authorized Company employees and agents shall carry identification furnished by the Company and shall display it upon request.

10. CREDIT REQUIREMENTS

The Company may require the customer to make a reasonable cash deposit at any time to secure the prompt payment of the bills. The Company will pay interest on such deposits for the time the deposit is held by the Company and service is taken by the customer.

If at any time the Company deems any cash deposit to be inadequate, the customer may be required to make an additional deposit. Such deposits may be used to satisfy any unpaid balance on a closed account, but will not be applied to bills owing on an active account. Any remaining balance of a deposit and accrued interest will be returned to the customer upon termination of its service.

11. BILLING FOR SERVICE

Bills for service are rendered monthly. Meters will be read on a monthly basis on approximately the same day each month. Readings may be estimated when conditions warrant. Bills rendered on estimated readings have the same force and effect as bills rendered on meter readings. The Company may bill its customers in accordance with the Levelized Billing option at the election of the customer and approval by the Company.

12. ALTERNATE BILLING PLANS

A. Levelized Billing Plans. For customers whose usage varies greatly from season to season, the Company offers a levelized billing payment option. Levelized billing will spread monthly payments evenly over a projected 12-month period based on the previous 12 months actual usage. Customers with less than 12 months of billing history will not be eligible.

B. **Customized Billing Plans.** For customers whose business operations result in variations in monthly revenues that do not correspond with steam usage, or present other unique circumstances, the Company may, upon request, devise a customized billing or payment plan. Any such plan shall be at the sole discretion of the Company.

13. PAYMENT FOR SERVICE

The customer is responsible for payment of all bills for service used until service is ordered disconnected and the Company has had reasonable time to secure a final meter reading. The Company will permit each customer at least 21 calendar days from the date of mailing of each bill for payment in full. Payment after due date will result in assessment of a late payment charge as specified in Rule 15. If customer's service is disconnected for any reason other than the customer's order to disconnect, the customer is responsible for payment of all outstanding bills for service.

(Continued on Sheet No. 9.00)

(Continued from Sheet No. 8.00)

14. INFORMATION ON BILLS

Every bill rendered by the Company for metered steam service will state clearly:

(a) The beginning and ending meter readings of the billing period and the dates thereof.
(b) The due date.
(c) Any previous balance.
(d) The amount due for steam usage.
(e) The amount due for other authorized charges.
(f) The total amount due.
(g) The number and kinds of units and rate code.

15. LATE PAYMENT CHARGE

A one-time late payment charge of 1 1/2% will be assessed upon the unpaid balance of any bill rendered for energy use or other approved rates and tariffs outstanding beyond the due date.

16. DISCONNECTION OF SERVICE

The Company reserves the right to refuse or to discontinue its service for any of the following reasons:

(a) For non-payment of bills provided the bill remains unpaid ten (10) days after the bill due date and after at least five (5) days written notice has been given the customer. The bill due dates shall be a minimum of 21 calendar days from the date of physical mailing of the bill.
(b) For failure of the customer to fulfill his contractual obligations for service or facilities furnished by the Company.
(c) For failure to provide a surety deposit as required by the Company.
(d) Without notice in the event of unauthorized use of service or tampering with the equipment owned by the Company.
(e) For non-compliance with any rule established by the Company and filed with and approved by the Commission.
(f) For failure of the customer to furnish and install the corrective equipment reasonably necessary in the judgment of the Company to eliminate interference where the customer's use of service interferes with the satisfactory operation of facilities of the Company, or any of its other customers, or of other public utility companies.

17. RECONNECTION AND TURN-ON CHARGES

Customers who desire the Company to turn off their service for the summer and turn it on in the fall will be charged $60.00 during regular working hours, or $100.00 outside regular working hours, for each service call in addition to the monthly minimum charge, if applicable. A charge of $60.00 during regular working hours, or $100.00 outside regular working hours, will be assessed for restoration of service discontinued for non-payment or any other breach of the Company rules. Whenever it is necessary to disconnect and restore service that has been cut at the street main - for non-payment, breach of Company rules, or at the

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request of the customer - the charge will be sufficient to cover the costs incurred by the Company in cutting and restoring service, but not less than $60.00 during regular working hours, or $100.00 outside regular working hours.

18. SINGLE POINT SUPPLY

The rates are based upon the supply of service through a single supply and metering point for the total requirement at each separate premises of the customer. Separate supply for the same customer at other points of use shall be separately metered and billed.

19. EXCEPTIONAL CASES

The usual supply of steam service shall be subject to the provisions of MPSC, but where special service-supply conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its supply terms and application of the rates to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard provisions herein.

20. NO PREJUDICE OF RIGHTS

The failure by the Company to enforce any of the terms of MPSC or the schedule of rates shall not be deemed a waiver of its right to do so.

21. RETURN OF CONDENSATE

At the option of the Company, the condensate shall be required to be returned to the Company's boiler plan or become the property of the customer.

METERING AND METERING EQUIPMENT

22. GENERAL

The quantity of steam used shall be determined by condensate meters, flow-meters, or other suitable devices. When condensate meters are employed to determine the quantity of steam used, they shall be placed as near as practical to the point of discharge from the building. The condensation from all steam supplied and used shall be passed through such meter. When flow meters are used, they should be placed as near as practical, to the point of the steam service. The customer shall not interfere with the normal flow of condensate through the heating system to the condensate meter, where such meter is used, or to the flow of steam through the flow meter. If any action by the customer or failure of its equipment results in improper metering, the Company shall prepare an estimate of the service used and bill the customer on that estimate. The estimate shall not be for less consumption than was registered on the meter for a similar period under normal conditions.

The meter, or any metering equipment, will be of commercially acceptable quality and will be furnished and maintained by the Company. The Company may, at any time, change or alter the meter or metering equipment to ensure that the steam supply is accurately measured or recorded.

23. MULTIPLIERS AND CONSTANTS

1. For chart recorders, the multiplier shall be marked on the chart.
2. For meters with registers, the multiplier shall be affixed to the meter nameplate or register.

24. ACCURACY OF METERING OR METERING EQUIPMENT

All meters shall be accurate to 100% $\pm$ 2.0% registration. The accuracy of all steam meters used for high pressure industrial customers shall be 100% $\pm$ 2.0% unless otherwise specified in a contract between the customer and the Company.

25. ACCURACY OF DEMAND METERS

A demand meter, demand register, or demand attachment used to measure customer's service will:

(a) Be in a good operating condition.
(b) Have proper constants, indicating scales, contact device, recording tape or chart, and resetting device.
(c) Not register at no load.
(d) Be accurate to 100% $\pm$ 2% registration.

26. PORTABLE INDICATING INSTRUMENTS

All portable indicating instruments used for determining quality of service to customers, or for billing purposes, such as pressure gauges, potentiometers, temperature gauges, recorders, etc., will be checked for accuracy of 100% $\pm$ 2% against suitable secondary reference standards at least once in each year or

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more frequently if the instrument has been damaged or its accuracy is questioned. A history and calibration record will be kept for each such instrument.

27. TESTING EQUIPMENT

(a) The Company will maintain sufficient laboratories, meter testing shops, secondary standards, instruments, and facilities to determine the accuracy of all types of meters and metering equipment used by the Company. The Company may, if necessary, have all or part of the required tests made or its portable testing equipment checked by another utility or agency approved by the Michigan Public Service Commission, having adequate and sufficient testing equipment to comply, with these rules.

(b) The following testing equipment constitutes minimum requirements which will be kept available by the Company:

1. Portable indicating instruments of such various types as are required to determine the accuracy of all instruments used by the Company.
2. Suitable standards which are not used for field work to check portable instruments used in testing.

(c) The Company will provide and use primary standards consisting of precision instruments, timing devices, potentiometers, weight measures, pressure gauges, etc.

28. ACCURACY OF TEST STANDARDS

(a) The accuracies of all primary reference standards will be certified as traceable to the National Bureau of Standards, either directly or through other recognized standards laboratories. These standards will be certified at the time of purchase and at subsequent intervals.

(b) Secondary standard indicating instruments will be of suitable accuracy to check or calibrate portable indicating instruments. The secondary standard will be on an appropriate calibration schedule not to exceed twelve months. Calibration and history records will be kept for each standard.

(c) For parts (a) and (b) the accuracy requirements and test schedule will be determined by accepted good metering practices as described in publication of recognized organizations such as National Bureau of Standards (NBS) and the American National Standards Institute (ANSI).

(d) Working portable standards, when regularly used, will be compared with a secondary standard at least once a month. Working standards infrequently used will be compared with a secondary standard before they are used.

(e) The meter accuracies herein required as to all primary, secondary, and working standards will be referred to 100%. Service measuring equipment will be adjusted to within the accuracies required assuming the portable test equipment to be 100% accurate.

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29. TESTING OF METERING EQUIPMENT

1. Demand Meters will be tested for accuracy:
   (a) before the meter is placed in service.
   (b) after 2 years of service, if they are of the recording type, but it is not required if they are of the pulse operated type and the demand reading is checked against the steam meter reading each billing cycle.
   (c) when they are suspected of being inaccurate or damaged.
   (d) when the accuracy is questioned by a customer.

2. Condensate Meters and Flow Meters will be tested for accuracy:
   (a) before the meter is placed in service.
   (b) on a regular test schedule.
   (c) when they are suspected of being inaccurate or damaged.
   (d) when the accuracy is questioned by the customer.
   (e) when deemed appropriate by the Company.

3. The test of any unit of metering equipment will consist of a comparison of its accuracy with a standard of known accuracy. Units not properly connected or not meeting the accuracy or other requirements of these meter and metering equipment rules at the time of the test will be reconnected and rebuilt to meet such requirements and adjusted to within the required accuracy and as close to 100% accurate as practical or their use discontinued.

4. The Company will make a test of any metering installation upon request of the customer if 12 months or more have elapsed since the last test of the meter in the same location. The test will consist of a test for accuracy, a check of the register, and a check of the meter connections on the customer's premises.

30. METERING EQUIPMENT RECORDS

1. A complete record of the most recent test of all metering equipment will be maintained. This record will show information to identify the unit and its location; equipment with which the device is associated; the date of test; reason for the test; readings before and after the test; a statement of "as found" and "as left" accuracies sufficiently complete to permit checking of the calculations employed; indications showing that all required checks have been made; a statement of repairs made, if any, and identification of the testing standards and the person making the test.

2. The Company will keep a record of each unit of metering equipment showing when the unit was purchased; its cost; the Company's identification; associated equipment, essential nameplate data, date of the last test, the results and location where installed with dates of installation and removal.

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31. DETERMINATION OF AVERAGE METER ERRORS

Whenever a meter is found upon any test to have an error of more than 2.0% fast, or 4.0% slow, an adjustment of the bills rendered during the period of inaccuracy shall be made in cases of over-registration, and may be made in the case of under registration.

1. If the date when the error in registration began can be determined, such date shall be the starting point for determination of the amount of the adjustment.
2. If the date when the error in registration began cannot be determined, it shall be assumed that the error has existed for a period equal to one-half the time lapsed since the meter was installed, or the last test, whichever is later.
3. Recalculation of bills shall be on the basis of actual monthly consumption.
4. When the error cannot be determined by test, because of failure of part or all of the metering equipment, the adjustment should be estimated on registration of check metering installations or other available data.

32. A METER BYPASS SYSTEM

A meter bypass system shall be installed on the customer's premises for the purpose of permitting the Company removal of the steam meter for testing or other purposes. This bypass system shall be customer owned and maintained. When the meter bypass system is in use, customer shall allow the Company to have access to use information for billing purposes for the period when primary metering is unavailable.

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STEAM SERVICE RATE SCHEDULES

33. General

Rate Classes

The Company has four Steam Service rate classes; the Small Volume (SV) rate class, the Medium Volume (MV) rate class, the Large Volume (LV) rate class and the Extra-Large Volume (XLV) rate class.

Rate Class Selection

Each Customer shall be assigned an applicable rate class based on that Customer's Average Annual Steam Consumption. A Customer's Average Annual Steam Consumption shall be determined by calculating the simple average of the Customer's prior thirty-six (36) months of steam consumption. A Customer must remain in the assigned rate class for a period of twelve (12) months. Prior to the conclusion of the twelve (12) month period, the Company shall recalculate the Customer's Average Annual Steam Consumption.

If a Customer does not have thirty-six (36) months of prior steam consumption history, then the Company shall estimate that Customer's Average Annual Steam Consumption. Until a Customer accumulates thirty-six (36) months of steam consumption history, the Company may re-estimate the Customer's Average Annual Steam Consumption based upon then currently available data and re-assign the Customer to the appropriate rate class based upon the revised estimate.

Rules Applicable

Service under all Rate Classes shall be subject to the Rules and Regulations of the Company.

Character of Service

See General Rules, Rule 4.

Metering

See Metering and Metering Equipment, Rules 22-32.

Late Payment Charge

See General Rules, Rule 15.

Taxes

All taxes levied by the City, County, State, or Federal governmental agencies on the sale of steam, including but not limited to the State of Michigan Sales Tax and the City of Detroit Utility Users Tax, will be added to the total cost of steam delivered.

33.1 Small Volume (SV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Small Volume rate schedule is available to any Customer that:

(i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;

(ii) has an Average Annual Steam Consumption less than or equal to Ten Thousand (10,000) Mlbs.; and

(iii) has not entered into a special contract for steam service with the Company.

Small Volume Steam Service Rate

The Small Volume Steam Service Rate charged for each month for steam delivered pursuant to the Small Volume Service rate class shall be equal to the sum of the Small Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Small Volume Base Rate

Small Volume Base Rate: **$30.6**4 per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Small Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

33.2 Medium Volume (MV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Medium Volume rate schedule is available to any Customer that:

(i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;

(ii) has an Average Annual Steam Consumption greater than Ten Thousand (10,000) Mlbs. but less than or equal to Fifty Thousand (50,000) Mlbs.; and

(iii) has not entered into a special contract for steam service with the Company.

Medium Volume Steam Service Rate

The Medium Volume Steam Service Rate charged for each month for steam delivered pursuant to the Medium Volume Service rate class shall be equal to the sum of the Medium Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Medium Volume Base Rate

Medium Volume Base Rate: $**25.54** per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Medium Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

33.3 Large Volume (LV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Large Volume rate schedule is available to any Customer that:

(i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;

(ii) has an Average Annual Steam Consumption greater than Fifty Thousand (50,000) Mlbs. but less than or equal to One Hundred Thirty-Five Thousand (135,000) Mlbs.; and

(iii) has not entered into a special contract for steam service with the Company.

Large Volume Steam Service Rate

The Large Volume Steam Service Rate charged for each month for steam delivered pursuant to the Large Volume Service rate class shall be equal to the sum of the Large Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Large Volume Base Rate

Large Volume Base Rate: **$20.84** per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Large Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

33.4 Extra-Large Volume (XLV) Service Rate

Availability of Service

Subject to limitations and restrictions contained in orders of the MPSC in effect from time to time and in the Rules and Regulations of Company, steam service under the Extra-Large Volume rate schedule is available to any Customer that:

(i) is located on the Company's existing steam distribution system having adequate capacity and suitable pressure to serve the service address;

(ii) has an Average Annual Steam Consumption greater than One Hundred Thirty-Five Thousand (135,000) Mlbs.; and

(iii) has not entered into a special contract for steam service with the Company.

Extra-Large Volume Steam Service Rate

The Extra-Large Volume Steam Service Rate charged for each month for steam delivered pursuant to the Extra-Large Volume Service rate class shall be equal to the sum of the Extra-Large Volume Base Rate set forth below and the Actual Steam Supply Cost Recovery ("SSCR") Factor billed for the corresponding month as set forth in Table 34.1 plus any applicable taxes.

Extra-Large Volume Base Rate

Extra-Large Volume Base Rate: $**10.61** per 1,000 pounds of steam (Mlb).

Steam Supply Cost Recovery Charge

The Extra-Large Volume Service Rate is subject to adjustment for fluctuations in the cost of steam supply as stated in Rule 35 of the applicable Rules and Regulations of Company. The Steam Supply Cost Recovery Factors are shown on Sheet No. 16.00. The Steam Supply Cost Recovery Factors are subject to further adjustment pursuant to the Quarterly Steam Supply Cost Recovery Factor Price Adjustment (Contingency) Mechanism. See Steam Service Rate Schedule, Rule 34.

34. Steam Supply Cost Recovery Factors

The listed monthly Steam Supply Cost Recovery (“SSCR”) factors are authorized pursuant to the Steam Supply Cost Recovery Clause, Rule 35.

Table 34.1

Month	Year	Base SSCR Factor $/Mlb.	+	Incremental Contingent SSCR Factor $/Mlb.	=	Maximum Allowable SSCR Factor $/Mlb.	Actual SSCR Factor Billed $/Mlb.
April	2026	$ 12.51	+	$	=	$12.51	$11.35
May	2026	$	+	$ -	=	$12.51	$12.51
June	2026	$	+	$ -	=	$12.51	$12.51
July	2026	$	+	$ -	=	$12.51	$12.51
August	2026	$	+	$ -	=	**$12.51**	**$12.51**
September	2026	$	+	$	=	$	$
October	2026	$	+	$	=	$	$
November	2026	$	+	$ -	=	$	$
December	2026	$	+	$	=	$	$
January	2027	$	+	$	=	$	$
February	2027	$	+	$ -	=	$	$
March	2027	$	+	$ -	=	$	$

The Actual SSCR Factor Billed shall not exceed the Maximum Allowable SSCR Factor for the corresponding month. During any month of the SSCR Plan Year, the Company may elect to bill any SSCR factor equal to or less than the Maximum Allowable SSCR Factor for the corresponding month. The Maximum Allowable SSCR Factor for each month is calculated by summing the Base SSCR Factor and the Incremental Contingent SSCR Factor, if any, for the corresponding month.

The Base SSCR Factors listed in Table 34.1 contain a ($0.00) per Mlb. under-recovery surcharge applicable from prior SSCR plan periods.

The listed SSCR factors are authorized pursuant to Rule No. 35; Steam Supply Cost Recovery Clause. The SSCR Factors are subject to adjustment pursuant to the Monthly SSCR Factor Price Adjustment (Contingency) Mechanism as shown on Sheet Nos. 19.00 and 20.00. Sheet No. 16.00 will be updated if adjustments are made pursuant to this mechanism. The Commission is authorized to approve SSCR price adjustments contingent on future events pursuant to Section 6r(6) of 2008 PA 132.

The Company will file an application with the MPSC for SSCR factors applicable to the April 202 through March 2027 period on or before December 31, 2025 pursuant to MCL 460.6r.

The Company will file a revised Sheet No. 16.00 at least three (3) business days prior to the commencement of each month.

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Issued: **July 29,** 2026
By: Richard Pucak
Detroit Thermal, LLC
541 Madison Ave
Detroit, MI 48226

Michigan Public Service Commission
July 31, 2026
Filed by: MT

Effective for service rendered on and after the **August** 2026 billing month.
Issued under authority of MPSC Case No. U-21897 and MCL 460.6r

(Continued from Sheet No. 16.00)

The Incremental Contingent SSCR Factor to be used in calculating the Company's Maximum Allowable SSCR Factor is determined as follows: (i) calculate the NYMEX Price Increase using the formula on Sheet 19.00, and (ii) locate the Incremental Contingent SSCR Factor for the corresponding quarter of the SSCR Plan period and NYMEX Price Increase in Table 35.1 on Sheet No. 20.00. The applicable Incremental Contingent SSCR Factor is then added to the Company's Base SSCR Factor to calculate the SSCR Factor Ceiling for the remainder of the SSCR Plan period, unless a subsequent NYMEX Price Increase results in the application of a higher Incremental Contingent SSCR Factor in succeeding quarters of the SSCR Plan year.

1. Steam Supply Cost Recovery ("SSCR") Clause

a. Applicability of Clause

All rates for steam service, unless otherwise provided in the applicable Rate Schedule, shall include a monthly Steam Supply Cost Recovery ("SSCR") Factor to allow the Company to recover the Booked Cost of Steam sold by Company.

b. Booked Cost of Steam

(1) Booked cost of steam, as used in this Rule, includes the following as expensed on the books of the Company.

a. Retail Gas Purchases: All Costs for gas service including customer charges, distribution charges, and gas cost recovery factor.

b. Wholesale Gas Purchases: Costs for gas purchases including the contract cost of gas, transportation fuel, pipeline transportation fees, and any local transportation or distribution fees.

c. Storage Gas Charges: Cost of gas, fuel, gas injection fees, withdrawal fees, and associated transportation fees.

d. Hedging: The cost of Commission approved financial hedging instruments such as futures and options, including premiums, settlement gains and losses, and commodity exchange and administration fees.

e. Steam Purchases: All costs for steam purchases including customer charges, distribution charges, and associated transportation fees.

f. Other fuel purchases: Costs for other fuel purchases including but not limited to any costs for: coal, wood, garbage, tires, waste oil, fuel oil or other materials used as a fuel for the production of steam, and all customer charges, distribution charges, and associated transportation and storage fees.

(Continued on Sheet No. 18.00)

(Continued from Sheet No. 17.00)

(2) Booked cost of steam, as used in this rule, specifically excludes the following items:

a. Natural gas used by the Company for purposes other than producing or distributing steam at the annual average booked cost of gas purchased.

b. Steam used by the Company for purposes other than producing or distributing steam at the annual average booked cost of steam sold.

c. Other fuels used by the Company for purposes other than producing or distributing steam.

d. Contract, tariff and other penalties, unless the Customers of the Company benefit as a result of payment of such penalties.

c. Billing

(1) In applying the SSCR Factor, per Mlb., any fraction of $0.01 shall be rounded to the nearest $0.01.

(2) Each month the Company shall include in its rates a SSCR factor up to the Maximum Allowable SSCR Factor authorized by the Commission as shown on Sheet. No. 16.00.

(3) The SSCR Factor shall be the same per Mlb. for each billed tariff customer. The factor shall be placed into effect in the first billing cycle of each monthly billing period and shall continue in effect throughout all cycles in each monthly billing period.

(4) The SSCR Factor shall appear on all tariff customer bills.

d. General Conditions

(1) At least three (3) business days prior to the commencement of the first billing cycle for the corresponding month, the Company shall give the MPSC Staff written notice of the actual factor to be billed to its customers.

(2) This Steam Supply Cost Recovery Clause is authorized by the provisions of 2008 P.A. 132. A copy of that Act is available for public inspection at the business office of the Company. The Company will provide a copy of the Act to any customer upon request.

(Continued on Sheet No. 19.00)

(Continued from Sheet No. 18.00)

c. Monthly SSCR Factor Price Adjustment (Contingency) Mechanism

The SSCR Factors listed in Steam Rate Schedule, Rule 34, Sheet No. 16.00, may be increased on a **monthly** basis for the remaining months of the SSCR Plan year, contingent upon a NYMEX Price Increase. A NYMEX Price Increase is calculated using the following formula:

$$\textit{NYMEX Price Increase} = (\underline{X} - \underline{X}_{plan})$$

- $\underline{X}$ = the simple average of the actual NYMEX monthly natural gas futures contract prices, ($/MMBtu), for the remaining months of the SSCR Plan period (averaged over the first five trading days of the month prior to implementation).

- $\underline{X}_{plan}$ = the weighted average of the natural gas futures prices incorporated in the calculation of the SSCR Plan for the remaining months of the SSCR Plan period. The averages for each month of the SSCR Plan year are listed at the top of the table on Sheet No. 20.00.

Prior to the beginning of each **month** the Company shall file a notice with the MPSC identifying the Incremental Contingent SSCR Factor to be included in the calculation of the Company's SSCR Factor Ceiling. See Steam Rate Schedule, Rule 34. The filing shall include all supporting documents necessary to verify the Incremental Contingent SSCR Factor, including the calculation of the five-day average of the NYMEX strip for the remaining months of the SSCR Plan year, and a copy of the published NYMEX futures price sheets for the first five trading days of the applicable month, such sheets being an authoritative source used by the gas industry.

(Continued on Sheet No. 20.00)

(Continued from Sheet No. 19.00)

The Incremental Contingent SSCR Factors **set forth in Table 35.1 are authorized for the SSCR Plan Year beginning on April 1, 2021 and ending on March 31, 2022.:**

Table 35.1

		April	May	June	July	August	September	October	November	December	January	February	March
Plan NYMEX ($\underline{X}_{plan}$)		$ 2.8576	$ 2.8737	$ 2.8918	$ 2.9086	$ 2.9224	$ 2.9375	$ 2.9594	$ 2.9851	$ 3.0096	$ 3.0089	$ 2.9593	$ 2.8778
NYMEX Increase		**SSCR Contingency Conversion Factors (MMBtu) / (Mlb)**											
$\underline{X}$ - $\underline{X}_{plan}$		2.314	2.298	2.262	2.240	2.220	2.202	2.183	2.158	2.121	2.116	2.130	2.220
Greater than or Equal to	But Less than	**Incremental Contingent SSCR Factors $ per Mlb.**											
$0.00	$0.10	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$0.10	$0.20	$ 0.231	$ 0.230	$ 0.226	$ 0.224	$ 0.222	$ 0.220	$ 0.218	$ 0.216	$ 0.212	$ 0.212	$ 0.213	$ 0.222
$0.20	$0.30	$ 0.463	$ 0.460	$ 0.452	$ 0.448	$ 0.444	$ 0.440	$ 0.437	$ 0.432	$ 0.424	$ 0.423	$ 0.426	$ 0.444
$0.30	$0.40	$ 0.694	$ 0.689	$ 0.679	$ 0.672	$ 0.666	$ 0.661	$ 0.655	$ 0.647	$ 0.636	$ 0.635	$ 0.639	$ 0.666
$0.40	$0.50	$ 0.926	$ 0.919	$ 0.905	$ 0.896	$ 0.888	$ 0.881	$ 0.873	$ 0.863	$ 0.849	$ 0.846	$ 0.852	$ 0.888
$0.50	$0.60	$ 1.157	$ 1.149	$ 1.131	$ 1.120	$ 1.110	$ 1.101	$ 1.092	$ 1.079	$ 1.061	$ 1.058	$ 1.065	$ 1.110
$0.60	$0.70	$ 1.388	$ 1.379	$ 1.357	$ 1.344	$ 1.332	$ 1.321	$ 1.310	$ 1.295	$ 1.273	$ 1.269	$ 1.278	$ 1.332
$0.70	$0.80	$ 1.620	$ 1.609	$ 1.584	$ 1.568	$ 1.554	$ 1.542	$ 1.528	$ 1.511	$ 1.485	$ 1.481	$ 1.491	$ 1.554
$0.80	$0.90	$ 1.851	$ 1.838	$ 1.810	$ 1.792	$ 1.776	$ 1.762	$ 1.747	$ 1.727	$ 1.697	$ 1.693	$ 1.704	$ 1.776
$0.90	$1.00	$ 2.083	$ 2.068	$ 2.036	$ 2.016	$ 1.998	$ 1.982	$ 1.965	$ 1.942	$ 1.909	$ 1.904	$ 1.917	$ 1.998
$1.00	$1.10	$ 2.314	$ 2.298	$ 2.262	$ 2.240	$ 2.220	$ 2.202	$ 2.183	$ 2.158	$ 2.121	$ 2.116	$ 2.130	$ 2.220
$1.10	$1.20	$ 2.545	$ 2.528	$ 2.488	$ 2.464	$ 2.442	$ 2.423	$ 2.402	$ 2.374	$ 2.333	$ 2.327	$ 2.343	$ 2.442
$1.20	$1.30	$ 2.777	$ 2.758	$ 2.715	$ 2.689	$ 2.664	$ 2.643	$ 2.620	$ 2.590	$ 2.546	$ 2.539	$ 2.556	$ 2.664
$1.30	$1.40	$ 3.008	$ 2.987	$ 2.941	$ 2.913	$ 2.886	$ 2.863	$ 2.838	$ 2.806	$ 2.758	$ 2.751	$ 2.769	$ 2.886
$1.40	$1.50	$ 3.240	$ 3.217	$ 3.167	$ 3.137	$ 3.108	$ 3.083	$ 3.057	$ 3.022	$ 2.970	$ 2.962	$ 2.982	$ 3.108
$1.50	$1.60	$ 3.471	$ 3.447	$ 3.393	$ 3.361	$ 3.330	$ 3.304	$ 3.275	$ 3.237	$ 3.182	$ 3.174	$ 3.195	$ 3.330
$1.60	$1.70	$ 3.702	$ 3.677	$ 3.619	$ 3.585	$ 3.552	$ 3.524	$ 3.493	$ 3.453	$ 3.394	$ 3.385	$ 3.408	$ 3.552
$1.70	$1.80	$ 3.934	$ 3.907	$ 3.846	$ 3.809	$ 3.774	$ 3.744	$ 3.712	$ 3.669	$ 3.606	$ 3.597	$ 3.621	$ 3.774
$1.80	$1.90	$ 4.165	$ 4.136	$ 4.072	$ 4.033	$ 3.996	$ 3.964	$ 3.930	$ 3.885	$ 3.818	$ 3.808	$ 3.834	$ 3.996
$1.90	$2.00	$ 4.397	$ 4.366	$ 4.298	$ 4.257	$ 4.218	$ 4.185	$ 4.148	$ 4.101	$ 4.030	$ 4.020	$ 4.047	$ 4.218
$2.00	$2.10	$ 4.628	$ 4.596	$ 4.524	$ 4.481	$ 4.440	$ 4.405	$ 4.367	$ 4.316	$ 4.243	$ 4.232	$ 4.260	$ 4.440
$2.10	$2.20	$ 4.859	$ 4.826	$ 4.751	$ 4.705	$ 4.662	$ 4.625	$ 4.585	$ 4.532	$ 4.455	$ 4.443	$ 4.473	$ 4.662
$2.20	$2.30	$ 5.091	$ 5.056	$ 4.977	$ 4.929	$ 4.884	$ 4.845	$ 4.803	$ 4.748	$ 4.667	$ 4.655	$ 4.686	$ 4.884
$2.30	$2.40	$ 5.322	$ 5.285	$ 5.203	$ 5.153	$ 5.106	$ 5.066	$ 5.022	$ 4.964	$ 4.879	$ 4.866	$ 4.899	$ 5.106
$2.40	$2.50	$ 5.554	$ 5.515	$ 5.429	$ 5.377	$ 5.328	$ 5.286	$ 5.240	$ 5.180	$ 5.091	$ 5.078	$ 5.112	$ 5.328
$2.50	$2.60	$ 5.785	$ 5.745	$ 5.655	$ 5.601	$ 5.550	$ 5.506	$ 5.458	$ 5.396	$ 5.303	$ 5.289	$ 5.325	$ 5.550
$2.60	$2.70	$ 6.016	$ 5.975	$ 5.882	$ 5.825	$ 5.772	$ 5.726	$ 5.677	$ 5.611	$ 5.515	$ 5.501	$ 5.538	$ 5.772
$2.70	$2.80	$ 6.248	$ 6.205	$ 6.108	$ 6.049	$ 5.994	$ 5.947	$ 5.895	$ 5.827	$ 5.727	$ 5.713	$ 5.751	$ 5.994
$2.80	$2.90	$ 6.479	$ 6.434	$ 6.334	$ 6.273	$ 6.216	$ 6.167	$ 6.113	$ 6.043	$ 5.940	$ 5.924	$ 5.964	$ 6.216
$2.90	$3.00	$ 6.711	$ 6.664	$ 6.560	$ 6.497	$ 6.438	$ 6.387	$ 6.332	$ 6.259	$ 6.152	$ 6.136	$ 6.177	$ 6.438

(Continued on Sheet No. 21)

Issued: **August 30, 2021**
By: Todd Grzech
Detroit Renewable Energy LLC
5700 Russell Street
Detroit, MI 48211

Michigan Public Service Commission
September 15, 2021
Filed by: DW

Effective for service rendered on and after
the April 2021billing month
Issued under authority of the
Michigan Public Service Commission
dated **August 11, 2021**
Case No. U-20824

(Continued from Sheet No. 20.00)

f. Standard Procedures for SSCR Over/Under Recoveries

(1) Applicability of Steam Supply Cost Recovery Clause Standard Refund Procedures

SSCR Over/Under Recoveries by the Company arising from the annual SSCR Reconciliation shall be reported in accordance with the provisions of the 2008 PA 132.

(2) Over and Under Recoveries

Any SSCR over-recoveries and Commission-ordered disallowances associated with a prior SSCR period shall be subtracted from the Company's projected Steam Supply Costs in the calculation of the Company's SSCR Factor in subsequent SSCR period(s) in accordance with Section 6r(13) of 2008 PA 132.

Any SSCR under-recoveries associated with a prior SSCR period (including any estimated under-recoveries) shall be added to the Company's projected Steam Supply Costs in the calculation of the Company's SSCR Factor in subsequent SSCR period(s) in accordance with Section 6r(14) of 2008 PA 132.

36. Standard Refund Procedures for Steam Supply Cost Recovery and Supplier Refunds

a. Receipt of Refunds by the Company

(1) Supplier Refunds

By April 15 of each year, the Company shall notify the Commission Staff of any supplier refunds (other than a routine billing adjustment) received during the prior twelve months ended March 31. The notification shall be in the form of a letter, and include:

(a) The amount of each refund, including interest.
(b) The date each refunds was received.
(c) The source and reason for each refund.
(d) The period covered by each refund (historical period).

Additionally, if any portion of any refunds is properly allocable to non-SSCR customers, this amount, along with any calculations of deductions, shall also be included in the written notification.

(Continued on Sheet No. 22.00)

(Continued from Sheet No. 21.00)

Failure of the Company to report to the Commission Staff by the April 15 deadline shall result in an interest penalty of 50% over the normal authorized rate of return on common equity for the period of time that the Company fails to comply with the refund notification requirement.

(1) Steam Supply Cost Recovery (SSCR) Plan Reconciliation

Over/(under)-recovery amounts arising from the annual SSCR Reconciliation shall be reported in accordance with the provisions of 2008 PA 132.

b. Refund Allocation

(1) Supplier Refunds

Supplier refunds shall be allocated between SSCR and Non-SSCR customers on the basis of actual consumption during the historical refund period.

c. Refund Pass-Through

(1) To SSCR Customers [Roll-in Methodology]

All supplier refunds allocable to SSCR customers shall be reflected as adjustments to the SSCR Cost of Steam Supply in the month received and should be included in "Purchased and Produced." Adjustments to prior year's SSCR under- or over-recoveries and any Commission-ordered disallowances associated with a prior SSCR period, along with all other refund liabilities will be reflected separately below the cost of steam sold line for the month of effect, in order that they may be included in the month-to-month rolling over/(under)-recovery balance for purposes of interest calculation.

The Company shall maintain records as to the source amount and timing of each roll-in component.

Interest shall be accrued on the month-to-month rolling over/(under)-recovery balance at the rates specified in 2008 PA 132.

These sheets are held for future use.

Exhibit B

AFFIDAVIT OF RICHARD J. PUCAK

BEFORE ME, the undersigned authority, personally appeared Richard J. Pucak (hereinafter Affiant), who, after being duly sworn, deposes and states the following:

1. The facts recited here are based on my personal knowledge. I am submitting this Affidavit in support of Detroit Thermal LLC's ("Detroit Thermal") "Petition for Declaratory Rulings" to the Michigan Public Service Commission and in particular, Detroit Thermal's first requested declaratory ruling that the "most convenient route" from Detroit Thermal's steam service facilities to the customer's equipment is through lots 19-22 of the Lafayette Park Subdivision Plat using a slip lining pipe into existing old utility lines.

2. I am the General Manager of Detroit Thermal. I have extensive experience in Mechanical Engineering Technology. I attended Youngstown State university and am a member of the International District Energy Association and have served on its Board of Directors from 2003-2007. I have maintained positions in several steam distribution ventures including as the General Manager for Akron thermal, LP, the President of Thermal Ventures Inc., and with the Cleveland Energy Resources.

3. I, along with my other colleagues at Detroit Thermal explored the possible routes to connect 1300 Lafayette with Detroit Thermal's steam service facilities. Through the exploration process there were three (3) options that were possible for Detroit Thermal to undertake.

4. One option we considered was to have piping go east and past Chrysler School and then change direction and go west on East Lafayette Street. This route would require three (3) direction changes and excavating trenches totaling approximately six hundred (600) feet, the installation of new pipe where none currently exists, the construction of new manhole vaults, and the need to pour cement conduit to encase the new pipe within the trenches between manholes.

The estimated cost of this plan is approximately $5-6 million, and it would not be economically feasible for Detroit Thermal or the customer to expend that amount to connect the customer to Detroit Thermal's district steam system. Moreover, because of the need for significant open excavation and the estimated completion timeline of 120-150 days, the project would cause a significant disruption in traffic.

5. The second route considered would also require three (3) directional changes and travel through Rivard Street. This route requires at least one thousand (1,000) feet of open-cut trenching. The estimated cost of this plan is approximately $5-6 million. Because of the open-cut trenching and the estimated completion timeline of 120-150 days, the project would cause a significant disruption in traffic.

6. The most direct route would be to use existing steam utility infrastructure that is located on private and public utility easements between Antietam Street and Lafayette Street. This route was used to provide steam to the building at 1300 Lafayette from the time it was first built in the early 1960s until the mid-1980s when the then-owner elected to install its own boiler in the building and discontinue purchasing steam from Detroit Edison. The north half of this steam line can be used without modification as it was in active use by Detroit Thermal until 2023 when the Chrysler School went off of the system. The southern half of the route contains a 10-inch diameter steam pipeline that has not been used since 1300 Lafayette left the system. However, an inspection using a video camera inserted inside the old pipeline showed it to be intact and unobstructed. Inserting a new smaller diameter pipe into an existing larger diameter pipeline, a process called "slip-lining," is a common practice in the industry and Detroit Thermal has utilized slip-lining to refurbish its steam lines at other locations with its serving area. Slip-lining is clearly more cost-effective as significant open excavation or trenching is not necessary. This option's estimated cost

is approximately $3 million and includes two (2) changes of direction. The estimated timeline for the project is 60-90 days.

7. Based on my knowledge and experience I concluded that the latter route is by far the "most convenient route" to connect the building at 1300 Lafayette to the Detroit Thermal district steam system. This conclusion is based on the fact that the two other routes considered would (1) double the estimated cost, making the project economically unfeasible for Detroit Thermal, (2) would take significantly more time, (3) require more changes of direction and are thus not as direct of a route, (4) necessitate hundreds of feet of open cut trenching or excavation, (5) would require the construction of several additional man hole vaults, and (6) would cause significantly more traffic disruption.

8. Under General Rule 5 of MPSC's Tariff No. 1 Detroit Thermal is required to take the "most convenient route" to connect a customer to its steam distribution system and because of the reasons stated in this Affidavit, it is my determination that using same route previously used to serve 1300 Lafayette through Lots 19-22 of Lafayette Park Subdivision and refurbishing the southern portion of the existing steam pipeline within that route using the slip-lining processt is the most convenient route as required by Detroit Thermal's MPSC approved Tariff.

Under penalties of perjury, Affiant hereby declares that Affiant has examined this Affidavit and further declares that the statements contained in this Affidavit are true, correct and complete. Further Affiant sayeth naught.

Dated: as of August 6, 2026.

Signed, sealed and delivered in
the presence of:

Name: SEAN REED

Rick Pucak

Name: Ayana Ross

STATE OF MICHIGAN
COUNTY OF Macomb-Wayne

The foregoing instrument was acknowledged before me this 6 day of August, 2026, by Rick Pucak, and that they he she *(identify one)* are/is personally known to me or (____) have produced a valid driver's license(s) as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 6 day of August, 2026.

JODY A. WHEATON
NOTARY PUBLIC, STATE OF MICHIGAN
COUNTY OF MACOMB
My Commission Expires 07-29-2029
Acting in the County of Wayne

Notary Public, State of Michigan
Name: Jody A. Wheaton

My Commission Expires 7-29-29
My Commission Number is:

(NOTARY PUBLIC SEAL)

Exhibit C

EXHIBIT A

Energy Service Agreement

This Energy Service Agreement ("Agreement"), made as of January 7, 2025, by and between Detroit Thermal, LLC, an Ohio limited liability company, whose address is 541 Madison Ave., Detroit, MI 48226 (hereinafter referred to as "Detroit Thermal" or "Company") and 1300 Lafayette East Cooperative, Inc., a Michigan nonprofit corporation, (hereinafter referred to as the "Customer") for the provision of energy services as defined in this Agreement by Detroit Thermal to the Customer's service location as identified in Section 3 (hereinafter referred to as the Service Location).

This Agreement supersedes any and all previous agreements for service provided by Detroit Thermal to the Customer at the Service Location, if any, which are hereby terminated and of no further force or effect. Service shall be delivered by Detroit Thermal and received and paid for by the Customer under the following terms and conditions:

1) Terms of Service. Except to the extent this Agreement provides for different rates, and terms and conditions, the sale and delivery of steam under this Agreement to the Service Location is governed by the terms of Detroit Thermal's filed tariff, *MPSC No. 1 - Steam* ("Tariff"), as revised from time to time. A copy of Detroit Thermal's current Tariff is available at https://www.michigan.gov/mpsc/consumer/electricity/data-price/electric-rate-books/mpsc-approved-detroit-thermal-steam-rate-book-and-cancelled-sheets and is incorporated herein by reference. The terms of this Agreement shall apply in all cases where a conflict exists with the provisions of Detroit Thermal's Tariff. Customer acknowledges that Detroit Thermal's Tariff is revised from time to time after Michigan Public Service Commission ("MPSC") approval and Customer shall be bound by any such revisions to the Tariff, provided however, that the terms of this Agreement shall control in the event that any revisions to Detroit Thermal's Tariff conflict with this Agreement.

2) Customer Obligations. Customer shall be responsible for the payment for service rendered to the Service Location set forth in Section 3 during the term of this Agreement. The obligations and liabilities of the Customer include but are not limited to the obligation to pay any applicable Termination Fee under this Agreement.

3) Service Location Steam service shall be provided by Detroit Thermal to the Customer at the following Service Locations:

Service Location:
1300 East Lafayette Street Detroit, Michigan 48207

4) Requirements. Upon the Delivery of Service and during the term of this Agreement, Customer shall only be permitted to use services procured from the Company and shall purchase all of its steam requirements exclusively from the Company. For purposes of clarity, during the term of this Agreement, Customer shall not, directly or indirectly: (i) self-supply, (ii) produce or source or (iii) otherwise procure from a party other than the Company any steam energy.

5) Term and Termination.

a) Term. The term of this Agreement shall be twenty (20) years (the "Initial Term") commencing with the delivery of steam services ("Delivery of Service") to the Service Location. The Company shall provide Customer with at least thirty (30) days written notice prior to the Delivery of Service. This Agreement shall automatically renew for successive terms of five (5) years each unless one party gives the other party written notice not less than one year prior to the end of the then-current term of such party's election to terminate this Agreement. The Initial Term, as extended by any renewal, is hereinafter referred to as the "Term".

b) Termination by Customer for Material Breach. Customer may, by written notice, and without any fee, charge or other penalty, terminate this Agreement in the event of a material breach of the terms and conditions of this Agreement by Detroit Thermal; provided that Customer is not also in material breach; and provided further that Company shall have a right to cure any such breach, if curable, subject to the either of the following conditions: (1) within ten (10) days of Customer's written notice to Company that it is in breach of its obligation to provide steam to the Service Location in accordance with the Steam Specifications set forth in Exhibit A-1 and Company has failed to commence substantial remedial action and to use reasonable efforts to pursue the same; or (2) within thirty (30) days of Customer's written notice to Company that it is in breach of any other obligation under this Agreement. This Agreement will terminate upon Company's receipt of such notice if any such breach is not curable, and upon the expiration of the applicable cure period if such breach is curable but has not been cured within that time. Any notice pursuant to this Section shall specify the breach(es) or events on which such termination is based.

c) Termination Fee. If Customer chooses to terminate this Agreement after the execution of this Agreement, for reasons other than those set forth in Section 5 b. above, or if Company terminates this Agreement in accordance with the terms and conditions of this Agreement, or if Company discontinues service in accordance with Section 16 of its Tariff, Company shall be entitled to a Termination Fee. The Termination Fee shall be as specified in Exhibit D. The Termination Fee shall be paid in full by the date of termination or date of discontinuance of service pursuant to Section 16 of the Company's Tariff.

6) Metering and Billing. The Company will render an individual bill itemized by the Service Location to the Customer during a billing month in accordance with the Exhibit B-1. The monthly invoices shall be paid within thirty (30) days following receipt by Customer.

a) Billing Disputes. If the Customer, in good faith, disputes the amount of any invoice for service or any part thereof prior to an invoice's due date, the Customer shall pay the undisputed amount and provide the Company with written notification of the dispute along with any evidence and documentation supporting the disputed amounts. The Customer and Company shall attempt to resolve the billing dispute and shall forebear from pursuing any remedy available to them at law or in equity to enforce their rights for a period of sixty days (60) days from the date the foregoing written notice becomes effective in accordance with Section 12 below (the "Forbearance Period") In the event the dispute has not been resolved within the Forbearance Period: (1) either party may pursue any remedy available at law or in equity to enforce its rights. The Forbearance Period may be extended for one additional extension of sixty (60 days) if prior to expiration of the initial sixty (60) day Forbearance Period the Customer deposits into escrow, pursuant to an escrow agreement satisfactory to Customer, Detroit Thermal, and the selected escrow agent, one half of the disputed amount. The terms of escrow shall provide that it shall be released by mutual agreement of the parties or in the absence of a mutual agreement (1) to Company upon entry of a judgment in favor of Company but only up to the amount of the judgment, costs and interest at the rate of 12% per annum, with the balance, if any, released to Customer; (2) to Customer upon entry of a judgment in favor of Customer. Irrespective of whether Customer has paid an invoice, Customer shall have the right to dispute any charges contained on such invoice for a period of up to two (2) months following the date of the invoice.

b) Financial Responsibility. Company may require Customer to provide a security deposit in the amount set forth in Exhibit B. Should the undisputed amount of any invoice remain outstanding for a period of sixty (60) days after its due date and the amount exceeds the available security deposit balance, Company may require Customer to provide a security deposit in an amount not to exceed 1.5 times the average of the amounts the Customer was billed for steam usage during the immediately prior November through April period (the immediately prior heating season) before further deliveries of steam are made. In the event there is no steam usage history during this period, the Company shall estimate the amount of the Customer's usage for the applicable period until such time as the Customer's actual steam usage for the period becomes available. Upon Company's request for a security deposit, the Customer will have fifteen (15) business days from the date of the Company's request to provide the security deposit before delivery of steam is discontinued. Upon termination of this Agreement, Company will return any security deposit to Customer with interest at the actual rate earned by Company's interest-bearing checking account less any amount including, but not limited to, reasonable attorney's fees needed to cure any defaults by the Customer which are then existing.

In the event an overdue undisputed amount is not paid within thirty (30) days of written notice, Company may draw on the Security Deposit to pay the overdue undisputed amount and discontinue steam service after providing Customer at least thirty (30) days written notice, or terminate this Agreement after providing Customer at least thirty (30) days written notice. If Company discontinues steam service pursuant to this Section, Customer shall pay all outstanding invoices, with interest at the rate of 12% per annum, and replenish the Security Deposit prior to restoration of service. If such amount is not paid within forty-five days of the discontinuation of service, Customer shall reimburse Company for any and all reasonable costs, including attorney's fees incurred in seeking to obtain or enforce any rights or benefits set forth herein.

If Company terminates this Agreement in accordance with this Section, the failure to pay the overdue amount shall be considered a material breach and Customer shall be obligated to pay any and all costs as set forth in Section 5(c).

7) Maintenance Interruption. The Company shall use best efforts to provide the Customer with at least five (5) business days' prior notice of an interruption in steam service to the Customer's Service Location arising out of any regularly scheduled maintenance. Regularly scheduled maintenance shall only occur between June 1st and September 1st. The notice requirement set forth in this Section shall not be required for any emergency shut- off or an interruption in service resulting from an event of Force Majeure as defined below.

8) Force Majeure. If Company shall be delayed, hindered in, or prevented from the performance of any of its obligations under this Agreement as a result of Force Majeure (as hereinafter defined), it shall not be liable for loss or damage for the failure or be liable to the Customer for a breach of contract. Except for obligations to make payments under this Agreement, if the Customer shall be delayed, hindered in, or prevented from the performance of any of its obligations under this Agreement as a result of Force Majeure (as hereinafter defined), it shall not be liable for loss or damage for the failure or be liable to the Company for a breach of contract. "Force Majeure" shall mean any period of delay which arises from or through Acts of God; strikes. lockouts; explosion, fire, accident, lightning, earthquake, pandemic, hurricane, storm, equipment failures that are not due to the negligence of the operating party, sabotage, accident, riot or civil commotion or disturbance; act of war; fire or other casualty; actions or inactions of governmental agencies, including, without limitation, any unreasonable delay in performing any required inspections or issuance of temporary certificates or final certificates (but not based on the failure, within the reasonable control of the Customer or Company) delays caused by the other party; causes beyond the reasonable control of the party claiming Force Majeure; and delay, interruption or termination of steam, water, electricity, gas or other commodities supplied to Company by third parties for reasons other than non-payment or non-performance by Company of its obligations under any applicable

supply contract. If an event of Force Majeure exceeds a period of more than one-hundred and twenty (120) days, Customer or Company may terminate this Agreement by providing written notice to the other party.

9) Assignment Customer may assign this Agreement with Company's consent, not to be unreasonably withheld, conditioned or delayed to a purchaser or other transferee of all or substantially all of the Service Location provided that such purchaser, transferee or successor is in substantially the same financial position as the assignor and assumes all payment obligations owed to Company under this Agreement from and after the date of assignment. Prior to any assignment of this Agreement, Customer shall pay all outstanding invoices owed to Company and ensure that such purchaser, transferee or successor accepts the terms and conditions set forth in this Agreement. If Customer fails to assign this Agreement to a purchaser, transferee, or successor, Customer shall be responsible to pay the Termination Fee as set forth in Section 5.

Company may assign this Agreement with the Customer's consent, not to be unreasonably withheld, to a purchaser or other transferee of all or substantially all of its thermal energy business or a successor operator of its thermal energy business provided that such purchaser, transferee or successor operator assumes Company's obligations under this Agreement. After such an assignment, Company shall have no liability or obligations to the Customer arising after such assignment.

10) Severability. The invalidity of all or any part of any Sections of this Agreement shall not invalidate the remainder of this Agreement or the remainder of any Section not invalidated unless the elimination of such language shall substantially defeat the intents and purposes of the parties.

11) Waivers. No waiver of any provision of this Agreement will be valid unless in writing and signed by the party against whom such waiver is charged. The waiver of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of this Agreement nor shall any waiver authorize the nonobservance of any other occurrence of the same or of any other covenant or condition thereof.

12) Notice. Except as otherwise specifically provided for in this Agreement, all notices, statements, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be hand delivered, certified mail return receipt requested, delivered by a nationally recognized overnight courier (such as Federal Express), and, in addition by electronic mail, in each case obtaining written or electronic receipt or confirmation, to the following addresses:

If to Company:

Detroit Thermal, LLC

Attention: Rick Pucak
541 Madison Ave.
Detroit, MI48226
Email Address:

rrpucak@detroitthermal.com

With a copy to:

Arthur J. LeVasseur
Fischer, Franklin & Ford
24725 W. 12 Mile Rd, Suite
230
Detroit, MI 4034
Email Address:
levasseur@fischerfranklin.com

Mathew Ware
Cartier Energy, LLC
200 Matapex Plantation Ln
Stevensville, MD, 21666
mathew.ware@cartier-energy.com

If to Customer:

1300 Lafayette East Cooperative, Inc.
Attention: President of the Board of Directors
800 First National Building
Detroit, MI, 48226
Email Address:

1300bod.president@gmail.com

With a copy to:

Professional Property Services
30300 Telegraph Rd
Suite 205
Bingham Farms MI, 48025
Attn: Esther Thomas
ethomas@ppscoop.com
manager1300@gmail.com

or to such other person or address as the addressee may have specified in a notice duly given as provided herein. All notices given in the foregoing mailer shall be effective three (3) business days after mailing or one (1) business day after courier delivery, by hand delivery, or email delivery (the receipt of which is confirmed).

13) Reasonable and Proportional Share of Additional Costs. In addition to any Capacity Charge, O&M Charge, or Interconnection Charge, the Customer agrees to reimburse the Company for its reasonable and proportional share of any and all additional costs imposed on Company by the MPSC, State of Michigan or in law that affect or relate to the delivery of energy services to Customer. These additional costs shall be invoiced to Customer and shall be paid by Customer within thirty (30) days of receipt of invoice unless the Parties mutually agree to extend the payment period. Failure by the Customer to pay its reasonable and proportionate share, as outlined in this Section, shall constitute a violation of Section 6 of this Agreement.

14) Representation. The parties represent and acknowledge that they have had full opportunity to seek the legal advice of the attorney of their choice and that they have read the terms of this Agreement and that its terms are fully understood and accepted by them.

15) Counterparts. This Agreement may be executed manually or electronically and in any number of counterparts, each of which shall be enforceable, and all of which together shall constitute one agreement. Company and the Customer may exchange PDF copies of executed counterparts to constitute one agreement.

16) Approval by the MPSC. This Agreement is explicitly conditioned upon approval in its original form as presented to the MPSC. The Company shall apply for approval and the Customer shall cooperate to obtain such approval and, to the extent permitted by the MPSC or provided by applicable law, may participate in any proceedings.

If the MPSC does not approve this Agreement as presented, or conditions its approval on any changes to this Agreement, then the parties shall accept or attempt to resolve any issues raised by the MPSC within sixty (60) days of the date of the MPSC order. If the parties fail to accept or resolve all issues raised by the MPSC, in writing, within such sixty-day period (each party acting in its sole discretion), this Agreement shall automatically terminate and be of no further force or effect.

17) Choice of Law. This Agreement shall be governed by the laws of the State of Michigan and the exclusive venues for all disputes arising out of this Agreement shall be in a court of competent jurisdiction located in Wayne County, Michigan (the "Agreed-Upon Venues"), and no other venues. The parties stipulate that the Agreement is an arms-length transaction entered into by sophisticated parties, and that the Agreed-Upon Venues are convenient, are not unreasonable, unfair, or unjust, and will not deprive all party of a remedy to which it may be entitled. The parties agree to consent to the dismissal of any action arising out of this Agreement

that may be filed in a venue other than one of the Agreed-Upon Venues; the reasonable legal fees and costs of the party seeking dismissal for improper venue will be paid by the party that filed suit in the improper venue.

18) Authority to Sign. Each party's representative signing this Agreement has the authority to sign and bind the respective party.

19) Waiver of Right to Jury Trial. IN ANY AND ALL CONTROVERSIES OR CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, ITS NEGOTIATION, ENFORCEABILITY OR VALIDITY, OR THE PERFORMANCE OR BREACH THEREOF OR THE RELATIONSHIPS ESTABLISHED HEREUNDER, CUSTOMER AND COMPANY EACH HEREBY WAIVES ITS RIGHT, IF ANY, TO TRIAL BY JURY.

20) Modification. This Agreement may not be amended, revoked, changed or modified except by prior written agreement executed by all parties.

21) Entire Agreement. This is the entire Agreement and understanding between the parties and it supersedes all prior understandings and agreements regarding the subject matter addressed herein, whether oral or written.

COMPANY:
DETROIT THERMAL, LLC

By: DocuSigned by: Adam Schiff

Name: Adam Schiff

Title: Authorized Representative

CUSTOMER:
1300 LAFAYETTE EAST COOPERATIVE, INC.

By: Paul Saginaw

Name: Paul Saginaw

Title: Board President

Exhibit A-1 Steam Specifications

Contract Capacity – The Contract Capacity shall be the maximum instantaneous amount of steam that the Company is committed to provide to the Customer, measured in pounds per hour ("pph").

Contract Capacity- 8,910 pph

If, at any time during the Term, the maximum fifteen minute demand as metered at the Service Location exceeds the Contract Capacity as specified in this Exhibit A, for two (2) times in a year, the Customer's Contract Capacity will be adjusted to the highest demand measured during this period and this Contract Capacity shall be used for calculating the monthly Capacity Charge billed to the customer going forward. Note: If Company meters do not record fifteen minute demand, then the shortest interval recorded shall be used.

Steam Description

Steam Pressure- The Company will use best efforts, but does not guarantee, to furnish continuous and adequate steam service, at minimum pressure of 45 pounds per square inch gauge.

Exhibit B-1 Steam Pricing

Price. The price per 1,000 pounds of steam ("Mlb.") provided by Company each billing month shall be equal to the sum of the applicable charges below:

Capacity Charge.

The monthly Capacity Charge shall be the product of the Contract Capacity and the CPI Adjusted Capacity Rate.

Capacity Rate (in year 1) = [redacted]

CPI Adjusted Capacity Rate. During the Term of this Agreement, the Capacity Rate shall be adjusted on January 1st each year by the annual percentage change in the U.S. Consumers Price Index Detroit-Warren-Dearborn, Mich. All Urban Consumers (CPI-U): All Items, 1982-84=100 for the most recently completed 12-month period (for clarification purposes, the most recently concluded 12-month period may not correspond with January 1st as this index is published every other month).

Operating and Maintenance ("O&M") Charge.

The monthly O&M Charge shall be the product of the monthly metered consumption in Mlbs and the CPI Adjusted O&M Rate.

O&M Rate (in year 1)= [redacted]

CPI Adjusted O&M Rate. During the Term of this Agreement, the O&M Rate shall be adjusted on January 1st each year by the annual percentage change in the U.S. Consumers Price Index Detroit-Warren-Dearborn, Mich. All Urban Consumers (CPI-U): All Items, 1982-84=100 for the most recently completed 12-month period (for clarification purposes, the most recently concluded 12-month period may not correspond with January 1st as this index is published every other month).

Energy Charge ("EC").

The monthly Energy Charge shall be the product of the monthly metered consumption ("X") in Mlbs, the Energy Rate and the Fuel Multiplier.

Energy Rate ("ER") - The Company's burner tip fuel cost in dollars per million British Thermal Units ("$/ mmBtu") for the month including:

Delivered cost of natural gas commodity inclusive of all surcharges and taxes

Utility delivery charges- DTE Gas XLT Rates, inclusive of all surcharges and taxes

Fuel Multiplier ("FM")- The Fuel Multiplier is [redacted] mmBtu/Mlb

Formula

EC = X * ER * FM

Sample-

Monthly metered steam consumption X = 1,000 Mlbs

Energy Rate "ER" = natural gas cost + delivery cost = [redacted] mmBtu

EC= 1,000 Mlbs * [redacted]

Interconnection Charge.

The Interconnection Charge shall be based on the Customer's share of the Company's projected cost to extend steam service to the Customer Service Location which is [redacted] ("the Interconnection Share").

The monthly Interconnection Charge is [redacted] based on the Interconnection Share [redacted] The Customer shall have the right to prepay the outstanding principal balance of the Interconnection Share (the "Interconnection Payoff Amount"), in whole or in part, at any time without penalty.

Taxes. In addition to the payment for all steam delivered to the Service Locations, the Customer shall pay any tax levied by the City, County, State, or Federal governmental agencies on the sale of steam, including but not limited to State Sales Tax and the City of Detroit Utility Users Tax. If Customer is exempt from any such tax, it shall provide Company proof of such exemption.

Security Deposit.

[redacted] which shall be in the form of an irrevocable letter of credit issued by a reputable bank with an acceptable creditworthiness containing a rating of A or better. The letter of credit shall be renewed on an annual basis and maintained in place until five years after the date of Delivery of Service. Company shall be entitled to draw from the letter of credit upon Customer's failure to comply with any payment obligations set forth in the Agreement.

Exhibit C-1 Steam Interconnection

[Drawing of the point of delivery for steam at the Customer's Service Location, including location of isolation valve, meter and Customer's safety relief valve.]

Exhibit D Termination Fee

The Termination Fee, if applicable, shall be calculated as of the month the contract is terminated, as follows:

Termination Fee shall be the sum of:

1) The monthly Capacity Charge in effect as of the date of termination multiplied by the number of months remaining in the Term;

and

2) The Interconnection Payoff Amount.