Michcon

Currently under a fixed price structure – trying to unwind and go under GCR – to promote competition. When fixed price was approved – they hedged for a warmer than normal season for each of the program's three years. Buy the short at market. They are short for normal or colder seasonally and they expected more migration. What happens to the value of the hedges if fixed price goes away? Do they make profit or does is go to reduce base rates?

Fuel switchables – there are a few, historically, they do nothing – no sign of switching yet.

Peak –
2.9 Bcf peak
Rely heavily on storage – 85% of peak served by regulated storage
Storage – 2.465 Bcf
Transport - .33 Bcf
Production Gas - Remainder

Storage –
150 Bcf capacity - 2.5Bcf MDWQ
60 Bcf unregulated

Taggard field – 40 Bcf – B/L out, Central Mich

Washington 10 – new aquafir storage (1.5 years old), 42 Bcf capacity

Belle River -

Transportation
Regulated
ANR – 300,000
Great Lakes – 30,000

Unregulated
PEPL – 30,000
Trunkline – 100,000

Sales
Regulated - 250Bcf annually
Unregulated – 500 Bcf annually

Third party transporters bring in 1/365th/day – balancing by Michcon – cost embedded in base rates.
Monthly balancing – to a % - *if you take over 108% of what you brought in, you owe gas next month?*
Monthly metering

Base and Slope of sendout?