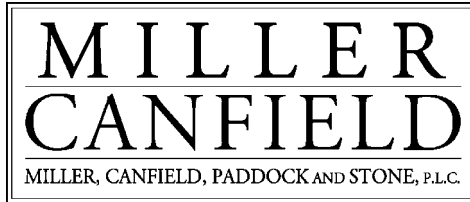


Founded in 1852
by Sidney Davy Miller



MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Howell • Kalamazoo
Lansing • Monroe
Saginaw • Troy

New York, NY
Pensacola, FL
Washington, DC

CANADA: Windsor, ON
POLAND: Gdynia
Warsaw • Wrocław

SHERRI A. WELLMAN
TEL: (517) 483-4954
FAX: (517) 374-6304
E-MAIL: wellmans@millercanfield.com

One Michigan Avenue, Suite 900
Lansing, Michigan 48933
TEL: (517) 487-2070
FAX: (517) 374-6304
www.millercanfield.com

July 14, 2006

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Re: SEMCO Energy Gas Company
2006-07 GCR Reconciliation
MPSC Case No. U-14718 [paperless]

Dear Ms. Kunkle:

Enclosed for electronic filing are the amended testimony and revised exhibits of John R. Alger and Walter E. Fitzgerald. Also enclosed for filing is a Proof of Service.

Very truly yours,

Sherri Wellman

Digitally signed by Sherri Wellman
DN: CN = Sherri Wellman, C =
US, O = Miller Canfield
Date: 2006.07.14 15:04:54 -04'00'

Sherri A. Wellman

SAW/lab
Enclosures
cc w/ enc: Annette Gardiner

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
SEMCO ENERGY GAS COMPANY)
for authority to implement a gas cost)
recovery plan and factors for the 12-month)
period of April 2006 through March 2007.)

Case No. U-14718

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Lisa A. Becker, being first duly sworn, deposes and says that on July 14, 2006, she served a true copy of **amended testimony and revised exhibits of John R. Alger and Walter E. Fitzgerald** upon the following parties by electronic mail.

Daniel E. Nickerson, Jr.
Administrative Law Judge
6545 Mercantile Way, Suite 15
Lansing, MI 48911
Email: denicke@michigan.gov

Patricia Barone
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911
Email: baronep@michigan.gov

Michael Moody
Tobacco & Special Litigation Division
P.O. Box 31212
Lansing, MI 48909
Email: moodyme@michigan.gov

David Shaltz
2379 Woodlake Drive, Suite 480B
Okemos, MI 48864
Email: dshaltz@sbcglobal.net

Lisa Becker

Digitally signed by Lisa Becker
DN: CN = Lisa Becker, C = US, O
= Miller Canfield
Date: 2006.07.14 15:05:08 -04'00'

Lisa A. Becker

Subscribed and sworn to before me
This 14th day of July, 2006.

Edith Loomis

Digitally signed by Edith Loomis
DN: CN = Edith Loomis, C = US,
O = Miller Canfield
Date: 2006.07.14 15:05:17 -04'00'

Edith D. Loomis, Notary Public
State of Michigan, County of Ingham
My Commission Expires: December 5, 2006

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
SEMCO ENERGY GAS COMPANY)
for authority to implement a gas cost)
recovery plan and factors for the 12-month)
period of April 2006 through March 2007.)

Case No. U-14718

AMENDED TESTIMONY AND EXHIBITS
OF JOHN R. ALGER
ON BEHALF OF SEMCO ENERGY GAS COMPANY

Amended Testimony of John R. Alger
On Behalf of
SEMCO Energy Gas Company

- 1 Q. Please state your name and business address.
- 2 A. My name is John R. Alger and my business address is 1411 Third Street, Port Huron,
3 Michigan 48060.
- 4 Q. Are you the same John R. Alger who filed direct testimony in this case?
- 5 A. Yes, I am.
- 6 Q. What is the purpose of your amended testimony in this proceeding?
- 7 A. The purpose of my amended testimony is to revise and update my GCR forecast volumes
8 to more closely reflect the expected volumes during the GCR plan year and to sponsor
9 the resulting revised GCR factor.
- 10 Q. Please identify the exhibits which you are sponsoring in this case.
- 11 A. I am sponsoring the following exhibits:
- | | | |
|----|-----------------------------|--|
| 12 | Amended Exhibit A-1 (JRA-1) | Calculation of the Annual GCR Factor |
| 13 | Amended Exhibit A-2 (JRA-2) | Five Year Forecast of GCR Requirements |
- 14 Q. Please explain the reasons for your amended forecast?
- 15 A. In the six months since the Company's originally filed forecast was completed, the
16 Company has seen significant erosion of customer demand. The volume reductions
17 appear to be the result of a combination of customer conservation, lower customer
18 growth and warmer winter weather than the historical norm. Not only has the normalized
19 use per customer dropped in every month of 2006 to date, the number of customer
20 additions have fallen below forecast as well. As of the end of May 2006, actual customer
21 count was 1,624 customers less than the filed forecast for the end of May. As the
22 Company entered this GCR year, it became apparent that a purchasing strategy based
23 upon the filed forecast would result in purchased gas volumes significantly in excess of
24 volumes needed.
- 25 Q. Please discuss your Amended Exhibit A-2 (JRA-2).

Amended Testimony of John R. Alger
On Behalf of
SEMCO Energy Gas Company

1 A. In addition to updating my forecast model with actual customers and volumes through the
2 month of May 2006, I have made two other significant changes to this exhibit. First, with
3 the issuance of a final order in Case No. U-14726 on May 25, 2006, the Commission has
4 approved the merger of the former Peninsular Gas GCR clause into the Company's
5 MPSC division GCR clause. Therefore, there is no longer a need to show separate UP
6 West (2) and MPSC information. Secondly, to facilitate administrative efficiency in
7 forecast output, I have compressed the forecast model's data requirements to individual
8 rates, without sacrificing accuracy, by dropping the non-heating, space heating,
9 commercial and industrial sub categories. This compression will have a very minor
10 impact on the resulting forecast due to slight changes in the weather normalization
11 weighting by area, by rate.

12 Q. Do you believe that your amended forecast more accurately estimates the normalized
13 volumes the Company can expect to experience during the five year forecast period?

14 A. Yes, I believe this to be a more representative picture of the expected volumes than the
15 originally filed forecast. However, given the recent consistent reductions in customer use,
16 month over month it is possible that this amended forecast may over forecast volumes
17 over time.

18 Q. Have you projected a continuing reduction in use per customer over the five period?

19 A. No. Except for the months of April and May 2006 actual volumes, I have used a weather
20 normalized, use per customer, per month, per rate, for the five year period. The changes
21 in annual volumes over the five year period are a result of changes in forecast customers
22 only. While I do expect use per customer to continue to fall over time, it is reasonable to
23 expect that the rate of the recent steep reduction in use will slacken.

24 Q. Please discuss your Amended Exhibit A-1 (JRA-1).

Amended Testimony of John R. Alger
On Behalf of
SEMCO Energy Gas Company

1 A. This amended exhibit re-calculates the GCR factor the Company needs to charge for the
2 period August 2006 through March 2007 to fully recovery its GCR costs. The first two
3 months, April 2006 and May 2006, contain actual sales volumes. The costs levels,
4 amounts and timing of purchases and changes in storage usage have been up dated by
5 Mr. Fitzgerald to reflect known data and are discussed by him. I have also included a
6 new line number 17, Prior Year Over Recovery, to reflect the known cost reduction to this
7 current year. In addition I have reflected the actual GCR factors charged by the
8 Company through the month of July 2006 and the resulting GCR revenues already
9 collected or anticipated to be collected by the end of July 2006.

10 The net result of these updates is a revised levelized base GCR factor of
11 \$9.9408/Mcf which the Company needs to charge for the remainder of this GCR year to
12 end the plan year in a near zero over/under recovered position. Please note that this
13 factor is composed of a Balancing Recovery Factor of \$0.2500/Mcf which did not change,
14 a Demand Capacity Charge of \$0.4346 which has increased due to reduced volumes
15 used to recover fixed demand costs and a Gas Commodity Charge of \$9.2562/Mcf which
16 changed due to factors discussed by Mr. Fitzgerald's Amended Testimony.

17 Q. If the Company now believes that it needs a levelized base monthly GCR factor of
18 \$9.9408/Mcf for the remaining GCR period of August, 2006, through March, 2007, why
19 did the Company charge GCR factors of \$9.3400/Mcf in April, \$7.0000/Mcf in May,
20 \$7.7500/Mcf in June and \$9.0000/Mcf in July?

21 A. At the end of every GCR year the Company attempts to reduce any over or under
22 recovery to the smallest possible number. One of the limited mechanisms available to
23 the Company to accomplish this is the setting of the GCR factor for the first month of the
24 following GCR year. The GCR factor used in the first month of a GCR year, April, is the
25 GCR factor used to price out current month unbilled volumes for the month of March, the

Amended Testimony of John R. Alger
On Behalf of
SEMCO Energy Gas Company

1 end of the prior GCR year. A correctly calculated setting of the April GCR factor provides
2 some opportunity to minimize the GCR period over or under recoveries based on the best
3 known data in mid-March.

4 Moreover, a peculiar quirk of the GCR process tends to cause the Company to
5 over recover GCR costs early in the plan year. Since the Company is not motivated to
6 over recover from its customers, to avoid the accumulation of a large over recovery in the
7 early months of the GCR plan year, the Company billed GCR factors in May through July
8 which were less than the then proposed levelized GCR factor to achieve a zero
9 over/under recovery position. Amended Exhibit A-1 (JRA-1), line 51, shows the forecast
10 cumulative over/under recovery during the year and shows the success of the Company's
11 efforts to reduce the month end April over recovery to nearly zero by the end of July.

12 Q. Does this complete your amended testimony at this time?

13 A. Yes, it does.

14 LALIB:142919.1\129584-00011

SEMCO Energy Gas Company
Calculation of the Annual GCR Factor
Merged MPSC Area and UP West (2)

Amended Exhibit: A-1 (JRA-1)
Page 1 of 1
Case No: U-14718

Line	2006 April	2006 May	2006 June	2006 July	2006 August	2006 September	2006 October	2006 November	2006 December	2007 January	2007 February	2007 March	Total
1 Delivered Supply - Dth	2,190,211	1,493,484	876,962	749,202	729,165	822,638	2,007,485	3,786,409	5,645,990	6,129,080	5,336,332	4,635,045	34,402,002
2													
3 <u>Delivered Supply - Mcf</u>	2,160,610	1,473,300	865,110	739,077	719,310	811,520	1,980,354	3,735,236	5,569,686	6,046,246	5,264,212	4,572,403	33,937,064
4 Less Volumes For													
5 Company Use	3,889	2,652	1,557	1,330	1,295	1,461	3,565	6,723	10,025	10,883	9,476	8,230	61,087
6 Lost and Unaccounted For	18,365	12,523	7,353	6,282	6,114	6,898	16,833	31,750	47,342	51,393	44,746	38,865	288,465
7 Gas in Kind	(21,174)	(14,438)	(8,478)	(7,243)	(7,049)	(7,953)	(19,407)	(36,605)	(54,583)	(59,253)	(51,589)	(44,810)	(332,583)
8 Total GCR Supplies - Mcf	2,159,530	1,472,563	864,677	738,707	718,951	811,115	1,979,364	3,733,369	5,566,901	6,043,223	5,261,580	4,570,116	33,920,096
9													
10 <u>Sales Mcf</u>													
11 Rate Schedule Sales (Billed and Unbilled)	2,159,530	1,472,563	864,677	738,707	718,951	811,115	1,979,364	3,733,369	5,566,901	6,043,223	5,261,580	4,570,116	33,920,096
12													
13 <u>Cost of Gas Sold (\$)</u>													
14 Purchased and Produced - Demand Costs	\$2,119,687	\$1,332,408	\$1,403,748	\$1,403,748	\$1,403,748	\$1,403,748	\$1,489,122	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$23,282,183
15 Capacity Release Revenues	(430,000)	0	0	0	0	0	0	0	0	0	0	0	(430,000)
16 Net Demand Costs	1,689,687	1,332,408	1,403,748	1,403,748	1,403,748	1,403,748	1,489,122	2,545,195	2,545,195	2,545,195	2,545,195	2,545,195	22,852,183
17 Prior Year Over Recovery	(262,810)												(262,810)
18 Purchased and Produced - Volumetric Costs	24,073,223	16,881,606	11,964,432	11,410,384	11,757,256	12,694,243	21,852,875	29,542,811	34,391,106	33,888,433	31,383,949	34,673,341	274,513,660
19 Net (to) From Storage - Volumetric Costs	(7,795,707)	(6,104,371)	(5,954,033)	(6,086,981)	(6,346,983)	(6,463,891)	(6,199,261)	4,854,569	18,066,185	23,320,350	19,518,397	11,229,870	32,038,142
20 Total Cost of Gas	\$17,704,392	\$12,109,643	\$7,414,148	\$6,727,151	\$6,814,021	\$7,634,100	\$17,142,736	\$36,942,575	\$55,002,486	\$59,753,978	\$53,447,540	\$48,448,406	\$329,141,175
21													
22 Less Cost of Gas For													
23 Company Use	(37,719)	(25,720)	(15,103)	(12,902)	(12,557)	(14,167)	(34,572)	(65,208)	(97,232)	(105,552)	(91,900)	(79,822)	(592,454)
24 Lost and Unaccounted For	(178,116)	(121,456)	(71,318)	(60,928)	(59,298)	(66,900)	(163,256)	(307,925)	(459,153)	(498,440)	(433,971)	(376,939)	(2,797,700)
25 Gas in Kind	205,357	140,031	82,225	70,246	68,368	77,132	188,225	355,019	529,377	574,672	500,342	434,589	3,225,584
26 Total Cost of Gas Sold	\$17,693,915	\$12,102,499	\$7,409,953	\$6,723,567	\$6,810,533	\$7,630,165	\$17,133,132	\$36,924,461	\$54,975,477	\$59,724,658	\$53,422,012	\$48,426,233	\$328,976,605
27													
28 <u>GCR Revenues (\$)</u>													
29 <u>Proposed Balancing Charge</u>	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500	\$0.2500
30 Total Sales and Choice Mcf	2,159,530	1,472,563	864,677	738,707	718,951	811,115	1,979,364	3,733,369	5,566,901	6,043,223	5,261,580	4,570,116	33,920,096
31 Balancing Charge Revenues	\$539,883	\$368,141	\$216,169	\$184,677	\$179,738	\$202,779	\$494,841	\$933,342	\$1,391,725	\$1,510,806	\$1,315,395	\$1,142,529	\$8,480,024
32													
33 Net Total Demand Costs	\$1,689,687	\$1,332,408	\$1,403,748	\$1,403,748	\$1,403,748	\$1,403,748	\$1,489,122	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$22,852,183
34 Less Balancing Charge revenues	(\$539,883)	(\$368,141)	(\$216,169)	(\$184,677)	(\$179,738)	(\$202,779)	(\$494,841)	(\$933,342)	(\$1,391,725)	(\$1,510,806)	(\$1,315,395)	(\$1,142,529)	(\$8,480,024)
35 Remaining Capacity Demand Costs	\$1,149,804	\$964,267	\$1,187,579	\$1,219,071	\$1,224,010	\$1,200,969	\$994,281	\$1,611,853	\$1,153,470	\$1,034,389	\$1,229,800	\$1,402,666	\$14,372,159
36 Total Sales Mcf	2,159,530	1,472,563	864,677	738,707	718,951	811,115	1,979,364	3,733,369	5,566,901	6,043,223	5,261,580	4,570,116	33,920,096
37 <u>Proposed Capacity Demand Charge</u>	\$0.3642	\$0.3642	\$0.3642	\$0.3642	\$0.4346	\$0.4346	\$0.4346	\$0.4346	\$0.4346	\$0.4346	\$0.4346	\$0.4346	\$0.4346
38 Capacity Demand Revenues	\$786,501	\$536,308	\$314,915	\$269,037	\$312,456	\$352,510	\$860,231	\$1,622,522	\$2,419,375	\$2,626,385	\$2,286,683	\$1,986,173	\$14,373,095.90
39													
40 Total Cost of Gas Sold	\$17,693,915	\$12,102,499	\$7,409,953	\$6,723,567	\$6,810,533	\$7,630,165	\$17,133,132	\$36,924,461	\$54,975,477	\$59,724,658	\$53,422,012	\$48,426,233	\$328,976,605
41 Less Balancing Charge Revenues	(539,883)	(368,141)	(216,169)	(184,677)	(179,738)	(202,779)	(494,841)	(933,342)	(1,391,725)	(1,510,806)	(1,315,395)	(1,142,529)	(8,480,024)
42 Less Capacity Demand Charge Revenues	(786,501)	(536,308)	(314,915)	(269,037)	(312,456)	(352,510)	(860,231)	(1,622,522)	(2,419,375)	(2,626,385)	(2,286,683)	(1,986,173)	(14,373,096)
43 Commodity Cost of Gas Sold	\$16,367,532	\$11,198,050	\$6,878,868	\$6,269,853	\$6,318,339	\$7,074,876	\$15,778,060	\$34,368,597	\$51,164,377	\$55,587,468	\$49,819,935	\$45,297,531	\$306,123,485
44													
45 <u>Proposed Gas Commodity Cost</u>	\$8.7258	\$6.3858	\$7.1358	\$8.3858	\$9.2562	\$9.2562	\$9.2562	\$9.2562	\$9.2562	\$9.2562	\$9.2562	\$9.2562	\$9.2562
46 Commodity Revenues	\$18,843,629	\$9,403,495	\$6,170,164	\$6,194,650	\$6,654,753	\$7,507,839	\$18,321,384	\$34,556,807	\$51,528,347	\$55,937,282	\$48,702,235	\$42,301,912	\$306,122,496
47													
48 Total GCR Factor Billed	\$9.3400	\$7.0000	\$7.7500	\$9.0000	\$9.9408	\$9.9408	\$9.9408	\$9.9408	\$9.9408	\$9.9408	\$9.9408	\$9.9408	
49													
50 Total Cost of Gas Revenues	\$20,170,012	\$10,307,943	\$6,701,249	\$6,648,363	\$7,146,946	\$8,063,128	\$19,676,457	\$37,112,671	\$55,339,447	\$60,074,473	\$52,304,312	\$45,430,614	\$328,975,616
51 Cumulative Over / (Under) Recovery	\$2,476,097	\$681,542	(\$27,162)	(\$102,365)	\$234,049	\$667,012	\$3,210,336	\$3,398,545	\$3,762,515	\$4,112,330	\$2,994,630	(\$989)	
52 Incremental Over / (Under) Recovery	\$2,476,097	(\$1,794,555)	(\$708,704)	(\$75,203)	\$336,414	\$432,963	\$2,543,324	\$188,209	\$363,970	\$349,815	(\$1,117,700)	(\$2,995,619)	
53													
54													
55	System Avg. Cost of Gas									August-March			
56	Total Cost of Gas			\$329,141,175	Line 19	Balancing Recovery Charge			\$0.2500				
57	Total Supply			33,937,064	Line 3	Demand Capacity Charge			\$0.4346				
58	System Avg. Cost of Gas			\$ 9.6986		Gas Commodity Charge			\$9.2562				
						Total GCR Charge			\$9.9408				

	2007	2007	2007	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006
	January	February	March	April	May	June	July	August	September	October	November	December	AVG / Total
Total MPSC				Actual	Actual								
Forecast Month End Customers													
Residential	227,580	228,205	228,590	226,328	225,593	225,174	224,683	224,180	223,809	223,912	224,951	226,487	225,791
GS-1	19,151	19,232	19,262	19,041	18,987	18,949	18,898	18,840	18,784	18,788	18,875	19,060	18,989
GS-2	3,478	3,468	3,457	3,522	3,518	3,510	3,498	3,490	3,477	3,472	3,475	3,481	3,487
GS-3	825	821	820	831	828	825	823	822	819	819	824	827	824
Total GCR & Choice	251,033	251,726	252,129	249,722	248,926	248,457	247,901	247,331	246,889	246,991	248,126	249,855	249,090
GS-2 Transport Customers	7	7	7	7	7	7	7	7	7	7	7	7	7.00
GS-3 Transport Customers	16	16	16	16	16	16	16	16	16	16	16	16	16.00
TR-1 Transport Customers	87	87	87	87	87	87	87	87	87	87	87	87	87.00
TR-2 Transport Customers	52	52	52	52	52	52	52	52	52	52	52	52	52.00
TR-3 Transport Customers	10	10	10	10	10	10	10	10	10	10	10	10	10.00
Special Contract	2	2	2	2	2	2	2	2	2	2	2	2	2.00
Total Transport	174	174	174	174	174	174	174	174	174	174	174	174	174
Total MPSC Customers	251,207	251,900	252,303	249,896	249,100	248,631	248,075	247,505	247,063	247,165	248,300	250,029	249,264
Forecast Volumes													
Mcf													
Residential	3,877,193	3,421,497	2,917,158	1,393,258	922,620	507,354	421,223	416,309	480,860	1,164,033	2,417,447	3,659,949	21,598,902
GS-1	878,755	703,913	645,237	264,477	160,920	82,714	93,548	88,081	112,441	240,816	456,480	810,357	4,537,739
GS-2	522,135	451,126	410,880	189,946	133,356	69,953	69,793	68,369	75,505	180,388	330,640	489,357	2,991,449
GS-3	736,610	658,745	597,410	312,928	256,403	122,567	154,993	146,921	137,028	398,584	498,602	623,016	4,643,809
Total GCR & Choice	6,014,692	5,235,281	4,570,685	2,160,611	1,473,300	782,587	739,557	719,680	805,834	1,983,822	3,703,169	5,582,679	33,771,898
Less Customer Choice Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GCR Mcf	6,014,692	5,235,281	4,570,685	2,160,611	1,473,300	782,587	739,557	719,680	805,834	1,983,822	3,703,169	5,582,679	33,771,898
Co Use, LAUF, GIK Mcf/Dth													
Company Use Factor:	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
GCR Company Use:	16,427	14,396	12,889	7,070	5,206	3,463	3,206	3,219	3,593	6,722	10,857	15,223	102,272
LAUF Factor:	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	
GCR LAUF Gas:	67,201	58,893	52,727	28,924	21,297	14,168	13,117	13,170	14,698	27,500	44,414	62,276	418,386
Less: Gas-In-Kind	-16,264	-14,654	-14,424	-11,796	-10,002	-8,867	-8,041	-8,328	-9,266	-12,004	-13,795	-14,974	-142,412
Net Supply Requirements - Mcf	6,082,057	5,293,916	4,621,877	2,184,809	1,489,801	791,352	747,840	727,741	814,860	2,006,041	3,744,645	5,645,205	34,150,143
BTU Factor	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137
Net Supply Requirements - Dth	6,165,381	5,366,443	4,685,197	2,214,741	1,510,211	802,194	758,086	737,711	826,023	2,033,523	3,795,946	5,722,544	34,618,000
Large Transportation													
GS-3 Transport Dth	12,184	9,846	10,582	5,742	3,006	860	690	634	530	2,373	5,784	10,043	62,275
TR-1 Transport Dth	331,673	294,577	276,331	214,962	149,424	123,236	105,282	105,109	141,706	236,766	335,316	336,539	2,650,919
TR-2 Transport Dth	692,819	599,522	584,069	460,637	404,935	338,470	319,521	348,033	398,271	491,528	530,133	626,669	5,794,607
TR-3 Transport Dth	371,141	357,982	372,967	327,901	292,984	293,448	255,894	255,483	249,912	306,378	324,470	323,297	3,731,858
Sp Contract Dth	44,302	46,440	43,876	43,941	42,677	35,654	36,527	34,342	36,906	34,704	35,992	40,377	475,738
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Transport - Dth	1,452,119	1,308,367	1,287,826	1,053,183	893,026	791,668	717,914	743,601	827,325	1,071,748	1,231,695	1,336,925	12,715,397

	2008	2008	2008	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
	January	February	March	April	May	June	July	August	September	October	November	December	AVG / Total
Total MPSC													
Forecast Month End Customers													
Residential	230,789	231,414	231,799	228,759	228,802	228,383	227,892	227,389	227,018	227,122	228,161	229,696	228,935
GS-1	19,422	19,503	19,532	19,268	19,258	19,220	19,168	19,111	19,055	19,058	19,146	19,331	19,256
GS-2	3,399	3,389	3,379	3,448	3,440	3,432	3,419	3,411	3,399	3,394	3,397	3,403	3,409
GS-3	815	811	810	821	818	815	813	812	809	809	814	817	814
Total GCR & Choice	254,425	255,117	255,520	252,295	252,318	251,849	251,292	250,723	250,280	250,382	251,517	253,247	252,414
GS-2 Transport Customers	7	7	7	7	7	7	7	7	7	7	7	7	7.00
GS-3 Transport Customers	16	16	16	16	16	16	16	16	16	16	16	16	16.00
TR-1 Transport Customers	87	87	87	87	87	87	87	87	87	87	87	87	87.00
TR-2 Transport Customers	52	52	52	52	52	52	52	52	52	52	52	52	52.00
TR-3 Transport Customers	10	10	10	10	10	10	10	10	10	10	10	10	10.00
Special Contract	2	2	2	2	2	2	2	2	2	2	2	2	2.00
Total Transport	174	174	174	174	174	174	174	174	174	174	174	174	174
Total MPSC Customers	254,599	255,291	255,694	252,469	252,492	252,023	251,466	250,897	250,454	250,556	251,691	253,421	252,588
Forecast Volumes													
Mcf													
Residential	3,931,868	3,469,613	2,958,113	1,634,123	1,010,839	514,585	427,239	422,269	487,756	1,180,717	2,451,935	3,711,809	22,200,866
GS-1	891,178	713,823	654,307	309,984	174,654	83,895	94,888	89,346	114,061	244,287	463,028	821,868	4,655,321
GS-2	510,386	440,946	401,579	215,683	137,396	68,393	68,232	66,836	73,806	176,322	323,195	478,357	2,961,131
GS-3	727,676	650,724	590,127	350,441	265,825	121,080	153,110	145,133	135,355	393,718	492,551	615,485	4,641,224
Total GCR & Choice	6,061,107	5,275,106	4,604,126	2,510,230	1,588,714	787,954	743,469	723,584	810,978	1,995,043	3,730,710	5,627,520	34,458,541
Less Customer Choice Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GCR Mcf	6,061,107	5,275,106	4,604,126	2,510,230	1,588,714	787,954	743,469	723,584	810,978	1,995,043	3,730,710	5,627,520	34,458,541
Co Use, LAUF, GIK Mcf/Dth													
Company Use Factor:	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
GCR Company Use:	16,529	14,484	12,962	7,840	5,460	3,475	3,215	3,228	3,604	6,747	10,917	15,322	103,783
LAUF Factor:	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	
GCR LAUF Gas:	67,619	59,251	53,028	32,071	22,336	14,217	13,152	13,205	14,745	27,601	44,662	62,680	424,565
Less: Gas-In-Kind	-16,264	-14,654	-14,424	-11,796	-10,002	-8,867	-8,041	-8,328	-9,266	-12,004	-13,795	-14,974	-142,412
Net Supply Requirements - Mcf	6,128,992	5,334,187	4,655,692	2,538,345	1,606,508	796,779	751,795	731,688	820,061	2,017,388	3,772,494	5,690,548	34,844,476
BTU Factor	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137
Net Supply Requirements - Dth	6,212,959	5,407,265	4,719,475	2,573,120	1,628,517	807,695	762,095	741,713	831,296	2,045,026	3,824,177	5,768,508	35,321,846
Large Transportation													
GS-3 Transport Dth	12,184	9,846	10,582	5,742	3,006	860	690	634	530	2,373	5,784	10,043	62,275
TR-1 Transport Dth	331,673	294,577	276,331	214,962	149,424	123,236	105,282	105,109	141,706	236,766	335,316	336,539	2,650,919
TR-2 Transport Dth	692,819	599,522	584,069	460,637	404,935	338,470	319,521	348,033	398,271	491,528	530,133	626,669	5,794,607
TR-3 Transport Dth	371,141	357,982	372,967	327,901	292,984	293,448	255,894	255,483	249,912	306,378	324,470	323,297	3,731,858
Sp Contract Dth	44,302	46,440	43,876	43,941	42,677	35,654	36,527	34,342	36,906	34,704	35,992	40,377	475,738
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Transport - Dth	1,452,119	1,308,367	1,287,826	1,053,183	893,026	791,668	717,914	743,601	827,325	1,071,748	1,231,695	1,336,925	12,715,397

	2008	2008	2008	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
	January	February	March	April	May	June	July	August	September	October	November	December	AVG / Total
Total MPSC													
Forecast Month End Customers													
Residential	233,998	234,624	235,009	231,968	232,012	231,593	231,101	230,598	230,227	230,331	231,370	232,905	232,145
GS-1	19,693	19,773	19,803	19,539	19,529	19,490	19,439	19,382	19,326	19,329	19,417	19,601	19,527
GS-2	3,321	3,311	3,300	3,370	3,362	3,353	3,341	3,333	3,320	3,315	3,319	3,325	3,331
GS-3	805	801	800	811	808	805	803	802	799	799	804	807	804
Total GCR & Choice	257,817	258,509	258,912	255,687	255,710	255,241	254,684	254,114	253,672	253,774	254,909	256,639	255,806
GS-2 Transport Customers	7	7	7	7	7	7	7	7	7	7	7	7	7.00
GS-3 Transport Customers	16	16	16	16	16	16	16	16	16	16	16	16	16.00
TR-1 Transport Customers	87	87	87	87	87	87	87	87	87	87	87	87	87.00
TR-2 Transport Customers	52	52	52	52	52	52	52	52	52	52	52	52	52.00
TR-3 Transport Customers	10	10	10	10	10	10	10	10	10	10	10	10	10.00
Special Contract	2	2	2	2	2	2	2	2	2	2	2	2	2.00
Total Transport	174	174	174	174	174	174	174	174	174	174	174	174	174
Total MPSC Customers	257,991	258,683	259,086	255,861	255,884	255,415	254,858	254,288	253,846	253,948	255,083	256,813	255,980
Forecast Volumes													
Mcf													
Residential	3,986,542	3,517,730	2,999,068	1,657,048	1,025,018	521,816	433,256	428,229	494,651	1,197,401	2,486,423	3,763,669	22,510,850
GS-1	903,602	723,733	663,377	314,340	177,109	85,077	96,229	90,612	115,682	247,757	469,576	833,380	4,720,474
GS-2	498,637	430,765	392,278	210,788	134,271	66,834	66,670	65,303	72,107	172,256	315,750	467,358	2,893,016
GS-3	718,742	642,703	582,844	346,170	262,575	119,593	151,226	143,345	133,683	388,851	486,500	607,954	4,584,184
Total GCR & Choice	6,107,522	5,314,930	4,637,566	2,528,345	1,598,973	793,321	747,380	727,488	816,122	2,006,265	3,758,250	5,672,361	34,708,524
Less Customer Choice Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GCR Mcf	6,107,522	5,314,930	4,637,566	2,528,345	1,598,973	793,321	747,380	727,488	816,122	2,006,265	3,758,250	5,672,361	34,708,524
Co Use, LAUF, GIK Mcf/Dth													
Company Use Factor:	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
GCR Company Use:	16,631	14,571	13,036	7,879	5,482	3,487	3,224	3,236	3,616	6,772	10,978	15,420	104,333
LAUF Factor:	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	
GCR LAUF Gas:	68,037	59,610	53,329	32,234	22,428	14,265	13,188	13,240	14,791	27,702	44,910	63,084	426,815
Less: Gas-In-Kind	-16,264	-14,654	-14,424	-11,796	-10,002	-8,867	-8,041	-8,328	-9,266	-12,004	-13,795	-14,974	-142,412
Net Supply Requirements - Mcf	6,175,927	5,374,458	4,689,507	2,556,663	1,616,881	802,206	755,751	735,636	825,263	2,028,735	3,800,343	5,735,891	35,097,259
BTU Factor	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137
Net Supply Requirements - Dth	6,260,537	5,448,088	4,753,753	2,591,689	1,639,032	813,196	766,104	745,714	836,569	2,056,529	3,852,407	5,814,473	35,578,092
Large Transportation													
GS-3 Transport Dth	12,184	9,846	10,582	5,742	3,006	860	690	634	530	2,373	5,784	10,043	62,275
TR-1 Transport Dth	331,673	294,577	276,331	214,962	149,424	123,236	105,282	105,109	141,706	236,766	335,316	336,539	2,650,919
TR-2 Transport Dth	692,819	599,522	584,069	460,637	404,935	338,470	319,521	348,033	398,271	491,528	530,133	626,669	5,794,607
TR-3 Transport Dth	371,141	357,982	372,967	327,901	292,984	293,448	255,894	255,483	249,912	306,378	324,470	323,297	3,731,858
Sp Contract Dth	44,302	46,440	43,876	43,941	42,677	35,654	36,527	34,342	36,906	34,704	35,992	40,377	475,738
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Transport - Dth	1,452,119	1,308,367	1,287,826	1,053,183	893,026	791,668	717,914	743,601	827,325	1,071,748	1,231,695	1,336,925	12,715,397

	2008	2008	2008	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
	January	February	March	April	May	June	July	August	September	October	November	December	AVG / Total
Total MPSC													
Forecast Month End Customers													
Residential	237,208	237,833	238,218	235,177	235,221	234,802	234,311	233,808	233,436	233,540	234,579	236,115	235,354
GS-1	19,964	20,044	20,074	19,810	19,799	19,761	19,710	19,652	19,596	19,600	19,687	19,872	19,797
GS-2	3,243	3,233	3,222	3,292	3,283	3,275	3,263	3,255	3,242	3,237	3,241	3,247	3,253
GS-3	795	791	790	801	798	795	793	792	789	789	794	797	794
Total GCR & Choice	261,209	261,901	262,304	259,079	259,101	258,632	258,076	257,506	257,064	257,166	258,301	260,030	259,197
GS-2 Transport Customers	7	7	7	7	7	7	7	7	7	7	7	7	7.00
GS-3 Transport Customers	16	16	16	16	16	16	16	16	16	16	16	16	16.00
TR-1 Transport Customers	87	87	87	87	87	87	87	87	87	87	87	87	87.00
TR-2 Transport Customers	52	52	52	52	52	52	52	52	52	52	52	52	52.00
TR-3 Transport Customers	10	10	10	10	10	10	10	10	10	10	10	10	10.00
Special Contract	2	2	2	2	2	2	2	2	2	2	2	2	2.00
Total Transport	174	174	174	174	174	174	174	174	174	174	174	174	174
Total MPSC Customers	261,383	262,075	262,478	259,253	259,275	258,806	258,250	257,680	257,238	257,340	258,475	260,204	259,371
Forecast Volumes													
Mcf													
Residential	4,041,217	3,565,847	3,040,023	1,679,973	1,039,196	529,047	439,272	434,188	501,546	1,214,084	2,520,912	3,815,530	22,820,835
GS-1	916,025	733,642	672,446	318,696	179,565	86,259	97,569	91,878	117,303	251,228	476,124	844,891	4,785,626
GS-2	486,888	420,585	382,977	205,893	131,145	65,274	65,109	63,769	70,407	168,191	308,306	456,358	2,824,902
GS-3	709,808	634,681	575,561	341,899	259,325	118,107	149,342	141,556	132,010	383,984	480,449	600,423	4,527,144
Total GCR & Choice	6,153,937	5,354,755	4,671,007	2,546,460	1,609,231	798,687	751,291	731,392	821,266	2,017,487	3,785,791	5,717,202	34,958,507
Less Customer Choice Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GCR Mcf	6,153,937	5,354,755	4,671,007	2,546,460	1,609,231	798,687	751,291	731,392	821,266	2,017,487	3,785,791	5,717,202	34,958,507
Co Use, LAUF, GIK Mcf/Dth													
Company Use Factor:	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
GCR Company Use:	16,733	14,659	13,109	7,919	5,505	3,499	3,232	3,245	3,627	6,796	11,038	15,519	104,883
LAUF Factor:	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	
GCR LAUF Gas:	68,455	59,968	53,629	32,397	22,520	14,313	13,223	13,275	14,837	27,803	45,157	63,487	429,065
Less: Gas-In-Kind	-16,264	-14,654	-14,424	-11,796	-10,002	-8,867	-8,041	-8,328	-9,266	-12,004	-13,795	-14,974	-142,412
Net Supply Requirements - Mcf	6,222,861	5,414,728	4,723,322	2,574,981	1,627,255	807,633	759,706	739,584	830,464	2,040,082	3,828,191	5,781,234	35,350,042
BTU Factor	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137
Net Supply Requirements - Dth	6,308,115	5,488,910	4,788,031	2,610,258	1,649,548	818,697	770,114	749,716	841,842	2,068,032	3,880,638	5,860,437	35,834,337
Large Transportation													
GS-3 Transport Dth	12,184	9,846	10,582	5,742	3,006	860	690	634	530	2,373	5,784	10,043	62,275
TR-1 Transport Dth	331,673	294,577	276,331	214,962	149,424	123,236	105,282	105,109	141,706	236,766	335,316	336,539	2,650,919
TR-2 Transport Dth	692,819	599,522	584,069	460,637	404,935	338,470	319,521	348,033	398,271	491,528	530,133	626,669	5,794,607
TR-3 Transport Dth	371,141	357,982	372,967	327,901	292,984	293,448	255,894	255,483	249,912	306,378	324,470	323,297	3,731,858
Sp Contract Dth	44,302	46,440	43,876	43,941	42,677	35,654	36,527	34,342	36,906	34,704	35,992	40,377	475,738
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Transport - Dth	1,452,119	1,308,367	1,287,826	1,053,183	893,026	791,668	717,914	743,601	827,325	1,071,748	1,231,695	1,336,925	12,715,397

	2008	2008	2008	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
	January	February	March	April	May	June	July	August	September	October	November	December	AVG / Total
Total MPSC													
Forecast Month End Customers													
Residential	240,417	241,042	241,427	238,386	238,430	238,011	237,520	237,017	236,646	236,749	237,788	239,324	238,563
GS-1	20,234	20,315	20,345	20,080	20,070	20,032	19,981	19,923	19,867	19,871	19,958	20,143	20,068
GS-2	3,165	3,155	3,144	3,213	3,205	3,197	3,185	3,177	3,164	3,159	3,162	3,168	3,174
GS-3	785	781	780	791	788	785	783	782	779	779	784	787	784
Total GCR & Choice	264,600	265,293	265,696	262,470	262,493	262,024	261,468	260,898	260,456	260,558	261,693	263,422	262,589
GS-2 Transport Customers	7	7	7	7	7	7	7	7	7	7	7	7	7.00
GS-3 Transport Customers	16	16	16	16	16	16	16	16	16	16	16	16	16.00
TR-1 Transport Customers	87	87	87	87	87	87	87	87	87	87	87	87	87.00
TR-2 Transport Customers	52	52	52	52	52	52	52	52	52	52	52	52	52.00
TR-3 Transport Customers	10	10	10	10	10	10	10	10	10	10	10	10	10.00
Special Contract	2	2	2	2	2	2	2	2	2	2	2	2	2.00
Total Transport	174	174	174	174	174	174	174	174	174	174	174	174	174
Total MPSC Customers	264,774	265,467	265,870	262,644	262,667	262,198	261,642	261,072	260,630	260,732	261,867	263,596	262,763
Forecast Volumes													
Mcf													
Residential	4,095,892	3,613,963	3,080,978	1,702,898	1,053,374	536,278	445,289	440,148	508,441	1,230,768	2,555,400	3,867,390	23,130,819
GS-1	928,448	743,552	681,516	323,052	182,020	87,441	98,909	93,144	118,924	254,698	482,672	856,402	4,850,779
GS-2	475,139	410,404	373,676	200,998	128,019	63,714	63,547	62,236	68,708	164,125	300,861	445,359	2,756,787
GS-3	700,874	626,660	568,277	337,627	256,076	116,620	147,458	139,768	130,337	379,117	474,398	592,892	4,470,105
Total GCR & Choice	6,200,352	5,394,580	4,704,447	2,564,575	1,619,490	804,054	755,203	735,296	826,410	2,028,708	3,813,331	5,762,043	35,208,490
Less Customer Choice Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GCR Mcf	6,200,352	5,394,580	4,704,447	2,564,575	1,619,490	804,054	755,203	735,296	826,410	2,028,708	3,813,331	5,762,043	35,208,490
Co Use, LAUF, GIK Mcf/Dth													
Company Use Factor:	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
GCR Company Use:	16,835	14,746	13,183	7,959	5,528	3,511	3,241	3,254	3,638	6,821	11,099	15,618	105,433
LAUF Factor:	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090	
GCR LAUF Gas:	68,872	60,327	53,930	32,560	22,613	14,361	13,258	13,310	14,884	27,904	45,405	63,891	431,315
Less: Gas-In-Kind	-16,264	-14,654	-14,424	-11,796	-10,002	-8,867	-8,041	-8,328	-9,266	-12,004	-13,795	-14,974	-142,412
Net Supply Requirements - Mcf	6,269,796	5,454,999	4,757,137	2,593,299	1,637,628	813,059	763,661	743,531	835,666	2,051,430	3,856,040	5,826,578	35,602,825
BTU Factor	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137	1.0137
Net Supply Requirements - Dth	6,355,693	5,529,733	4,822,310	2,628,827	1,660,063	824,198	774,123	753,718	847,115	2,079,534	3,908,868	5,906,402	36,090,583
Large Transportation													
GS-3 Transport Dth	12,184	9,846	10,582	5,742	3,006	860	690	634	530	2,373	5,784	10,043	62,275
TR-1 Transport Dth	331,673	294,577	276,331	214,962	149,424	123,236	105,282	105,109	141,706	236,766	335,316	336,539	2,650,919
TR-2 Transport Dth	692,819	599,522	584,069	460,637	404,935	338,470	319,521	348,033	398,271	491,528	530,133	626,669	5,794,607
TR-3 Transport Dth	371,141	357,982	372,967	327,901	292,984	293,448	255,894	255,483	249,912	306,378	324,470	323,297	3,731,858
Sp Contract Dth	44,302	46,440	43,876	43,941	42,677	35,654	36,527	34,342	36,906	34,704	35,992	40,377	475,738
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Transport - Dth	1,452,119	1,308,367	1,287,826	1,053,183	893,026	791,668	717,914	743,601	827,325	1,071,748	1,231,695	1,336,925	12,715,397

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of application of)
SEMCO ENERGY GAS COMPANY for authority to)
implement a gas cost recovery plan and factors for)
the 12-month period of April 2006 through March 2007.)
_____)

Case No. U-14718

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

1 **Q. Please state your name, business address.**

2 A. My name is Walter E. Fitzgerald. My business address is 1411 Third Street, Port Huron,
3 MI, 48060.

4 **Q. Did you previously file direct testimony in this proceeding?**

5 A. Yes.

6 **Q. Are you sponsoring any exhibits with your amended testimony?**

7 A. Yes, I am sponsoring Revised Exhibit A-20 (WEF-15), Revised Exhibit A-21 (WEF-16),
8 and Revised Exhibit A-12 (WEF-7).

9 **Q. Were these exhibits prepared by you or under your direct supervision?**

10 A. Yes.

11 **Q. What is the purpose of your amended testimony?**

12 A. The purpose of my amended testimony is to revise the Company's 06-07 GCR supply
13 purchase plan and the Company's 06-07 estimated cost of gas resulting from the
14 Company's revised 06-07 GCR demand forecast presented in Mr. John Alger's
15 testimony.

16 **Q. Please explain Revised Exhibit A-20 (WEF-15).**

17 A. This exhibit provides a summary of the Company's revised expected GCR demand, as
18 described in Mr. John Alger's amended testimony, for the 06-07 GCR period and how
19 that demand is expected to be supplied.

20 Q. Please discuss the revisions to this exhibit from what was originally filed in December of
21 2005.

22 A. The revisions to this exhibit include a lower GCR demand forecast, actual storage
23 injections for April and May of 2006, lower than anticipated storage injections during the
24 summer of 2006 (as a result of higher than anticipated end of winter storage

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

inventories), and lower monthly supply requirements (as a result of the reduced storage injections and the lower GCR demand forecast).

Q. How will the Company's 06-07 fixed-price purchase plan quantities change as a result of the Company's revised 06-07 winter demand forecast?

A. As a result of the Company's lower winter demand expectations, the Company plans to reduce its planned winter fixed-price purchases from 6,945,449 Dth to approximately 6,056,646 Dth or 40% of the Company's revised winter supply requirements (winter demand less winter storage supply at approximately 40% or 25,532,855 Dth – 10,391,241 = 15,141,614 Dth x 0.40 = 6,056,646).

Q. How much fixed-price supply for the 06-07 winter period has the Company purchased to date?

A. As of July 1, 2006, the Company has purchased approximately 3,171,000 Dth of fixed-price supply for the 06-07 winter period or 21% of the Company's revised winter supply requirements.

Q. How will the Company purchase the remaining quantity of fixed-price supply for the 06-07 winter GCR period to meet the 40% November 1st DCA fixed-price target?

A. For the November 1st DCA fixed-price target, the Company will purchase and fix the price on a minimum of 2,885,646 Dth in four relatively equal installments beginning in July and ending in October of the 06-07 GCR period.

Q. Using the April 2006 – March 2007 NYMEX futures strip average for the first five trading days in May, as shown in Revised Exhibit A-12 (WEF-7), what revised total cost of gas is the Company estimating for the 06-07 GCR period?

A. The Company is now estimating a total cost of gas of \$329,403,985. This amount includes a total commodity cost of gas of \$306,551,802 and total fixed storage and

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

1 pipeline cost (demand charges) of \$23,282,183 adjusted for a capacity release value of
2 \$430,000.

3 Q. Why was the April 2006 – March 2007 NYMEX futures strip average for the first five
4 trading days of May used to estimate the Company's total cost of gas?

5 A. The Company believes that the April 2006 – March 2007 NYMEX futures strip average
6 for the first five trading days of May accurately reflects the projected level of winter
7 prices.

8 Q. Please explain.

9 A. As a result of the relatively warm 05-06 winter, national storage inventories were well
10 above the five-year average which resulted in falling NYMEX futures prices for the 2006
11 summer. This caused a ripple effect of dragging down the NYMEX 06-07 winter strip
12 prices. As time gets closer to November, the Company expects winter 06-07 prices to
13 rebound upward as the result of demand and storage deliverability speculation.

14 **Q. What will be the Company's resulting revised GCR factor from this estimated cost**
15 **of gas for the 06-07 GCR period?**

16 A. The resulting revised GCR factor for the 06-07 GCR period for the M.P.S.C. operational
17 district customers is discussed by Mr. John Alger.

18 Q. What drivers are influencing the Company's GCR factor for the 06-07 GCR period?

19 A. The drivers that are influencing the Company's GCR factor for the 06-07 GCR period
20 include a lower demand forecast over the GCR period, lower than anticipated storage
21 injections during the summer of 2006 as a result of higher than anticipated end of winter
22 storage inventories, use of the April 2006 – March 2007 NYMEX futures strip average for
23 the first five trading days of May, and a higher level of storage withdrawals on a
24 percentage basis as a result of the lower winter demand forecast,

25 **Q. Does this complete your amended testimony at this time?**

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

1 A. Yes, it does.

SEMCO ENERGY Gas Company
Revised 06-07 NYMEX Forecast
(US\$ per Dth)

1 NYMEX Settlement Prices

2	Month	5/1/06	5/2/06	5/3/06	5/4/06	5/5/06	Average
3	Apr-06	7.2330	7.2330	7.2330	7.2330	7.2330	7.2330
4	May-06	7.1980	7.1980	7.1980	7.1980	7.1980	7.1980
5	Jun-06	6.6950	6.7460	6.6060	6.9060	6.7750	6.7456
6	Jul-06	6.9700	7.0160	6.8660	7.1460	7.0320	7.0060
7	Aug-06	7.2300	7.2810	7.1260	7.3860	7.2820	7.2610
8	Sep-06	7.5150	7.5660	7.4060	7.6660	7.5670	7.5440
9	Oct-06	7.9100	7.9610	7.7860	8.0510	7.9670	7.9350
10	Nov-06	9.3550	9.3960	9.2660	9.3910	9.3320	9.3480
11	Dec-06	10.7700	10.7860	10.6910	10.6910	10.6820	10.7240
12	Jan-07	11.5300	11.5410	11.4560	11.3910	11.4200	11.4676
13	Feb-07	11.5370	11.5530	11.4760	11.4060	11.4400	11.4824
14	Mar-07	11.3400	11.3510	11.2710	11.2010	11.2350	11.2796

SEMCO Energy Gas Company
2006-2007 Supply Purchase Plan - MPSC
(Quantities in Dth)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1 GCR Demand	2,190,211	1,493,484	876,962	749,202	729,165	822,638	2,007,485	3,786,409	5,645,990	6,129,080	5,336,332	4,635,045	34,402,002
2													
3 Fuel Consumed													
4 Pipeline Transport	94,143	79,400	67,646	63,850	63,248	66,906	84,041	123,223	158,823	156,015	137,747	140,436	1,235,480
5 Storage Injections	13,059	8,944	9,739	9,350	9,350	9,286	8,160	0	0	0	0	0	67,888
6 Storage Withdrawals	0	0	0	0	0	0	0	2,010	6,030	6,156	5,025	4,020	23,241
7 Total Fuel	107,202	88,344	77,386	73,200	72,598	76,193	92,201	125,233	164,853	162,171	142,773	144,456	1,326,610
8													
9 Storage Injections													
10 Collins Field	52,700	142,000	91,000	120,500	120,500	120,500	119,800	0	0	0	0	0	767,000
11 Morton Field	285,800	65,100	52,700	78,800	78,800	78,800	78,600	0	0	0	0	0	718,600
12 Morton 16	0	41,800	3,421	0	0	0	0	0	0	0	0	0	45,221
13 ANR 1.0 Bcf	139,200	65,100	39,200	27,400	27,400	27,400	28,300	0	0	0	0	0	354,000
14 ANR 1.5 Bcf	245,400	87,900	170,900	91,500	91,500	91,500	76,300	0	0	0	0	0	855,000
15 Eaton Rapids	592,100	466,300	369,800	353,500	353,500	353,500	353,300	0	0	0	0	0	2,842,000
16 Northern Natural Gas	0	0	198,100	204,703	204,703	198,100	148,893	0	0	0	0	0	954,500
17 Consumers GBA	0	13,200	0	42,300	42,300	42,300	14,200	0	0	0	0	0	154,300
18 Total Injections	1,315,200	881,400	925,121	918,703	918,703	912,100	819,393	0	0	0	0	0	6,690,621
19													
20 Total Requirements	3,612,613	2,463,228	1,879,468	1,741,105	1,720,466	1,810,931	2,919,079	3,911,642	5,810,843	6,291,251	5,479,104	4,779,501	42,419,233
21													
22 Supply													
23 ANR AI TS-1	150,000	155,000	150,000	155,000	155,000	150,000	155,000	0	0	0	0	0	1,070,000
24 ANR AI WH	216,549	223,767	0	0	0	0	223,767	441,318	456,029	456,029	411,897	456,029	2,885,383
25 ANR CG	831,680	183,662	0	0	0	0	372,086	0	0	0	0	0	1,387,428
26 ANR SE WH	151,024	156,058	0	0	0	0	156,058	203,776	98,382	0	0	0	765,298
27 ANR SW EP-10	0	0	0	0	0	0	155,000	0	0	0	0	0	155,000
28 ANR SW EP-4	150,000	0	0	0	0	0	0	0	0	0	0	0	150,000
29 ANR SW EP-5	0	155,000	0	0	0	0	0	0	0	0	0	0	155,000
30 ANR SW EP-6a	0	0	150,000	0	0	0	0	0	0	0	0	0	150,000
31 ANR SW EP-6b	0	0	150,000	0	0	0	0	0	0	0	0	0	150,000
32 ANR SW EP-7a	0	0	0	155,000	0	0	0	0	0	0	0	0	155,000
33 ANR SW EP-7b	0	0	0	155,000	0	0	0	0	0	0	0	0	155,000
34 ANR SW EP-8	0	0	0	0	155,000	0	0	0	0	0	0	0	155,000
35 ANR SW EP-9	0	0	0	0	0	150,000	0	0	0	0	0	0	150,000
36 ANR SW TS-1	150,000	155,000	150,000	155,000	155,000	150,000	155,000	0	0	0	0	0	1,070,000
37 ANR SW WH	607,323	627,567	418,817	306,122	452,057	547,553	627,567	697,323	720,567	720,567	650,835	720,567	7,096,866
38 CECO CG	219,387	13,767	0	0	0	0	14,810	0	0	0	0	0	247,964
39 DCA-1a ANRSE	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
40 DCA-1b ANRSE	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
41 DCA-2 ANRSW	0	0	0	0	0	0	0	210,000	217,000	217,000	196,000	217,000	1,057,000
42 DCA-3 ANR AI	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
43 DCA-3 TGC	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
44 GRTLKS Emrsn	19,737	20,395	0	0	0	0	20,395	482,967	499,066	499,066	450,769	499,066	2,491,461
45 GRTLKS Term1	455,850	471,045	455,850	471,045	471,045	455,850	471,045	0	0	0	0	0	3,251,730
46 GRTLKS Term2	0	0	0	0	0	0	0	228,000	235,600	235,600	212,800	235,600	1,147,600
47 GRTLKS Term3	0	0	0	0	0	0	0	228,000	235,600	235,600	212,800	235,600	1,147,600
48 LOCAL PROD	9,570	9,889	9,570	9,889	9,889	9,570	9,889	9,570	9,889	9,889	1,493	9,889	108,996

SEMCO Energy Gas Company
2006-2007 Supply Purchase Plan - MPSC
(Quantities in Dth)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
49 NNG TS-1	0	77,500	75,000	77,500	77,500	75,000	77,500	0	0	0	0	0	460,000
50 NNG WH	158,073	172,522	292,796	228,533	217,125	243,253	408,549	298,522	363,557	274,717	315,485	395,954	3,369,085
51 TGC WH	297,420	42,056	27,436	28,016	27,851	29,705	72,413	37,156	100,123	62,628	0	61,776	786,580
52 Total Supply	3,416,613	2,463,228	1,879,468	1,741,105	1,720,466	1,810,931	2,919,079	3,256,632	3,369,813	3,145,095	2,844,079	3,265,481	31,831,991
53													
54 Storage Withdrawals													
55 Collins Field	0	0	0	0	0	0	0	0	200,000	500,000	442,500	257,500	1,400,000
56 Morton Field	0	0	0	0	0	0	0	100,000	300,000	500,000	352,500	167,500	1,420,000
57 Morton 16	40,600	0	0	0	0	0	0	0	0	0	0	0	40,600
58 ANR 1.0 Bcf	0	0	0	0	0	0	0	50,000	225,000	250,000	225,000	90,000	840,000
59 ANR 1.5 Bcf	0	0	0	0	0	0	0	53,000	260,000	290,000	260,000	95,000	958,000
60 Eaton Rapids	0	0	0	0	0	0	0	402,010	1,206,030	1,231,156	1,005,025	804,020	4,648,241
61 Northern Natural Gas	129,500	0	0	0	0	0	0	50,000	250,000	275,000	250,000	100,000	1,054,500
62 Consumers GBA	25,900	0	0	0	0	0	0	0	0	100,000	100,000	0	225,900
63 Total Withdrawals	196,000	0	0	0	0	0	0	655,010	2,441,030	3,146,156	2,635,025	1,514,020	10,587,241
64													
65 Total Supply	3,612,613	2,463,228	1,879,468	1,741,105	1,720,466	1,810,931	2,919,079	3,911,642	5,810,843	6,291,251	5,479,104	4,779,501	42,419,233

SEMCO Energy Gas Company
2006-2007 Estimated Cost of Gas - MPSC

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1 Supply Commodity Cost	\$23,989,732	\$16,837,313	\$11,922,391	\$11,361,744	\$11,709,198	\$12,644,135	\$21,797,471	\$29,466,711	\$34,206,003	\$33,707,753	\$31,228,254	\$34,530,137	\$273,400,841
2 Storage Commodity Cost	\$9,654	\$3,829	\$5,655	\$10,621	\$10,621	\$10,521	\$5,595	\$2,043	\$9,836	\$10,901	\$9,836	\$3,821	\$92,934
3 Transportation Comm. Cost	\$73,837	\$40,464	\$36,386	\$38,020	\$37,438	\$39,587	\$49,809	\$74,057	\$175,267	\$169,779	\$145,859	\$139,383	\$1,019,886
4 Total Commodity Costs	\$24,073,223	\$16,881,606	\$11,964,432	\$11,410,384	\$11,757,256	\$12,694,243	\$21,852,875	\$29,542,811	\$34,391,106	\$33,888,433	\$31,383,949	\$34,673,341	\$274,513,660
5													
6 Wdl Storage Value	\$1,564,256	\$0	\$0	\$0	\$0	\$0	\$0	\$4,854,569	\$18,066,185	\$23,320,350	\$19,518,397	\$11,229,870	\$78,553,627
7 Inj Storage Value	\$9,359,964	\$6,104,371	\$5,954,033	\$6,086,981	\$6,346,983	\$6,463,891	\$6,199,261	\$0	\$0	\$0	\$0	\$0	\$46,515,484
8 Total Storage Inventory Value	(\$7,795,707)	(\$6,104,371)	(\$5,954,033)	(\$6,086,981)	(\$6,346,983)	(\$6,463,891)	(\$6,199,261)	\$4,854,569	\$18,066,185	\$23,320,350	\$19,518,397	\$11,229,870	\$32,038,142
9													
10 Storage Fixed Cost	\$459,279	\$459,279	\$530,619	\$530,619	\$530,619	\$530,619	\$530,619	\$459,279	\$459,279	\$459,279	\$459,279	\$459,279	\$5,868,053
11 Transportation Fixed Cost	\$1,660,407	\$873,129	\$873,129	\$873,129	\$873,129	\$873,129	\$958,502	\$2,085,915	\$2,085,915	\$2,085,915	\$2,085,915	\$2,085,915	\$17,414,130
12 Total Fixed Costs	\$2,119,687	\$1,332,408	\$1,403,748	\$1,403,748	\$1,403,748	\$1,403,748	\$1,489,122	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$23,282,183
13													
14													
15 GCR Demand (Dth)	2,190,211	1,493,484	876,962	749,202	729,165	822,638	2,007,485	3,786,409	5,645,990	6,129,080	5,336,332	4,635,045	34,402,002
16													
17													
18 Commodity Cost of Gas	\$16,277,516	\$10,777,235	\$6,010,400	\$5,323,402	\$5,410,273	\$6,230,352	\$15,653,614	\$34,397,380	\$52,457,291	\$57,208,783	\$50,902,345	\$45,903,211	\$306,551,802
19 Fixed Cost of Gas	\$2,119,687	\$1,332,408	\$1,403,748	\$1,403,748	\$1,403,748	\$1,403,748	\$1,489,122	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$23,282,183
20 Capacity Release Revenue	(\$430,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$430,000)
21 Total Cost of Gas	\$17,967,202	\$12,109,643	\$7,414,148	\$6,727,151	\$6,814,021	\$7,634,100	\$17,142,736	\$36,942,575	\$55,002,486	\$59,753,978	\$53,447,540	\$48,448,406	\$329,403,985

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of application of)
SEMCO ENERGY GAS COMPANY for authority to)
implement a gas cost recovery plan and factors for)
the 12-month period of April 2006 through March 2007.)
_____)

Case No. U-14718

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

1 **Q. Please state your name, business address.**

2 A. My name is Walter E. Fitzgerald. My business address is 1411 Third Street, Port Huron,
3 MI, 48060.

4 **Q. Did you previously file direct testimony in this proceeding?**

5 A. Yes.

6 **Q. Are you sponsoring any exhibits with your amended testimony?**

7 A. Yes, I am sponsoring Revised Exhibit A-20 (WEF-15), Revised Exhibit A-21 (WEF-16),
8 and Revised Exhibit A-12 (WEF-7).

9 **Q. Were these exhibits prepared by you or under your direct supervision?**

10 A. Yes.

11 **Q. What is the purpose of your amended testimony?**

12 A. The purpose of my amended testimony is to revise the Company's 06-07 GCR supply
13 purchase plan and the Company's 06-07 estimated cost of gas resulting from the
14 Company's revised 06-07 GCR demand forecast presented in Mr. John Alger's
15 testimony.

16 **Q. Please explain Revised Exhibit A-20 (WEF-15).**

17 A. This exhibit provides a summary of the Company's revised expected GCR demand, as
18 described in Mr. John Alger's amended testimony, for the 06-07 GCR period and how
19 that demand is expected to be supplied.

20 Q. Please discuss the revisions to this exhibit from what was originally filed in December of
21 2005.

22 A. The revisions to this exhibit include a lower GCR demand forecast, actual storage
23 injections for April and May of 2006, lower than anticipated storage injections during the
24 summer of 2006 (as a result of higher than anticipated end of winter storage

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

inventories), and lower monthly supply requirements (as a result of the reduced storage injections and the lower GCR demand forecast).

Q. How will the Company's 06-07 fixed-price purchase plan quantities change as a result of the Company's revised 06-07 winter demand forecast?

A. As a result of the Company's lower winter demand expectations, the Company plans to reduce its planned winter fixed-price purchases from 6,945,449 Dth to approximately 6,056,646 Dth or 40% of the Company's revised winter supply requirements (winter demand less winter storage supply at approximately 40% or 25,532,855 Dth – 10,391,241 = 15,141,614 Dth x 0.40 = 6,056,646).

Q. How much fixed-price supply for the 06-07 winter period has the Company purchased to date?

A. As of July 1, 2006, the Company has purchased approximately 3,171,000 Dth of fixed-price supply for the 06-07 winter period or 21% of the Company's revised winter supply requirements.

Q. How will the Company purchase the remaining quantity of fixed-price supply for the 06-07 winter GCR period to meet the 40% November 1st DCA fixed-price target?

A. For the November 1st DCA fixed-price target, the Company will purchase and fix the price on a minimum of 2,885,646 Dth in four relatively equal installments beginning in July and ending in October of the 06-07 GCR period.

Q. Using the April 2006 – March 2007 NYMEX futures strip average for the first five trading days in May, as shown in Revised Exhibit A-12 (WEF-7), what revised total cost of gas is the Company estimating for the 06-07 GCR period?

A. The Company is now estimating a total cost of gas of \$329,403,985. This amount includes a total commodity cost of gas of \$306,551,802 and total fixed storage and

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

1 pipeline cost (demand charges) of \$23,282,183 adjusted for a capacity release value of
2 \$430,000.

3 Q. Why was the April 2006 – March 2007 NYMEX futures strip average for the first five
4 trading days of May used to estimate the Company's total cost of gas?

5 A. The Company believes that the April 2006 – March 2007 NYMEX futures strip average
6 for the first five trading days of May accurately reflects the projected level of winter
7 prices.

8 Q. Please explain.

9 A. As a result of the relatively warm 05-06 winter, national storage inventories were well
10 above the five-year average which resulted in falling NYMEX futures prices for the 2006
11 summer. This caused a ripple effect of dragging down the NYMEX 06-07 winter strip
12 prices. As time gets closer to November, the Company expects winter 06-07 prices to
13 rebound upward as the result of demand and storage deliverability speculation.

14 **Q. What will be the Company's resulting revised GCR factor from this estimated cost**
15 **of gas for the 06-07 GCR period?**

16 A. The resulting revised GCR factor for the 06-07 GCR period for the M.P.S.C. operational
17 district customers is discussed by Mr. John Alger.

18 Q. What drivers are influencing the Company's GCR factor for the 06-07 GCR period?

19 A. The drivers that are influencing the Company's GCR factor for the 06-07 GCR period
20 include a lower demand forecast over the GCR period, lower than anticipated storage
21 injections during the summer of 2006 as a result of higher than anticipated end of winter
22 storage inventories, use of the April 2006 – March 2007 NYMEX futures strip average for
23 the first five trading days of May, and a higher level of storage withdrawals on a
24 percentage basis as a result of the lower winter demand forecast,

25 **Q. Does this complete your amended testimony at this time?**

AMENDED TESTIMONY AND EXHIBITS
OF WALTER E. FITZGERALD
ON BEHALF OF SEMCO ENERGY GAS COMPANY

1 A. Yes, it does.

SEMCO ENERGY Gas Company
Revised 06-07 NYMEX Forecast
(US\$ per Dth)

1 NYMEX Settlement Prices

2	Month	5/1/06	5/2/06	5/3/06	5/4/06	5/5/06	Average
3	Apr-06	7.2330	7.2330	7.2330	7.2330	7.2330	7.2330
4	May-06	7.1980	7.1980	7.1980	7.1980	7.1980	7.1980
5	Jun-06	6.6950	6.7460	6.6060	6.9060	6.7750	6.7456
6	Jul-06	6.9700	7.0160	6.8660	7.1460	7.0320	7.0060
7	Aug-06	7.2300	7.2810	7.1260	7.3860	7.2820	7.2610
8	Sep-06	7.5150	7.5660	7.4060	7.6660	7.5670	7.5440
9	Oct-06	7.9100	7.9610	7.7860	8.0510	7.9670	7.9350
10	Nov-06	9.3550	9.3960	9.2660	9.3910	9.3320	9.3480
11	Dec-06	10.7700	10.7860	10.6910	10.6910	10.6820	10.7240
12	Jan-07	11.5300	11.5410	11.4560	11.3910	11.4200	11.4676
13	Feb-07	11.5370	11.5530	11.4760	11.4060	11.4400	11.4824
14	Mar-07	11.3400	11.3510	11.2710	11.2010	11.2350	11.2796

SEMCO Energy Gas Company
2006-2007 Supply Purchase Plan - MPSC
(Quantities in Dth)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1 GCR Demand	2,190,211	1,493,484	876,962	749,202	729,165	822,638	2,007,485	3,786,409	5,645,990	6,129,080	5,336,332	4,635,045	34,402,002
2													
3 Fuel Consumed													
4 Pipeline Transport	94,143	79,400	67,646	63,850	63,248	66,906	84,041	123,223	158,823	156,015	137,747	140,436	1,235,480
5 Storage Injections	13,059	8,944	9,739	9,350	9,350	9,286	8,160	0	0	0	0	0	67,888
6 Storage Withdrawals	0	0	0	0	0	0	0	2,010	6,030	6,156	5,025	4,020	23,241
7 Total Fuel	107,202	88,344	77,386	73,200	72,598	76,193	92,201	125,233	164,853	162,171	142,773	144,456	1,326,610
8													
9 Storage Injections													
10 Collins Field	52,700	142,000	91,000	120,500	120,500	120,500	119,800	0	0	0	0	0	767,000
11 Morton Field	285,800	65,100	52,700	78,800	78,800	78,800	78,600	0	0	0	0	0	718,600
12 Morton 16	0	41,800	3,421	0	0	0	0	0	0	0	0	0	45,221
13 ANR 1.0 Bcf	139,200	65,100	39,200	27,400	27,400	27,400	28,300	0	0	0	0	0	354,000
14 ANR 1.5 Bcf	245,400	87,900	170,900	91,500	91,500	91,500	76,300	0	0	0	0	0	855,000
15 Eaton Rapids	592,100	466,300	369,800	353,500	353,500	353,500	353,300	0	0	0	0	0	2,842,000
16 Northern Natural Gas	0	0	198,100	204,703	204,703	198,100	148,893	0	0	0	0	0	954,500
17 Consumers GBA	0	13,200	0	42,300	42,300	42,300	14,200	0	0	0	0	0	154,300
18 Total Injections	1,315,200	881,400	925,121	918,703	918,703	912,100	819,393	0	0	0	0	0	6,690,621
19													
20 Total Requirements	3,612,613	2,463,228	1,879,468	1,741,105	1,720,466	1,810,931	2,919,079	3,911,642	5,810,843	6,291,251	5,479,104	4,779,501	42,419,233
21													
22 Supply													
23 ANR AI TS-1	150,000	155,000	150,000	155,000	155,000	150,000	155,000	0	0	0	0	0	1,070,000
24 ANR AI WH	216,549	223,767	0	0	0	0	223,767	441,318	456,029	456,029	411,897	456,029	2,885,383
25 ANR CG	831,680	183,662	0	0	0	0	372,086	0	0	0	0	0	1,387,428
26 ANR SE WH	151,024	156,058	0	0	0	0	156,058	203,776	98,382	0	0	0	765,298
27 ANR SW EP-10	0	0	0	0	0	0	155,000	0	0	0	0	0	155,000
28 ANR SW EP-4	150,000	0	0	0	0	0	0	0	0	0	0	0	150,000
29 ANR SW EP-5	0	155,000	0	0	0	0	0	0	0	0	0	0	155,000
30 ANR SW EP-6a	0	0	150,000	0	0	0	0	0	0	0	0	0	150,000
31 ANR SW EP-6b	0	0	150,000	0	0	0	0	0	0	0	0	0	150,000
32 ANR SW EP-7a	0	0	0	155,000	0	0	0	0	0	0	0	0	155,000
33 ANR SW EP-7b	0	0	0	155,000	0	0	0	0	0	0	0	0	155,000
34 ANR SW EP-8	0	0	0	0	155,000	0	0	0	0	0	0	0	155,000
35 ANR SW EP-9	0	0	0	0	0	150,000	0	0	0	0	0	0	150,000
36 ANR SW TS-1	150,000	155,000	150,000	155,000	155,000	150,000	155,000	0	0	0	0	0	1,070,000
37 ANR SW WH	607,323	627,567	418,817	306,122	452,057	547,553	627,567	697,323	720,567	720,567	650,835	720,567	7,096,866
38 CECO CG	219,387	13,767	0	0	0	0	14,810	0	0	0	0	0	247,964
39 DCA-1a ANRSE	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
40 DCA-1b ANRSE	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
41 DCA-2 ANRSW	0	0	0	0	0	0	0	210,000	217,000	217,000	196,000	217,000	1,057,000
42 DCA-3 ANR AI	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
43 DCA-3 TGC	0	0	0	0	0	0	0	105,000	108,500	108,500	98,000	108,500	528,500
44 GRTLKS Emrsn	19,737	20,395	0	0	0	0	20,395	482,967	499,066	499,066	450,769	499,066	2,491,461
45 GRTLKS Term1	455,850	471,045	455,850	471,045	471,045	455,850	471,045	0	0	0	0	0	3,251,730
46 GRTLKS Term2	0	0	0	0	0	0	0	228,000	235,600	235,600	212,800	235,600	1,147,600
47 GRTLKS Term3	0	0	0	0	0	0	0	228,000	235,600	235,600	212,800	235,600	1,147,600
48 LOCAL PROD	9,570	9,889	9,570	9,889	9,889	9,570	9,889	9,570	9,889	9,889	1,493	9,889	108,996

SEMCO Energy Gas Company
2006-2007 Supply Purchase Plan - MPSC
(Quantities in Dth)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
49 NNG TS-1	0	77,500	75,000	77,500	77,500	75,000	77,500	0	0	0	0	0	460,000
50 NNG WH	158,073	172,522	292,796	228,533	217,125	243,253	408,549	298,522	363,557	274,717	315,485	395,954	3,369,085
51 TGC WH	297,420	42,056	27,436	28,016	27,851	29,705	72,413	37,156	100,123	62,628	0	61,776	786,580
52 Total Supply	3,416,613	2,463,228	1,879,468	1,741,105	1,720,466	1,810,931	2,919,079	3,256,632	3,369,813	3,145,095	2,844,079	3,265,481	31,831,991
53													
54 Storage Withdrawals													
55 Collins Field	0	0	0	0	0	0	0	0	200,000	500,000	442,500	257,500	1,400,000
56 Morton Field	0	0	0	0	0	0	0	100,000	300,000	500,000	352,500	167,500	1,420,000
57 Morton 16	40,600	0	0	0	0	0	0	0	0	0	0	0	40,600
58 ANR 1.0 Bcf	0	0	0	0	0	0	0	50,000	225,000	250,000	225,000	90,000	840,000
59 ANR 1.5 Bcf	0	0	0	0	0	0	0	53,000	260,000	290,000	260,000	95,000	958,000
60 Eaton Rapids	0	0	0	0	0	0	0	402,010	1,206,030	1,231,156	1,005,025	804,020	4,648,241
61 Northern Natural Gas	129,500	0	0	0	0	0	0	50,000	250,000	275,000	250,000	100,000	1,054,500
62 Consumers GBA	25,900	0	0	0	0	0	0	0	0	100,000	100,000	0	225,900
63 Total Withdrawals	196,000	0	0	0	0	0	0	655,010	2,441,030	3,146,156	2,635,025	1,514,020	10,587,241
64													
65 Total Supply	3,612,613	2,463,228	1,879,468	1,741,105	1,720,466	1,810,931	2,919,079	3,911,642	5,810,843	6,291,251	5,479,104	4,779,501	42,419,233

SEMCO Energy Gas Company
2006-2007 Estimated Cost of Gas - MPSC

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1 Supply Commodity Cost	\$23,989,732	\$16,837,313	\$11,922,391	\$11,361,744	\$11,709,198	\$12,644,135	\$21,797,471	\$29,466,711	\$34,206,003	\$33,707,753	\$31,228,254	\$34,530,137	\$273,400,841
2 Storage Commodity Cost	\$9,654	\$3,829	\$5,655	\$10,621	\$10,621	\$10,521	\$5,595	\$2,043	\$9,836	\$10,901	\$9,836	\$3,821	\$92,934
3 Transportation Comm. Cost	\$73,837	\$40,464	\$36,386	\$38,020	\$37,438	\$39,587	\$49,809	\$74,057	\$175,267	\$169,779	\$145,859	\$139,383	\$1,019,886
4 Total Commodity Costs	\$24,073,223	\$16,881,606	\$11,964,432	\$11,410,384	\$11,757,256	\$12,694,243	\$21,852,875	\$29,542,811	\$34,391,106	\$33,888,433	\$31,383,949	\$34,673,341	\$274,513,660
5													
6 Wdl Storage Value	\$1,564,256	\$0	\$0	\$0	\$0	\$0	\$0	\$4,854,569	\$18,066,185	\$23,320,350	\$19,518,397	\$11,229,870	\$78,553,627
7 Inj Storage Value	\$9,359,964	\$6,104,371	\$5,954,033	\$6,086,981	\$6,346,983	\$6,463,891	\$6,199,261	\$0	\$0	\$0	\$0	\$0	\$46,515,484
8 Total Storage Inventory Value	(\$7,795,707)	(\$6,104,371)	(\$5,954,033)	(\$6,086,981)	(\$6,346,983)	(\$6,463,891)	(\$6,199,261)	\$4,854,569	\$18,066,185	\$23,320,350	\$19,518,397	\$11,229,870	\$32,038,142
9													
10 Storage Fixed Cost	\$459,279	\$459,279	\$530,619	\$530,619	\$530,619	\$530,619	\$530,619	\$459,279	\$459,279	\$459,279	\$459,279	\$459,279	\$5,868,053
11 Transportation Fixed Cost	\$1,660,407	\$873,129	\$873,129	\$873,129	\$873,129	\$873,129	\$958,502	\$2,085,915	\$2,085,915	\$2,085,915	\$2,085,915	\$2,085,915	\$17,414,130
12 Total Fixed Costs	\$2,119,687	\$1,332,408	\$1,403,748	\$1,403,748	\$1,403,748	\$1,403,748	\$1,489,122	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$23,282,183
13													
14													
15 GCR Demand (Dth)	2,190,211	1,493,484	876,962	749,202	729,165	822,638	2,007,485	3,786,409	5,645,990	6,129,080	5,336,332	4,635,045	34,402,002
16													
17													
18 Commodity Cost of Gas	\$16,277,516	\$10,777,235	\$6,010,400	\$5,323,402	\$5,410,273	\$6,230,352	\$15,653,614	\$34,397,380	\$52,457,291	\$57,208,783	\$50,902,345	\$45,903,211	\$306,551,802
19 Fixed Cost of Gas	\$2,119,687	\$1,332,408	\$1,403,748	\$1,403,748	\$1,403,748	\$1,403,748	\$1,489,122	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$2,545,195	\$23,282,183
20 Capacity Release Revenue	(\$430,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$430,000)
21 Total Cost of Gas	\$17,967,202	\$12,109,643	\$7,414,148	\$6,727,151	\$6,814,021	\$7,634,100	\$17,142,736	\$36,942,575	\$55,002,486	\$59,753,978	\$53,447,540	\$48,448,406	\$329,403,985