

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



MIKE COX
ATTORNEY GENERAL

6545 MERCANTILE, STE. 15
LANSING, MICHIGAN 48911

June 2, 2006

Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, Michigan 48909

Dear Ms. Kunkle:

Re: SEMCO Energy Gas Company
MPSC Case No. U-14718

Enclosed for filing are the official Exhibits of Lisa M. Kindschy (S-1 and S-2) and Nora B. Quilico (S-3 and S-4) that were presented at the May 30, 2006 hearing.

Sincerely,

A handwritten signature in cursive script that reads "Patricia S. Barone".

Patricia S. Barone (P29560)
Assistant Attorney General
Public Service Division

PSB:la
Encs.

Case No.: U-14718
Exhibit: S-1 (LMK-1)
Witness: Lisa M. Kindschy
Date: May 30, 2006
Page No.: 1 of 2

		April-June 1st Q		July-Sept 2nd Q		Oct-Dec 3rd Q		Jan-Mar 4th Q	
		Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
		April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Nov-Mar
Fractional Mult. F_m		0.477	0.476	0.400	0.468	0.357	0.367	0.342	0.385
Plan NYMEX (X_{plan})		\$7.2747	\$10.8603	\$7.2747	\$10.8603	\$7.2747	\$10.8603	\$7.2747	\$11.4099
Base GCR Factor		\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328
NYMEX Increase Greater than Or Equal to		Incremental Contingent GCR Factor \$/Mcf							
But Less than									
\$0.00	\$0.05	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
\$0.05	\$0.10	\$0.0239	\$0.0238	\$0.0200	\$0.0234	\$0.0179	\$0.0184	\$0.0171	\$0.0193
\$0.10	\$0.15	\$0.0477	\$0.0476	\$0.0400	\$0.0468	\$0.0357	\$0.0367	\$0.0342	\$0.0385
\$0.15	\$0.20	\$0.0716	\$0.0714	\$0.0600	\$0.0702	\$0.0536	\$0.0551	\$0.0513	\$0.0578
\$0.20	\$0.25	\$0.0954	\$0.0952	\$0.0800	\$0.0936	\$0.0714	\$0.0734	\$0.0684	\$0.0770
\$0.25	\$0.30	\$0.1193	\$0.1190	\$0.1000	\$0.1170	\$0.0893	\$0.0918	\$0.0855	\$0.0963
\$0.30	\$0.35	\$0.1431	\$0.1428	\$0.1200	\$0.1404	\$0.1071	\$0.1101	\$0.1026	\$0.1155
\$0.35	\$0.40	\$0.1670	\$0.1666	\$0.1400	\$0.1638	\$0.1250	\$0.1285	\$0.1197	\$0.1348
\$0.40	\$0.45	\$0.1908	\$0.1904	\$0.1600	\$0.1872	\$0.1428	\$0.1468	\$0.1368	\$0.1540
\$0.45	\$0.50	\$0.2147	\$0.2142	\$0.1800	\$0.2106	\$0.1607	\$0.1652	\$0.1539	\$0.1733
\$0.50	\$0.55	\$0.2385	\$0.2380	\$0.2000	\$0.2340	\$0.1785	\$0.1835	\$0.1710	\$0.1925
\$0.55	\$0.60	\$0.2624	\$0.2618	\$0.2200	\$0.2574	\$0.1964	\$0.2019	\$0.1881	\$0.2118
\$0.60	\$0.65	\$0.2862	\$0.2856	\$0.2400	\$0.2808	\$0.2142	\$0.2202	\$0.2052	\$0.2310
\$0.65	\$0.70	\$0.3101	\$0.3094	\$0.2600	\$0.3042	\$0.2321	\$0.2386	\$0.2223	\$0.2503
\$0.70	\$0.75	\$0.3339	\$0.3332	\$0.2800	\$0.3276	\$0.2499	\$0.2569	\$0.2394	\$0.2695
\$0.75	\$0.80	\$0.3578	\$0.3570	\$0.3000	\$0.3510	\$0.2678	\$0.2753	\$0.2565	\$0.2888
\$0.80	\$0.85	\$0.3816	\$0.3808	\$0.3200	\$0.3744	\$0.2856	\$0.2936	\$0.2736	\$0.3080
\$0.85	\$0.90	\$0.4055	\$0.4046	\$0.3400	\$0.3978	\$0.3035	\$0.3120	\$0.2907	\$0.3273
\$0.90	\$0.95	\$0.4293	\$0.4284	\$0.3600	\$0.4212	\$0.3213	\$0.3303	\$0.3078	\$0.3465
\$0.95	\$1.00	\$0.4532	\$0.4522	\$0.3800	\$0.4446	\$0.3392	\$0.3487	\$0.3249	\$0.3658
\$1.00	\$1.05	\$0.4770	\$0.4760	\$0.4000	\$0.4680	\$0.3570	\$0.3670	\$0.3420	\$0.3850
\$1.05	\$1.10	\$0.5009	\$0.4998	\$0.4200	\$0.4914	\$0.3749	\$0.3854	\$0.3591	\$0.4043
\$1.10	\$1.15	\$0.5247	\$0.5236	\$0.4400	\$0.5148	\$0.3927	\$0.4037	\$0.3762	\$0.4235
\$1.15	\$1.20	\$0.5486	\$0.5474	\$0.4600	\$0.5382	\$0.4106	\$0.4221	\$0.3933	\$0.4428
\$1.20	\$1.25	\$0.5724	\$0.5712	\$0.4800	\$0.5616	\$0.4284	\$0.4404	\$0.4104	\$0.4620
\$1.25	\$1.30	\$0.5963	\$0.5950	\$0.5000	\$0.5850	\$0.4463	\$0.4588	\$0.4275	\$0.4813
\$1.30	\$1.35	\$0.6201	\$0.6188	\$0.5200	\$0.6084	\$0.4641	\$0.4771	\$0.4446	\$0.5005
\$1.35	\$1.40	\$0.6440	\$0.6426	\$0.5400	\$0.6318	\$0.4820	\$0.4955	\$0.4617	\$0.5198
\$1.40	\$1.45	\$0.6678	\$0.6664	\$0.5600	\$0.6552	\$0.4998	\$0.5138	\$0.4788	\$0.5390
\$1.45	\$1.50	\$0.6917	\$0.6902	\$0.5800	\$0.6786	\$0.5177	\$0.5322	\$0.4959	\$0.5583
\$1.50	\$1.55	\$0.7155	\$0.7140	\$0.6000	\$0.7020	\$0.5355	\$0.5505	\$0.5130	\$0.5775
\$1.55	\$1.60	\$0.7394	\$0.7378	\$0.6200	\$0.7254	\$0.5534	\$0.5689	\$0.5301	\$0.5968
\$1.60	\$1.65	\$0.7632	\$0.7616	\$0.6400	\$0.7488	\$0.5712	\$0.5872	\$0.5472	\$0.6160
\$1.65	\$1.70	\$0.7871	\$0.7854	\$0.6600	\$0.7722	\$0.5891	\$0.6056	\$0.5643	\$0.6353
\$1.70	\$1.75	\$0.8109	\$0.8092	\$0.6800	\$0.7956	\$0.6069	\$0.6239	\$0.5814	\$0.6545
\$1.75	\$1.80	\$0.8348	\$0.8330	\$0.7000	\$0.8190	\$0.6248	\$0.6423	\$0.5985	\$0.6738
\$1.80	\$1.85	\$0.8586	\$0.8568	\$0.7200	\$0.8424	\$0.6426	\$0.6606	\$0.6156	\$0.6930
\$1.85	\$1.90	\$0.8825	\$0.8806	\$0.7400	\$0.8658	\$0.6605	\$0.6790	\$0.6327	\$0.7123
\$1.90	\$1.95	\$0.9063	\$0.9044	\$0.7600	\$0.8892	\$0.6783	\$0.6973	\$0.6498	\$0.7315
\$1.95	\$2.00	\$0.9302	\$0.9282	\$0.7800	\$0.9126	\$0.6962	\$0.7157	\$0.6669	\$0.7508

NYMEX Increase = ($X - X_{plan}$)

X = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/MMBtu), for the entire summer (Apr-Oct) closing prices should be used for summer months that are no longer trading, and remaining winter (Nov-Mar) months of the GCR period, (averaged over first five trading days of the month prior to implementation)

X_{plan} = the NYMEX average summer and winter strips incorporated in the calculation of the base GCR factor, as delineated in the above chart

At least fifteen days before the beginning of each quarter, the company shall file with the Michigan Public Service Commission an updated Tariff Sheet No. 16, if NYMEX futures prices increase to a level allowing for the implementation of a higher contingent GCR price ceiling. The informational filing shall include all supporting documents necessary to verify the new price ceiling, including a copy of the calculation of the five-day average of the NYMEX strips for the remaining months of the GCR period, and a copy of the NYMEX futures prices sheets for the first five trading days of the month, such sheets being an authoritative source used by the gas industry. The filing shall be incorporated into the GCR Plan docket U-14718 with notice of filing provided to all interveners.

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Witness: Lisa M. Kindschy
Date: May 30, 2006
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		April-June 1st Q		July-Sept 2nd Q		Oct-Dec 3rd Q		Jan-Mar 4th Q	
		Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
		April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Nov-Mar	April-Oct	Jan-Mar
Fractional Mult. F_m		0.477	0.476	0.400	0.468	0.357	0.367	0.342	0.385
Plan NYMEX (X_{plan})		\$7.2747	\$10.8603	\$7.2747	\$10.8603	\$7.2747	\$10.8603	\$7.2747	\$11.4099
Base GCR Factor		\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328	\$9.9328
NYMEX Increase Greater than But Less Or Equal to than		Incremental Contingent GCR Factor \$/Mcf							
\$2.00	\$2.05	\$0.9540	\$0.9520	\$0.8000	\$0.9360	\$0.7140	\$0.7340	\$0.6840	\$0.7700
\$2.05	\$2.10	\$0.9779	\$0.9758	\$0.8200	\$0.9594	\$0.7319	\$0.7524	\$0.7011	\$0.7893
\$2.10	\$2.15	\$1.0017	\$0.9996	\$0.8400	\$0.9828	\$0.7497	\$0.7707	\$0.7182	\$0.8085
\$2.15	\$2.20	\$1.0256	\$1.0234	\$0.8600	\$1.0062	\$0.7676	\$0.7891	\$0.7353	\$0.8278
\$2.20	\$2.25	\$1.0494	\$1.0472	\$0.8800	\$1.0296	\$0.7854	\$0.8074	\$0.7524	\$0.8470
\$2.25	\$2.30	\$1.0733	\$1.0710	\$0.9000	\$1.0530	\$0.8033	\$0.8258	\$0.7695	\$0.8663
\$2.30	\$2.35	\$1.0971	\$1.0948	\$0.9200	\$1.0764	\$0.8211	\$0.8441	\$0.7866	\$0.8855
\$2.35	\$2.40	\$1.1210	\$1.1186	\$0.9400	\$1.0998	\$0.8390	\$0.8624	\$0.8037	\$0.9047
\$2.40	\$2.45	\$1.1448	\$1.1424	\$0.9600	\$1.1232	\$0.8568	\$0.8808	\$0.8208	\$0.9240
\$2.45	\$2.50	\$1.1687	\$1.1662	\$0.9800	\$1.1466	\$0.8746	\$0.8991	\$0.8379	\$0.9432
\$2.50	\$2.55	\$1.1925	\$1.1900	\$1.0000	\$1.1700	\$0.8925	\$0.9175	\$0.8550	\$0.9625
\$2.55	\$2.60	\$1.2164	\$1.2138	\$1.0200	\$1.1934	\$0.9103	\$0.9358	\$0.8721	\$0.9817
\$2.60	\$2.65	\$1.2402	\$1.2376	\$1.0400	\$1.2168	\$0.9282	\$0.9542	\$0.8892	\$1.0010
\$2.65	\$2.70	\$1.2641	\$1.2614	\$1.0600	\$1.2402	\$0.9460	\$0.9725	\$0.9063	\$1.0203
\$2.70	\$2.75	\$1.2879	\$1.2852	\$1.0800	\$1.2636	\$0.9639	\$0.9909	\$0.9234	\$1.0395
\$2.75	\$2.80	\$1.3118	\$1.3090	\$1.1000	\$1.2870	\$0.9817	\$1.0093	\$0.9405	\$1.0588
\$2.80	\$2.85	\$1.3356	\$1.3328	\$1.1200	\$1.3104	\$0.9996	\$1.0276	\$0.9576	\$1.0780
\$2.85	\$2.90	\$1.3595	\$1.3566	\$1.1400	\$1.3338	\$1.0175	\$1.0460	\$0.9747	\$1.0973
\$2.90	\$2.95	\$1.3833	\$1.3804	\$1.1600	\$1.3572	\$1.0353	\$1.0643	\$0.9918	\$1.1165
\$2.95	\$3.00	\$1.4072	\$1.4042	\$1.1800	\$1.3806	\$1.0532	\$1.0827	\$1.0089	\$1.1358

$$\text{NYMEX Increase} = (X - X_{plan})$$

X = the simple average of the actual NYMEX monthly natural gas futures contract prices, (\$/MMBtu), for the entire summer (Apr-Oct) closing prices should be used for summer months that are no longer trading, and remaining winter (Nov-Mar) months of the GCR period, (averaged over first five trading days of the month prior to implementation)

X_{plan} = the NYMEX average summer and winter strips incorporated in the calculation of the base GCR factor, as delineated in the above chart

At least fifteen days before the beginning of each quarter, the company shall file with the Michigan Public Service Commission an updated Tariff Sheet No. 16, if NYMEX futures prices increase to a level allowing for the implementation of a higher contingent GCR price ceiling. The informational filing shall include all supporting documents necessary to verify the new price ceiling, including a copy of the calculation of the five-day average of the NYMEX strips for the remaining months of the GCR period, and a copy of the NYMEX futures prices sheets for the first five trading days of the month, such sheets being an authoritative source used by the gas industry. The filing shall be incorporated into the GCR Plan docket U-14718 with notice of filing provided to all interveners.

Calculation of Staff's Proposed Base GCR Factor

	<u>Dec-05*</u>	<u>Company Dec Ave</u>	<u>May-06**</u>	<u>Staff May Ave</u>	<u>NYMEX Difference (\$/MMBtu)</u>	<u>Incremental Adjustment (\$/Mcf)</u>	<u>GCR Factor (\$/Mcf)</u>
<u>Summer</u>							
Apr-06	\$10.934	\$10.7947	7.233	\$7.2747	-\$3.5201	-\$1.6695	Total Adjustments -\$2.1217
May-06	\$10.692		7.198				
Jun-06	\$10.724		6.746				
Jul-06	\$10.764		7.006				
Aug-06	\$10.807		7.261				
Sep-06	\$10.799		7.544				Company's Old Base \$12.0545
Oct-06	\$10.843		7.935				
<u>Winter</u>							
Nov-06	\$11.309	\$11.8158	9.348	\$10.8603	-\$0.9555	-\$0.4522	Staff's New Base \$9.9328
Dec-06	\$11.769		10.724				
Jan-07	\$12.144		11.468	\$11.4099			
Feb-07	\$12.080		11.482	(Jan-Mar)			
Mar-07	\$11.777		11.280				

NYMEX Futures Prices (\$/MMBtu)

<u>Contract Month</u>	<u>Mon 5/1/2006</u>	<u>Tue 5/2/2006</u>	<u>Wed 5/3/2006</u>	<u>Thu 5/4/2006</u>	<u>Fri 5/5/2006</u>	<u>Average</u>	
Apr-06						7.233	Close
May-06						7.198	Close
Jun-06	6.695	6.746	6.606	6.906	6.775	6.746	
Jul-06	6.970	7.016	6.866	7.146	7.032	7.006	
Aug-06	7.230	7.281	7.126	7.386	7.282	7.261	
Sep-06	7.515	7.566	7.406	7.666	7.567	7.544	
Oct-06	7.910	7.961	7.786	8.051	7.967	7.935	
Nov-06	9.355	9.396	9.266	9.391	9.332	9.348	
Dec-06	10.770	10.786	10.691	10.691	10.682	10.724	
Jan-07	11.530	11.541	11.456	11.391	11.420	11.468	
Feb-07	11.537	11.553	11.476	11.406	11.440	11.482	
Mar-07	11.340	11.351	11.271	11.201	11.235	11.280	

* The December 2005 NYMEX strip numbers are averages based on the first five trading days in December 2005. MGU used these averages in their plan case filing for calculation of the original base factor.

** The May 2006 NYMEX strip numbers are averages based on the first five trading days in May 2006. These averages were used by Staff to calculate the new base factor.

SEMCO
Calculation of Fractional Multipliers for Staff Two-Input Contingent GCR Factor Method

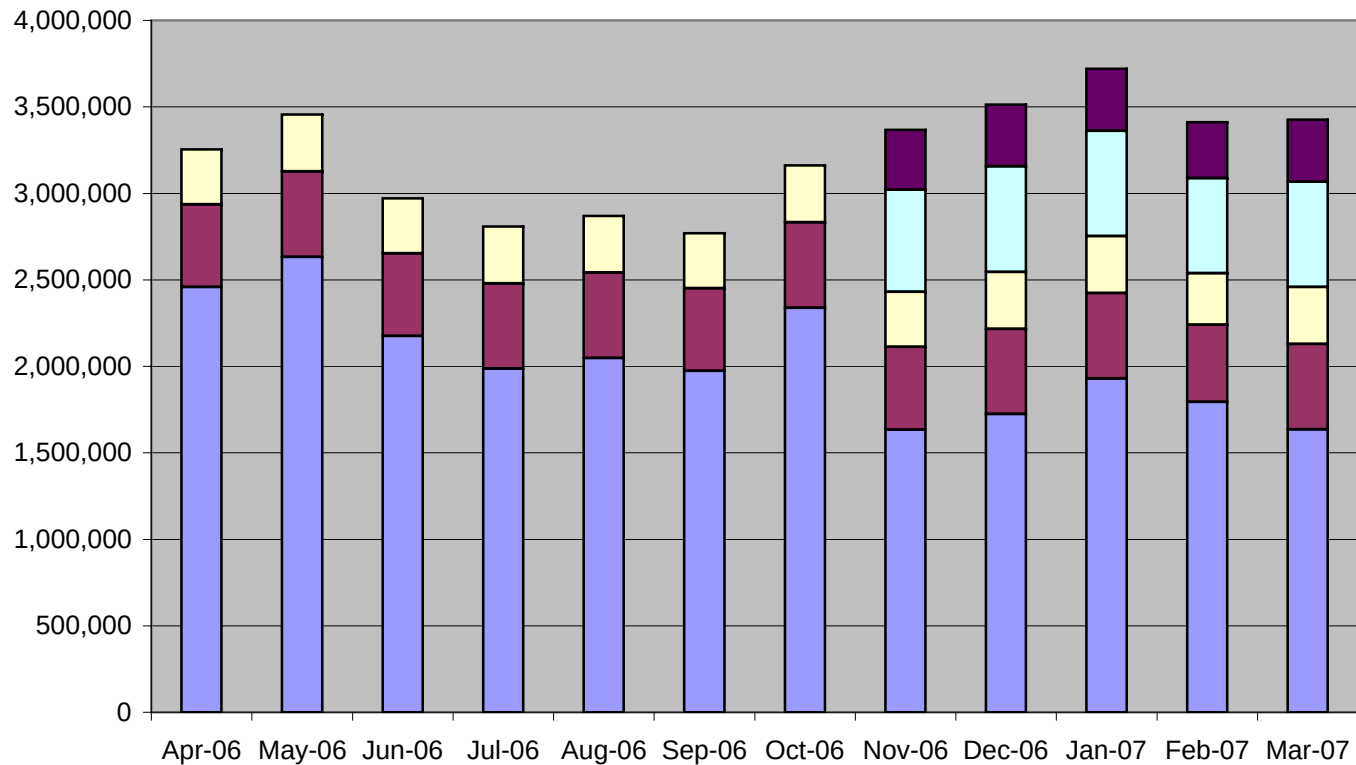
Case No. U-14718
Exhibit S-3 (NBQ-1)
Witness: Nora B. Quilico
Date: May 30, 2006
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Initial Quantities Dth (MMBtu)	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
Dec 1st Tier --Minimum % of Annual Purchases	0.0%												
Net Spot	3,255,306	3,455,571	2,971,253	2,808,577	2,870,362	2,769,504	3,161,372	3,366,891	3,513,687	3,719,816	3,412,038	3,426,189	38,730,566
Price fixed before Dec 1 of Prior Plan Period	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel	99,437	97,828	101,295	100,909	98,842	95,418	98,824	130,194	174,677	178,581	156,959	156,544	1,489,508
Purchases (including Fuel)	3,354,743	3,553,399	3,072,548	2,909,486	2,969,204	2,864,922	3,260,196	3,497,085	3,688,364	3,898,397	3,568,997	3,582,733	40,220,074
Purchases (Not Including Fuel)	3,255,306	3,455,571	2,971,253	2,808,577	2,870,362	2,769,504	3,161,372	3,366,891	3,513,687	3,719,816	3,412,038	3,426,189	38,730,566
Injections (Net)	-353,539	-1,614,911	-2,266,145	-2,019,394	-1,968,311	-1,869,619	-991,681	0	0	0	0	0	-11,083,600
Withdrawals (Net)	75,000	0	0	0	0	0	0	655,010	2,441,030	3,146,156	2,635,025	1,514,020	10,466,241
Requirements	2,976,767	1,840,660	705,108	789,183	902,051	899,885	2,169,691	4,021,901	5,954,717	6,865,972	6,047,063	4,940,209	38,113,207
Percent of remaining purchases @ fixed-price	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Fraction remaining summer purchases @ fixed-price as of Dec 1	0.000												
Fraction remaining winter purchases @ fixed-price as of Dec 1	0.000												
Fixed Price Supply Targets	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
APRIL 1st Tier --Minimum % of Annual Purchases	0.0%												
Additional % fixed-price purchases	0.0%												
Price fixed during Dec-March of Prior Plan Period (Dth/month)	300,000	387,500	375,000	387,500	387,500	375,000	387,500	105,000	108,500	0	0	0	2,813,500
New fixed-price purchase level (Dth)	300,000	387,500	375,000	387,500	387,500	375,000	387,500	105,000	108,500	0	0	0	2,813,500
Percent of remaining purchases @ fixed-price (as of April 1)	7.3%	7.1%	6.6%	6.0%	5.2%	4.2%	2.9%	1.2%	0.8%	0.0%	0.0%	0.0%	
Fraction remaining summer purchases @ fixed-price as of April 1	0.122												
Fraction remaining winter purchases @ fixed-price as of April 1	0.012												
July 1st Tier: Minimum % of Winter Purchases								17.0%					
Additional % fixed-price purchases								15.8%					
April-June fixed-price purchases (Dth/month)	0	0	0	0	0	0	0	546,569	564,788	564,788	510,131	564,788	2,751,066
New fixed-price purchase level (Dth)	300,000	387,500	375,000	387,500	387,500	375,000	387,500	651,569	673,288	564,788	510,131	564,788	4,502,066
Percent of remaining purchases @ fixed-price (as of July 1)				15.5%	15.7%	15.9%	16.3%	17.0%	16.4%	15.5%	15.7%	16.5%	
Fraction remaining summer purchases @ fixed-price as of July 1				0.132									
Fraction remaining winter purchases @ fixed-price as of July 1				0.170									
NOV 1st Tier Minimum % of Remaining Purchases								40.0%					
Additional % fixed-price purchases								23.0%					
July-Oct fixed-price purchases (Dth/month)	0	0	0	0	0	0	0	796,864	823,426	823,426	743,740	823,426	4,010,883
New fixed-price purchase level (Dth)	300,000	387,500	375,000	387,500	387,500	375,000	387,500	1,448,433	1,496,715	1,388,215	1,253,871	1,388,215	6,975,448
Percent of remaining purchases @ fixed-price (as of Nov 1)								40.0%	39.3%	38.2%	38.6%	40.5%	
Fraction remaining summer purchases @ fixed-price as of Oct 1							0.123						
Fraction remaining winter purchases @ fixed-price as of Nov 1								0.400					
Final Quantities	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
Final fixed-price purchases	300,000	387,500	375,000	387,500	387,500	375,000	387,500	1,448,433	1,496,715	1,388,215	1,253,871	1,388,215	9,575,448
Final Spot	2,955,306	3,068,071	2,596,253	2,421,077	2,482,862	2,394,504	2,773,872	1,918,458	2,016,972	2,331,601	2,158,167	2,037,974	29,155,118
Final Purchases	3,255,306	3,455,571	2,971,253	2,808,577	2,870,362	2,769,504	3,161,372	3,366,891	3,513,687	3,719,816	3,412,038	3,426,189	38,730,566
Final Injections (Net)	-353,539	-1,614,911	-2,266,145	-2,019,394	-1,968,311	-1,869,619	-991,681	0	0	0	0	0	-11,083,600
Final Withdrawals (Net)	75,000	0	0	0	0	0	0	655,010	2,441,030	3,146,156	2,635,025	1,514,020	10,466,241
Final Requirements	2,976,767	1,840,660	705,108	789,183	902,051	899,885	2,169,691	4,021,901	5,954,717	6,865,972	6,047,063	4,940,209	38,113,207
Fraction remaining purchases fixed as of beginning of month	0.073	0.071	0.066	0.155	0.157	0.159	0.163	0.400	0.393	0.382	0.386	0.405	24.7%

Remaining Month Data Summary	Apr-06	Jul-06	Oct-06	Jan-07
Ps Summer purchases (Dth Delivered)	21,291,945	11,609,815	3,161,372	0
I Storage Injections Dth	-11,083,600	-6,849,005	-991,681	0
W Storage Withdrawals Dth	10,466,241	10,391,241	10,391,241	7,295,201
Pw Winter Purchases (Dth Delivered)	17,438,621	17,438,621	17,438,621	10,558,043
R Requirements Remaining Dth	38,113,207	32,590,672	29,999,553	17,853,244
f _s fraction summer purchases @ index	0.88	0.87	0.88	0.00
f _w fraction winter purchases @ index	0.99	0.83	0.60	0.62
f _{storage} fraction total storage injections @ index	0.88			
f _{wg} fraction of working-gas inventory injected during the summer	0.91			
f _{fuel} transportation fuel	1.038			
h system-average heating value (MMbtu/Mcf @14.65dry)	1.014			
(P _s -I)*f _s /R summer flowing supply, less injections, @ index	0.235	0.127	0.063	0.000
W*(f _{storage} *f _{wg})/R winter storage withdrawals @ index	0.218	0.254	0.276	0.325
(P _w *f _w)/R winter flowing supply @ index	0.452	0.444	0.349	0.366
fixed-price supply	0.094	0.176	0.312	0.309
(Σ F) = fraction remaining requirements	1.000	1.000	1.000	1.000
Fractional Multipliers (index supply)	Apr-06	Jul-06	Oct-06	Jan-07
F _{summer} = [(P _s -I)*f _s /R]*f _{fuel} *h	0.248	0.133	0.067	0.000
F _{storage} = [W*(f _{storage} *f _{wg})/R]*f _{fuel} *h	0.230	0.267	0.290	0.342
F _{winter} = [P _w *f _w /R]*f _{fuel} *h	0.476	0.468	0.367	0.385
(Σ F)	0.953	0.868	0.724	0.727
Combined Fractional Multipliers	Apr-06	Jul-06	Oct-06	Jan-07
F _{summer /storage withdraw} = [(P _s -I)*f _s /R + (W*(f _{storage} *f _{wg})/R)*f _{fuel} *h	0.477	0.400	0.357	0.342
F _{winter} = (P _w *f _w)/R*f _{fuel} *h	0.476	0.468	0.367	0.385
(Σ F)	0.953	0.868	0.724	0.727

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SEMCO Minimum Tier Purchases Staff Proposed Guidelines



	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
■ July-Oct fixed-price purchases (Dth/month)								346,463	358,011	358,011	323,365	358,011
■ April-June fixed-price purchases (Dth/month)								590,017	609,684	609,684	550,683	609,684
■ Price fixed during Dec-March of Prior Plan Period (Dth/month)	318,333	328,945	318,333	328,945	328,945	318,333	328,945	318,333	328,945	328,945	297,111	328,945
■ Price fixed before Dec 1 of Prior Plan Period	477,500	493,417	477,500	493,417	493,417	477,500	493,417	477,500	493,417	493,417	445,667	493,417
■ Net Spot	2,459,472	2,633,210	2,175,419	1,986,216	2,048,001	1,973,670	2,339,011	1,634,578	1,723,630	1,929,759	1,795,212	1,636,132

SEMC0
Gas Portfolio Under Staff's Fixed-Price Purchase Tier Guidelines
Minimum Tier Quantities

Initial Quantities (Plan Filing)	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
Dec 1st Tier --Minimum % of Annual Purchases	15.0%												
Net Spot	2,777,806	2,962,154	2,493,753	2,315,160	2,376,945	2,292,004	2,667,955	2,889,391	3,020,270	3,226,399	2,966,371	2,932,772	32,920,981
Price fixed before Dec 1 of Prior Plan Period	477,500	493,417	477,500	493,417	493,417	477,500	493,417	477,500	493,417	493,417	445,667	493,417	5,809,585
Purchases	3,255,306	3,455,571	2,971,253	2,808,577	2,870,362	2,769,504	3,161,372	3,366,891	3,513,687	3,719,816	3,412,038	3,426,189	38,730,566
Injections (Net)	-353,539	-1,614,911	-2,266,145	-2,019,394	-1,968,311	-1,869,619	-991,681	0	0	0	0	0	-11,083,600
Withdrawals (Net)	75,000	0	0	0	0	0	0	655,010	2,441,030	3,146,156	2,635,025	1,514,020	10,466,241
Requirements	2,976,767	1,840,660	705,108	789,183	902,051	899,885	2,169,691	4,021,901	5,954,717	6,865,972	6,047,063	4,940,209	38,113,207
Percent of remaining purchases @ fixed-price	15.0%	15.0%	15.1%	15.0%	14.7%	14.4%	14.1%	13.8%	13.7%	13.6%	13.7%	14.4%	
Fraction remaining summer purchases @ fixed-price as of Dec 1	0.160												
Fraction remaining winter purchases @ fixed-price as of Dec 1	0.138												
Fixed Price Supply Targets	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
APRIL 1st Tier --Minimum % of Annual Purchases	25.0%												
Additional % fixed-price purchases	10.0%												
Price fixed during Dec-March of Prior Plan Period (Dth/month)	318,333	328,945	318,333	328,945	328,945	318,333	328,945	318,333	328,945	328,945	297,111	328,945	3,873,057
New fixed-price purchase level (Dth)	795,834	822,361	795,834	822,361	822,361	795,834	822,361	795,834	822,361	822,361	742,778	822,361	9,682,642
Percent of remaining purchases @ fixed-price (as of April 1)	25.0%	25.1%	25.2%	25.0%	24.6%	24.1%	23.4%	23.0%	22.8%	22.6%	22.9%	24.0%	
Fraction remaining summer purchases @ fixed-price as of April 1	0.267												
Fraction remaining winter purchases @ fixed-price as of April 1	0.230												
July 1st Tier: Minimum % of Winter Purchases								40.0%					
Additional % fixed-price purchases								17.0%					
April-June fixed-price purchases (Dth/month)								590,017	609,684	609,684	550,683	609,684	2,969,753
New fixed-price purchase level (Dth)	795,834	822,361	795,834	822,361	822,361	795,834	822,361	1,385,851	1,432,046	1,432,046	1,293,461	1,432,046	10,238,366
Percent of remaining purchases @ fixed-price (as of July 1)				35.2%	35.9%	36.8%	37.9%	40.0%	39.7%	39.4%	39.9%	41.8%	
Fraction remaining summer purchases @ fixed-price as of July 1				0.281									
Fraction remaining winter purchases @ fixed-price as of July 1				0.400									
NOV 1st Tier: Minimum % of Winter Purchases								50.0%					
Additional % fixed-price purchases								10.0%					
July-Oct fixed-price purchases (Dth/month)								346,463	358,011	358,011	323,365	358,011	1,743,862
New fixed-price purchase level (Dth)	795,834	822,361	795,834	822,361	822,361	795,834	822,361	1,732,313	1,790,057	1,790,057	1,616,826	1,790,057	8,719,311
Percent of remaining purchases @ fixed-price (as of Nov 1)								50.0%	49.7%	49.2%	49.8%	52.2%	
Fraction remaining summer purchases @ fixed-price as of Oct 1							0.260						
Fraction remaining winter purchases @ fixed-price as of Nov 1							0.500						
Final Quantities (Mcf)	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
Final fixed-price purchases	795,834	822,361	795,834	822,361	822,361	795,834	822,361	1,732,313	1,790,057	1,790,057	1,616,826	1,790,057	14,396,256
Final Spot	2,459,472	2,633,210	2,175,419	1,986,216	2,048,001	1,973,670	2,339,011	1,634,578	1,723,630	1,929,759	1,795,212	1,636,132	24,334,310
Final Purchases	3,255,306	3,455,571	2,971,253	2,808,577	2,870,362	2,769,504	3,161,372	3,366,891	3,513,687	3,719,816	3,412,038	3,426,189	38,730,566
Final Injections (Net)	-353,539	-1,614,911	-2,266,145	-2,019,394	-1,968,311	-1,869,619	-991,681	0	0	0	0	0	-11,083,600
Final Withdrawals (Net)	75,000	0	0	0	0	0	0	655,010	2,441,030	3,146,156	2,635,025	1,514,020	10,466,241
Final Requirements	2,976,767	1,840,660	705,108	789,183	902,051	899,885	2,169,691	4,021,901	5,954,717	6,865,972	6,047,063	4,940,209	38,113,207
Fraction remaining purchases fixed as of beginning of month	0.250	0.251	0.252	0.352	0.359	0.368	0.379	0.500	0.497	0.492	0.498	0.522	37.2%